

Date: _____ Approved: _____

THE VIRGINIA MUSEUM OF FINE ARTS
Minutes of the Meeting of the Board of Trustees
Wednesday, 15 February 2012, 1:00 pm
The Claiborne Robertson Room

Presiding: Thurston R. Moore, President
Secretary: Ms. Suzanne Broyles

There were present:

Thurston R. Moore, President
Mrs. Suzanne T. Mastracco, Statewide Vice-President

Karen C. Abramson
Martin J. Barrington
Alfonso L. Carney, Jr.
Mrs. Whitt W. Clement
Mrs. Louise B. Cochrane
Michael M. Connors
W. Birch Douglass III
Thomas F. Farrell II
Cynthia Kerr Fralin
Susan S. Goode
Dr. Elizabeth F. Harris
Ivan P. Jecklin
Mrs. Jane Joel Knox
Mrs. Stanley F. Pauley
Ms. Deborah H. Quillen
Agustin Rodriguez
Michael J. Schewel
Charles H. Seilheimer, Jr.
Ranjit K. Sen
John R. Staelin
Dr. Shantaram K. Talegaonkar

By Invitation:

Alex Nyerges, Director
Stephen D. Bonadies
Ms. Suzanne Broyles
Dr. Lee Anne Chesterfield
Ms. Linda Lipscomb
Ms. Joan W. Murphy
Robin Nicholson
Ms. Fern Spencer
Ms. Emily V. Webb

Absent:

James C. Cherry
G. Moffett Cochran
John H. Hager
Ms. Frances A. Lewis

H. Eugene Lockhart, Jr.
 John A. Luke, Jr.
 Marlene A. Malek
 Steven A. Markel
 James W. McGlothlin
 William A. Royall, Jr.
 Dr. Alvin J. Schexnider
 Dr. Lindley T. Smith

I. CALL TO ORDER

The President, Thurston R. Moore, called the meeting to order at 1:10 pm and welcomed Emily V. Webb, Special Assistant and Policy Liaison for Education of the Governor's office. He also welcomed new trustee Charles Seilheimer of Orange who was appointed in October and is attending his first meeting today.

II. MINUTES

Motion: proposed by Mr. Moore, seconded by Mr. Carney that the Minutes of the last meeting of the Full Board of Trustees held on the 17th of November 2011 be approved as distributed on the 28th of December 2011. Motion carried.

III. REPORT OF THE PRESIDENT – Thurston R. Moore

President Thurston Moore encouraged all Trustees to attend the Legislative Event scheduled for this evening at 6:00 pm to interact with the state legislators. He noted that this follows the champagne reception for MeadWestvaco's naming of the VMFA Art Education Center. He announced that the next quarterly trustee meetings will be held on Wednesday, May 16th followed by a "behind the scenes tour" of the *Maharaja* exhibition and added that the VIP reception for that exhibition is on Saturday, May 19th.

Mr. Moore explained that it is time to gather names for submission to the Governor before the end of April. As of July 1, 2012 five Trustees: Al Carney, Birch Douglass, Susan Goode, Agustin Rodriguez, and Alvin Schexnider are eligible for reappointment by the Governor. Two board slots will open up with the departure of Frances Lewis and Dorothy Pauley who have served two successive terms, are ineligible for reappointment, and will be greatly missed. He asked all board members to submit names of individuals whose qualifications meet the guidelines for prospective trustees, as listed in the distributed document. We need a long creative list with emphasis on financial leadership and statewide representation. Names should be submitted to Suzanne Broyles by March 14th. The Executive Committee will then deliberate and select nominees to send to Governor McDonnell for his consideration. The Governor has been remarkably supportive of our recommendations and we look forward to hearing his decision.

IV. REPORT OF THE DIRECTOR – Alex Nyerges

Alex Nyerges discussed the proposed changes to the “Friends” Museum Support Groups. He indicated that he has received many objections to the proposal and therefore has gone back to the beginning. He apologized for not paying attention to the individual needs of the groups (despite his best intentions), and noted that the plan was reevaluated prior to moving ahead. He explained that he has been meeting with representatives of the groups and it was never his intention to get rid of the support groups. The new system will allow members to choose their area of support and more programs will be available for more people. He has reinstated the groups’ names, and social events in members’ homes and off campus will be continued. He noted that Collector’s Circle continues with Frances Lewis being named Collector of the Year at their June 27th gala. VMFA Trustee, Dr. Talegaonkar thanked Mr. Nyerges for addressing his concerns and said this reevaluation is satisfactory. Trustee Jane Knox agreed that change is needed as the VMFA has recently grown so rapidly. The Director stated that we will work to enhance members’ experience as we implement the changes. Alex Nyerges mentioned that we are working on *Maharaja* fundraising and thanked Ranjit Sen and Shantaram Talegaonkar who have been building support from the Indian community for this magnificent exhibition.

V. REPORT OF THE FOUNDATION – Alex Nyerges

Alex Nyerges announced that Dr. Monroe E. Harris, Jr., President of the VMFA Foundation Board of Directors, could not be with us today. The Director reported that recently the Foundation Executive Committee reviewed minor tweaks in the Operating Agreement between the VMFA and the VMFA Foundation, such as listing Alex Nyerges as COO and Fern Spencer as CFO. Counsel will review the agreement for final approval. Mr. Nyerges told the group to look for an upcoming e-mail about our great returns on investments which bested that of the college and university world by more than 4%. He noted that the Foundation recently received \$8.1 million from the Arthur Glasgow Trust and \$46.9 million from the Margaret Glasgow Trust and the Investment Committee is currently looking at different allocations and will begin investing that money within the next 30 days.

VI. REPORT OF DEVELOPMENT – Linda Lipscomb, Deputy Director for Advancement

Linda Lipscomb described the final close out of the Expansion Campaign and Top Ten saying we will reconcile expenses and revenue to date, and develop a financial model for sustaining transformation and building the future for finance and advancement. She explained that since FY08-09, support from combined state and operating endowment has dropped from nearly 80% of the operating budget to 60% in FY12 as the operating budget has grown by \$10 million to \$30 million. To start the planning process she will hold interviews with Trustees and Directors on the future look of VMFA. She plans on three to four meetings in the summer of 2012. She provided a plan for sustainable exhibition support for FY2012 through 2015 saying the robust exhibition program is central to the success and growth of VMFA. She noted several exhibition funding challenges such as balancing the immediate need of funding exhibitions over the next 2-3 fiscal years and building a pool of funds for exhibition planning to

move beyond reliance on ad hoc funding by exhibition; with the longer term critical need of building an exhibition endowment and moving from relying on traveling exhibitions to a mix of VMFA-organized and traveling shows. Ms. Lipscomb then reviewed the membership and development revenues year to date as of February 3, 2012. She announced that as of January 31, members totaled 43,127. From February through May the 22,000 memberships acquired during *Picasso* will expire and her focus is on retention and renewals. She said that 48% of the visitors to *Mummy* are Museum members. Membership staff has targeted members with flyers and e-mail communications and special discounts through February, which we have deemed “Members Month.”

VII. COMMITTEE REPORTS

a. Art and Audience Committee – Robin Nicholson, Deputy Director for Art & Education

Robin Nicholson reported that the Committee met this morning and reviewed two issues, the proposed changes to the use of permanent and rotating galleries and the proposed change to statewide partner benefits. Mr. Nicholson explained that our experience with banner exhibitions in the expansion has shown us that the most effective way to use the temporary exhibition galleries is to use the entire lower level for each show. This will be done for the next four banner exhibitions. We also need a medium sized, flexible, temporary exhibition space for exhibitions such as *Xu Bing* and *Ehis*. Therefore we will be retaining the Evans Court Gallery as a temporary exhibition space moving forward; and it will not revert to permanent collection spaces as once planned. We will then make the Focus 1 & 2 galleries into permanent collection spaces. This will make the Evans Court Gallery a destination, and visitors will see more of our permanent collection as they walk through other parts of the Museum.

The Art & Audience Committee also began a discussion of a proposed new model for Statewide Partnership structure and benefits. Mr. Nicholson reviewed the proposed four tiered program saying the Committee examined these changes and when they are further developed and finalized, they will be brought to the Full Board.

b. Fiscal Oversight Committee – John R. Staelin, Vice-Chair

Fern Spencer gave a summary of the information in the December 31, 2011 financials and commented on selected revenue items. She provided the Budget Revisions Summary Report and promised to send that document out to all Trustees. Ms. Spencer noted that admissions were lagging due to less than anticipated performance of our Fabergé exhibition. However, membership sales are going well. It is hoped that the 22,000 members who joined last year for *Picasso*, and are now up for renewal, will renew their memberships. Ms. Spencer told how the *Mummy* exhibition’s earned revenue number was adjusted down and we are on our way to meeting that new goal. President Moore explained that there is a learning curve for getting the right recipe for our banner and smaller exhibitions and we now have more realistic admissions and revenue numbers. He noted that we are very confident that this first cycle of membership renewals will exceed our expectations.

At 2:00 pm the meeting went into closed session for the Art Acquisitions Sub-Committee report.

Motion: proposed by Mr. Moore, seconded by Mr. Luke that the meeting to go into closed session under Section 2.2-3711(A) (6), (8), and (9) of the Freedom of Information Act to discuss the investing of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the Museum would be adversely affected, and to discuss and consider matters relating to specific gifts, bequests, and fundraising activities, and grants and contracts for services to be performed, and for discussion of matters relating to specific gifts, bequests, and grants.
Motion carried.

At 2:10 pm by motion proposed, seconded, and carried, the meeting resumed in open session.

Motion: proposed by Mr. Moore and seconded by Mrs. Harris, that the Board certify that the closed session just held was conducted in compliance with Virginia State law, as set forth in the Certification Resolution distributed and appended to these minutes. Motion carried.

A roll call vote was taken by the Secretary, the results of which are outlined in the First Certification Resolution below.

Motion: proposed by Mr. Moore and seconded by Mr. Staelin that the Board ratify the recommendation the Art Acquisitions Sub-Committee made in today's meeting to accept the following purchase consideration for the amount and from the fund specified, subject to export license, a conservation inspection, and one final review:

1. Francisco Xavier dos Santos called "das Conchos" (Brazilian, 1739-1804), Our Lady of Piety, late 18th century, polychrome wood and shells, approx. 37³/₄ x 18¹/₈ x 9⁷/₈", for a price of \$129,000, Vendor: Coll & Cortes Fine Arts, Madrid, Spain; Source: The John P. Alexander Fund

and the following gift/purchase consideration:

1. Karl I. H. Müller (American, born Germany, ca. 1820-1887), designer, for Union Porcelain Works (active 1863-ca. 1922), manufacturer, Century Vase, ca. 1876-77, Greenpoint (Brooklyn), New York, porcelain with bisque and glazed surfaces, partially painted and gilded, 12³/₄" high, for a price of \$68,000 (\$85,000 insurance value); Vendor/Donor: Robert Hunter and Marshall Goodman, Yorktown, VA; Source: The J. Harwood and Louise B. Cochrane Fund for American Art

and the following gift considerations:

1. Indian, North India, probably Kashmir, Fragment of a Sash (Patka) or Scarf (Dupatta) with Paisley Motif, 18th century, Shawl-cloth: loom-woven fine wool threads, 13¹/₂ x 27"
Indian, North India, Fragment of a Striped Textile, 18th century, loom-woven silk and gold wrapped silk threads, 21¹/₂ x 17"; Gift of Muriel B. Christison, Richmond, VA
2. Tiffany and Company (1837-present), retailer, Ornamental Hair Comb, ca. 1880, sterling, 7"h
Gift of Marie Elizabeth Mason, Richmond, VA

Motion carried.

VIII. STRATEGIC PLAN OVERSIGHT UPDATE – Alex Nyerges

Alex Nyerges reviewed the FY12 Second Quarter Strategic Plan update giving a snapshot of the changes since last quarter. He explained that under Strategy One, the first initiative is delayed as the gallery flooring needs replacing. Strategy Two shows that the employee training courses have been delayed by the state mandated budget cuts. Under Strategy Three the first initiative has been delayed as resources were redeployed to address mid-year budget analysis and the third, performance incentives, is delayed but we anticipate significant progress in Quarter 3. Strategy Four shows one delay and we have drafted a foundation funding request for the Digital Asset and Collections Management Systems and expect results by July 1, 2012. Strategy 5 has two delays but we have started on groundwork for the next Capital Campaign focused on endowment enhancement and we are nearing the half way point. The last initiative involving exhibition fundraising is delayed, however, we have made good progress in planning.

The Director added that we have started on our FY13 Strategic Planning with Division Heads and their managers. All are working with the understanding that if it is not in the Strategic Plan, it is not in the budget. Thurston Moore thanked Ranjit Sen, Chair of the Technology Task Force, who has recruited technology leaders from local companies to give us technology advice and insight at no charge. Mr. Nyerges reported that Marty Barrington, Thurston Moore, and Suzanne Broyles have been working on a Board Survey that will be sent to Trustees electronically in the near future. This will allow you to voice your opinions on how satisfied you are with meeting preparation materials, etc., so that we can implement any changes necessary.

IX. ART MOMENT – Alex Nyerges, Director

The Director, Alex Nyerges, gave a PowerPoint showing highlights of the many 75th Anniversary gifts received in 2011. He had challenged the curatorial staff to try to come up with 75 gifts for our 75th Anniversary year and they felt that was a very big number and weren't sure they could manage that many. Mr. Nyerges said this institution has a great history of gifts and the results of his challenge were fabulous, 210 gifts were received against the goal of 75! He thanked Trustees and Foundation Directors for their generous gifts.

X. EXECUTIVE CLOSED SESSION

President Moore asked the VMFA staff to leave the meeting and made the following motion at 2:35 pm.

Motion: proposed by Mr. Moore and seconded by Mrs. Knox that the meeting go into closed session under the Virginia Freedom of Information Act, Section 2.2-3711 (A) subsection (1) of the Code of Virginia to discuss a personnel matter which is not public. Motion carried.

At 2:50 pm by motion proposed, seconded, and carried, the meeting resumed in open session.

Motion: proposed by Mr. Moore and seconded by Mr. Staelin, that the Board certify that the closed session just held was conducted in compliance with Virginia State law, as set forth in the Certification Resolution distributed and appended to these minutes. Motion carried.

A roll call vote was taken, the results of which are outlined in the Second Certification Resolution below.

XI. OTHER BUSINESS/ADJOURNMENT

There being no further business, President Moore asked those present to meet the staff in the hall for the optional group tour of Art Storage. The meeting was adjourned at 2:52 pm.

Suzanne Broyles
Secretary of the Museum

MOTION: Mr. Moore
SECOND: Ms. Fralin

MEETING: Board of Trustees
DATE: 15 February 2012

FIRST CERTIFICATION OF CLOSED MEETING

WHEREAS, the Full Board of Trustees has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Full Board of Trustees hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Full Board of Trustees.

VOTE

AYES: Moore/Mastracco/Abramson/Carney/Clement/Cochrane/Connors/ Douglass
Farrell/Fralin/Goode/Harris/Jecklin/Knox/Pauley/Quillen/Rodriguez/
Schewel/Seilheimer/Sen/Staelin/

NAYS: None

[For each nay vote, the substance of the departure from the requirements of the Act should be described.]

ABSENT DURING VOTE: Barrington/Talegaonkar

ABSENT DURING MEETING: Cherry/Cochran/Hager/Lewis/Lockhart/ Luke/Malek
Markel/McGlothlin/Royall/Schexnider/Smith

MOTION: Mr. Moore
 SECOND: Mr. Staelin

MEETING: Board of Trustees
 DATE: 15 February 2012

SECOND CERTIFICATION OF CLOSED MEETING

WHEREAS, the Full Board of Trustees has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Full Board of Trustees hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Full Board of Trustees.

VOTE

AYES: Moore/Mastracco/Abramson/Carney/Clement/Cochrane/Connors/Douglass
 Farrell/Fralin/Goode/Harris/Jecklin/Knox/Pauley/Quillen/Rodriguez
 Schewel/Seilheimer/Sen/Staelin

NAYS: None

[For each nay vote, the substance of the departure from the requirements of the Act should be described.]

ABSENT DURING VOTE: Barrington/Talegaonkar

ABSENT DURING MEETING: Cherry/Cochran/Hager/Lewis/Lockhart/ Luke/Malek
 Markel/McGlothlin/Royall/Schexnider/Smith

Suzanne Broyles
 Secretary of the Museum