

Date: \_\_\_\_\_ Approved: \_\_\_\_\_

VIRGINIA MUSEUM OF FINE ARTS  
Minutes of the Fiscal Oversight Committee Meeting  
Held, pursuant to due notice, in the Marble Hall, Main Museum  
Richmond, Virginia  
Thursday, February 18, 2010, 10:45 am

Presiding: Thurston R. Moore, Chairman  
Secretary: Ms. Trudy Norfleet

There were present:

Thurston R. Moore, Chairman  
Alfonso L. Carney, Jr.  
James C. Cherry  
Herbert A. Claiborne, Jr.  
Herbert A. Claiborne III  
John R. Curtis, Jr.  
W. Birch Douglass III  
Grant H. Griswold  
H. Hiter Harris III  
Mrs. Stanley F. Pauley  
Mrs. Richard R. Reynolds III  
Geoffrey P. Sisk  
John R. Staelin  
Joseph R. Vilseck, Jr.

By Invitation:

Ms. Carol Amato  
David A. Barbour  
David B. Bradley  
Leon Garnett  
Brian Haggard  
Ms. Joan W. Murphy  
Robin Nicholson  
Ms. Trudy Norfleet  
Alex Nyerges  
Ms. Nancy Parsons  
Ms. Cathy Turner  
Ms. Alexis Vaughn  
Richard B. Woodward

Absent:

William J. Armfield IV  
Mrs. Suzanne T. Mastracco  
Agustin Rodriguez  
Richard G. Tilghman

## I. CALL TO ORDER

The Chairman, Thurston R. Moore, called the meeting to order at 10:45 am.

## II. MINUTES

**Motion:** Proposed by Mr. Cherry and seconded by Mr. Douglass that the minutes of the last meeting of the Fiscal Oversight Committee held on November 18, 2009 be approved as distributed on January 26, 2010. Motion carried.

## III. DIRECTOR'S REMARKS

Mr. Nyerges commented that contributions to VMFA had increased and the status of endowments was improving.

## IV. DISCUSSION

### Budget

Ms. Amato reviewed the revised operating budget and explained the changes in both revenues and expenditures that had to be made since the budget was adopted by the Trustees in November 2009. Several of the figures are one-time revenues and expenses. She commented that the revised budget does include the expansion in days and hours that the museum would be open to the public.

Ms. Amato reported that the budget cut proposed by Governor McDonnell is an additional 5% for the 2010-2012 biennium, bringing the total to 15% for the next biennium. Until the House and Senate report their budgets and the Conference Committee meets to work through these two budgets along with the Governor's proposed budget changes, the final reduction and state funding for the museum will be unknown.

Ms. Amato went on to discuss how the recent retirements, future retirements and departures, and reorganization could affect the museum's budget. She commented that the goal is to have the Director's reorganization plan in place by the end of 2010. She reported that Governor McDonnell had communicated with state employees explaining that in his budget proposal he had included five (5) furlough days per fiscal year for state employees. He does not support former Governor Kaine's suggestions that state employees begin supporting their retirement plans at the rate of 1% in FY11 and 2% in FY12. McDonnell has suggested a 3% bonus in December 2011. This bonus would not be considered part of the employees' base salaries.

David Bradley commented that once the Conference Committee was selected, the museum will have an opportunity to influence their deliberations. He noted that everyone who has contacts with legislators should remember how supportive the Commonwealth has been to the museum in the past. Virginia faces challenging times, and the museum must do its part to support the efforts to bring the state budget into balance.

**Motion:** Proposed by Mr. Luke and seconded by Mr. Griswold that the revised budget to end on June 30, 2010 be adopted as presented. The motion carried.

Ms. Amato told the Committee that the museum was within budget for this fiscal year and hoped to have some money to return to the reserve fund.

#### Organizational Excellence

Nancy Raybin and Marty Barrington have been developing performance measures for the dashboard, new ways to look at the museum's goals, and ways to measure how well the museum is meeting those goals. A proposal on the new measures will be presented to the Fiscal Oversight Committee in May for review. The Divisions of the museum are currently working on strategies to meet the goals, but these strategies will need some revision based on the new budget reduction.

#### Funds for completing the Expansion and other Projects

The date for achieving substantial completion was not met and additional expenses for the architects and inspection firms have been incurred as the project moves along. Once the expansion is complete, insurance premiums will also increase. The amount of increase will not be determined until the insurers have an opportunity to walk through the completed building. Ms. Amato commented that based on her calculations, which included a small increase in insurance premiums, an additional \$500,000 would be required to reach substantial completion.

She added that another \$18.5 million is needed to complete the McGlothlin Wing and another \$6.3 million to complete the remaining projects associated with the expansion. She said that Alex Nyerges, David Bradley, and she would meet to discuss possible sources for this funding and asked anyone with ideas to contact her. Recommendations will be provided to the Committee at the next meeting.

## V. ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 11:40 am.

Trudy E. Norfleet  
Acting Secretary