

Date: _____ Approved: _____

VIRGINIA MUSEUM OF FINE ARTS
Minutes of the Fiscal Oversight Committee Meeting
Held, pursuant to due notice, in the Conference Suite Room #2
Richmond, Virginia
Wednesday, March 20, 2013, 10:30 am

Presiding: John A. Luke, Jr., Chair
Secretary: Ms. Suzanne Broyles

There were present:

John A. Luke, Jr., Chair
John R. Staelin, Vice-Chair
James C. Cherry
W. Birch Douglass III
Terrell Luck Harrigan
Satya Rangarajan
William A. Royall, Jr.
Michael J. Schewel
Thurston R. Moore, Ex-Officio

By Invitation:

Alex Nyerges, Director
Stephen D. Bonadies
Ms. Suzanne Broyles
Michael Guajardo
Ms. Anne Kenny-Urban
Ms. Linda Lipscomb
Robin Nicholson
Cameron O'Brien
Charles H. Seilheimer, Jr.
Ms. Fern Spencer
Ms. Cathy Turner

Absent:

Mary Anne Carlson
G. Moffett Cochran
Richard B. Gilliam
John H. Hager
H. Eugene Lockhart
Mrs. Suzanne T. Mastracco, Ex-Officio

I. Call to Order

Mr. John A. Luke, Jr., Committee Chair, called the meeting to order at 10:30 am and welcomed the group.

II. Minutes

Motion: proposed by Mr. Luke and seconded by Mr. Staelin that the minutes of the last meeting of the Fiscal Oversight Committee held on the 13th of December 2012 be approved as distributed on the 7th of March 2013. Motion carried.

III. Director's Remarks – Alex Nyerges

The Director thanked Robin Nicholson, Deputy Director for Art and Education, for the wonderful *Chibuly* exhibition results. He also thanked Anne Kenny-Urban, Manager of Budget Services, for her accurate *Chibuly* exhibition projections and said we have the procedure well honed now.

IV. Agency Preparedness, Capital Projects and Maintenance Reserve – Stephen Bonadies

Stephen Bonadies, Deputy Director for Collections and Facilities Management, said that six core areas were examined in our 2012 Agency Preparedness Assessment: Physical Security, Continuity of Operations Plan (COOP), Information Security, Document Protection, Fire Safety and Human Resources. He reported that our score went from 84 in 2011 to 90 in 2012. Areas where we can improve are:

- Conduct a review of the museum's physical security using an outside evaluator
- Review emergency contact information for all employees and update that annually
- Conduct COOP briefings for key staff within 90 days of hire
- Post signs of primary/secondary evacuation routes from each area of the building

Mr. Bonadies went on to report on maintenance reserve and gave a capital projects summary.

V. Financial Update – Fern Spencer

Fern Spencer, Chief Financial Officer, started her report with the favorable *Chibuly* exhibition results. The exhibition exceeded our forecast in ticket revenue, attendance, and per capita. Membership on-site sales were 11,423 or \$549,784. *Chibuly* also provided a significant boost to the Enterprises with both the Shop and Food Services/Special Events reporting their highest grossing months ever. Ms. Spencer fielded questions from the Committee and they discussed the exhibition results and their implications. She also provided a chart of exhibition results from FY2010 through the present for comparison purposes.

Fern Spencer gave an update on the strategic plan activity to have all departments provide budget projections:

- Initiated request for FY13 projections for February - June from each department
- Adjusted February statements for Food Services & Shop to include February year-to-date projections
- FY14 budget timeline established and first steps initiated
- Phase one staff training complete for FY14 budget preparation
- Goal established to have FY14 projections in place effective 7/1/2013.

She then addressed the Museum Operations Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance for the month ending January 2013 and February 2013 and fielded questions from the Committee.

Finally, Ms. Spencer reviewed financial adjustments mandated by legislative actions:

- Mandated 2% salary increase for full-time classified employees
- Salary compression adjustment of \$65 per year for those with 5+ yrs. Service (capped at 30 years)
- Robinson House capital project funding
- General Fund increase to restore Capital Projects Manager to full-time status (\$62,738)
- General Fund increase to cover rising cost of mandated use of the Payroll Service Bureau (\$35,588)

VI. Overview of Enterprise Activity – Cathy Turner

Cathy Turner, Director of Enterprise Operations and Visitor Services, gave a presentation on the organization of Food Services/Special Events noting that this division reports to Fern Spencer. Ms. Turner showed the revenue for the first half of FY13 for the Department as follows:

- | | |
|------------------|-------------|
| • Amuse | \$637,795 |
| • Best Café | \$502,077 |
| • Special Events | \$988,168 |
| • TOTAL | \$2,128,040 |

Ms. Turner touched on the success of the Museum Shop, particularly through the *Chibuly* exhibition. She reported that upgrading the Shop website so that it is specific for exhibition related items is now underway as well as other improvements.

VII. Other Business/Adjournment

Due to lack of meeting time it was decided that Linda Lipscomb's Advancement Update would be given at the 1:00 pm Full Board meeting. The Director distributed a resolution written by VMFA Counsel, Cameron O'Brien, Assistant Attorney General, for the committee's reaction and input. The Peninsula Fine Arts Center (PFAC) in Newport News and Christopher Newport University are merging and they would like us to relinquish our rights to the building currently occupied by PFAC. The donor of the building specified that the property would revert to VMFA's ownership if PFAC no longer used it. The Committee discussed possibly rewriting the resolution to request a perpetual plaque noting VMFA's gift. The matter was tabled to be addressed at the next Executive Committee meeting.

There being no further business, the meeting was adjourned by Chair John A. Luke, Jr. at 12:06 pm.

Suzanne Broyles
Secretary of the Museum