

Virginia Museum of Fine Arts
Meeting of the Fiscal Oversight Committee
(With Invited Guests: VMFA Foundation Budget and Compensation Committee)
Thursday, 30 March 2017, 11:30am
Theater Level Conference Room #1

There were present:

John A. Luke, Jr., Chair
Dr. Betty Crutcher
W. Birch Douglass III
Satya Rangarajan
Michael J. Schewel, Jr., Ex-officio

By invitation:

Alex Nyerges, Director
Stephen D. Bonadies
Dr. Lee Anne Chesterfield
Claudia E. Keenan
Laura Keller
Cameron O’Brion
Hossein Sadid
Kimberly Wilson

Absent:

Judy Niemyer, Vice Chair
Thomas F. Farrell II
Richard B. Gilliam
Steven A. Markel

I. CALL TO ORDER

At 11:47am, Chair John Luke called the meeting to order and welcomed the committee.

II. MINUTES APPROVAL

Motion: proposed by Mr. Seilheimer and seconded by Mr. Schewel that the minutes of the December 7, 2016 meeting of the Fiscal Oversight Committee be approved as distributed. Motion approved.

III. COMMITTEE CHARGE & AGENDA ROTATION

Mr. Luke presented a list of proposed agenda topics for the next several meetings, asking for any feedback the committee members might have. He then welcomed the group including the invited guests from the Foundation Budget and Compensation Committee.

IV. FY18 AND FY19 PROPOSED BUDGETS

The committee commended Chief Financial Officer Hossein Sadid and the rest of the museum leadership team for accelerating the budget process to produce a draft for review in time for the March quarterly meetings.

Mr. Sadid provided an overview of the draft FY18 and FY19 budgets, emphasizing the continued adherence to the budget principles established two years ago. He explained that this is the combined budget for the museum and the Foundation, noting that the two-year projection is also new, relating to the state's biennial budget process. The total combined budget for FY18 is \$43.8 million.

Next, Mr. Sadid reviewed several line items, including the addition of the Mellon exhibition revenue and an increase to the VITA fees on the museum side and an increase to debt service expenses on the Foundation side. Although general fund support has remained flat over the last six years, it has decreased as a percentage of the total budget with increased revenues from other sources. He noted that there is an increase to exhibition expenses, but there are correlated revenues from exhibitions, as well. There was a discussion of travelling other exhibitions for revenue, but Mr. Nyerges explained that organizing exhibitions like *Forbidden City*, which used parts of the permanent collection and borrowed from another institution, is more sustainable than lending a large portion of the collection.

There was a discussion of incorporating the new Chief Information Officer position into the budget, but Mr. Sadid explained that strategic planning expenses are only integrated into the budget when the funding has been secured. Mr. Sadid also introduced Hazel Duncan, the new Director of Foundation Finance and Accounting.

V. SPACE STUDY UPDATE

Next, Mr. Bonadies updated the committee on progress made towards the museum space study. This study is being undertaken to assess the need for future capital projects that might be incorporated into the upcoming capital campaign. The museum has engaged Cooper Robertson to conduct the study, which will be complete in time for a preliminary report in June and a final report in September. The committee endorsed the space study.

VI. OTHER BUSINESS/ADJOURNMENT

There being no further business, the meeting was adjourned at 12:56pm.

Recorded by: Laura Keller
Assistant to the Secretary of the Foundation