Virginia Museum of Fine Arts

Draft Minutes of the Fiscal Oversight Committee

Thursday, September 26, 2019, 10:00 – 11:30am

Princeton Club of New York – Butler/Pete’s Rooms

15 W 43rd St, New York, NY 10036, USA

There were present:

David Goode, Chair

Betty Crutcher, *via conference*

Martha Glasser

Jeff Humber

Denise Keane, Foundation Liaison

Tom Papa

Satya Rangarajan

Rupa Tak

Monroe E. Harris, Jr., Ex-officio

James W. Klaus, Foundation Co-President

Absent:

Steven A. Markel, Vice Chair

Lynette Allston

Mike Bisceglia, Foundation Liaison

Gil Bland

Joan Brock

Marland Buckner

Ankit Desai

Andy Lewis

Sara O’Keefe

Pamela J. Royal

Harry R. Thalhimer

Charlie Whitaker

Lilo Simmons Ukrop, Foundation Co-President

By Invitation

Alex Nyerges, Director

Caprice Bragg

Jody Green

Hossein Sadid, *via conference*

1. CALL TO ORDER

Chair David Goode called the meeting to order at 10:04am.

**Motion:**           proposed by Mr. Humber and seconded by Dr. Harris to approve the minutes of the June 19, 2019 Fiscal Oversight Committee meeting as distributed. Motion approved.

1. FY 2019 YEAR-END CLOSING REPORT – BUDGET V. ACTUAL

Chief Financial Officer Hossein Sadid reviewed FY2019’s final budget to actuals for the year. He reported that VMFA completed its 83rd year with a balanced budget thanks to the financial stewardship of the boards. Additionally, he noted that the earned revenue was at 80% of that which was budgeted; fluctuations occur based on the activity of exhibitions. Mr. Goode expressed that the previous fiscal year benefited from the *Terracotta Army* exhibition, and that staff are managing these types of differentials. Mr. Humber inquired about the trendline for revenues, and Mr. Sadid noted that revenues vary based on exhibitions and general membership levels. Mr. Goode emphasized the importance of other revenues such as traveling exhibitions, including the Mellon collection exhibitions, with earned revenue. The committee agreed to review exhibition and earned revenue trends going back several years at the next meeting. Suggestions such as auto-renew and lifetime memberships were suggested for future consideration.

Enterprise operation revenue fell short due to lack of publicizing availability of event spaces at VMFA and contracting out staffing needs. Reserves were used to buffer the enterprise revenue, and staff have implemented changes to address the issues and prevent another short fall. The committee suggested ideas to more fully delineate revenue reporting based on the three areas: food services, the gift shop, and special events. They agreed to review a 5-year analysis of each area to better understand when and how variances may occur.

Mr. Sadid noted that some expenditures were not as high as budgeted due to personnel changes as well as vacancies in certain areas of the museum. He then reviewed the 5-year analysis of the 2020 Strategic Plan, reporting that there are sufficient funds through part of FY20-21 to maintain the programs. He noted that additional revenue is required to sustain the Strategic Plan priorities beyond FY20-21, and Mr. Goode reported that many of the initial 5-year commitments made by donors have been completed at this time. Director Alex Nyerges noted that the campaign is now in full swing, and will provide funding for these initiatives in future fiscal years.

1. *AWAKEN* EXHIBITION P&L

Mr. Goode noted that the report provides a thorough analysis of the exhibition, and Mr. Humber expressed that FY20 appears to be off to a great start. Mr. Sadid reported that staff are monitoring lower level memberships as pertains to earned revenue.

1. BIENNIUM FY20-22 DECISION PACKAGES SUMMARY

Mr. Sadid reviewed the decision package summary of operating and capital requests submitted by VMFA’s Director of Government Relations Katie Payne to the Department of Planning and Budget.

1. OTHER BUSINESS/ADJOURNMENT

Mr. Goode acknowledged Mr. James Klaus and Ms. Denise Keane as representatives of the Foundation Board of Directors.

There being no further business, the meeting was adjourned at 11:29am.

Recorded by: Jody Green, Administrative and Project Coordinator, Director’s Office