

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  
Thursday, November 17, 2011, 10:15 am

Presiding: John R. Staelin, Vice-Chair  
Secretary: Ms. Suzanne Broyles

There were present:

John R. Staelin, Vice-Chair  
Alfonso L. Carney, Jr.  
James C. Cherry  
Agustin Rodriguez  
William A. Royall, Jr.  
Michael J. Schewel  
Geoffrey P. Sisk  
Thurston R. Moore, Ex-Officio

By Invitation:

Alex Nyerges, Director  
Stephen D. Bonadies  
Ms. Suzanne Broyles  
Michael M. Connors  
Brian Haggard  
Ms. Anne Kenny-Urban  
Ms. Linda Lipscomb  
Ms. Joan W. Murphy  
Robin Nicholson  
Ms. Fern Spencer  
Ms. Cathy Turner

Absent:

John A. Luke, Jr., Chair  
Ms. Kelly B. Armstrong  
G. Moffett Cochran  
W. Birch Douglass III  
Ms. Eva Teig Hardy  
H. Hiter Harris III  
Dr. Monroe E. Harris, Jr.  
H. Eugene Lockhart  
Mrs. Stanley F. Pauley  
Ranjit K. Sen  
Mrs. Suzanne T. Mastracco, Ex-Officio

## I. CALL TO ORDER

Mr. John R. Staelin, Vice-Chair, called the meeting to order at 10:15 am and welcomed the group. He introduced new Trustee Michael Connors of Washington, D.C. who was present for the Committee meeting.

## II. MINUTES

**Motion:** proposed by Mr. Royall and seconded by Mr. Carney that the minutes of the last meeting of the Fiscal Oversight Committee held on the 20<sup>th</sup> of September 2011 be approved as distributed on the 8th of November 2011.  
Motion carried.

## III. DIRECTOR'S REMARKS

Director, Alex Nyerges said that at this meeting you will hear key reports on the budget which is our focus as we move forward. He explained that Robin Nicholson will report on new proposed exhibitions for the 2013-2015 exhibition portfolio.

## IV. GOVERNOR'S DIRECTIVE – SAVINGS STRATEGIES SUBMISSION

Chief Financial Officer, Fern Spencer, informed the group that the Governor has mandated savings strategies submissions of 2%, 4% and 6%. She reviewed the draft proposed savings strategies for FY13 and FY14 distributed to the Committee. Part of the 4% Savings Plan is to eliminate the Deputy Director of Sales & Marketing position. The duties of that position have been split between Robin Nicholson, Stephen Bonadies, and Fern Spencer. Committee members were concerned that cutting staff positions would affect our revenue generating ability. Ms. Spencer also discussed the mandated hiring freeze saying that we have a waiver to hire security positions so we will not be at risk. She then fielded questions from the group.

## V. REVIEW OF FY12 YTD PERFORMANCE

Fern Spencer provided comparative statements of revenue, expenditures, and changes in fund balance – budget and actual for the period ending October 31, 2011 and 2010. She reviewed highlights of the revenue data pointing out that the Membership numbers are ahead of the prior year and the parking fees appear lower than the previous year. However, parking fees are directly related to attendance. Therefore, parking revenue will fluctuate throughout the year depending on the exhibition schedule. On the expenses side she noted that we are monitoring the buildings and grounds number closely to make sure it comes in on budget and she said the risk management figure was a little high. Ms. Spencer reminded the group that the Food Service Operations and the Museum Shop numbers are driven by seasonality and exhibitions.

## VI. EXHIBITION ANALYSIS & FORECASTING

Anne Kenny-Urban discussed the exhibitions and said that we now have experience with the new facility which will aid us in our forecasting efforts. She distributed a handout with pie charts reflecting the special exhibition attendance and the percentage of attendance by exhibition; of course *Picasso* overshadowed all other exhibitions. Next she discussed total exhibition sales (tickets and audio) from FY11 to the present and total exhibition revenue (ticket and audio sales combined in dollars). She said that audio sales for *Picasso* and *Fabergé* were surprisingly consistent, 19.4% for *Picasso* and 17.8% for *Fabergé*. Ms. Kenny-Urban discussed the results of her attendance modeling, which showed a week by week breakdown. It was noted that the *Fabergé* exhibition did not reach the forecasted attendance. Committee members agreed that we need market research during the exhibitions to find out why the public attends certain shows or not, to improve our final results. Conclusions from the analysis presented were:

- VMFA will revise its revenue model and make concurrent reductions in its exhibitions budgets.
- VMFA does not need to wait until the final weeks of an exhibition to make a reasonable estimate of the final outcomes in terms of visitors, per capita and total revenue.
- VMFA also needs to monitor each exhibition's performance closely to see if there is any softening in demand after the initial rush of members and devoted visitors.

Ms. Anne Kenny-Urban stated that the goal is to serve more citizens by bringing them meaningful exhibition experiences and to enhance VMFA's earned revenue so that VMFA can build a sustainable economic model for its portfolio of exhibitions.

## VII. OTHER BUSINESS

Mr. Staelin thanked Fern Spencer and Anne Kenny-Urban for their reports. There being no further business, the meeting was adjourned at 11:20 am.

Suzanne Broyles  
Secretary of the Museum