

Virginia Museum of Fine Arts  
Minutes of the Executive & Governance Committee Meeting  
Thursday, 12 June 2015, 8:00 am  
Founder's Conference Room

There were present:

William A. Royall, Jr., President  
Kelly B. Armstrong  
Martin J. Barrington  
Margaret Irby Clement  
Michael M. Connors  
Susan S. Goode  
John H. Hager  
Ivan P. Jecklin  
James W. McGlothlin

By invitation:

Alex Nyerges, Director  
Stephen D. Bonadies  
Ronald Forehand  
Laura Keller  
Rebecca Morrison  
Hossein Sadid

Absent:

Thomas F. Farrell, II  
Cynthia Fralin  
John A. Luke, Jr.  
Michael J. Schewel

I. CALL TO ORDER

William A. Royall, Jr.

At 8:06 a.m., Trustee President Bill Royall called the meeting to order and thanked the board members for attending.

II. MINUTES APPROVAL

William A. Royall, Jr.

Motion: proposed by Mr. Royall and seconded by Mr. Hager to approve the Minutes of the Mar. 2, 2015 Executive Committee meeting as distributed.

III. REPORT OF THE PRESIDENT

William A. Royall, Jr.

Mr. Royall updated the committee on the activities of the nominating sub-committee, reporting that its trustee board nominations and reappointments for FY16 were submitted to the governor's office. Bill Royall, Karen Abramson, John Hager, Gene Lockhart and Lindley Smith are all ending their first term after June 30, 2015 and eligible to begin a second term on July 1, 2015. Mr. Royall pointed out that, should he not be reappointed to the board, the sub-committee recommends that Mike Schewel

assume the role of trustee board president. He also noted that the sub-committee is considering Monroe Harris, John Hager and Ivan Jecklin for future trustee board leadership.

#### IV. REPORT OF THE DIRECTOR

Alex Nyerges

Mr. Nyerges updated the committee on his recent stewardship trip to Paris with First Lady of Virginia Dorothy McAuliffe, explaining that the objectives for the trip included thanking the Musée Rodin for its partnership and meeting with FRAME leadership.

Regarding the issue of the Confederate Memorial Chapel, Mr. Nyerges noted that the Richmond Times-Dispatch has covered this news extensively and encouraged trustees to familiarize themselves with the media coverage to date. He reminded trustees that the Sons of Confederate Veterans association will hold its national convention in Richmond this July.

On the subject of museum staff, Mr. Nyerges was distressed to report that Ms. Uvette Wyche of VMFA's housekeeping department passed away suddenly last week just prior to her five-year employment anniversary at the museum. He informed the committee that the museum will observe a moment of silence for the late Ms. Wyche, who in particular provided key housekeeping support in the Director's Office. Ms. Wyche was beloved by her colleagues for her dynamic spirit, meticulous job performance and, most distinctively, a collage in which she collected all types of VMFA memorabilia for display on the wall of her supply closet.

In response to Ms. Armstrong, Mr. Nyerges agreed that the museum will consider including in member email "blasts" information regarding pieces from VMFA's collection traveling to other museums, so that members can see VMFA pieces while visiting other museums. Mr. Royall conceded the importance of this consideration.

#### V. REPORT OF THE FOUNDATION

Kelly Armstrong

Ms. Armstrong reported that the Foundation Board of Directors approved the 2020 Strategic Plan and FY16 budget during its May 2015 meeting. The Foundation will provide a record level of support in the year to come, thanks in large part to successful investments and development efforts. She also informed the committee that Michael Bakwin has resigned from the Foundation Board.

The current foundation endowment has risen by 5.3% over the past 12 months to reach \$256 million, per Ms. Armstrong.

#### VI. FINANCE REPORT

Hossein Sadid

Regarding the museum audit, Mr. Sadid informed trustees that this will be VMFA's first independent museum audit, adding that the vast majority of state agencies do not embark on such a project. He added that, as VMFA's operations are unique to most state agencies of the Commonwealth, this audit performed by Cherry Beckaert is important to VMFA. Mr. Sadid continued to explain that board and museum leaders met with Cherry Beckaert to decide on a modified case basis rather than GAAP.

Mr. Royall added that the Secretary of Education approved VMFA to move forward on a financial audit. By 2017, VMFA will transition to accrual-based accounting. In response to Mr. Connors, he put forth that it is important for VMFA to be attentive to this project to provide audited financial statements which both enable

foundation support and strengthen general business practices. Per Mr. Sadid, the state audit reports are more difficult for the board to analyze than are reports drafted by an independent firm.

Mr. Sadid reviewed the proposed FY16 budget of \$32.1 million with the committee, to be brought before the full board of trustees for approval on June 18, 2015. He described this proposed budget as balanced and comprised of both restricted and unrestricted components reflecting a 7% cut in general funds. He thanked VMFA division heads for working to cut expenses due to decrease state support. Mr. Sadid noted a 9% increase in the foundation's budget, a 10% increase in the Evans Funds, and the discontinued use of one-time monies to eliminate carry-over.

He clarified the following points in response to questions from the committee:

- Change capital will be separately accounted for by overlaying strategic planning priorities;
- The Fiscal Oversight Committee will receive both a change capital synopsis and exhibitions budget;
- VMFA finance staff will pay close attention to separating the baseline budget from budgets for exhibitions, change capital, and other major priorities.

## VII. OTHER BUSINESS

Mr. Nyerges provided current exhibition attendance figures. *Japanese Tattoo* in its first two weeks saw a net revenue of \$5,082 from 2,514 visitors. He encouraged the committee to review current figures for *The Art of the Flower* as it reaches its closing date, as well as the year-to-date advancement report.

Mr. Nyerges and Mr. Royall recognized and thanked The Council for its outstanding work upon its 75<sup>th</sup> anniversary. Trustees reviewed information for the 22<sup>nd</sup> Triennial Volunteer Committees of Art Museums (VCAM) Conference, being held at VMFA from Oct. 5-7, 2015.

## VIII. EXECUTIVE SESSION

At 9:27 am the meeting went into closed session with the following motion.

**Motion:** proposed by Mr. Royall, and seconded by Mr. Barrington that the meeting go into closed session under the Virginia Freedom of Information Act, Section 2.2-3711 (A) subsections (1) of the Code of Virginia to discuss a **personnel matter** which is not public. Motion carried.

At 9:52 am, by motion proposed, seconded and carried, the meeting resumed in open session.

**Motion:** proposed by Mr. Royall, and seconded by Mr. Barrington that the Committee certify that the closed session just held was conducted in compliance with Virginia State law, as set forth in the Certification Resolution distributed. Motion carried.

A roll call vote was taken, the results of which are outlined in the Certification Resolution.

There being no further business, the meeting was adjourned at 10:02 a.m.

Recorded by: Rebecca L. Morrison  
Assistant for Trustee Board Relations & Museum Planning