

Virginia Museum of Fine Arts
Minutes of the Fiscal Oversight Committee Meeting
Wednesday, 13 September 2017, 11:00 am
The Olde Farm, Bristol, VA

Additional posted meeting locations:

601 Pennsylvania Ave, NW
Washington, DC 20004

Maryland Hall, Suite 200
28 Westhampton Way
University of Richmond
Richmond, Virginia 23173

445 Rivergate Drive
Richmond, VA 23238

There were present:

Michael J. Schewel, Acting Chair
Lynette Allston
Betty Crutcher, via conference
Ankit Desai, via conference
Anne Noland Edwards
Richard Gilliam
Martha Glasser
Steve Markel
Tom Papa
Satya Rangarajan
Rupa Tak, via conference

Absent:

John A. Luke, Jr., Chair
Tom Farrell
Jim Klaus

By Invitation:

Karen Abramson
Alex Nyerges, Director
Stephen Bonadies
Dr. Lee Anne Chesterfield
Jan Hatchette
Jody Green
Laura Keller
William A. Royall, Jr.
Hossein Sadid
Jayne Shaw

Dr. Michael Taylor
Kimberly Wilson

I. CALL TO ORDER

President Mike Schewel called the meeting to order at 11:21am.

Motion: proposed by Mr. Schewel and seconded by Ms. Glasser to approve the June 15, 2017 minutes of the Fiscal Oversight Committee as distributed. Motion approved.

II. FINANCE REPORT

Chief Financial Officer Hossein Sadid reviewed the closing status of FY17, noting that the year ended with a \$150,000 unanticipated surplus making this the 82nd year that the VMFA has had a balanced budget. He also noted that the Foundation Board of Directors reduced the endowment's payout from 5% to 4.5%. President Schewel stated to an inquiry by Ms. Rupa Tak that the Foundaiton Board of Directors makes the decisions regarding the investment of the endowment and the return for the Board of Trustees has been roughly 4%. Furthermore, he noted that the percentages are affected by the performance of the market. Mr. Rangarajan asked what the policy was regarding adjustments with downturns in the market to which Mr. Sadid responded that Monticello Associates, the Foundation's investment advisors, assist with recommendations. Furthermore, the board is well versed in finances and made the decision to reduce the draw on the endowment to 4.5% on their own. Mr. Schewel noted that the problem for the Trustees when considering the budget is the cut of the budget by the state. He stated that educational institutions also face the same issues, and Mr. Sadid noted that VMFA also has additional costs resulting from technology provided by VITA.

III. BUDGET AMENDMENT DISCUSSION

Dr. Michael Taylor then introduced a budget amendment that would cover additional costs for the following exhibitions related items: *Masks of Congo* exhibition, *Jean Schlumberger* traveling exhibition, and the Winter Antiques Show. Dr. Taylor reviewed the budget numbers with the board. Mr. Tom Papa asked when the revenues for these items would be accounted for. Dr. Taylor noted that some of these expenses would be incurred in FY18 and others would be in future fiscal years. He also noted that some of the revenue would be generated during this fiscal year; for instance, the revenue from the Winter Antiques Show would be generated in the current fiscal year. President Michael Schewel then asked for a motion to approve the budget amendments.

Motion: proposed by Mr. Tom Papa and seconded by Ms. Martha Glasser that the committee recommend exhibitions related budget amendments to the Full Board for approval with the purpose of accommodating additional expenses for the *Masks of Congo* exhibition, *Jean Schlumberger* traveling exhibition, and the Winter Antiques Show as distributed. Motion approved.

IV. HUMAN RESOURCES REPORT

Ms. Kimberly Wilson, Deputy Director of Human Resources, Deputy Director for Human Resources, Volunteers, & Community Service, provided an update on the HR scorecard for the committee. The information presented is compiled from statistics via the Virginia Department Human Resource Management. The process of compiling the statistics revealed a high occurrence of the misclassification of personnel and proved to be a highly manual process. Ms. Wilson stated that the report contained statistics from FY16. Due to time constraints, Ms. Wilson was only able to review the report at a high level—noting the average years of service, age, and gender of museum employees benchmarked against the state’s rankings. President Mike Schewel then asked if Ms. Wilson would give a deep dive and thorough report for the December meetings later this year to which she agreed.

V. OTHER BUSINESS/ADJOURNMENT

There being no further business, the meeting adjourned at 12:05pm.

Recorded by: Jody Green
Administrative Assistant, Director’s Office