Virginia Museum of Fine Arts

Minutes of the Fiscal Oversight Committee Meeting

Wednesday, 14 December 2017, 11:30am-12:30pm

Theater Level Conference Room #1

There were present:

Michael J. Schewel, Acting Chair

Lynette Allston

Betty Crutcher

Ankit Desai, via conference

Janet Geldzahler

Martha Glasser

David Goode

Dr. Monroe E. Harris, Jr.

Rupa Tak, *via conference*

**Harry Thalhimer**

Dr. Pamela J. Royal

Absent:

John A. Luke, Jr., Chair

Anne Noland Edwards

Tom Farrell

Richard Gilliam

Terrell Harrigan

**H. Hiter Harris III**

Jil Womack Harris

Kenneth Johnson, Sr.

Steven A. Markel

Tom Papa

Satya Rangarajan

William A. Royall, Jr.

**Lilo Simmons Ukrop**

**Jim Klaus**

By Invitation:

Alex Nyerges, Director

Stephen Bonadies

Dr. Lee Anne Chesterfield

Susan Hayes

Laura Keller

Jody Green

Cameron O’Brion

Hossein Sadid

Jayne Shaw

Dr. Michael Taylor

 Kimberly Wilson

1. CALL TO ORDER

President Mike Schewel called the meeting to order at 11:45am.

**Motion:** proposed by Mr. Schewel and seconded by Ms. Allston to approve the September 13, 2017 minutes of the Fiscal Oversight Committee as distributed. Motion approved.

1. FINANCE REPORT

Chief Financial Officer Hossein Sadid discussed VMFA’s FY19 and FY20 budget assumptions, principles, and process. He noted that VMFA’s budget projections assume no additional support from the Commonwealth of Virginia. He also reviewed VMFA’s budget review timeline for the committee. Mr. Sadid reported that the FY2019 and FY2020 estimated general fund appropriations are each approximately $9,769,791. He noted that general fund appropriation does not include maintenance reserve or capital projects. VMFA’s Capital Requests include $10.6 million for the Mellon plywood replacement, air handling units, Pauley Center re-roofing, and Center for Study of Works on Paper. Operating requests of $1.03 million include VMFA on the Road, the Conservation Center, Distance Learning, and Robinson House Operating Costs.

Mr. Sadid expressed that the Lettie Pate Evans trust is doing well with a 5% beneficiary while the Williams trust is more conservative in its investment principles. The restricted and unrestricted endowments require close attention paid to their stipulated purposes. Mr. Sadid noted that the acquisitions budget is separate from the operating budget and that half of VMFA’s endowment is acquisitions.

President Schewel noted that VMFA cannot make cutes to salary costs and that makes the museum less flexible on certain expenses. He stated that personnel expenses are also important obligatory expenses. The report also included that there was a gap from adding Strategic Plan expenses and that the Capital Campaign is needed to bolster the endowment’s growth. Lastly, Mr. Schewel expressed that there are risks in VMFA’s projections, specifically with government funding, which continues to be reduced each year.

1. HUMAN RESOURCES REPORT

Ms. Kimberly Wilson, Deputy Director for Human Resources, Volunteers, & Community Service, provided an update on the HR scorecard for FY16 for the committee. The scorecard includes data for classified employees only and not P-14 staff. The museum is looking at improving diversity and would like to hire more veterans. The original goal was to hire 6 veterans, and the museum has actually hired 12. The vacancy rate at the museum is lower than the state. The average time for a new hire with the state is 72 days, and VMFA’s average is now 50 days. VMFA’s new hires are also younger. The average salary for state employees is $48,200, and the average VMFA salary is $41,700. VMFA’s salaries are rising, but the museum has fewer tech and trade jobs. Additionally, VMFA has a better retention rate than the state. Ms. Wilson noted that there is more turnover at the part time and P-14 levels at VMFA. Ms. Wilson also stated that the retention rate at less than 5 years tends to have more turnover at the museum as many of the positions are part time jobs with persons who leave the museum once offered full time employment elsewhere.

1. OTHER BUSINESS/ADJOURNMENT

There being no further business, the meeting adjourned at 12:35pm.

Recorded by: Laura Keller

 Assistant to the Secretary, Virginia Museum of Fine Arts Foundation

and

Jody Green

 Administrative Assistant, Director’s Office