

Virginia Museum of Fine Arts
Draft Minutes of the Telephonic Meeting of the
Executive & Governance Committee
Tuesday, April 21, 2020, 4:00pm

There were present:

Monroe Harris, Jr., President
David Goode
Meg Gottwald
Jil Harris
Ken Johnson
Jim Klaus, Ex-officio
Lilo Ukrop, Ex-officio

Absent:

None

By Invitation:

Alex Nyerges
Kay Baker
Stephen Bonadies
Caprice Bragg
Jan Hatchette
Tom Gutenberger
Thomas Lunsford
Cindy Norwood
Katie Payne
Hossein Sadid
Michael Taylor
Kimberly Wilson

I. CALL TO ORDER

Trustee President Monroe Harris, Jr. welcomed the committee and guests and called the meeting to order at 4:00pm.

II. APPROVAL OF MINUTES

Motion: proposed by Mr. Harris and seconded by Mr. Ken Johnson that the minutes of the March 27, 2020 meeting of the Executive & Governance Committee be approved as distributed. Motion approved.

III. DIRECTOR'S REPORT

a. Status of Museum Closing

Mr. Alex Nyerges provided an update on the COVID-19 impact on the museum regarding furloughed employees. Emails and letters were sent to 221 furloughed

employees and communications were sent to primary constituencies. Although the original plan was to avoid furloughs, through the CARES Act, employees may receive additional financial support through unemployment compensation. Additionally, VMFA may receive a credit or reimbursement for a percentage of the payments.

Mr. Nyerges indicated that Governor Northam has extended the “Stay At Home” order to June 10, 2020. At this time, it is anticipated that the museum will reopen at that time subject to further direction from the Governor’s office. The museum offices remain open and many employees are telecommuting. Additionally, events and programs have been canceled or postponed through June 10th, and the staff is evaluating events scheduled after that date. The Education department has opted for an online version of the annual summer camp program. Additionally, it is likely that the June 16th Annual Board Dinner will be rescheduled to fall 2020.

b. Financial Projections

Mr. Nyerges provided a financial update for FY20 ending on June 30th. He indicated that projected decreases in earned and enterprise revenue (approx. \$752,000 and \$2.3 million, respectively) will be offset by \$1.1 million in expense reductions. The VMFA Foundation applied for, and was approved for a Paycheck Protection Program loan (\$493,000).

In response to an inquiry about the financial impact of the delayed opening of the *Sunken Cities* Exhibition from Mr. David Goode, Mr. Nyerges replied that projection for FY2020 and 2021 assumed that the exhibition will not open in FY2020. He noted however, that Dr. Michael Taylor has been working to secure a two month extension of the exhibition that should result in additional visitation.

Mr. Nyerges continued with a financial update for FY21. He stated that the post COVID-19 budget recalculations decreased the original revenue budget and indicated that reserve funds could be used if needed. Mr. Nyerges stated that projected shortfalls of Commonwealth revenues (\$2 billion announced by Governor Northam and Secretary of Finance Layne) will impact state agencies. Mr. Nyerges offered an overview of various ways that the museum could offset diminished state resources.

In response to a question from Mr. Harris about budget planning scenarios, Mr. Nyerges indicated that the Senior Management Team meets regularly in an emergency mode and is discussing budget scenarios. The Senior Management Team is reforecasting budget items weekly and creating a various scenarios as it relates to FY2021.

Mr. Klaus inquired about the impact of a delayed exhibition opening for food service and special events in the FY2021 budget. Mr. Sadid stated that there sufficient liquidity to backstop and support the operation of Enterprises. Further, Mr. Sadid indicated that Enterprises can continue to generate approx. \$500,000 in revenues for the museum. With respect to staffing, there is flexibility on scheduling. Mr. Goode noted that there will be additional work needed between the Joint Fiscal Oversight Committee and Mr. Sadid to account for all of the unknown financial factors.

IV. OTHER BUSINESS/ADJOURNMENT

Mr. Goode and Mr. Harris commended Mr. Nyerges and the staff for their diligent work during this time.

There being no further business, the meeting was adjourned at 4:52pm.

Recorded by: Thomas R. Lunsford
Executive Administrator, Office of the Director