

Virginia Museum of Fine Arts  
Transcription of the Board of Trustees Executive & Governance Committee Meeting  
Tuesday, August 18, 2020, 3:00pm  
Video Conference

**Meeting called to order at 3:03pm.**

Monroe Harris: I'd like to call this meeting to order. Caprice, would you please take a role?

Caprice Bragg: Yes, I will do so. Good afternoon everyone.

**Roll call of the Board of Trustees Executive & Governance Committee meeting taken by Caprice Bragg. Full attendance listed in the meeting minutes.**

Caprice Bragg: I also want to also acknowledge that Deb Love is here from the Attorney General's office representing Cindy Norwood while she's on vacation.

Monroe Harris: Hi, Deb. Thanks for coming.

Deb Love: I'm glad to be here. Thanks.

Monroe Harris: Again, everybody if you're not speaking kindly stay muted so that we can cut down the feedback. When you speak, please state your name. If you have any difficulties contact Kay or Caprice so that they can help you out. In accordance with the requirements of virtual meetings, we did offer a public comment period but there being none, we shall move forward with our formal meeting.

You all received the minutes and at this time I would propose that we approve the minutes from April 21, 2020.

David Goode: So moved.

Ken Johnson: Second.

Dr. Monroe Harris: All in favor?

Full Committee: Aye.

Monroe Harris: Very good. When we last met, the museum was closed and we were in the middle of a calamity, which continues to a certain extent, but thank goodness the museum is now re-opened and fully functional. We are very happy about that. So we're moving forward. Despite all the challenges and the pandemic and economic challenges, the museum is as vital and as relevant as it's always been and we should continue to move forward in a positive way. We have had challenges fiscally this year and we are facing those challenges. With your all help, I'm sure that we will overcome and be even better as we move forward. Alex, do you have a Director's report?

Alex Nyerges' connection dropped.

Monroe Harris: Technology, man! While we are waiting for Alex, I'll move down the agenda. As you all know, we will be meeting on the 16<sup>th</sup> and 17<sup>th</sup> of September. That will be a virtual meeting although there was some discussion about trying to meet in person. I think logistically it was going to be very difficult and so we will continue to meet as we are here today. Did everybody, did all the Trustees get the survey? Did you answer the survey? Did everybody answer the survey? Yeah? Okay, great. Thank you. I still need to answer mine. You should get a schedule for the meetings going forward at the end of week so that everybody will be abreast of that.

Alex Nyerges connection re-established.

Alex Nyerges: I'm sorry about the technical difficulties. This is the fourth time I've tried to get onto this meeting. So, my apologies, Mr. President.

Let me start off by talking about the reopening. Since we met last, July 1<sup>st</sup> we opened to the members. July 4<sup>th</sup> we opened to the general public. Let me give you the high points. The good news is that from a standpoint of protocols and safety, we pretty much hit it out the park. We created a group called BeWell that was a brainchild of Kimberly's. It's made up of about 20 some-odd people from across the museum, staff, every department, every division. They put together the protocols, worked on supplies and did an amazing job. In fact, we've had many laudatory comments. We weren't without our trial and error. The first three days we had member previews. Just to give you a sense though, in the member previews we had only about 25-35% of what we would normally see in a member preview session. We have 37,000 households so we usually see in three days, 12-14,000 visitors. We saw 3,500 and that was across three days that were from 10 am – 9 pm. You know, the good news is, we're open again. People are enjoying it. We had a few snafus with the members preview downstairs in special exhibitions. We've made modifications down there and overall the institution is running as smoothly as it did before, obviously with different protocols – masks, sanitizing stations, et cetera, et cetera. The visitors are enjoying their visit, reviews for the exhibitions have been good, but overall our numbers are right at about 35% of what we had expected at this point for this time of year and with a major exhibition from Egypt on view.

Just to put that in context though, that's about what most other institutions are seeing at the moment. Although our average attendance last week was about 1,000 people a day, 1,100 people a day. That's more than Boston or Houston, which says a lot. Those institutions are more or less open. The National Gallery reopened a couple of weeks ago but they've only opened the ground floor level of the original 1941 building. Their food services isn't open; it's not even half open. And of course they had not very many visitors. They limited what they will allow and I'm not even sure they're at capacity with that. Our attendance figures for July were 23,000. If you look at us on an average year at 500,000, you'd really be looking at closer to 40-50,000 people a month. So again, and that's not with a major exhibition like *Sunken Cities*. *Sunken Cities* after six weeks it has 16,000 visitors. Nowhere near what we projected. Obviously we'll have some impact down the line in terms of where we sit financially. The pandemic, you know, we were closed for the entire last quarter of the year. Plus, half of the month of March. It had a considerable impact obviously on lots of the institution's moving parts. The not the least of which is also impacting us now and that's special events, food and beverage service and the like. The restaurants are open, the cafe and the restaurant with more limited seating. You have to have reservations for upstairs pretty much without a doubt. But the bottom line gets to be that the capacity isn't sufficient to support the business. So we're looking at alternatives. But the bigger issue ends up being the lack of special

events. This is a boom time for us, weddings in June, July, August, even into the fall and other kinds of special events. We have a lots of things on the books. We're fulfilling 0% of our special events. It just isn't happening.

Alright. As we look at things the general assembly began meeting today. I saw Ka-, oh there's, Katie is on, you're back. I like it. Of course, it's virtual now, right?

Katie Payne: Yes. Yes. Got it going on the screen.

Alex Nyerges: Well, I'll tell you what, I'm going to pause because you've been down in the trenches. Why don't you give us a look see of what's happening downtown? Because the lead in I'll say for everybody here is that we have one major issue with the revenue side on special events in food and beverage. The other unknown will get answered here over the next a couple of weeks from the General Assembly and that's what they decide to do on the operating picture for the museum. I'll come back and we'll talk about capital a little later.

Katie Payne: Sure. Yes, the Governor presented a revised budget to the money committees this morning at 9:30. He proposed cutting all of the funding that had, almost all of the funding, that had been unallotted or paused back during the reconvene session this past spring. That included the additional monies that we received for IT upgrades and leasing art storage space, which is about \$400,000 a year. It didn't touch the rest of our operating budget but that new funding, like all other new discretionary spending, is gone for the rest of this year, which is, of course a disappointment. But on the positive side, we've not seen anything yet about needing cuts. There was some rosier language in the Governor's speech this morning and then in Secretary Layne's presentation afterwards, saying that if everything lines up, and there's a lot of question marks, but if the Federal stimulus package comes through, if they are able to come to an agreement, that we could end up in a better place by January, by the regular session, and we could be able to restore some of these cuts and not have to cut things further, which is encouraging.

Alex mentioned, I'll just briefly say, on the capital side that there were several capital projects cut. Ours was not and we're very fortunate for that. The defining line was really when your project got approved and we're very fortunate ours was approved in 2019 and not in 2020. About ten projects that were approved this year, including new headquarters for the state police and a renovation of the Supreme Court building, they were all totally defunded this morning. So of course this is all still just the Governor's proposal at this point. The House and Senate are meeting right now downtown. They're both going in and out of recess a lot. It looks right now, it looks like the House is not able to come to an agreement on meeting virtually for the remainder of this week. So I think the Democratic majority will wait until this weekend, where under the rules, if it's not on a week day, they don't have to have a two-thirds majority, but just a simple majority to meet virtually. So, I believe as of this minute, they're going to adjourn this afternoon here shortly and not come back until this weekend to pass a resolution to just meet virtually. So, there's been talk that they're going to be in and out for the next two weeks. But I've also heard it could be up to a month so it could be a little while before we have a lot of clarity. There's lots of other smaller things we're watching downtown. The legislature had passed pay raise for state employees and teachers that was deferred back in the spring. This morning the Governor suggested canceling it altogether because of the revenues. They had a minimum wage increase that was going to be phased over several years that has been delayed until at least next spring. It might be changed further during this special session. And then finally, we're also watching an effort for paid sick leave for state employees, which I don't

know that we have the funding to do, but is an idea that is resurfacing in this special session with the new piece of legislation. So it's a lot to keep our eyes on, but it should be an interesting few weeks. I'll be glad to send everyone updates as we go through it.

Alex Nyerges: Thank you, Katie. You know this is not time to celebrate yet but the two important things that Katie mentioned: 1) she set up a meeting with us a couple of weeks ago with Secretary Layne and Aubrey, who is a great, great friend and supporter of the museum, was very forthcoming. He gave us 30-40 minutes of his time, give us a sense. At that time, actually, I came away surprised because he said, "You know, we have not decided on budget cuts." Then he made that comment again for the media which has only helped to reinforce, at least for me, a glimmer of hope. We have a big enough mountain to climb with the loss of our special event revenues and how to deal with that. Hossein, Michael Guajardo and Kimberly, who now runs that retail side of the operations, are all looking at the possibilities of what to do, are looking at alternatives. We have yet to meet on it. Our goal is this, we're going to continue to wait for the legislature to decide what they will or won't do. We will hope for the best. We are gathering data every day, looking at every part of our operation. In doing so, we are going to then come up with a set of projections that will take us out to the end of fiscal '21. From that we're going to have to make decisions based on what will clearly be a shortfall of revenue. Obviously the big unknown, as everybody can image, is when will we get past COVID-19? When will people start having corporate events? When will people start having private events? Because that, for us, is bread and butter. More importantly though, there is a fairly heavy weight of salaried employees who work on our food service side of the house and it adds up. So that piece of this, and they're all long-term employees, so we have to be particularly sensitive of how we look at that issue and how we'll deal with it. On the good side of the house, Tom, where are you? You got to unmute because as we were approaching fiscal 20's end, we were projecting a 15% drop in membership support, corporate support, everything – all the contributed income. The reality has been very different. That difference has continued into the first six weeks here of fiscal '21. At the moment, every indication tells us that we may have a rosy spot. So, Tom give us a quick couple of numbers so that people can get a sense of where we are.

Tom Gutenberger: Sure. Thanks, Alex. Yes, as Alex said, in the spring we talked to a number of other museums, their development folks, from the Smithsonian to the Whitney to lots of other museums, and they were predicting a 10-20% decline for fiscal year '20 and then again in fiscal year '21 for fundraising. So when we did our forecast in April, we said, well alright we'll forecast a 15% decline for fiscal year '20 and then '21. Then we actually ended up the year, overall, fundraising was up 40% over the previous year and that's, you know, based on the strength of the campaign. And also, some of the strategies we had in at the end of the year to ask people to upgrade their memberships and to contribute to the COVID relief fund that we created. So, overall we're up 40%. Unrestricted was up 9% over the previous year. The campaign total, we started the year at \$21 million. We ended at \$42, so doubled the campaign total. So, obviously, the campaign gifts were a lot of the help there. Overall membership, we're up 2% but that is going to be one of our real challenges in the coming year because, if you remember, we extended everybody's membership for four months for the time period that we were closed. So, one of the things, one good things is a lot of people say, "Oh, you don't need to extend our membership. We're going to renew on time." So that was great, but we're going to have to fight really hard to get people to renew, particularly at the state level because it's really driven by the special exhibition and we had some pretty lofty goals based on *Sunken Cities*. So right now, again we started the year out this year really good. Obviously there's a lot of other strains on the budget for the museum and also how the money, the gifts come in. But we're a lot better off than we thought we were going to be. I have to say thanks to a lot of

our volunteers who made phone calls for us in the last couple of months. And also, our staff was really engaged; as Alex has said, made over six hundred phone calls in one month to folks. So that was our strategy, to stay in front of people. The Foundation Board members, the Board of Trustees, Campaign Committee did a lot to reach out to get people to increase their memberships. Saved some memberships, honestly, and also increased them. People continue to make campaign gifts. So we're a lot better off than other museums. But like I said, it doesn't fill the hole in terms of some of the other issues financially. At least it wasn't a suck on what the budget was going to be. So it felt really good about where we ended, looks good at the end of this year.

Alex Nyerges: Yeah, Tom, I'm going to repeat the business about the phone calls the frontline Development Officers, Tom, Caprice, and others have just in the month of July made 600 phone call contacts with donors. These are all middle and upper level donors. Obviously, all of them are campaign prospects, if they haven't already given, which obviously represents a very small percentage at this point in time, but that's a pretty extraordinary amount of work. We don't have that many people making these calls. That many contacts is invaluable. We're just building the loyalty and continuing to steward that and so, kudos to Tom and all of his folks for that effort. The other thing I'll note going back to Katie's report on the capital side because, and we will not be popping any corks until the General Assembly is done meeting, but the bonding capacity was our other major worry with respect to the capital appropriation which is \$125 million, a \$112 million of which is what is in the hopper at the moment. The other \$13 million is FF&E – fixtures, equipment and furniture, and that will come when we actually have the building nearing completion. That part will get funded and that's just a perfunctory kind of activity. But Hossein has just come back as he sits on the Bond Capacity Committee for the Governor and delivered a quick note virtually a few minutes ago that – why don't you give us that update about the bonding capacity because that was extremely encouraging news to me?

Hossein Sadid: Thank you, Alex, and hello everybody. Yes, as Alex pointed out, it's really good news. Although the capacity is revised because of the revenue forecast, it would not have any impact, as Katie pointed out, on projects that have already been approved obviously in the way the new projects were brought forward in the proposed budget by the Governor. So that's really good news in terms of both capital pieces that we're in the pipeline to get the support. I want to reinforce what Katie pointed out, how this is really the preliminary proposal by the Governor and it's subject to the Assembly to reach the final decision. But we are hopeful, as Alex pointed out, to continue getting the support for this incredible accomplishment for our museum for the expansion plan and also the sculpture garden support.

Alex Nyerges: Thanks, Hossein. That was one of my major concerns was whether or not there is going to be capacity because that could just cut us off at the knees. As Katie mentioned, we're going to continue to give you reports as the General Assembly session moves along and we have some sense of what it is going to impact on the operating side but then also the capital. If the capital continues to stay where it is, and that's our best guess at the moment, that's going to move Tom's number at \$42 million automatically up by \$125 million, to bring us up almost halfway into the campaign at \$167 million. We have a couple of large gifts, these are seven figured gifts, that are in the process, they're gifts that wrap up into two different estates, that are both in the middle single digits, actually upper single digits, that could help out enormously. Plus we have one enormous ask out that is in the nine digit neck of the woods. So we are at the moment positioned well despite what has been working against us in so many ways. So I'm encouraged and the timing, we haven't lost any ground and if anything, we may have been making good use of our time during

the pandemic. Glad to answer any questions about the financial side of things if anybody has something they want us to elaborate on.

Okay, I'm going to turn our attention to external affairs. As everyone knows we have been the subject of this VMFA Reform. Let me give you the good news is that VMFA Reform has not had any traction. In fact, they continue to post occasionally. They have virtually, other than their own posts, they have had no movement whatsoever. I'm not going to sell any real estate on that notion alone, but it does make us feel better. Let me put it in the context though of the rest of the art museum field. Much like the pandemic, this kind of attack from both anonymous and not anonymous groups of employees and former employees has literally become pervasive in the field. I can't name a single, large institution that is been untouched. The National Gallery, the MET, MOMA, some have been touched and battered over and over again. The Whitney, Detroit. Some of them have interesting nuances but I have to say when we look at the scale and the impact of our VMFA Reform attacks, we're barely moving the needle compared to some of the other institutions. I will tell everybody my biggest worry is that you can do no good. You know, the notion that be careful what you wish for came true in Chicago. The contemporary art museum there had a similar petition. One of the complaints was that the part-time front line employees, the people in Visitor Services, were all part-time, didn't have benefits and it was really tough to make ends meet. They wanted more money. They wanted benefits, they wanted full-time jobs. They listened. The Director or their administration said, "Okay, we'll do that." They created eight full-time frontline jobs, full pay, better pay, benefits. When they unveiled that the other day, it produced in *Art News*, the major art magazine, a long article on the great unrest and unhappiness of those same people. The reaction was, "Well, I didn't know this was going to cost somebody their job." So you know, the damned if you do, damned if you don't kind of notion. We're trying to take as many lessons from all of this as possible and are also watching whether that needle on Instagram, YouTube and things that the Reform group has been pushing moves at all.

Okay. On a positive note, obviously every institution, ours included, has lots of work to do and we've been making great progress. First of all, Kimberly is out in search for more help and she is the Chief Diversity Officer, if I'm not that with her, and I think we are but having a full-time, dedicated Chief Diversity Officer was in the pipeline last fiscal year. We didn't fund it. It's in this budget. We're out there looking for that person to fund that department and give them the tools that they need to have to make an impact and improve the workplace for everybody. But we're not waiting for that either. We've engaged Bill Cooper, a consultant here in the Richmond region who has been in the corporate setting, nonprofit setting, both as an employee for diversity and then also as a consultant with a variety of organizations for profit and non-profit. He's already met with senior leadership twice. We are working on now bringing that to our staff for diversity and inclusion, equity training, inherent bias, and a variety of other things that is going to cover everybody within our workforce, part-time, full time and the like. We're working on a communication strategy with another consultant to do one of the things that, quite frankly, we have been the weakest in, and that's telling our story. I'll give you one specific example. If you haven't heard this before, one of the complaints from the reform group but also from employees in general, much like the Contemporary in Chicago, is I want to have a full-time job. I want benefits. Well, the story we weren't telling was that in the last five years, we converted 57 positions from part-time to full time at a cost, by the way, of \$1.2 million a year. And that's a forever cost by the way. And we weren't telling that story. And our staff were amazed by it. Obviously they were thrilled. Thankfully, they were not reactive the way that people in Chicago were. So we're working on that piece as well. Kimberly, anything you'd like to add? Because Kimberly's been working extra

hard on all of these issues and Jan as well. Jan's working at it from the communication side, Kimberly from the HR/diversity side.

Kimberly Wilson: Yes. Thanks, Alex. I think you hit all of the key points there. We've taken the last five years to really work on our organizational capacity, which was in our strategic plan, and working on our recruitment strategy and how we search and hire people. So this is a natural, we're in this natural place, as Alex indicated, we attempted last cycle to bring on a Chief Diversity Officer to work with our staff. Thankfully we have that funding to move forward. So I think we're right where we need to be. Actually, we have our processes and our organizational capacity in place thanks to everyone here in this meeting and also with the support and great partnership I've had with Hossein in creating these opportunities for our staff. We're really excited to see what the path forward looks like.

Alex Nyerges: Thanks, Kimberly. Jan, anything else you want to add on the communications side?

Jan Hatchette: I don't think so, Alex. You touched on it pretty well. VMFA as you all know, has plenty of great stories to tell so we can't wait to start communicating that outward.

Alex Nyerges: And we've engaged, as I mentioned, a consultant, Moses Foster, to help us in the communications side working with Jan. The last note I'll make too is that we just yesterday, although it seems like a week ago, held our second series of town hall meetings. We had hundreds and hundreds of employees attend the two sessions. We had one at 9:00am and one at 2:00pm. These did not go as long, I will say thankfully, as the first town hall meeting which we held after we closed. On those, because we have to pair them with as many people, we went on for three hours almost each of those meetings. These were mercifully a little more than an hour and a half because we give every employee a chance to ask a question. We don't finish the meeting. Poor Jan was the MC and she kept saying, "Well, this is the last question," and then another would pop up. We had about five of those last questions or thereabouts. But I will say, and I would certainly ask anybody on the senior management team to add any color commentary, my take and in talking to several of my colleagues on senior leadership, my take is that the majority of our employees seem to be in a better and better place. They're feeling better about what they're seeing, the kinds of progress we're making, particularly with diversity, equity and inclusion kinds of efforts. They're also happy to see the kinds of things that we're doing within the broader context of the monument issues and the rest and actually feeling really good about what role we've already played, particularly obviously, with the fact that Kehinde Wiley was timing-wise a brilliant move on our part. Although we had no idea that it would play this kind of impact. Although we get blamed for it, by the way, all the time. Half a dozen times a day somebody's calling us or emailing us and saying, "It's your fault. You need to take that Kehinde Wiley sculpture down." The majority of people obviously are not represented in that sentiment but the staff by and large seems to be in a very good place. We have probably, the only real pressure quite frankly, is the worry that is pervasive across our employee base about the pandemic. It's about coming to work. It's about worrying about getting sick. Even with all the protocols and safety measures that we've taken, we've lost a few people, particularly frontline people like gallery associates, because they're just plain afraid. I would suspect that the reason we're at 35% of what we would expect our visitor population to be is because the general public is also just plain afraid to come out. So, until that solution is afforded all of us, I'm afraid to say that we're pretty much going to see this as business as usual and do the best as we can as we navigate down that path.

Monroe Harris: Does anybody have any comments or questions about what we just discussed? Well, I just want to say thank you to the staff for the great job that you've done to push forward these initiatives. It's important to remember these initiatives were in line even before the social unrest even happened. So we were ahead of the game in that respect. So my compliments to you and also the trustees that help support these efforts; is greatly appreciated. Alex, I think we're doing a good job. We just continue to push forward to make sure that we continue to do the right thing, just continue to do the right thing.

Alex Nyerges: Monroe, on that point I'm glad that you put it in the context of the longer range picture. The strategic plan we had from 2015-2020 and even before being in fact, in my entire time here, our number one goal has been underpinned by the notion of accessibility and that means for employees, for visitors, that means on every possible level and so we've been making progress steadily. We still have a lot to do and we always will. With 700 employees, we can't be perfect. We have to be able to deal and response all of those pressures on a regular basis. So thanks for putting in context. We feel good, but I'm still sleeping with one eye open at night and I don't plan on changing that anytime soon.

Monroe Harris: What's the name of the game that people around the screen like this, celebrity something? There's a game show where all the people are on the screen like this.

Alex Nyerges: Hollywood Squares. I haven't thought of that one in 40 years.

Monroe Harris: Hollywood Squares, that's it. Whenever I get on one of these, it reminds me of that. We're all a part of Hollywood Squares.

Alex Nyerges: I want to be Arte Johnson.

Monroe Harris: Is there any other business or comment that anybody has? No?

Ken Johnson: Monroe, this is Ken. Alex, in regards to the status of the museum from a financial standpoint and in what we think the fall may look like and the spring may look like, has the team developed a strategy around this at all? Plan B, Plan Z? I know we did it for the first four or five months after COVID went into place, but have we begun to look at the new fiscal year in a different way so that we can plan quarterly? Many of us belong to different organizations and associations and everyone's approaching this differently, if you will. There are some groups that are really, really approaching this with, "We're going to get ahead and use the next six months as planning time and really work around how we get off to a great start for 2021." There are others that have said, "We'll be shut down until September and we're going to look at how the fourth quarter looks for us." Do we have a strategy at all for the museum that we'd like to talk about?

Alex Nyerges: Yeah, in fact, it's a great question. Let me deal with actually two parts of this answer. Let me start, though, with the longer range picture, which is strategic planning. We are forging ahead. The Strategic Planning Committee is meeting soon. The progress there is good. We're looking at the long-term potential and all of our goals. Then we're also weaving within the changes, because, as you know, we extended this strategic plan approval to the November/December meetings of the Foundation and the Trustees. That's giving us enough time to make those adjustments as we look out to 2025. What's really important, and this is an important note to make, kudos to all of you and to the Strategic Planning Committee and especially to Caprice and Andy, as



our Chair. I got to tell you what frightens me across the art museum field, because I'm on a couple of Zoom calls with the SE museum directors, the AAMD group and then sometimes the AM, the number of institutions that are outright stopping their strategic planning. They're just saying, "Well, we've tabled that for now." That's like a pilot shutting off the engines and thinking there's something good that's going to come out of coasting. And there's no good. The fact that we're continuing to do what we're doing is huge and it's important.

Now to the basic premise of your question I'll answer by saying yes. In fact, Hossein and Kimberly, on the retail side, which is the one weakness. Okay, we have four pillars of financial support: the state, which obviously the jury's out there, but things are looking a little better. The endowment – things are actually really good right now. We're hitting on all cylinders. Contributed income, as you heard from Tom, we took a 15% slice off the budget for fiscal '21. So there's more than a million dollars not in this year's budget for contributed income that essentially is going to be new found money. So, as we're sitting here in August and we're going to get done right after the Labor Day holiday, we're going to take all the numbers for the first two months. We're going to take everything that's happened with the General Assembly and their decisions. We hope they're done by then. We're going to take, particularly though, all of the, I spent half of last night reading what seems like 50 pages, it must probably be only about 12 pages, that they put together on the retail side of the house. They have some very specific kinds of actions that they would look at doing and quite frankly, some of those will, if they have to come to fruition, would be furloughs and possible layoffs in the food and beverage side of the house. But if that happens, before we do that, we're going to look at other options and whether that's other income or other areas that we can trim the budget because I don't want to start with our people first. That's not where I ever go. So as we pull together, really the biggest unknown for us ends up being where do we calculate the start of the financial engine for our food and beverage side of the house. That piece is, unfortunately, an unknown because of the pandemic. If there was a vaccine that happens sometimes theoretically by the end of the year, we could look at the third quarter of our fiscal year as an area where things will pick up. That would be my best case scenario. At the moment we are not seeing changes. Obviously through the first quarter of the year is shot, through the end of September. But we're also about ready to write off the second quarter of our fiscal year, through December. It's just not very promising. As I say, people are afraid. So, we will come to the Fiscal Oversight Committee with a plan. We will obviously be engaging all of you before that to talk about the possibilities so we can look at what best path to take and hope that we can find a path of little resistance. That's the goal. Now, this isn't going to help our financial situation any, but I got to tell you, we all need to be really, really happy that we're in Virginia and we're the Virginia Museum of Fine Arts and not any of the other top 15 or so museums in this country, art museums. I got to say that 90% of them would trade position with us in a heartbeat and never look back because their issues are staggering in terms of when you look at those four pillars of our financial picture. They've got, in some cases, less than two, if they even had four to begin with. Not to take solace off of other people's misery, but I'd much rather deal with our devils at the moment because I think that they're manageable and particularly encouraged by the contributed income side and what we're doing. Did that answer your question, Ken?

Ken Johnson: It did, Alex. I guess for me, it's just a personality thing. Some folks (indecipherable) me. Like you said, we're in a strong financial position and your balance and several different things that you have, the General Assembly members, and all that. But you also have the General Assembly and you also have our brand, the museum brand. We're known for doing things the right way and being very decisive. I just hope they were very decisive as we look towards the fall. You

talk about the F&B money that's coming in or may not be coming in. We have a lot of events during the holiday seasons. I know many people will be looking toward the museum because they're going to be fed up. They want to get out and they probably won't be able to get out. I think we need to go ahead and put a Plan B and Plan C together, whatever, to make sure we're in the offense versus being reactionary to everything. I think that your staff will do that and I don't want to get in the weeds, but I just wanted to put that out there. Even going into the beginning of the next year and into the third quarter.

Alex Nyerges: I'm glad you're saying that because one thing that I keep hearing in that voice in the back of my head is a reminder that what issues we have, and I'm not going to belittle issues that are not just in six figures, but potentially could push into seven figures, but low, very low. Although that's a challenge, we've had taller challenges before. More importantly, we have a \$365 million capital campaign. We've got a bunch of asks out, more that are in the process of being done. Quite frankly, even a \$1 million problem is not exactly anything we need to lose any sleep over. What we need to not forget, and to your point, Ken, I'm glad to hear you say that, we need to work from a position of strength, because we have it. We need to work from a position that's long-term and not be frightened by the inconveniences. Again, I'm not trying to make light of what our food and beverage side of the house is experiencing but in the big picture scheme of things, we've got more things going for us than not. I would much rather not be reactionary because I think that would damage everything we're working so hard for that has long-term implications because when I think about us, if we were a stock, I'd be pouring a lot of money and buying more shares right now.

Monroe Harris: David, did you have a comment?

David Goode: I'd like to remind all of us what we had determined was that we would wait until the General Assembly had given us some indication and at that point, with all the other information that's been assembled, we had assumed that Hossein, Alex and the Oversight Committee would get together at some point, probably as Alex says after Labor Day, and assess what adjustments we want to make and what kind of budget adjustments, if any, we make to present, which will, I would assume. We will have that session and Ken, you'll be involved in that before the board meeting so that will have some indication of where we are. I think we're going to in the next week, or so, know a lot about where the General Assembly is and whether we need to do anything to accommodate that. We're getting so much more information than we had before about what the attendance is, what food and beverage, and what we can realistically look at. So, I think we'll be in a better position when we have the board meeting, Monroe, to have some insights.

Monroe Harris: David, thank you for that. I think that's healthy and thank you for that reminder. I guess my mindset goes back again to the fact that we have a brand and we also have employees. Alex, if we were a company, a stock to invest in, one of the things people invest in is stability. We want to make sure that we present strong stability to our folks and let them know that we do have a plan and there's a strategy out there. So yes, absolutely, we'll wait for the next couple of weeks and we'll be in good shape.

David Goode: This is a much better meeting than some I have been in recently.

Monroe: Same here. This is good conversation. Is there anybody else, any other comments?

Alex Nyerges: Monroe, I got one other thing I meant to bring up that I hadn't thought of. But as we were thinking about good things. You know the points about working from one's strengths. One of our great strengths, thanks to the foresight 44 years ago, was the creation of the Foundation. The Foundation obviously houses our endowment. Back in 1941 John Lee Pratt put money up to create a Fellowship Program. Earlier this summer, actually the late spring, we determined, as you know, that we had a surplus in our Fellowship Program, about \$200,000. We put together, thanks to Michael's hard work, along with Natasha, who runs the Fellowship Program, Jeffery, who runs the Statewide Program, and then Valerie, who is Head of Contemporary Art. Together they put together an RFP, actually an application process. We got almost 400 applications from artists all across the state. It was a stack and 150 of those came in the evening of the day of the deadline, which was midnight. They all were last minute. It brought Valerie, Jeffrey and Natasha, in some cases, to tears at what they saw because we asked for resumes and slides. So, there was artistic merit as one of the underpinnings of the decision process. We were also making sure that we were geographically diverse. We didn't want all the money pouring into Richmond by any stretch. We wanted to make sure the (indecipherable) we have, also challenge of diversity, making sure that gender diversity was represented and also ethnic diversity. I'm proud to say that they worked really hard. They selected 40 artists.

Next Tuesday, a week from today at, I believe 10 in the morning, the Governor and the First Lady are coming to the museum. This is going to be an almost virtual event. We're going to send the link out to everybody because the Governor is limited to keeping this at 50 people. He's bringing a group of ten. We have the media coming. They are invited so we'll have ten of them. We're inviting the artists. There are 40 artists. They won't all be coming because many of them, there are seven or eight of them, that don't want to be recognized for various reasons. We have winners on the Eastern Shore, or a winner on the Eastern Shore. We have people in Roanoke. We have people up in the Valley, a bunch of folks from Northern Virginia. We have people from Norfolk and the Tidewater Area and then a pretty good number from the Richmond region because obviously VCU is a great anchor and they produce so many graduates. This was limited to full-time working artists who then also had to provide a 300-word essay on financial need. So we took it on the basis of their resume, their slides and the pitch of why they needed money. That's what brought them to tears in many cases because there are just so many heart rendering kinds of appeals. I've gotten three or four. We sent out quietly to the artist themselves letter of congratulations. We did that a week ago, this past Thursday. We sent it overnight to everybody. Surprisingly, that you can send an overnight package on UPS for six bucks. We enclosed the \$5,000 check in each of those 40 envelopes. So we put \$200,000 into the pockets of artist working and living in Virginia last week. Needless to say, the outpouring of thanks from them was pretty warming to everybody's heart here. We suspect that we'll see more of the same. So we'll send you the information about how to tune in next Tuesday morning with the Governor and the First Lady. We're doing it outside under a tent because we could move from his limit of only 40 people to 50 people if we were able to do it under a tent. So my apologies to everybody to the limit to the number but that was a request from the Governor. Obviously we have to do what he's asked us. But talk about a feel good moment and something that builds brand recognition and appreciation. No other art museum in America is doing what we do and have done. Since we'll be making two sets of grants, because the regular Fellowship Program will go on as well, we'll give away some \$400,000+ this year to artists in Virginia. I think that's something we should all be very, very proud of, particularly in this time of need.

Monroe Harris: Absolutely, \$5,000 goes a long way so that's fantastic. Is there any other business that needs to come before the committee? If there is no other business, then we are adjourned. Thank you all for your attention and support. Good seeing everyone and look forward to seeing you again very, very soon.

**Meeting adjourned at 4:01pm.**

Transcribed by: Kay Baker  
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