

Virginia Museum of Fine Arts
Draft Minutes of the Fiscal Oversight Committee
Wednesday, January 13, 2021, 11:00am
Video Conference

There were present:

David Goode, Chair
Lynette Allston
Joan Brock
Marland Buckner
Betty Crutcher
Ankit Desai
Martha Glasser
Andy Lewis
Sara O'Keefe
Satya Rangarajan
Pamela Royal
Charlie Whitaker
Monroe Harris, Trustee President, Ex-officio
Jim Klaus, Foundation Co-President, Ex-officio
Lilo Ukrop, Foundation Co-President, Ex-officio

Absent:

Steve Markel, Vice Chair
Gil Bland
Jeff Humber
Tom Papa
Rupa Tak

By Invitation:

Alex Nyerges, Director
Kay Baker
Mike Bisceglia, Foundation Liaison
Stephen Bonadies
Caprice Bragg
Candy Banks
Stephanie Cooperstein
Hazel Duncan
Denise Keane, Foundation Liaison
Katie Payne
Tom Gutenberger
Jan Hatchette
Connor Hudgins
Hossein Sadid
Suzy Szasz Palmer
Michael Taylor
Kimberly Wilson

I. CALL TO ORDER

Chair Mr. David Goode called the meeting to order at 11:00am.

II. PUBLIC COMMENT PERIOD

Mr. Goode reported there were no requests for public comment.

III. APPROVAL OF MINUTES

Motion: proposed by Ms. Joan Brock and seconded by Dr. Betty Crutcher to approve the minutes of the September 17, 2020 Fiscal Oversight Committee meeting as distributed. Motion carried.

IV. FY21 FIRST QUARTER VS ACTUAL

Mr. Hossein Sadid, Chief Financial Officer and Deputy Director for Finance and Administration, reported the current forecast indicates a shortfall of \$1.8 million. He noted this deficit can be attributed to visitation being 30% lower due to the COVID-19 Pandemic which has also resulted in lower ticket sales, tuition fees, and revenue from museum enterprises. The museum shop is doing well and is forecast to end the year in the black.

To offset the shortfall, Mr. Sadid noted staff continue to reduce expenses, especially those related to entertainment and travel. Additionally, Chief Curator and Deputy Director for Art and Education, Dr. Michael Taylor has submitted a request for a reduction in fees for *Sunken Cities*. A government reimbursement for COVID-19-related expenses is pending. Mr. Sadid believes these efforts help position VMFA to have a balanced budget at the end of the fiscal year. Mr. Goode added that the museum is also prepared to pull from reserves, as necessary. Foundation Co-President Jim Klaus recommended that the Committee commit to reviewing the reserves in FY22 in preparation for FY23.

V. REVIEW OF BUDGET ASSUMPTIONS FOR FY22 BUDGET

Mr. Sadid presented the budget assumptions for FY22, noting the documents are in the early stages of planning with work beginning in the summer of 2020. He stated the main principles within the budget are investing in museum employees, keeping the budget in balance, reflecting the museum's mission and strategic plan, and remaining transparent and accountable throughout the process. Mr. Sadid said that there are no expected increases in funds for FY22, with the exception of possible requested monies from the Commonwealth for additional part-time Facility Services Associates and Security staff and that revenues are expected to decrease by 27%. It is anticipated that FY22 will begin in a manner that better reflects the pre-COVID-19 economy.

VI. *SUNKEN CITIES* P&L

Mr. Sadid reviewed the *Sunken Cities* exhibition's profits and losses, noting that staff had originally projected attendance of more than 200,000 visitors pre-COVID-19. He shared

that as a result of the Pandemic, there has been an estimated loss of 70,000 attendees due to the temporary museum closure and capacity restrictions related to its reopening. Despite generating lower projected revenues, *Sunken Cities* has not incurred as many expenses as anticipated. Dr. Taylor reported that in response to the restrictions surrounding the Pandemic, VMFA cancelled an exhibition from the Uffizi Gallery. It has been replaced with an exhibition curated in-house, which saves the organization more than \$1 million.

VII. OTHER BUSINESS/ADJOURNMENT

There being no further business, the meeting adjourned at 11:57am.

Recorded by: Stephanie Cooperstein
Executive Administrator to the Chief Strategy Officer and Deputy
Director of Strategic Planning, Government and Board Relations