

Virginia Museum of Fine Arts
Draft Minutes of the Fiscal Oversight Committee
Wednesday, June 16, 2021, 10:45am
Pauley Center Parlor

There were present:

David Goode, Chair
Lynette Allston
Marland Buckner
Betty Crutcher
Martha Glasser *via videoconference; personal due to travel*
Jeff Humber
Andy Lewis
Satya Rangarajan
Rupa Tak *via videoconference*
Charlie Whitaker
Monroe Harris, Trustee President, Ex-officio

Absent:

Steve Markel, Vice Chair
Gil Bland
Joan Brock
Ankit Desai
Sara O'Keefe
Tom Papa
Pamela Royal

By Invitation:

Alex Nyerges, Director
Kay Baker
Candy Banks
Mike Bisceglia, Foundation Liaison
Stephen Bonadies
Caprice Bragg
Stephanie Cooperstein
Hazel Duncan
Tom Gutenberger
Jan Hatchette
Connor Hudgins
Denise Keane, Foundation Liaison
Jim Klaus, Foundation Co-President
Cindy Norwood, Office of the Attorney General
Hossein Sadid
Suzy Szasz Palmer
Michael Taylor
Lilo Ukrop, Foundation Co-President
Kimberly Wilson

I. CALL TO ORDER

Chair Mr. David Goode called the meeting to order at 10:45am.

II. APPROVAL OF MINUTES

Motion: Proposed by Mr. Jeff Humber and seconded by Mr. Marland Buckner to approve the minutes of the March 26, 2021 Fiscal Oversight Committee meeting as distributed. Motion carried.

III. FY21 THIRD QUARTER VS ACTUAL

Mr. Hossein Sadid, Chief Financial Officer and Deputy Director for Finance and Administration, reported that the current forecast for FY21 indicates a balanced budget. He noted that the staff worked hard to close the gap that was reported to the Committee in March.

To offset the original shortfall, Mr. Sadid stated that staff reduced expenses, especially those related to entertainment and travel. Additionally, the state general fund increased by 4.5% with a one-time reimbursement of \$500,000 for expenses. The Foundation increased its budgetary support of the museum by \$2 million.

IV. FY22 FINAL BUDGET REVIEW

Mr. Sadid presented the draft FY22 budget to the Committee, noting changes that have occurred since his FY22 budget assumptions report in March. He noted that the proposed budget assumes a slow recovery from the impact of the pandemic on certain revenues, including earned revenues (ticket sales, lower level membership, and tuition/fees), sources of funding for the Campaign, and no contribution from the enterprise operation. This amounts to a decline of \$2.6 million. This combined with new expenses such as the 5% increase for staff not covered by the Commonwealth and new strategic planning initiatives added to that shortfall. Through a reduction in operating expenses, using \$1.8 million of the carryforward restricted and unrestricted endowment income balances from prior years, and utilizing \$250,000 of operating reserve funds brought this budget into balance.

At this time a discussion about operating reserve funds and rollover funds took place. Mr. Sadid noted that there will continue to be more than \$1 million in reserves and \$2 million in rollover funds available in FY23, if necessary.

Motion: proposed by Mr. Charlie Whitaker and seconded by Ms. Betty Neal Crutcher to recommend to the full Board of Trustees the FY22 budget as distributed. Motion carried.

VII. OTHER BUSINESS/ADJOURNMENT

There being no further business, the meeting adjourned at 11:47am.

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