

Virginia Museum of Fine Arts
Draft Minutes of the Fiscal Oversight Committee Meeting
Wednesday, December 7, 2022, 11:15am
Reynolds Lecture Hall

There were present:

Jeff Humber, Chair
Joan Brock
Jim Cheng
Betty Crutcher
Andrew Lewis
Pam Royal

Absent:

Gil Bland
Aubrey Lane
Tom Papa
Hubert Phipps
Rupa Tak

By Invitation:

Alex Nyerges, Director and Chief Executive Officer
Lynette Allston
Brian Ball
Candy Banks
Caprice Bragg
Stephanie Cooperstein
Hazel Duncan
Leon Garnett
Ann Goettman
Tom Gutenberger
Melinda Hardy
Andrew Harris
Jan Hatchette
Connor Hudgins
Denise Keane
Marianne Littel
Cindy Marquez, Office of the Attorney General
Jay Olander, VMFA Foundation President
Katie Payne
Anne Smith
Suzy Szasz Palmer
Michael Taylor

I. CALL TO ORDER

Chair Jeff Humber called the meeting to order at 11:12am.

II. APPROVAL OF MINUTES

Motion: Proposed by Mr. Humber and seconded by Dr. Andy Lewis to approve the minutes of the September 14, 2022 Fiscal Oversight Committee meeting as amended. Motion carried.

III. FY23 FIRST QUARTER BUDGET VS ACTUAL

Chief Financial Officer Andrew Harris reported that FY23 first quarter revenues and expenses are tracking slightly higher than budget. These increases are primarily due to additional state funding requests that were finalized after the Museum budget was approved. He noted the decrease in support from the VMFA Foundation, explaining that this is due to the impact of volatile market conditions on newly created funds. His expectations are that the budget will remain in balance throughout the remainder of the fiscal year.

IV. REVIEW BUDGET ASSUMPTIONS FOR FY24

Mr. Harris led the committee through a review of budget assumptions for FY24. He then reviewed a five-year analysis of revenues and expenses. Director and Chief Executive Officer Alex Nyerges provided background information on the museum's four streams of revenue: support from the Commonwealth, earned revenues, enterprise revenues, and support from the VMFA Foundation. Mr. Harris noted challenges and opportunities that will arise in FY24, specifically highlighting the importance of generating income from travelling exhibitions and fundraising.

V. EXPANSION PLAN FINANCING UPDATE

Mr. Harris provided the Committee with an update on expansion plan financing. He outlined the current plan which includes \$125 million in state funds, donations through the campaign, and bridge/long term financing through the Foundation. Due to inflation and supply chain issues, it is likely that expansion costs may increase. Mr. Harris explained that the recently selected construction manager at risk, Gilbane Building Company, will be reviewing the project costs to determine the guaranteed maximum price.

VI. OTHER BUSINESS/ADJOURNMENT

There being no further business, a motion to adjourn the meeting was seconded and approved by the Committee at 12:10pm.

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

