

Virginia Museum of Fine Arts
Draft Minutes of the Fiscal Oversight Committee Meeting
Tuesday, March 14, 2023, 11:30am
Claiborne Robertson Room

There were present:

Jeff Humber, Chair
Betty Crutcher
Andrew Lewis
Pamela Royal
Lynette Allston, Trustee President, ex-officio

Absent:

Gil Bland
Joan Brock
Jim Cheng
Tom Papa
Hubert Phipps
Rupa Tak

By Invitation:

Alex Nyerges, Director and Chief Executive Officer
Kay Baker
Candy Banks
Caprice Bragg
Stephanie Cooperstein
Hazel Duncan
Leon Garnett
Ann Goettman
Tom Gutenberger
Melinda Hardy
Andrew Harris
Jan Hatchette
Connor Hudgins
Doug James
Cindy Marquez, Office of the Attorney General
Colleen Milewski
Katie Payne
Anne Smith
Suzy Szasz Palmer
Michael Taylor
Kimberly Wilson

I. CALL TO ORDER

Chair Jeff Humber called the meeting to order at 11:30am.

II. APPROVAL OF MINUTES

Motion: Proposed by Dr. Andrew Lewis and seconded by Dr. Pamela Royal to approve the minutes of the December 7, 2022 Fiscal Oversight Committee meeting as distributed. Motion carried.

III. FY23 SECOND QUARTER BUDGET VS ACTUAL

VMFA Chief Financial Officer Andrew Harris reported that FY23 second quarter revenues and expenses are tracking slightly higher than budget. These increases are primarily due to additional state funding requests that were enacted after the museum budget was approved. He noted decreased support from the VMFA Foundation due to the impact of volatile market conditions on “underwater funds.” Mr. Harris’ expectations are that the budget will remain in balance throughout the remainder of the fiscal year.

IV. FY24 BUDGET PROCESS

Mr. Harris led the committee through a review of budget assumptions for FY24, including a five-year analysis of revenues and expenses for context. He reported that preliminary estimates indicated that 70% of expenses are personnel-related expenses. Mr. Humber raised a question concerning the \$4 million in reserve funds, wondering if it is enough in the event of a major economic disruption like the COVID-19 Pandemic. Mr. Harris noted that a 10% reserve fund is a healthy amount for an institution like VMFA. Director and Chief Executive Officer Alex Nyerges echoed that sentiment, while also noting that more would always be better.

V. EXPANSION UPDATE

Mr. Nyerges announced that Mr. Tim Hill has been hired as VMFA’s Construction Administration Manager. He will work with the Construction Manager-at-Risk, Gilbane Building Company, to establish a firm timeline and budget which Mr. Hill will monitor throughout the expansion and renovation process. Mr. Nyerges stated that additional information about the expansion would be shared at the full Board of Trustees’ meeting.

VI. FY21 DEPARTMENT OF ACCOUNTS AUDIT

Mr. Harris provided an overview of the museum’s FY21 audit by the Commonwealth of Virginia Auditor of Public Accounts. The audit notes that seven findings from the previous audit were resolved, and that there were six procurement and contracts findings, to which Mr. Leon Garnett, VMFA Senior Director of Fiscal Services, responded. These findings included strengthening internal processes over construction-in-progress, allocation of resources for year-end reconciliation, deactivation of terminated employee access to the Commonwealth’s purchasing system, controls over cash deposits, review of small purchase charge card reconciliations, compliance with the Conflict of Interests Act, and compliance with security awareness training. Mr. Garnett noted that many of these findings have been addressed in subsequent fiscal years.

VII. OTHER BUSINESS/ADJOURNMENT

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

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