

Virginia Museum of Fine Arts
Draft Minutes of the Fiscal Oversight Committee Meeting
Tuesday, June 13, 2023, 1:45pm
Claiborne Robertson Room

There were present:

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

Absent:

Gilbert Bland
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
Rooz Dadabhoy
Hazel Duncan
Leon Garnett
Marcia Gilliam
Ann Goettman
Melinda Hardy
Andrew Harris
Jan Hatchette
Connor Hudgins
Marianne Littel
Cindy Marquez, Office of the Attorney General
Jay Olander, VMFA Foundation President
Suzy Szasz Palmer
Michael Taylor
Kimberly Wilson

I. CALL TO ORDER

Chair Jeff Humber called the meeting to order at 1:46pm.

II. APPROVAL OF MINUTES

Motion: Proposed by Dr. Andrew Lewis and seconded by Ms. Joan Brock to approve the minutes of the March 14, 2023 Fiscal Oversight Committee meeting as distributed. Motion carried.

III. FY23 THIRD QUARTER BUDGET VS ACTUAL

Andrew Harris, VMFA Chief Financial Officer, reported that third quarter revenues are tracking slightly higher than budget, and expenses are tracking slightly lower than budget. He also made several other observations. It is anticipated that Enterprises will likely not meet the \$100,000 net contribution as budgeted. Mr. Harris noted decreased support from the VMFA Foundation due to the impact of volatile market conditions on the endowment. Mr. Harris's expectations are that the budget will remain in balance throughout the remainder of the fiscal year and close with a modest surplus.

IV. FY24 FINAL BUDGET REVIEW AND APPROVAL

Mr. Harris led a review of the proposed budget for FY24. He reported that preliminary estimates indicated that 64% of expenses are personnel-related. The FY24 budget assumes that a \$1.2 million claim related to the Employee Retention Tax Credit program will be received. If that claim is not approved, the funds would be taken from the museum's reserves.

Motion: Proposed by Dr. Lewis and seconded by Ms. Brock to recommend to the full Board of Trustees the FY24 budget as distributed. Motion carried.

V. EXPANSION UPDATE

Alex Nyerges, VMFA Director and Chief Executive Officer, reported that initial estimates on the cost of construction have been compiled by Gilbane Building Company, the museum's Construction Manager at Risk. Gilbane's initial cost estimate reflects a 14% increase that is largely due to the current inflationary environment. Reviews and adjustments of the estimate will be undertaken over the coming days. Mr. Nyerges concluded by stating that additional information about the expansion would be shared at the full Board of Trustees' meeting.

VI. FY24 FISCAL OVERSIGHT – TENTATIVE AGENDA

The committee reviewed the suggested agendas for FY24. There were no revisions or modifications.

VII. OTHER BUSINESS/ADJOURNMENT

There being no further business, a motion to adjourn the meeting was made, seconded and approved by the committee at 2:30pm.

Recorded by: Stephanie Cooperstein
Executive Administrator