Virginia Museum of Fine Arts

Minutes of the Fiscal Oversight Committee Meeting

Thursday, 14 June 2018, 11:30am

Theater Level Conference Room #1

There were present:

Tom Papa, Acting Chair

Lynette Allston

Martin J. Barrington

Betty Crutcher

Anne Noland Edwards

Richard Gilliam

Martha Glasser

David Goode

Ukay Jackson

James W. Klaus

Steven A. Markel

Tom Papa

Pamela J. Royal

Michael J. Schewel, Ex-Officio

By Invitation

Alex Nyerges, Director

Laura Keller

Cameron O'Brion

Katie Payne

Hossein Sadid

Kimberly Wilson

Absent:

John A. Luke, Jr.

Thomas F. Farrell II

Ankit Desai

Satya Rangarajan

Rupa Tak

Harry R. Thalhimer

Lilo Simmons Ukrop

1. CALL TO ORDER

Acting Chair Tom Papa called the meeting to order and welcomed the group. He introduced Katie Payne, the new Director of Government Relations, and Connor Hudgins, the Interim Budget Manager.

1. MINUTES APPROVAL

**Motion:** proposed by Mr. Goode and seconded by Dr. Crutcher to approve the March 15, 2018 minutes of the Fiscal Oversight Committee meeting as distributed. Motion approved.

1. FY19 & FY20 BUDGET

Mr. Sadid provided an overview of the proposed FY19 and FY20 budgets. He explained that, compared to the FY18 budget, the FY19 budget anticipates increased revenue from membership, parking, the Mellon travelling exhibitions, studio classes, and youth programs. Revenues from exhibitions are projected to decrease due to the size and composition of the exhibitions in FY19 compared to FY18, which included one of the highest attended exhibitions in the museum’s history, *Terracotta Army*. There will be a correlated decrease in exhibition expenses.

He reported that support from the Foundation will increase due to increased dividend distribution from the Lettie Pate Evans Trust, continued support from the Mellon Foundation grant for conservation, continued support from the Lettie Pate Evans Foundation Grant for Digital Learning, and revenue from change capital. Since the committee reviewed the draft budget in March, the museum has incorporated the IMLS grant and the AAMD conference to be held in Richmond in January 2019.

Mr. Schewel explained that Foundation support is only a portion of the Foundation’s total budget. Ms. Edwards commended the staff for high percentage of the budget spent to directly support the museum’s mission. In response to a question from Mr. Goode, Mr. Nyerges explained that the museum has been pursuing increased maintenance reserve support from the state. In response to a question from Mr. Schewel, Mr. Sadid explained that the Division Heads review a prioritized list of unfunded strategic planning projects and prioritize which items should be funded by change capital. Many of the strategic planning projects have been funded by grants or donor gifts, so those items have been incorporated into the budget but are not listed under change capital.

**Motion:** proposed by Ms. Allston and seconded by Dr. Crutcher to recommend that the Board of Trustees approve the FY19 budget as distributed. Motion approved.

1. FY2018 BUDGET UPDATE

Next, Mr. Sadid updated the committee on the FY18 budget. He projects that revenues will be 0.9% over budget, and expenses will be 0.7% over budget. Unanticipated revenues from the Winter Antiques Show will go toward FY18 expenses for *Masks of Congo* and preparing the Schlumberger collection exhibition to travel. The anticipated surplus will be added to the endowment.

1. CONFLICT OF INTEREST REPORT

Mr. Sadid reported that 100% of the Trustees have filed conflict of interest statements for CY17. There are two outstanding conflict of interest filings on the Foundation board, but the individuals have sent digital copies indicating no conflicts. He explained that only one conflict was reported on either board, but legal counsel vetted the transaction in advance.

1. OTHER BUSINESS/ADJOURNMENT

There being no further business, the meeting was adjourned at 12:50pm.

Recorded by: Laura Keller

 Assistant to the Secretary of the Foundation