Virginia Museum of Fine Arts

Minutes of the Fiscal Oversight Committee Meeting

Wednesday, June 19, 2019, 10:15am

Theater Level Conference Room #1

There were present:

David Goode, Chair

Lynette Allston

Betty Crutcher

Anne Noland Edwards

Martha Glasser

James W. Klaus

Tom Papa

Monroe E. Harris, Jr.

Absent:

Steven A. Markel

Ankit Desai

Satya Rangarajan

Pamela J. Royal

Rupa Tak

Harry R. Thalhimer

Lilo Simmons Ukrop

H. Hiter Harris, III

By Invitation

Alex Nyerges, Director

Carol Ann Bischoff

Gilbert Bland

Stephen Bonadies

Caprice Bragg

Edie Cabaniss

Hazel Duncan

Tom Gutenberger

Jan Hatchette

Connor Hudgins

Jeffrey Humber

Eucharia Jackson

Laura Keller

Andrew M. Lewis

Cynthia Norwood

Suzy Szasz Palmer

Katie Payne

Hossein Sadid

Michael Taylor

Charles Whitaker

Kimberly Wilson

1. CALL TO ORDER

At 10:15am, Chair David Goode called the meeting to order and welcomed the committee.

**Motion:**           proposed by Mr. Goode and seconded by Dr. Harris to approve the minutes of the March 27, 2019 Fiscal Oversight Committee meeting as distributed. Motion approved.

1. FY20 & FY21 BUDGET REVIEW/APPROVAL

Chief Financial Officer Hossein Sadid provided an overview of the draft FY20 budget. The total proposed budget for the museum is $41.6 million, a 4.2% increase from FY19. He attributed the growth to increased state support for the Robinson House and Evans 360 Distance Learning, anticipated Foundation support for the *Sunken Cities* exhibition, and enterprises. Mr. Goode noted that, as the museum has grown and state support has become a smaller percentage of revenues, the museum has become more dependent on exhibitions, enterprises, membership, and Foundation support.

Mr. Sadid reported that 85% of the museum’s expenses are mission-related, compared to the AAMD survey average of 82%. He also explained that $1.2 million has been budgeted for campaign expenses, and another $1.7 million in expenses related to strategic planning priorities have been integrated into the baseline budget. Funding for those projects will end in FY21, and there is an expectation that financial resources raised during the anticipated fundraising campaign will pay for them. He noted that the state-mandated salary increases were partially funded, and the museum had to absorb approximately $650,000 expense in order to offer the salary increases to all full time and part time staff.

**Motion:**           proposed by Dr. Crutcher and seconded by Dr. Harris to recommend that the Board of Trustees approve the FY20 budget as distributed. Motion approved.

1. FY 2019 BUDGET UPDATE

Mr. Sadid reported that the museum is projected to end the year balanced, slightly below target for both revenues and expenses. In response to a question from Mr. Rangarajan, Mr. Sadid explained that the FY19 Enterprises budget has improved since March, and the department will end the fiscal year with a $300,000 surplus. This improvement is still somewhat short of projections, reserve funds will be used to cover the difference. He also described internal steps taken to increase staff efficiency, and promote facility rental availability.

1. FY 2020 AGENDA ROTATION

The group reviewed the proposed agendas for the FY20 committee meetings.

1. OTHER BUSINESS/ADJOURNMENT

There being no further business, the meeting was adjourned at 11:13am.

Recorded by: Laura Keller

Assistant to the Secretary of the Foundation