

Date: _____ Approved: _____

Virginia Museum of Fine Arts
Restaurant Operation Sub-Committee Minutes
The Pauley Center Dining Room, 3:00 pm
Tuesday, May 19, 2009

There were present:

John R. Curtis, Jr., Chairman
Pamela Reynolds, Ex-Officio
Thurston R. Moore, Ex-Officio

By Invitation:

Alex L. Nyerges, Director
Ms. Carol Amato
Peter Culley
Ms. Kennah Harcum
Ms. Cathy Turner
Ms. Alexis Vaughn
Richard Woodward

Absent:

Dr. Herbert A. Claiborne, Jr.
John R. Staelin

I. CALL TO ORDER

The meeting was called to order by the Chairman, John Curtis, at 3:00 pm.

II. MINUTES

Motion: proposed by Mr. Curtis and seconded by Mrs. Reynolds that the minutes of the last meeting of the Restaurant Operation Sub-Committee held on the 23rd of April 2008 be approved as distributed on the 30th of July 2008. Motion carried.

III. PRESENTATION OVERVIEW

Alexis Vaughn, Deputy Director of Sales and Marketing, gave an overview of the agenda saying that architect Peter Culley would give a furniture overview and Cathy Turner would talk about in-house vs. outsourcing food service in the McGlothlin Wing. Ms. Vaughn listed the goals of the Food Service and Special Events Department:

- Provide a fabulous dining event that elevates the visitor experience and reinforces the excellence of the institution overall

- Up-fit the food service facilities within the \$365,000 budget earmarked from the Top Ten Campaign
- Deliver projected profit from food service to support museum operation

IV. FURNITURE

Peter Culley presented a furniture overview saying that he researched Leslie Cheek's legacy of using Knoll furnishings in the 1950s. The furniture for the new wing is planned to be purchased vs. custom produced and of North American/USA origin. Mr. Culley has also researched the chairs in the museum's permanent collection and focused on "mid century American classic" furniture. For the restaurant tables on the third floor he has selected black base with Nero black marble top – Saarinen tables with a warm gray carpet. The focus will be on the outdoors/glass walls and green outdoors. Mr. Culley said the chair selection is a Bertoa upholstered version for both the dining and bar areas. The Saarinen womb chair with green fabric will be used for the bar/lounge area. The terrace will use Tuff-Edge black base with solid surface top tables with Bertoa black chairs. (Same as chairs used in VMFA sculpture garden in years past.)

Pam Reynolds asked a question on atrium seating (visible from restaurant.) Richard Woodward answered that they will be in the Knoll vocabulary. The private dining room will use Bertoa chairs.

For the first floor café and terrace Tuff-Edge table with stainless steel tops or solid surface tops and Bellini plastic chairs in a sage green color will be used (currently used at Savor in Manchester.) For the Robertson-Claiborne Room – Versteel tables – "Vela" 6'x24" long – many finish options, versatile usage – can be 25 tables on wheels. Brushed aluminum steel chairs with seat pads by Emeco (light weight and stackable.) Kirkos chairs were an option \$100 at an additional cost of \$20,000.)

The Restaurant/Boardroom allocation in the Top Ten Fund Expenditures is \$365,000. The costs for the furniture discussed are as follows.

Best Café and Terrace	\$ 46,777
Restaurant & Lounge	188,018
Restaurant Terrace	39,951
Robertson/Claiborne Room	47,089
POS system	40,000

Total \$361,835

*includes shipping estimate at 10% of cost for furniture items

The committee unanimously agreed the furnishings presented were acceptable. Staff can now move ahead. John Curtis raised the question of purchasing new flatware and china, rather than using the existing. He said this they are part of the theatre of the restaurant business.

V. IN-HOUSE VS. OUTSOURCE DISCUSSION

Alexis Vaughn and Cathy Turner presented the pros and cons for self management vs. outsourcing the food service business.

Self Management

Pros:

- Maintains continuity of operations
- Preserves control over menu, pricing, hours and discounting

Cons:

- Museum continues to provide support for accounting and HR functions
- VMFA accepts the financial risk in times of economic uncertainty

Net profits transferred to museum operating budget - \$591,696

Outsourcing

Pros:

- Greater pool of resources for staffing
- Upward career track for management employees
- Management company takes the financial risk in unstable economic environment

Cons:

- Loss of some control over menu, pricing and hours of operation
- Potential loss of discount for in-house events
- Limited revenue returned to VMFA operations on catering operations
- No revenue sharing on restaurant or café revenue

Revenue share returned to museum operating budget

- \$282,000 (retaining in-house discounts, including net usage fees)
- \$334,000 (no discounts, including net usage fees)

Cathy Turner presented their recommendation to the committee based on meeting the financial objectives of the VMFA Business Plan.

- Continue self-managed foodservice operations
- Hire a Restaurant Chef to be responsible for menu planning and execution
- Open the restaurant during all museum public hours, to include dinner when the museum is open in the evening.

John Curtis asked about museum hours and recommended at least two evenings a week for open hours – Fridays for certain and possibly Thursdays.

Alexis Vaughn emphasized the importance of tying in programs and special events to make these food service operations successful. An emphasis on local, sustainable menu items was discussed. Pam Reynolds inquired about chef selection. The restaurant chef would be separate from the banquet chef who would be responsible for catering and the café. Thurston Moore asked for the financial overview which Cathy Turner presented.

Restaurant Financial Snapshot:

- Projected Revenue \$366,870
- -Labor \$389,000
- -Food/Beverage 110,061
- -Fixed Expenses 20,000
- Total Costs \$519,061
- Profit/(Loss) (\$152,191)

Best Café and Coffee Bar Financial Snapshot:

- Projected Revenue \$436,750
- -Labor 330,000
- -Food/Beverage 152,863
- -Fixed Expenses 20,000
- Total Costs \$502,863
- Profit/(Loss) (\$ 66,113)

Special Events Financial Snapshot:

- Projected Revenue \$1,300,000
- Net facility usage fees 204,000
- -Labor 358,000
- -Food/Beverage 286,000
- -Other Expenses 50,000
- Total Costs \$ 694,000
- Profit \$ 810,000

Facility Usage Profit on 240 External Events per Year:

- Average usage fee \$1,500
- Total Usage Fees \$360,000
- Average facility cost \$650
- -Security; housekeeping; parking
- -maintenance reserve
- Total facility costs \$156,000
- Net facility usage fees \$204,000

Pam Reynolds recommended a board presentation when the furnishings “fly-through” production is completed. All agreed the restaurant expands the experience of visiting the VMFA. Recruitment for a new chef will be regional and beyond. Thurston Moore emphasized the need to think “theater” as the focus of the dining experience. The Fiscal Oversight Committee will review the financial overview at this week’s meeting on Thursday.

The following motion was proposed.

Motion: proposed and seconded that the Restaurant Operations Sub-Committee recommend that the museum continue to operate its restaurant and special event functions with in-house staff to achieve the earned revenue goals identified in the Business Plan adopted by the Board in 2007.
Motion carried.

The board will be briefed in September with a visual and financial overview.

VI. OTHER BUSINESS/ADJOURNMENT

No additional business was brought before the group, and the meeting adjourned at 5:00 pm.

Alex Nyerges
Director of the Museum