

Date: _____ Approved: _____

THE VIRGINIA MUSEUM OF FINE ARTS
Government Affairs Committee Meeting Minutes
Held, pursuant to due notice, in the Pauley Center Second Floor Meeting Room
Tuesday, 17 November 2009, 3:30 pm

Presiding: Susan S. Goode, Chair
Secretary: Ms. Suzanne Broyles

There were present:
Susan S. Goode, Chair
Michael J. Schewel, Vice-Chair
Karen C. Abramson
Martin J. Barrington
Mrs. Whitt W. Clement
Mrs. Barbara-lyn B. Morris
Mrs. Gordon F Rainey, Jr.
Richard T. Riley
Ranjit K. Sen
Dr. Joseph R. Vilseck, Jr.
Pamela Reynolds, Ex-Officio
Mrs. Suzanne T. Mastracco, Ex-Officio

By Invitation:
Alex Nyerges, Director
Ms. Carol Amato
Bill Axelle
Stephen D. Bonadies
Ms. Sandy Bowen
David B. Bradley
Ms. Suzanne Broyles
Ms. Susan Ferrell
Ms. Suzanne Hall
Ms. Joan W. Murphy
Robin Nicholson
Ms. Nancy H. Parsons
Ms. Sandy Rusak
Ms. Alexis Vaughn

Absent:
Robert L. Burrus, Jr.
James C. Cherry
Mrs. Beverly H. Diamonstein
Ms. Eva Teig Hardy
Kenneth S. Johnson, Sr.
Dr. Benjamin J. Lambert III
Mrs. Stanley F. Pauley

Dr. Alvin J. Schexnider
 Jane Bassett Spilman
 John R. Staelin
 Gregory H. Wingfield
 Thurston R. Moore, Ex-Officio
 Richard G. Tilghman, Ex-Officio

I. CALL TO ORDER

The meeting was called to order by the Chair, Susan Goode, at 3:30 pm.

II. MINUTES

Motion: proposed by Mrs. Goode, seconded by Mr. Cherry that the Minutes of the last meeting of the Government Affairs Committee held on the 16th of September 2009 be approved as distributed on the 30th of October 2009. Motion carried.

III. 2010 General Assembly and Change of Administration – David Bradley and Carol Amato

David Bradley reported that this past summer we had both candidates for Governor here. Now many of the names on the transition team are friends of the museum and those contacts will serve us well. The November election created changes in the General Assembly and these were discussed. Mr. Bradley noted that the House Appropriations Committee is coming here tonight for dinner in connection with their annual retreat and the Lewis reopening. Bill Axelle discussed the conferees in both the House and the Senate and what our message is to them. Alex Nyerges added that we must stress that we are a state agency and Virginia's largest cultural agency. The state owns the buildings and the collection and the collection came as gifts from the private sector. Sandy Bowen noted that the museum is good for the state and will be one of the few success stories the state has enjoyed in recent years.

Carol Amato hoped there are no more cuts this year and indicated that a 15% budget cut in FY11 will be devastating and will most likely mean layoffs, which are expensive and will impact the museum's ability to fully operate. If the museum is to open and operate, there are many areas that cannot be cut so laying off staff is one of the few options. VMFA is trying to use staff more efficiently and prepare for any future cuts that might happen. We are also looking at any means available to generate earned revenue. Especially needed is funding for the utilities in the expanded museum. In talking with legislators it is clear that they support the museum and understand its position. However, they have limited funds and have to prioritize how those funds should be spent.

David Bradley distributed copies of recent newspaper articles on the state budget that announce the news is not good. Localities are bracing for cuts given that October tax collections are down 8% from 2008. He turned his attention to the 2010 Government Affairs Plan Outline document in the folders saying that a number of the new Assembly members must be cultivated in the museum's government affairs process. He

noted that Governor Kaine will most likely need to address another \$1.5 billion in cuts for FY10 and this will be revealed in mid December. Each state agency will depend on their allies in the Administration and General Assembly to protect them from deeper cuts.

Mr. Bradley discussed our strategic priorities: holding the line on further cuts on the FY09-10 budget as the Museum will have dramatically increased operating costs for the expansion; communicating this message to the incoming Administration; and protecting VMFA from further cuts in FY2010-12. We may need to protect or restore funds the Governor may propose as further amendments to the FY09-10 budget and retain or regain appropriations in the conference report and the final Budget Bill.

IV. Advocacy Efforts

David Bradley remarked that we need to keep our message consistent and specific in our advocacy efforts. We must present facts showing why further reductions could be damaging and explain our public/private partnership. Both Richmond area and statewide advocacy are needed.

Plans include continuing our one-on-one contacts using the expansion for hard hat tours. In mid December staff visits Roanoke, Radford, and Abingdon to attend the opening of the Matisse exhibition at William King Arts Center to which area legislators will be invited. Sandy Bowen pointed out that having February 1, 2010 be "VMFA Day" at the General Assembly is a great idea. On this day each legislator will receive a complimentary dual membership, be invited to a preview reception in the McGlothlin Wing, and have an opportunity to meet Artist Fellowship winners and Museum Partners from around the state. Photo opportunities will be available. Bill Axselle asked the group to please attend this event as a large show of support is needed.

V. Adjournment

There being no further business, the Chair adjourned the meeting at 4:37 pm.

Suzanne Broyles
Secretary of the Museum

Date: _____ Approved: _____

THE VIRGINIA MUSEUM OF FINE ARTS
Government Affairs Committee Meeting Minutes
Held, pursuant to due notice, in the Pauley Center Second Floor Meeting Room
Wednesday, 16 September 2009, 3:30 pm

Presiding: Susan S. Goode, Chair
Secretary: Ms. Suzanne Broyles

There were present:
Susan S. Goode, Chair
Karen C. Abramson
James C. Cherry
Mrs. Whitt W. Clement
Mrs. Beverly H. Diamonstein
Ms. Eva Teig Hardy
Kenneth S. Johnson, Sr.
Mrs. Barbara-lyn B. Morris
John R. Staelin
Dr. Joseph R. Vilseck, Jr.
Gregory H. Wingfield
Pamela Reynolds, Ex-Officio
Mrs. Suzanne T. Mastracco, Ex-Officio

By Invitation:
Alex Nyerges, Director
Ms. Carol Amato
Bill Axselle
Stephen D. Bonadies
David Bradley
Ms. Suzanne Broyles
Alfonso L. Carney, Jr.
Ms. Susan Ferrell
Ms. Joan W. Murphy
Ms. Nancy H. Parsons
Ms. Sandy Rusak
Ms. Alexis Vaughn

Absent:
Michael J. Schewel, Vice-Chair
Martin J. Barrington
Robert L. Burrus, Jr.
Dr. Benjamin J. Lambert III
Mrs. Stanley F. Pauley
Mrs. Gordon F Rainey, Jr.
Richard T. Riley
Dr. Alvin J. Schexnider

Ranjit K. Sen
 Jane Bassett Spilman
 Fred T. Tattersall
 Thurston R. Moore, Ex-Officio
 Richard G. Tilghman, Ex-Officio

I. CALL TO ORDER

The meeting was called to order by the Chair, Susan Goode, at 3:32 pm.

II. MINUTES

Motion: proposed by Mrs. Goode, seconded by Mr. Cherry that the Minutes of the last meeting of the Government Affairs Committee held on the 20th of May 2009 be approved as distributed on the 14th of July 2009. Motion carried.

III. Comments by Alex Nyerges, Director

The Director said our budget has been cut one million dollars and this sets us back considerably, but we have a plan. Since the election of a new governor is near, he asked the committee members to please talk to the candidates individually as well as in groups to explain how important the state support is to VMFA. We need to inform the candidates that they have a responsibility to us as taxpayers and voters to understand how important the art museum is to us.

IV. 2010 General Assembly and Change of Administration – David Bradley and Carol Amato

David Bradley reported that he and Carol Amato thought that despite the current economic circumstances, the Governor had been responsive to VMFA's special budget needs in FY 2010 to prepare for the building's opening. Ms. Amato reviewed the process used to prepare the budget reduction plans at 5%, 10% and 15%. VMFA prepared plans based on the targets established by the Department of Planning and Budget. Then VMFA prepared a base budget which was reviewed and approved by the Fiscal and Executive Committees at a joint meeting on August 19, 2009. This budget will be revised to accomplish the 10% reduction that the Governor mandated for the museum. Our plan has been approved by the Governor. This reduction of \$1,085,865 was accomplished by:

- Reducing contract security by one position
- Reducing discretionary costs by deferring or eliminating discretionary expenses (FY10 only)
- Reducing personnel costs through reorganization, reduced work schedules, and layoffs (FY10 and FY11 only). No reduced personnel costs for FY12 are planned at this time. These actions will result in the permanent loss of two positions.
- Paying estimated severance costs including accrued leave in FY10 only. Savings from FY10 will help cover severance costs in FY11 and FY12.
- Supplanting General Funds with Non-general Funds.

Ms. Amato noted that state personnel rules mandate that P-14s are the first to be let go when layoffs are necessary. However, other staff can be “substitutes” if they are willing to step forward for layoff. Eight staff members stepped forward as substitutes to leave between January 1 and June 1 of 2010 which should cover those in P-14 positions so that they can remain in their positions. The director will review the staff members that have committed to leaving the museum and approve or disapprove their being laid off. Enhanced retirement benefit payouts to these eight staff will occur next year as part of a VRS change. The conservative estimates of earned revenue once the expanded museum is open and fully operational indicate VMFA will be in a more financially secure position.

Ms. Amato concluded by saying a submittal was sent to the Governor’s Office for an additional \$1 million for utilities and this is pending. We explained to the administration that we have unusual circumstances with opening a new building and this is why the increase is needed.

V. Candidate Forums and Other Discussion Items

Bill Axelle said that obviously times have been tough and we must be realistic and aggressive in our outreach to the legislators. He noted that it is wonderful that the Governor did not take our \$2 million and we can take comfort in the fact that our staff has such credibility with the Administration and that David Bradley has such a realistic approach. Mr. Axelle remarked that the next Governor needs to be the new best friend of the Museum. He asked that all the Trustees come to the Creigh Deeds event and thanked everyone for attending the Bob McDonnell forum.

Mr. Axelle explained that next year we will have an unusually great opportunity for the Museum in that we have a great story to tell because of our 2010 opening. The new space helps with our exhibitions but we must still emphasize the number of school children served. We need to get to know the next generation of Republican and Democrat legislators, start working on the key conferees, broaden our focus, and do a better job of selling the services we provide here and statewide.

It was suggested that we hold a VMFA Day and visit legislators bringing along constituents who support the Museum. The committee thought this was a good idea. David Bradley announced that this summer we were invited to speak before the House Appropriations Committee. David Bradley, Pamela Reynolds, and Dr. Herbert A. Claiborne, Jr. attended. The House Appropriations Committee has accepted our invitation for dinner and a sneak peek of the Lewis Galleries on November 17th. This retreat happens to coincide with our Board meeting.

VI. Adjournment

There being no further business, the Chair adjourned the meeting at 4:34 pm.

Suzanne Broyles, Secretary of the Museum

Date: _____ Approved: _____

THE VIRGINIA MUSEUM OF FINE ARTS
Government Affairs Committee Meeting Minutes
Held, pursuant to due notice, in the Pauley Center Second Floor Meeting Room
Wednesday, 20 May 2009, 3:30 pm

Presiding: Susan S. Goode, Chair
Secretary: Ms. Suzanne Broyles

There were present:

Susan S. Goode, Chair
James C. Cherry
Cynthia Kerr Fralin
Kenneth S. Johnson, Sr.
Dr. Benjamin J. Lambert III
Mrs. Barbara-lyn B. Morris
Mrs. Stanley F. Pauley
Mrs. Gordon F. Rainey, Jr.
Richard T. Riley
Ranjit K. Sen
John R. Staelin
Pamela Reynolds, Ex-Officio

By Invitation:

Alex Nyerges, Director
Ms. Carol Amato
David Bradley
Ms. Suzanne Broyles
Ms. Susan Ferrell
Ms. Suzanne Hall
Ms. Sandy Rusak
Ms. Alexis Vaughn

Absent:

Michael J. Schewel, Vice-Chair
Robert L. Burrus, Jr.
Alfonso L. Carney, Jr.
Dr. Herbert A. Claiborne, Jr.
Mrs. Whitt W. Clement
Mrs. Beverly H. Diamonstein
Mrs. James S. Gilmore III
Ms. Eva Teig Hardy
Peter Hunt
Dr. Alvin J. Schexnider
Jane Bassett Spilman

Dr. Shantaram K. Talegaonkar
 Fred T. Tattersall
 Dr. Joseph R. Vilseck, Jr.
 Gregory H. Wingfield
 Thurston R. Moore, Ex-Officio
 Mrs. Suzanne T. Mastracco, Ex-Officio
 Richard G. Tilghman, Ex-Officio

I. CALL TO ORDER

The meeting was called to order by the Chair, Susan Goode, at 3:35 pm.

II. MINUTES

Motion: proposed by Mrs. Goode, seconded by Mr. Cherry that the Minutes of the last meeting of the Government Affairs Committee held on the 18th of February 2009 be approved as distributed on the 27th of March 2009.
 Motion carried.

III. Comments by Alex Nyerges, Director

The Director noted that we are in good shape on the political side, but our challenge is the budget. He noted that we are getting the gubernatorial candidates here for hard hat tours and they seem enthusiastic. Bob McDonnell and Brian Moran have toured the new wing and were impressed with the expansion.

IV. Budget Preparation for 2010 General Assembly – David Bradley and Carol Amato

Carol Amato announced that the Secretary of Education had recently communicated to all educational institutions that revenues for 2008-2009 were less than anticipated and that the Governor was waiting until the end of May to determine if cuts in the 2009 fiscal year were necessary. The Secretary indicated that agencies should reduce or eliminate all discretionary spending and be very conservative with general fund monies. The Governor recently indicated that low revenue collections and unemployment were the principle problems affecting the financial picture. He stated that the situation will likely extend into FY10 and be even worse for FY11 when federal stimulus money ends. State priorities will have to be reconsidered.

Ms. Amato said that VMFA is prepared for additional cuts in FY2009. The Governor also indicated that agencies could carry forward any unspent funding, but VMFA will have expended all its General Fund money. VMFA will start early in FY2010 to reserve funds for additional cuts that might be required.

David Bradley remarked that he has heard the same things when he and Alex went to the Senate Finance Committee and the House Appropriations Committee to announce that we were shuttering the galleries. He said much of Federal economic stimulus has been appropriated (or held in reserve) for meeting the State's obligation for Medicaid

and education. The next Governor is going to find the FY 11 and FY 12 budgets tough to deal with. Pam Reynolds mentioned that people can see the building coming out of the ground and our expanded museum will help the state with increased tourism revenue which is good. She added that the Speaker said he is really impressed with us and our museum.

Federal Economic Stimulus and Recovery Program

Ms. Amato discussed several ways that VMFA was seeking federal funding through the Stimulus Program.

- NEA Grant – VMFA’s application was for \$50,000, the maximum that can be requested, to retain two Art-on-the-Spot educators in Southwest Virginia. There were approximately 2,000 applications and funding will be available for 700-800. There has been no response as of this date.
- U.S. Department of Labor is providing money for a training program for the trades and technology. The Governor approved our applying for funds to train people in the areas of art handling, exhibition design, and exhibition production. We also have a journeyman on staff with four certifications who is interested in training others. If funded, the program will focus on new college graduates and dislocated workers. John Tyler Community College, the Virginia Employment Commission and the Dislocated Worker Program for the Greater Richmond Area will work with us to identify if and how we can participate. If this program is developed at VMFA, it must be certified.
- Federal funding for energy is coming to Virginia, but VMFA has not been able to identify exactly how we can qualify for the funding.
- There is a Saving American’s Treasures Program administered through the National Park Service for historic preservation and a Highway Transportation Program. We are investigating whether VMFA can qualify for funding through either program. If we are eligible to participate, we will seek funds to work with the City of Richmond to create a Visitor Center at Robinson House.

David Bradley added that courtesy calls to select legislators and with staff of the House Appropriations and Senate Finance Committees were beneficial and reinforced that this is a critical time for the museum when it is trying to open an expansion and fund the increased cost of operating a larger facility. He indicated that the Senate Finance Committee staff members had recently taken a hard hat tour and that museum administrators would be appearing before the House Appropriations Committee on June 16, 2009, providing another opportunity to reinforce our position.

Mr. Bradley thanked Dr. Lambert for all his years in the Senate and his support of VMFA’s projects. This was followed by a round of applause from the committee.

V. Adjournment

There being no further business, the Chair adjourned the meeting at 4:30 pm.

Suzanne Broyles, Secretary of the Museum

Date: _____ Approved: _____

THE VIRGINIA MUSEUM OF FINE ARTS
Government Affairs Committee Meeting Minutes
Held, pursuant to due notice, in the Pauley Center Dining Room
Wednesday, 18 February 2009, 2:30 pm

Presiding: Susan S. Goode, Chairman
Secretary: Ms. Suzanne Broyles

There were present:

Susan S. Goode, Chairman
Michael J. Schewel, Vice-Chairman
Robert L. Burrus, Jr.
James C. Cherry
Mrs. Whitt W. Clement
Kenneth S. Johnson, Sr.
Mrs. Stanley F. Pauley
Ranjit K. Sen
John R. Staelin
Dr. Shantaram K. Talegaonkar
Dr. Joseph R. Vilseck, Jr.
Pamela Reynolds, Ex-Officio
Mrs. Suzanne T. Mastracco, Ex-Officio

By Invitation:

Alex Nyerges, Director
Ms. Carol Amato
David Bradley
Ms. Suzanne Broyles
Ms. Susan Ferrell
Ms. Suzanne Hall
Ms. Joan W. Murphy
Ms. Sandy Rusak
Ms. Alexis Vaughn

Absent:

Thurston R. Moore, Ex-Officio
Richard G. Tilghman, Ex-Officio
Alfonso L. Carney, Jr.
Dr. Herbert A. Claiborne, Jr.
Mrs. Beverly H. Diamonstein
Mrs. James S. Gilmore III
Ms. Eva Teig Hardy
Peter Hunt
Dr. Benjamin J. Lambert III
Mrs. Barbara-lyn B. Morris
Mrs. Gordon F. Rainey, Jr.

Richard T. Riley
Dr. Alvin J. Schexnider
Jane Bassett Spilman
Fred T. Tattersall
Gregory H. Wingfield

I. CALL TO ORDER

The meeting was called to order by the Chairman, Susan Goode, at 2:40 pm.

II. MINUTES

Motion: proposed by Mrs. Goode, seconded by Mr. Cherry that the Minutes of the last meeting of the Government Affairs Committee held on the 2nd of December 2008 be approved as distributed on the 6th of February 2009. Motion carried.

III. Comments by Alex Nyerges, Director

The Director thanked everyone for all their efforts regarding Government Affairs. He explained that we have visited legislators on both sides of the aisle from Richmond and across the Commonwealth. He thanked those who helped with our visits and attended events and said it's that personal touch which has given us much success so far.

Chairman, Susan Goode, agreed that all the hard work of Trustees and Staff throughout the whole year is much appreciated.

IV. Status Report of State Budget and General Assembly – David Bradley and Carol Amato

David Bradley reported that the news from the Capitol is most encouraging; buoyed by the recently passed Federal stimulus package. It appears there will be no further cuts in the State budget. The House of Delegates has passed its version of the budget and the Senate Finance Committee has sent its version of the budget to the Senate floor for adoption, although it has yet to be acted on. Both versions contain the \$2 million to open the Expansion. We are expecting final action by adjournment on February 28.

Mr. Bradley remarked that we have gotten to this point through a well prepared proposal to the Governor's Office, cultivation of the Kaine Administration and General Assembly leadership, and not calling too much attention to ourselves in front of those not really involved in the budget process. This stealth strategy has been working in our favor.

David Bradley indicated that the State's Six Year Capital Outlay Plan is nearing adoption by the Assembly. It is a blueprint for prioritizing the state's multiple construction and renovation projects. Our own Robinson House has been given a priority #1 ranking. He said that one other piece of legislation brought by Senator Norment, allocating funds for non-state agencies, did not go anywhere and was left in the committees. This will probably come back when economic times are better. Mr. Bradley announced that ten legislative assistants will attend Art After Hours tomorrow evening and will be shown the model of the expansion.

Staff also reported it is exploring funding opportunities in the Federal stimulus package. It is a massive document, but we believe there may be funds for energy conservation, historic preservation, and support to arts organizations to keep people employed. Being a State agency, the Museum is expected to work with the Governor's Office and the Department of Planning & Budget in determining priorities.

Carol Amato reported on a "language" amendment that was contained in the budget that directs the Department of Accounts to handle our payroll along with other agencies. Carol Amato said she will speak with David Von Moll, the Comptroller, to be sure it can support all the different payroll functions we have. She also noted that Walter Kucharski, Auditor of Public Accounts, will attend tomorrow's Fiscal Oversight Committee to discuss the change in audit focus and risk management with trustees.

V. Adjournment

There being no further business, the Chairman adjourned the meeting at 3:18 pm.

Suzanne Broyles
Secretary of the Museum