

**MEETING NOTES**  
**Asian Art Commission**  
**Budget & Finance Committees**  
**Wednesday, November 8, 2017, 11:00 a.m. – 12:00 p.m.**  
**Asian Art Museum, 200 Larkin Street, San Francisco, CA**

**Present:**                   **Asian Art Commission Budget & Finance Committee**  
Ken Wilcox, Chair  
Tim Kahn

**Absent:**                   Edwin L. Berkowitz (participated by phone)  
Tony Sun (participated by phone)

**Present:**                   **Asian Art Museum Foundation Budget & Finance Committee**  
Fred Levin, phone

**Absent:**                   None

**Also Attending:**       Fred Levin                   Joanne Chou  
Nancy Sackson           Catherine Finn  
Vickie Yee                Martin Geijer  
Laura Hathorn

Committee Chair Ken Wilcox called the meeting to order at 11:00 a.m. Minutes from May 24, 2017 were distributed.

COO Joanne Chou presented a thorough and concise finance report on the first quarter operating results versus plan for FY18 – contributed income (88%), earned income (116%), other income (87%) and operating expenses (87%). In response to a question regarding expenses under projection and operating procedures around invoice processing, Joanne discussed the recent implementation of an automated invoicing system called Concur, noting staff was in the implementation and change management phase. Joanne presented a transformation project summary slide reflecting a budget of \$38,000,000, noting project expenses are tracked outside the operating budget. Tim Kahn, Joanne and Nancy Sackson answered questions related to the building project and campaign.

Joanne presented a potential funding source called New Markets Tax Credits (part of a federal program created to encourage economic development in low income areas), which the museum is currently evaluating to determine if it would work with the museum’s specific structure. She reported a financial firm specializing in repackaging and selling tax credits to investors had approached the museum about selling its tax benefit from the investment related to the transformation project. She noted the museum’s evaluation includes discussions with the museum’s auditors as well as JP Morgan and others and suggested it be mentioned at the upcoming Foundation Executive Committee meeting for acknowledgement.

In closing, Ken Wilcox mentioned two projects he proposes for the committee to develop over time: (i) exercising a level of oversight in reviewing plan year projections for right-sizing; and (ii) oversight in challenging the management team to determine how to pay for a marketing position without making the assumption of an increase in revenues.

Mr. Wilcox adjourned the meeting at 12:00 pm.