



**Board of Trustees**  
*James A. Pardo, Jr., Chair*

February 23, 2016

Dear Chautauqua Corporation Members:

As Trustees of Chautauqua Institution, we take our fiduciary responsibilities very seriously. Philosophically, we are committed to being as inclusive and transparent as practical within the framework of best practices for not-for-profit governance. We recognize that the Board must represent the interests of the Institution and everyone the Institution serves — Corporation members and all other stakeholders who benefit from and participate in its mission-driven program. This is in keeping with our Chautauqua values.

Today, I write to update you on the work undertaken by the Board of Trustees in response to a motion made at the August, 2015, annual meeting of the Chautauqua Corporation. The motion — one of two passed at that meeting — asked our Board of Trustees to consider amending the Corporation's bylaws to provide for open meetings of the Board of Trustees and to consider additional ways to provide the community with more transparency about the work of the Board and its proceedings.

After careful consideration over several months, the Board's Nominating and Governance Committee recommended that we maintain our current practice regarding Board meetings for reasons described below.

At the same time, however, the Committee recommended, and the Trustees agreed, to re-evaluate, expand, and re-imagine our current community engagement practices and look for ways to provide more transparency regarding the oversight of Chautauqua Institution. That engagement currently includes, among other things, the two Trustee Open Forums during the Chautauqua season, the August Corporation meeting, weekly porch discussions, and the active participation of property owners — both elected and appointed — on the Board. In that regard you will recall that, as provided in the Institution's by-laws, four of the twenty-four members of the Board are elected by property owners in their status as members of the Corporation. An additional 19 property owners serve on the Board as appointed Trustees. In addition, the current and long-standing policy of the Board is to invite the President of the Chautauqua Property Owners Association to attend all Board meetings as a guest of the Board so as to witness and report on the Board's work to his/her constituency.

The Board last August referred the open meeting/governance motion to its Nominating and Governance Committee for review and recommendation. That committee over several months conducted an extensive internal and external review, including a legal assessment and a painstakingly detailed analysis of the transparency and engagement practices in place at Chautauqua. As part of its work, the Committee consulted 22 individual experts and organizations (e.g., not-for-profit/arts organizations, homeowners' associations, colleges, not-for-profit leaders, and other Chautauquas), to understand better the practice of open meetings in the not-for-profit sector.

The Committee reported to the full Board at its November, 2015, meeting and again in greater detail at its February, 2016, meeting. Its findings included that:

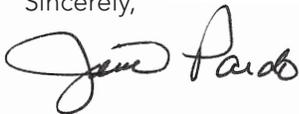
- Nearly all of the organizations contacted — not-for-profit 501(c)(3) corporations like Chautauqua Institution — do not hold open meetings, do not plan to do so, and do not recommend it.
- The leadership of 501(c)(3) not-for-profit corporations believe (some based on experience) that open meetings would stifle discussion and creative problem-solving among trustees, limit the ability of the corporation to recruit qualified members to its board, and potentially politicize the governance process.
- Some who were contacted and interviewed cite as an example the current era of social media and how posts, e-newsletters and tweets — instant and sometimes out of context — can quickly negate the intent of open meetings.

Experts and consultants to not-for-profit entities provided similar counsel. Combined with the legal opinion that Chautauqua's Board is not required by law to hold open meetings, the results of the Committee's due diligence led its members to recommend that the Board continue its current meeting policy.

However, the Board very much wants to address the concerns raised by the motion and ensure that we live up to our own standards of transparency and engagement with the broad community.

As a next step, the Board will engage in serious and intentional conversations with a variety of Chautauqua stakeholders to fully understand the issues that have brought us to this point, and then identify and recommend ways to improve on open community engagement and communications. In the coming months, we will share our recommendations with the community and look forward to continuing to engage with everyone around our shared interest in and love for Chautauqua Institution.

Sincerely,

A handwritten signature in black ink that reads "James A. Pardo, Jr." The signature is written in a cursive, flowing style.

James A. Pardo, Jr.  
Chair