

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
Bellinger Hall, Chautauqua Institution, Chautauqua, NY
8:30 a.m. Saturday, November 5, 2016

MINUTES

<u>Members Present</u>		<u>Members Absent</u>	<u>Others Present</u>	
Jim Pardo – Chair	Ron Kilpatrick	Bonnie Gwin	Sherra Babcock	Dusty Nelson
Cathy Bonner (ex officio)	Nancy Kyler	Bob Metzgar	Sebby Baggiano	Sam Price
Don Boswell	Jim Klingensmith		Rindy Barmore	Maureen Rovegno
Jim Brady	Anita Lin		Tom Becker	John Shedd
Christine Brueschke	Candace Maxwell		Matt Ewalt	Bruce Stanton
Hugh Butler	John Mllos		Geof Follansbee	Jordan Steves
Carolyn Byham	Bill Neches		Deborah S. Moore	
Judith Claire	Sheila Penrose		George Murphy	
Laura Currie	David Rosen			
John Haughton	Larry Thompson			
Bob Jeffrey	Dede Trefts			
Kyle Keogh				

Mr. Pardo opened the meeting with a word of prayer.

I. Minutes

There being no corrections or additions, the minutes of the October 1, 2016, meeting of the Board of Trustees stood approved as presented.

II. Report of Chairman

Mr. Pardo referred to the Board's working session held on Friday, November 4, 2016 at which time, among other things, the Board (a) received reports from the Presidential Search Committee and Russell Reynolds Associates, (b) elected Michael Hill to be the 18th President of the Institution effective January 1, 2017, (c) received a presentation and update on the status of the Amphitheater Construction Project, (d) reviewed the projected 2016 financial results, (e) received and discussed the proposed 2017 Capital and Operating Budgets and (f) received and discussed the proposed 2017 ticket pricing and fees.

III. Report of the President

Mr. Becker noted that the preparation for the 2017 budget has been intense due to changes in the New York State minimum wage laws and other similar issues (including the issue of exempt/nonexempt seasonal labor and interns) and the impact of these changes on labor expenses within the budget. He referred to the issue of volume growth and the need to consider a multi-year budgeting processes along with multi-year growth initiatives, goals and measurements.

IV. Committee and Other Reports

Asset Policy

Mr. Brady made the report of the Asset Policy Committee.

2017 Capital and Operating Budget

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Board adopted the proposed 2017 Capital and Operating Budgets.

Discussion focused on the increase in parking fees for local residents attending, in particular, Friday night and other popular entertainment events. Mr. Shedd reported that additional funds will be provided for improving the lighting in the parking lots across from the Institution and consideration of additional bus service from the off-site parking lots across Route 394 onto the Institution's Grounds.

2017 Ticket Prices and Fees

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Board approved the proposed 2017 Ticket Prices and Fees

Standard Banking Resolution

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the proposed Standard Banking Resolutions were adopted.

Copies of the Standard Banking Resolutions are on file with the official minutes.

Library Internet Safety Policy

Smith Memorial Library has been awarded a grant for internet bandwidth service. The grant requires that the Board adopt a policy relative to internet safety and access to various internet sites while utilizing the computers at the Library. The policy is standard within the local Library District and has been reviewed by the Institution's Staff and outside counsel.

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the proposed Library Internet Safety Policy was adopted.

Mr. Brady thanked Mr. Kilpatrick for his role as chair of the Asset Policy Committee for the last nine years.

Nominating & Governance

Mr. Keogh made the report of the Nominating & Governance Committee.

The Nominating & Governance Committee met to evaluate the effectiveness of its community engagement activities during the 2016 Season and to consider ways to improve the effectiveness of those activities. During the 2017 season, Trustees will hold one formalized event per week. The Trustee Porch Discussions will return to their traditional 9:30 am time slot on Wednesdays and will be transformed into staff discussions to better match with the realities of those events, although Trustees still will be in attendance. Two substantive sessions will be held, on yet-to-be identified topics, during the 2017 Season (similar in format to the sessions conducted in 2016 by Mr. Kilpatrick and Mr. Tim Renjilian). The two Trustee Open Forums will be returned to their traditional Saturday morning slots during Weeks 3 and 7 of the Season so as to be held in conjunction with CPOA meetings in Week 3 and the Corporation Meeting in Week 7. The Chairman's Office hours will be held during the 2017 Season in those weeks in which no other formal Trustee community engagement events are scheduled. The Nominating & Governance Committee also discussed the tenure of the Chairman of

the Board, whose second two-year term ends this fall and who could be considered for a third term at the Board meeting in August, 2017. Mr. Keogh encouraged Trustees to submit potential Trustee candidates to the committee and outlined the skills sets currently needed on the Board.

Election of Officers

Upon the recommendation of the Nominating & Governance Committee and on motion made, seconded and carried, the Board elected the following individuals to the following offices:

<i>Sebastian Baggiano</i>	<i>Vice President of Finance & Community Service, Treasurer and Chief Operating Officer</i>
<i>Sherra Babcock</i>	<i>Vice President of Education</i>
<i>Rindy Barmore</i>	<i>Corporate Secretary</i>
<i>George Follansbee, Jr.</i>	<i>Vice President of Development</i>
<i>Deborah Sunya Moore</i>	<i>Vice President and Director of Programming</i>
<i>George Murphy</i>	<i>Vice President and Chief Marketing Officer</i>

Program Policy

Mr. Haughton made the report of the Program Policy Committee, which is in the process of focusing on the format of its meetings and interaction with other committees to provide additional feedback relative to programming and to the development of programming initiatives. Ms. Moore reported on new programming initiatives.

Personnel Committee

Ms. Currie deferred the report of the Personnel Committee to the executive session of the Board's meeting.

Marketing & Communications

Mr. Klingensmith made the report of the Marketing & Communications Committee. Staff is developing a 2017 Marketing Plan, which will be presented to the Committee later in December. Objectives of the plan include: develop programs for attracting and retaining Chautauquans (based on audience segmentation); deliver customer satisfaction and service at levels consistent with the overall Chautauqua experience; utilize digital and social media to build a year-round community of engaged Chautauquans; and build awareness of and consideration for Chautauqua against target segments in key geographies. The goals of the plan are to establish volume growth targets by category, overlay audience segments, develop a marketing message, and identify key marketing initiatives with budgets and targets.

Development Council

Mr. Pardo referred to the change in the role and responsibilities of the Development Council, approved by the Board at its August meeting, and noted that Ms. Karen Goodell serves as the current chair of Council. Mr. Follansbee, reporting for Ms. Goodell, noted that much of the Development Council's meeting focused on its new role and direction for its work. He reported on the current results of the Promise Campaign and on the Staff's focus to close gifts prior to the end of the year. The Chautauqua Fund is currently running \$100,000 ahead of this time last year. An outside calling source was engaged to assist Staff in raising funds for the Chautauqua Fund, and that activity was

reported to have been very successful. As in the past, Trustees will be asked to reach out to donors by phone to assist in securing gifts prior to the end of the year. Mr. Pardo urged those Trustees who have not made a gift to the Chautauqua Fund for 2016 do so by the end of the year. He also thanked Mr. Follansbee for his efforts in raising the funds for the creation of the Tom and Jane Becker Amphitheater Performance Endowment Fund.

Chautauqua Foundation

Ms. Bonner reported that members of the Foundation Board met with Hirtle Callaghan, who serves as the Investment Advisor for the Foundation. The Directors came away from the meeting encouraged by the new leadership at Hirtle Callaghan and the opportunity for improved investment performance.

ARB

Mr. Jeffrey noted that three cases came before the ARB this past week and all were approved. One case raised questions regarding parking, which Mr. Jeffrey will discuss with the Staff.

Hotel Board

Mr. Pardo asked Mr. Baggiano to report on the meeting of the Hotel Board, which met on Thursday and reviewed the summary of operations for the Chautauqua Hotel Company, the projected 2016 financial results, the projected 2017 budget, a strategic food and dining plan, and needed capital improvements for the Hotel. Mr. Baggiano discussed the process for the development of the budget, which included the work of a sub-group of the Hotel Board that focused on the development of the projected 2017 budget and identification of risks within the budget.

Working Group on the Re-Imagination of Programming

Mr. Pardo reported that Mr. Renjilian, who chairs this Working Group, and Mr. Greg Miller continue to serve on this group, which will provide its final report to the Board at its February meeting and will transfer its work to Staff, to the Program Policy Committee, and to the Working Group on Strategic Investment.

Working Group on Strategic Investment

Mr. Klingensmith reported that the Working Group's purpose is to monitor and assess the investment proposals brought forth from Staff and, thereafter, to report and/or recommend those proposals to the Asset Policy Committee. The Board approved additional funding for the 2016 popular performance budget, which was projected to provide a 20% increase in related single ticket sales. The Working Group is evaluating the results of that funding and other approved initiatives in terms of revenue and cost. The Working Group has developed templates and measurements for analyzing and determining how to utilize this process in the development of programs going forward. Mr. Klingensmith will be meeting with Mr. Becker and the program staff regarding the 2016 initiatives and their perspectives in terms of success.

V. New Business

Resolution In Recognition of Mr. George Snyder and the Presidential Search Committee

On motion made, seconded and carried, the Board adopted the following resolution in recognition of the services of Mr. George Snyder and the Presidential Search Committee:

WHEREAS, earlier this year the Board of Trustees acting through its Chair formed a Search Committee to identify and propose a single candidate for consideration by the Board of Trustees to become the 18th President of the Chautauqua Institution effective January 1, 2017; and

WHEREAS, George Snyder was tapped to Chair that Presidential Search Committee and, along with the Committee's other members, Jim Brady, Laura Currie, Bill James, Candace Maxwell and Jim Pardo, worked tirelessly on behalf of the Institution over more than an eight-month period to produce such a candidate for consideration by the Board; and

WHEREAS, the process undertaken by Mr. Snyder and the other members of the Presidential Search Committee was highly effective, met its goal, and under the guidance and direction of representatives of Russell Reynolds Associates in all respects was conducted with the highest level of integrity according to recognized standards of professional best practices;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees by and through this resolution expresses its sincere and deeply held appreciation and gratitude to Mr. Snyder and to the other members of the Presidential Search Committee for their efforts on behalf of the best interests of the Institution and does hereby record upon the permanent records of the Institution that appreciation and gratitude.

CUD/CPOA

Mr. Butler reported on the CUD's waste water treatment project and provided a brief update on the CPOA Lighting Project.

VI. Executive Session

On motion made, seconded and carried, the Board went in to executive session inviting Mr. Becker, Mr. Price and Ms. Bonner to participate.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustees