

**CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES**  
**Tom and Jane Becker Room, Chautauqua Amphitheater**  
**Chautauqua Institution, Chautauqua, NY**  
**8:30 a.m., Saturday, February 3, 2018**

**MINUTES**

<u>Members Present</u>		<u>Members Absent</u>	<u>Others Present</u>	
Jim Pardo – Chair	Anita Lin	Jim Brady	Michael Hill	Deborah S. Moore
Christine Brueschke	Candace Maxwell	Cathy Bonner	Sebby Baggiano	Emily Morris
Hugh Butler	Bob Metzgar	Judith Claire	Rindy Barmore	Paul Perry
Carolyn Byham	John Milos	Mike Metzger	Matt Ewalt	Sam Price
Bonnie Gwin	Bill Neches	Larry Thompson	Geof Follansbee	George Snyder
John Haughton	Sheila Penrose		Dave Griffith	John Shedd
Bob Jeffrey	Marnette Perry			
Kyle Keogh	David Rosen			
James Klingensmith	Dorothy Trefts – Vice Chair			
Nancy Kyler				

Mr. Pardo, who had largely lost his voice, asked Ms. Trefts to conduct the meeting, and she opened the meeting with a word of prayer

**I. Minutes**

***There being no corrections or additions, the minutes of the November 4, 2017, meeting of the Board of Trustees were approved as presented.***

**II. Report of the Chairman of the Board**

Mr. Pardo reported that the Strategic Planning Working Group has recently been recruited and will be chaired by former Board Trustee and Foundation Director, Laura Currie. Other members include Candy Maxwell, Dick Wade, Mike Metzger, and Robert Jeffrey. The first strategic focus event was held in Pittsburgh last week, where various members of the Chautauqua community were present to provide input on the strategic issues facing the Institution over the next several years. Additional focus sessions will be held in Florida and other geographic areas throughout the winter, and weekly focus sessions will be held during the Season. Mr. Shedd recently was in Atlanta, and he and Mr. Pardo met with a firm that might possibly assist the Institution in its master planning process as the Institution seeks to understand the highest and best use of its various properties and capital assets. Mr. Pardo recognized Mr. Klingensmith and the members of the Committee Restructuring Working Group as they continue to review the current committee structure of the Board; Ms. Trefts and the Metrics-Based Incentive Compensation Working Group for their work relating to metric-based incentives compensation and related matters; the Marketing & Communication Committee for its work with Emily Morris and her staff in the development of the Institution’s first comprehensive Marketing Plan; Mr. Brady and Asset Policy Committee for their work with Sebby Baggiano in the development of the 2018 budget and ongoing work toward a multi-year budgeting process; the Foundation staff and members of the Development Council for their work in achieving the 2017 Annual Fund goal and in developing the goal for 2018; the Personnel Committee for its work regarding the evaluation, retention and compensation of our President; and the members of the

Personnel Committee, Ms. Trefts, Mr. Klingensmith, Ms. Morris and Mr. Baggiano for their work in developing and refining the proposed metric-based goals for our President in 2018. Mr. Pardo closed by noting the proposed timeline for the preparation, review, completion and adoption of the Institution's Strategic Plan.

### **III. Report of President**

Mr. Hill referred to the 2017 Winter Village and the positive response from the surrounding and on-grounds community; noted that the Winter Village will continue in 2018 with several changes based on lessons learned in 2017; reported on the implementation of living wage increases for those members of the Chautauqua Staff whose pay was at or below the national poverty line; discussed the ongoing renovations to various office space in the Colonnade Building, which will allow for more functional and efficient working environments; noted the recent issues with launch of 2018 on-line ticket sales and solutions to correct those issues; thanked the members of the grounds crew who worked so diligently on snow removal during the difficult winter; discussed recent program partnerships focused on inter-faith dialogues and a collaboration with Kent State that focusses on poetry; referred to a philanthropic gift that will underwrite the artistic director position for Visual Arts; referred to the recent strategic planning focus event in Pittsburgh and thanked Ms. Gwin, Mr. Jeffrey, Mr. Milos and Ms. Perry for agreeing to host similar events over the next few months; discussed the staff inter-departmental planning toward the development of the 2018 program and multi-year programming opportunities; and referred the Board to a draft program grid highlighting confirmations for the 2018 Season.

### **IV. Committee, Working Groups and Other Reports**

#### ***Asset Policy Committee***

Mr. Baggiano reviewed the 2018 Operating Budget in detail and discussed the Committee's ongoing work toward the development of a multi-year budgeting process. The Committee and staff will bring a draft multi-year budget (based on three years) to the Board for review at its May, 2018 meeting.

***Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the 2018 Operating Budget for the Institution was approved as presented.***

#### ***Personnel Committee***

Ms. Gwin announced that she will give her report during the executive session of the meeting.

#### ***Nominating & Governance Committee***

Mr. Keogh discussed the upcoming openings on the Board, noting that the Committee has a strong list of potential candidates with the necessary skill sets for future Board priorities. The Committee will begin the search for the next Chairman of the Board in November 2018.

Based on recent changes to New York State Not-For-Profit-Law, the Committee recommends amendments to the Board of Trustees' Conflict of Interest and Whistle Blower Policies. Those amendments were recommended and prepared by counsel to the Institution and presented to the Board for review and adoption.

***Upon the recommendation of the Nominating & Governance Committee and on motion made, seconded and carried, the Board approved the proposed amendments to the Conflict of Interest and Whistle Blower Policies.***

Copies of the revised policies are on file with the Corporate Secretary.

### ***Program Policy Committee***

Mr. Haughton noted the Committee has no report at this time as it is awaiting the final recommendations of the Committee Restructuring Working Group.

### ***Marketing & Communications***

Mr. Klingensmith discussed the framework for the development of the 2018 Marketing Plan and Dr. Morris reviewed the plan in detail, outlining in particular the analysis conducted relating to competitors in the current market and the identification of target markets and segments from which Chautauqua should draw to increase census growth. She referred to the Institution's approach to an overall comprehensive customer service strategy and the chain of excellence strategy across the organization that will provide an opportunity to generate return business and return customers. The Marketing Plan also calls for increased analysis and analytics toward predictive modeling to assist staff in identifying weeks that are generating strong census numbers in terms of ticket sales and accommodation occupancy numbers and those that are lacking and may need additional programming or marketing to increase census. The Marketing Budget is included in the 2018 Plan and outlines those areas of significant investment as well as evaluation metrics related to specific initiatives.

Discussion focused on weekend initiatives and programming to draw visitors to the grounds who may be unable to attend programming during the week. Lecture and youth programming were noted as two areas of programming absent on the weekends - either or both of which could introduce weekend visitors to the offerings throughout the week and potentially generate increased census.

### ***Accommodations Working Group***

The Working Group is primarily staff driven and chaired by Ron Kilpatrick. The Group has been split into three categories for review and discussion; Athenaeum Hotel, Bellinger Hall, and potential new housing opportunities. The Working Group concluded that the Athenaeum Hotel is the primary gate way to the Institution; that Bellinger Hall is a dormitory that, while capable of being improved, has its highest and best use as a dormitory; and the potential for new housing is seen as positive and necessary for census growth. The staff will be developing potential designs and analyzing costs and financing to be imbedded within the strategic planning process.

### ***Board Committee Restructuring Working Group***

Mr. Klingensmith noted that the Working Group has been assisted by a set of guiding working principles, input from current committee chairs and historical committee research from Ms. Barmore; all of which have assisted the Working Group in its review and discussion of the appropriate committee structure and the roles and responsibilities of committees going forward. Mr. Pardo noted that there are certain committees that must continue based on best practices and on the Institution's approach to meeting the requirements of New York State's Not-For-Profit Law. Other committees can be altered providing a more

focused approach to specific duties, while still others can have their work merged into one or more existing or newly created committees. Based on the recommendations of the Working Group and ultimate approval of the Board, the Institution By-Laws will be amended to reflect the final approved committee structure.

### ***Development Council***

Mr. Hill recognized Mr. Follansbee and his staff for their work in achieving the 2017 Chautauqua Annual Fund Goal.

Mr. Follansbee discussed the recent success in the 2017 Annual Fund, thanking those Trustees who participated in the leadership match for increased Bestor Society giving. He noted the importance of stability in donor retention to the success in achieving the Annual Fund goal, and he commented that the positive environment on the grounds also made fundraising more successful.

He discussed the rationale for the recommendation for the 2018 traditional Chautauqua Annual Fund Goal and overall donor recognition strategies around gifts that historically were considered as being outside of the Annual Fund.

***Upon the recommendation of the Development Council and on motion made, seconded and carried, the 2018 traditional Chautauqua Annual Fund Goal of \$4.075 million was approved and adopted by the Board of Trustees.***

### ***Chautauqua Foundation***

Mr. Snyder reported on the recent investments results of the Chautauqua Foundation, noting that at the end of 2017 total assets under investment stood at just under \$92 million dollars. He referred to the Planned Giving goals and other goals relating to fundraising activities for 2018 and noted that the Foundation Board conducted Mr. Follansbee's 2017 Performance Evaluation as CEO of the Chautauqua Foundation.

### ***Audit***

Ms. Maxwell reported that the Committee conducted a systematic review of its Risk Mitigation Plan, which is a baseline for its risk management review and work throughout the year.

### ***Executive Committee***

Ms. Trefts reported that the report of the Executive Committee will be deferred to the executive session of meeting.

### ***ARB***

Mr. Jeffrey reported on two cases that came before the ARB at its meeting on Thursday, February 1. Training for new construction contractors conducting work on the grounds has been very positive and will continue and be expanded to include new property owners. He noted one property where the owners have not complied with Institution requests and related ARB regulations, and he indicated the need for possible legal action should compliance not be forthcoming.

**Hotel Board**

The Board met to review its 2018 budget; discuss the Marketing Plan and the role the Hotel plays within that plan; and discuss the Hotel's work toward a chain of excellence approach to customer service.

**V. Executive Session**

***On motion made, seconded and carried, the Board went in to executive session inviting Mr. Hill, Mr. Snyder and Mr. Price to remain and participate.***

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rindy S. Barmore  
Corporate Secretary  
Chautauqua Institution Board of Trustees