

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
Tom and Jane Becker Room, Chautauqua Amphitheater
Chautauqua Institution, Chautauqua, NY
8:30 a.m. Saturday, November 4, 2017

MINUTES

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

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

I. Minutes

There being no corrections or additions, the minutes of the August 26, 2017, Board of Trustees meeting stood approved as presented.

II. Report of Chairman

Mr. Pardo discussed the strategic issues facing the Board over the next 18 months, including the development of the next Strategic Plan; outlined the process for the development of that plan, including the creation of a Board Strategic Planning Working Group; and presented a possible process for engagement with the community to better identify key issues for consideration during the strategic planning process. Mr. Pardo's goal is for a substantially final draft of the next Strategic Plan to be provided to the Board in advance of its February, 2019, meeting as a means of facilitating discussion and critique at the Board level. If that can occur, then Mr. Pardo anticipates that the final version of the next Strategic Plan would be presented for approval by the Board at its May, 2019, meeting. Mr. Pardo noted that the work performed by the Staff and by Working Groups in the areas of accommodations and master planning will feed directly into the strategic planning process so as to inform elements of the Strategic Plan.

Mr. Pardo also reported on the positive census and revenue results contained within the 2017 Season; the Amphitheater project and the ongoing work on permanent benches and improved acoustics for the spoken word; Mr. Hill's creation of an Accommodations Working Group; Mr. Pardo's creation of a Board Working Group on Committee Restructuring; the work of the Metrics Based Compensation Working

Group chaired by Ms. Trefts; and the directive of the Executive Committee to Mr. Hill to present to the Board at its February, 2018 meeting a proposal regarding living wage standards for year-round Institution employees.

III. Report of the President

Mr. Hill thanked the Senior Staff for their presentations at Friday's deep dive sessions, noting the significant level of teamwork among the members of the Senior Staff and their increased ability to break down silos as they work toward the goals of the Institution; briefly discussed issues of safety and security on the grounds in light of recent national events; thanked those members of the Board who have agreed to host sessions in their homes to engage Chautauquans regarding strategic planning; recognized Ms. Sheila Penrose & Mr. Ernie Mahaffey for their contributions toward diversity and shared details of the Institution's Diversity Initiative; shared discussions with the Chautauqua County Executive regarding the creation of a Chautauqua County Regulatory Board that will address issues relating to the lake and include one or more Institution representative(s); reported on the recent conference he attended in Detroit, which provided opportunities for engagement with representatives and senior executives from national foundations and other programmatic funders; provided an update on the 2018 season programming, including the confirmation of specific participants; discussed the 2018 marketing efforts targeted toward specific geographic areas identified as key markets; and noted the Senior Staff's commitment to continued census growth as it plans for the 2018 season and beyond.

IV. Asset Policy

Mr. Brady introduced Mr. Baggiano, who provided a brief update on the 2017 financial results noting the positive overall census results and highlighting various increased ticket sales.

2018 Capital Budget from Operations

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Board adopted the proposed 2018 Capital Budget from Operations.

2018 Ticket Prices and Fees

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Board approved the proposed 2018 Ticket Prices and Fees

Mr. Brady noted the Board will receive the proposed 2018 Budget in February for review and approval.

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. Mr. Metzger recused himself from the discussion of the motion and abstained from voting on the motion.

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

Naming of Welcome & Business Center

Mr. Brady called on Mr. Follansbee to discuss and answer questions about the proposed naming of a welcome and business center located at the Main Gate. It is the request of the donor and the recommendation of the Foundation Staff that the center be named the Dr. Robert R. Hesse Welcome and Business Center. Dr. Hesse is a former President of Chautauqua Institution.

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Board of Trustees approved the naming of the Dr. Robert R. Hesse Welcome & Business Center located at the current Main Gate.

V. Nominating & Governance

Mr. Milos, reporting in Mr. Keogh's absence, referred to upcoming Board vacancies over the next three years and the process to identify candidates based on the skill sets needed on the Board over that time. The process and timing for the selection and nomination of the next Chair of the Board also is under review by the committee, with the expectation that the process will begin in November 2018 and will conclude with a recommendation to the Board at its May, 2019 meeting. Mr. Pardo, the current Chair, will complete his tenure on September 30, 2019, but ceremonially will pass the position to the next Chair at the end of the August, 2019, meeting.

Election of Officers

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

<i>Sebastian Baggiano</i>	<i>Executive Vice President & Chief Financial Officer</i>
<i>Rindy Barmore</i>	<i>Corporate Secretary</i>
<i>George Follansbee, Jr.</i>	<i>Vice President of Development</i>
<i>David Griffith</i>	<i>Vice President of Education</i>
<i>Deborah Sunya Moore</i>	<i>Vice President of Performing & Visual Arts</i>
<i>Emily Morris</i>	<i>Vice President of Marketing & Communications/Chief Brand Officer</i>
<i>Gene Robinson</i>	<i>Vice President of Religion</i>
<i>John Shedd</i>	<i>Vice President of Campus Planning & Operations</i>

VI. Program Policy

Mr. Haughton noted that the Program Policy Committee met several times during the 2017 Season around strategic programming as was outlined by the members of the Senior Staff during Friday's deep dive sessions.

VII. Audit Committee

Ms. Maxwell reported that the Audit Committee had received and the accepted the 2017 Audit Plan from Buffamante Whipple Buttafaro (BWB); received BWB's Special Engagement Report regarding cash control processes and procedures; and received and reviewed from the Trustees and Key Employees the annually required signed documentation relating to possible conflicts and related party transactions. Ms. Maxwell deferred the balance of her report until the executive session of the Board's meeting.

VIII. Personnel Committee

Ms. Gwin deferred the report of the Personnel Committee until the executive session of the Board's meeting.

IX. Marketing & Communications Committee

Mr. Milos, reporting for Mr. Klingensmith, noted that the committee met to review the outcomes for the 2017 season relative to attendance, growth and survey results; reviewed census and sales forecasts for 2018; discussed pricing strategies for 2018 based on lessons learned from 2017; and discussed the development of a targeted marketing plan. The committee will meet in December with the goal of receiving a 2018 Marketing Plan at its January 2018 meeting. Mr. Milos shared the highlights and results of the Institution's 2017 analytics exercises and related surveys.

X. Development Council

Ms. Goodell reported that the Development Council met last week to review a preliminary analysis of the Promise Campaign. It also received a report on the current fundraising activities. The Board of Trustees will receive a copy of the Promise Campaign Report in the next few weeks. Ms. Goodell urged the Board to review the report, as it relates to the Board's current discussions around development of the next Strategic Plan. The Board also was urged to complete their calls for the Chautauqua Annual Fund and to provide the names of those individuals that might be contacted for a gift this year.

XI. Chautauqua Foundation

Mr. Follansbee reported on current fundraising results and activities toward achievement of the 2017 Chautauqua Annual Fund goal. He referred the Board to the other fundraising reports in the pre-read materials, highlighting those of particular note. The Foundation assets are currently just under \$88 million, which is the highest amount to date. Investments results are positive based on the oversight of the Foundation's Investment Advisor, Hirtle Callaghan, and their investment strategies toward long-term growth.

XII. Architectural Review Board

Mr. Jeffrey reported that the Architectural Review Board met on Thursday, November 2, and reviewed two cases. He briefly discussed the status of those cases. Mr. Jeffrey also reported that three training sessions had been held with area contractors this past season in which Mr. Shedd and Mr. David Williams provided details relating to the Institution's rules and regulations for construction on the Grounds.

XIII. Hotel Board

Mr. Hill reported that the Hotel Board met on November 2 to review 2017 results; data and related analysis regarding customer service; and potential training opportunities for best of class practices and procedures for guest services and customer satisfaction.

XIV. Executive Committee

Ms. Trefts deferred the report of the Executive Committee until the executive session of the Board's meeting.

XV. Working Group on Strategic Investment

Ms. Penrose referred to the transition that is underway to move the identification and funding of strategic investments into the multi-year budgeting process that is being undertaken by the Asset Policy Committee. The evaluation of 2017's strategic initiatives will be conducted by the working group. The evaluations of future strategic investments will be transitioned to various committees as the budgeting process moves forward. After the evaluations of 2017's strategic investments are completed, the working group on strategic investment will disband.

XVI. Working Group on Accommodations

Mr. Pardo referred to his report earlier in the meeting regarding working groups, noting that the Accommodations Working Group will hold its first meeting in mid-November with a current expectation to provide recommendations to the Board in May, 2018.

XVII. Executive Session

On motion made, seconded and carried, the Board went into Executive Session inviting Mr. Hill, Mr. Price and Ms. Goodell to participate.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustee