

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

DRAFT MINUTES
(Subject to Change Upon Final Approval)

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

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

I. Minutes

There being no corrections or additions, the minutes of the August 25, 2018, meeting of the Board of Trustees were approved as presented.

II. Report of Chairman

Mr. Pardo thanked the Board and staff for their participation and work during the deep dive discussions at the meeting yesterday, which included presentations on Master Planning; Diversity and Inclusion; Development Office Reorganization; and Strategic Planning. He recognized the members of the Strategic Planning Working Group and thanked them for their volunteer efforts, particularly Laura Currie, Candy Maxwell and Dick Wade, each of whom is not currently a member of the Board of Trustees.

III. Report of President

Mr. Hill referred to the Strategic Planning discussion and expressed appreciation to the Board for its insight and proposed revisions to the framework of the Strategic Planning model; discussed 2018 financial results, including census results, expenses related to previously approved initiatives, and lessons learned based on 2018 results; provided an introduction to the anticipated programmatic highlights of the 2019 season; discussed the recent site visit to Lake George and the Jefferson Project, which can serve as a model for scientific analysis of the health of Chautauqua Lake, and thanked Dede Trefts for her introduction to that project; and requested that the Board consider the themes and announced offerings within the 2019 season and share connections to potential programmatic sponsorships for the offerings within that season.

IV. Committee and Other Reports

Budget & Finance Committee

Mr. Brady noted that the committee met earlier this week to review the 2018 financial update, proposed 2019 Ticket Pricing & Fees, proposed 2019 Capital Spending Plan, and the proposed Standard Banking Resolutions.

2018 Financial Results

Mr. Baggiano discussed the 2018 financial results in detail, including census, revenue and expense. He also discussed the 2019 census forecasts based on an analysis by staff and the review of the Marketing & Brand Strategy Committee. Discussion focused on the expense forecast for 2018 and further reporting to assist the Board in better understanding expectations for year-end expenses. The Budget & Finance Committee will work with staff to determine if such analysis can be provided based on staff recommendations and processes.

2019 Ticket Pricing & Fees

The Board received the recommendations for the 2019 Ticket Pricing and Fees, which was supported by analysis from staff and included dynamic pricing in various programmatic ticket areas.

Upon the recommendation of the Budget & Finance Committee and on motion made, seconded and carried, the Board approved the proposed 2019 Ticket Prices and Fees.

2019 Capital Spending Plan

Mr. Shedd reviewed the proposed 2019 Capital Spending Plan, highlighting those capital items over \$20,000 in the areas of facilities; streets, walkways and parking; operational needs; and computer and IT infrastructure needs.

Upon the recommendation of the Budget & Finance Committee and on motion made, seconded and carried, the Board approved the 2019 Capital Spending Plan.

Standard Banking Resolution

Upon the recommendation of the Budget & Finance Committee and on motion made, seconded and carried, the Board approved the proposed Standard Banking Resolutions.

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

Nominating & Governance

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

Election of Officers

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

Sebastian Baggiano	Executive Vice President & Chief Financial Officer
Rindy Barmore	Corporate Secretary
Matt Ewalt	Vice President of Education
Geof Follansbee	Vice President of Development
Deborah Sunya Moore	Vice President of Performing and Visual Arts
Emily Morris	Vice President of Marketing & Communications/Chief Brand Officer
Gene Robinson	Vice President of Religion/Senior Pastor
Shannon Rozner	Chief of Staff/Vice President of Strategic Initiatives
John Shedd	Vice President of Campus Planning & Operations

Ms. Rozner's term as an officer shall begin on January 1, 2019, contemporaneously with the commencement of her employment at the Institution.

Mr. Keogh reported the Nominating & Governance Committee is reviewing the list of Trustee candidates to fill the five openings in the class of 2019 and shared with the Board the skill sets currently being sought based on the needs of the Board over the next several years. He also shared the process and timing for the nomination and selection of the next Chair of the Board. Mr. Pardo's term as chair will end on September 30, 2019. The Nominating & Governance Committee will present a nominee to the Board at its May meeting for election as Chair-Elect to take office on October 1, 2019.

Audit Committee

Revised Conflict of Interest Policy

Mr. Metzger reported that the Audit Committee has reviewed and recommends changes to the Conflict of Interest Policy to reflect a comprehensive listing of the names and titles of the current staff and key employees listed in the policy.

Upon the recommendation of the Audit Committee and on motion made, seconded and carried, the Board approved the revised Conflict of Interest Policy as presented.

Mr. Metzger also reported that the Audit Committee had received and accepted the 2018 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. Mr. Metzger deferred the balance of his report until the executive session of the Board's meeting.

Human Resources & Compensation Committee

Ms. Perry reported the Human Resources & Compensation Committee currently is working on the form of the 2018 Presidential Evaluation Survey, which will be sent to the Board on or about November 30 and will include an updated Presidential Job Description. The members of the Board of Trustees will be asked to complete and return the evaluation by December 17, 2018.

Marketing & Brand Strategy Committee

Mr. Klingensmith referred to the multiyear “Chain of Excellence Customer Service” program, which was launched in 2018 as one of the Marketing & Communication Committee’s primary objectives. In 2018 the goal was to improve Net Promoter Score (NPS) by 3% annually. 2018 results reported an overall NPS of 72.86% versus 68.46% in 2017. He commended staff for achieving the 2018 results.

Development Council

Mr. Follansbee reported that the Chautauqua Fund is currently on track with last year at this time, noting the challenges ahead in achieving the 2018 goal; reported on the status of the Amphitheater Bench Program; and supported Mr. Hill’s earlier reference regarding the need to identify programmatic sponsors for the 2019 season.

Chautauqua Foundation

Mr. Snyder and Mr. Follansbee jointly reported on behalf of the Chautauqua Foundation.

Mr. Follansbee reported that at its recent meeting at the end of October the Chautauqua Foundation reported total assets of approximately \$91.6 million as of September 30, 2018.

Mr. Snyder reported the Foundation Board’s Investment Committee is in the process of reviewing its investment portfolio; the Finance Committee is discussing financial reporting and year-end fiscal year changes related to the development office reorganization proposal; the Personnel Committee is about to commence the evaluation of its CEO; and the Foundation’s Nominating & Governance Committee is also conducting a process for the nomination and election of a new Chair of the Foundation Board, which will take place in 2019 with the departure of Ms. Bonner. Finally, Mr. Snyder and Mr. Follansbee reported that the level of giving for Bestor Society membership will increase in 2019 and that appropriate donor recognition at all levels of giving remains under review.

Development Reorganization Proposal

Mr. Pardo discussed in detail the proposal for the reorganization of the Development Office functions and the related development staff. He noted that, at its recent meeting in October, the Foundation Board considered the issue and endorsed the proposal. Mr. Pardo called for the Board of Trustees to endorse the proposal as well so as to remain in lockstep with the Foundation Board.

On motion, made, seconded, and carried, the Board of Trustees endorsed the proposed reorganization of the development office and its staff with the understanding that further approval of both the Foundation Board and the Board of Trustees will be sought once various transition details have been sorted out and a revised protocol between the Foundation and the Institution has been prepared.

Architectural Review Board

Mr. Jeffrey briefly discussed the cases which were brought before the Architectural Review Board at its meeting of Thursday, November 1, 2018.

Hotel Board

Mr. Hill reported that the Hotel Board met on Thursday, November 1, 2018, at which time it reviewed 2018 financial outcome and revenue projections; received a report from the interim General Manager, Leland Lewis; approved the 2019 Capital Budget for the Hotel; received the 2018 Marketing Report; and discussed the schedule for the development of the 2019 budget.

Executive Committee

Ms. Trefts reported that the Executive Committee would make its full report during executive session.

Mr. Pardo reviewed the technical requirement that the Institution formally request that a portion of the unrestricted and unspecified funds designated for the benefit of the Institution through prior period bequests and currently held by the Foundation (known as the M Funds) be transferred to the Institution.

Upon the recommendation of the Executive Committee and on motion made, seconded and carried, the Board authorized the President of the Institution to request that a portion of the unrestricted and unspecified funds designated for the benefit of the Institution through prior period bequests and currently held by the Foundation (known as the M Funds) be transferred to the Institution.

V. Executive Session

The Board went into Executive Session inviting Mr. Hill, Mr. Snyder, and Mr. Price to participate.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustees