

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
Tom and Jane Becker Room, Chautauqua Amphitheater
Chautauqua Institution, Chautauqua, NY
8:30 a.m., Saturday, February 2, 2019

DRAFT MINUTES
(Subject to Change Upon Final Approval)

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

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

I. Minutes

There being no corrections or additions, the minutes of the November 3, 2018, meeting of the Board of Trustees were approved as presented.

II. Report of the Chairman

Mr. Pardo thanked the Board and Staff for their participation and work during the deep dive discussions at yesterday’s meeting, which included presentations on the Chautauqua Lake and collaborations toward a county-wide solution and coalition; on the changing nature of philanthropy in general and transformational philanthropy in particular; and on the work of the Strategic Planning Working Group.

Agreement Between Chautauqua Institution and Chautauqua Foundation

Mr. Pardo asked for and received a motion to approve the form of resolution (the text of which follows) regarding an agreement between the Chautauqua Institution and the Chautauqua Foundation that previously had been sent to the full Board of Trustees by email on December 29, 2018. The motion was seconded and, after discussion including a comment from Mr. Snyder, was approved unanimously:

WHEREAS, the President of the Chautauqua Institution (the “Institution”) and the Chief Executive Officer of the Chautauqua Foundation, Inc. (the “Foundation” and, jointly with the Institution, “Chautauqua”) jointly have recommended a restructuring of the

development function within Chautauqua (the “Development Restructuring”); and

WHEREAS, in advance of and at its November 3, 2018, meeting, the Board of Trustees of the Institution received various written materials relating to and evidencing the material terms of the Development Restructuring; and

WHEREAS, after review and discussion of those various materials and of the Development Restructuring generally, the Board of Trustees of the Institution at its November 3, 2018, meeting unanimously endorsed in principle the Development Restructuring; and

WHEREAS, after further reflection both the Board of Directors of the Foundation and the Board of Trustees of the Institution have determined that adoption and timely and substantial implementation of the Development Restructuring are in the best interests of the Foundation, of the Institution, and of Chautauqua taken as a whole; and

WHEREAS, to authorize formally the Development Restructuring so that it can be timely and substantially implemented, the Board of Trustees of the Institution desires to adopt this resolutions (which is substantially identical to the resolution adopted by the Board of Directors of the Foundation at its January 26, 2019, meeting) providing for the execution and delivery of that certain Agreement dated as of February 2, 2019 (the “Superseding Agreement”), a true and correct copy of which is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Trustees of the Institution hereby authorizes its Chair to execute and deliver the Superseding Agreement in the form attached hereto as Exhibit A and, by so doing, hereby authorizes formally the Development Restructuring so that it can be timely and substantially implemented by the officers and staff of the Foundation and of the Institution.

The Superseding Agreement referenced in the resolution is filed in the Office of the Secretary of the Corporation.

III. Report of the President

Mr. Hill referred to the discussion of the draft strategic plan during Friday’s deep dive session and expressed appreciation to the Strategic Planning Working Group, the Board, and the Executive Staff for their work in developing the framework and parameters of the Strategic Planning model; reported that Mr. Joe Gerace has been hired as Director of Campus Security and Safety; discussed the status and next steps related to the real estate Master Plan (including a possible grant opportunity); provided an update on recent discussions with potential program partners and collaborators in Washington, D.C. and other areas for the 2019 and 2020 Seasons; and provided highlights of the programming during the upcoming 2019 Season.

IV. Committee, Working Groups, and Other Reports

Executive Committee

Ms. Trefts reported that the Executive Committee will make its report during the Board's executive session.

Budget & Finance Committee

Approval of 2019 Operating Budget & Amended Capital Budget

Mr. Brady reviewed the process conducted by the Budget & Finance Committee and the Staff led by Mr. Baggiano toward the development of the 2019 Operating & Capital Budgets; discussed the timeline and strategy toward the development of the 2020 Budget; and referred to the continued focus toward the implementation of a multi-year budgeting process. Mr. Hill and Mr. Baggiano discussed the proposed budget in detail — noting those areas tied directly to previously socialized and discussed potential initiatives embedded within the Strategic Plan. The proposed budget is informed by census forecasts, market analysis, and the work of the Marketing & Brand Strategy Committee.

On motion made and seconded, the Board approved (with one dissenting vote) the 2019 Operating and Amended Capital Budgets for the Chautauqua Institution as presented.

Nominating & Governance

Mr. Keogh reported that the Committee is in the process of selecting the next Chair of the Board; noted the Committee's delight in skill sets and qualifications of the nominated and self-nominated candidates; and shared the timeline for presenting a single nominee for the position of Chair-Elect to the Board at its May, 2019 meeting. In addition, the committee continues to consider a number of qualified candidates for the Trustee openings that will be presented in July and voted on in August 2019.

Marketing & Brand Strategy Committee

Mr. Klingensmith referred to the 2019 Marketing Plan — noting that the process for the development of the plan has improved significantly over the last three years; includes an increased focus on market analysis to identify competitive markets; and provides a greater understanding of our priorities and needs. The Marketing Plan was provided to the Board to ensure Trustee familiarity with the Plan; that Trustees understand the significant analysis and efforts of all involved in building the Plan; and to outline to the Trustees the priorities contained within the Plan.

Audit Committee

Mr. Metzger reported that the Audit Committee had no items to report at this time.

Development Council

Mr. Follansbee reported that the Development Council reviewed the 2018 fundraising results, noting the areas of success in, among other things, the Annual Fund and the level of gifts to the endowment maintained by the Foundation for the benefit of the Institution. Mr. Follansbee also discussed the accounting structure within the 2018 Chautauqua Annual Fund related to restricted and unrestricted funds and shared his gratitude to Tim and Leslie Renjilian for their work as Co-Chairs of the Chautauqua Fund.

Approval of 2019 Chautauqua Fund Goal

The Development Council approved and recommends a 2019 Chautauqua Fund Goal of \$5.0 million, which goal was approved by the Chautauqua Foundation at its recent meeting in January. Mr. Follansbee outlined other 2019 fundraising strategies within various giving levels of the Annual Fund.

Upon the recommendation and approval of the Development Council, given the previous approval of the Chautauqua Foundation Board of Directors, the Board of Trustees on motion made and seconded also approved a 2019 Chautauqua Fund Goal of \$5.0 million.

Chautauqua Foundation

Mr. Snyder reported that at its recent January meeting the Chautauqua Foundation approved its budget for the nine-month period from April 1 to December 31, 2019 — which includes funding for that period for the additional development staff positions contemplated as part of the restructuring activities. Mr. Snyder referred to the Foundation's process for the selection of its next Board Chair and the expectation that a nominee will be presented to the Foundation Board at its June, 2019 meeting. Mr. Snyder noted that the Foundation Board and its various committees are evaluating and discussing possible changes as the result of the upcoming the transfer of the development staff to the Institution effective January 1, 2020. He also reported on the Foundation's investment portfolio for December 2018 and January 2019, — referencing the various materials in the pre-read package sent to the Trustees.

Architectural Review Board

The ARB met on Thursday, January 31, 2019, at which time it reviewed six cases; two of which were approved; one of which was withdrawn; and the balance of which were denied for various reasons with the expectation that one or more may return to the ARB's agenda in the future.

Hotel Board

Mr. Hill reported the Hotel Board met earlier this week and reviewed the draft 2019 Budget — which will be finalized and considered for approval in May; referred to a Hotel and Institution working group focused on food and staff costs; reported the pending addition of a finance position within the Hotel staff; received a report from the General Manager, Leland Lewis, regarding a broad scale approach to enhance all rooms and venues within the Hotel rather than individual room upgrades; discussed the implementation of a Customer First Strategy; and reviewed the Hotel Marketing Plan.

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