

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
8:30 a.m., Saturday, May 4, 2013
Bellinger Hall, Chautauqua Institution, Chautauqua, NY

Minutes

<u>Members Present</u>		<u>Members Absent</u>	<u>Others Present</u>
George Snyder – Chair	Bob Metzgar	Don Boswell	Sherra Babcock
Karen Arrison	Greg Miller	James Pardo	Sebastian Baggiano
Jill Bellowe	John Milos		Rindy Barmore
Jim Brady	Sheila Penrose		Tom Becker
Carolyn Byham	Steve Percy		Hugh Butler
Laura Currie	Jason Phillips		Joan Campbell
Jennifer DeLancey	Tim Renjilian		Doug Conroe
Barbara Georgescu	David Rosen		Matt Ewalt
James Groninger	Jon Viehe		Geof Follansbee
Bonnie Gwin	Donna Zellers		Marty Merkley
Ron Kilpatrick			George Murphy
Candace Littell			Sam Price
Jack McCredie			Bruce Stanton
			Linda Steckley

Mr. Snyder opened the meeting with a word of prayer

I. Minutes

On motion made, seconded and carried the minutes of the February 2, 2013, and March 4, 2013, Board of Trustees' meetings were approved as presented.

II. Chairman's Report

Chairman-Elect

Mr. Snyder reported that during executive session the Board unanimously elected Mr. James Pardo as Chairman-Elect to commence office August 24, 2013.

The ALU Revised Regulations have been completed by the study group. Mr. Snyder has asked a sub-group to review the regulations in terms of legal ramifications, regulatory issues and identify those areas that are of significant change so that they may be reviewed, discussed and ultimately adopted by the Board in August 2013.

III. President's Report

Amphitheater Update

Mr. Becker presented a power point detailing the design of the Amphitheater Project. The costs for the project have not yet been received, but are expected to be submitted to staff in the next few weeks. He discussed the specific challenges identified by the Amphitheater Advisory Group which included connectivity to the community, historic preservation, functionality, accessibility, size and sustainability. In terms of the historic preservation the group reviewed the Secretary of Interior's Standards with rehabilitation as the guideline.

Mr. Becker referred to the summary of the Advisory Group regarding the issues of historic nature of the building, its setting and uses, the material and the structure. The Board also received a communication from Tania Werbizky, who served as a member of the Advisory Group throughout the process. Ms. Werbizky provides a reflection on our summary from the point of view of the NY Preservation League. Since receiving this communication, staff has been in touch with an historic preservation architect in Buffalo to review our efforts and make recommendations regarding further steps. Staff has received a report from the historic preservation architect and will continue work with the architect throughout the project.

The Board received an update on the 2013 and 2014 program highlighting some of the specific areas within those programs. Rev. Robert Franklin has accepted the position of Director of the Department of Religion and will begin his duties on January 1, 2013. Mr. Becker reported that he is delighted with the appointment. An Associate Director of Program has been hired to assist Mr. Merkley in the Program Office and will assume her position after season.

IV. Chautauqua Foundation Reports

Fundraising Results

As of March 31, 2013, The Chautauqua Fund has achieved \$663,957 towards its 2013 goal of \$3,656,372. There are five new Bestor Society members and nine new 1874 Society Members this year. Volunteer recruitment is nearly complete and a new online training component for volunteers begins mid-May. Prospects will be assigned to volunteers earlier providing the volunteers time to contact prospects pre-season. Mr. McCredie encouraged the Board to continue to conduct the thank you calls to donors who have given.

A total of \$977,858 has been raised in capital and other gifts and \$129,000 in endowment as of March 31, 2013. The Chautauqua Promise Campaign has raised \$35,736,512 to-date which includes a new \$1million dollar gift in the form of a planned gift.

Investment Results

The Chautauqua Foundation Endowment now stands at \$66,858,274. It has been a strong quarter (+4.4%) and fiscal Year (+8.8%) for the endowment. Active strategic actions include reducing small cap investments and increasing international emerging market equity. The School Account stands at \$762,361 as of March 31, 2013.

Development Council Report

Mr. Brady stated that the Chautauqua Fund is focusing on increasing its donor base. A Chautauqua Fund Steering Committee is reviewing the recommendations of the Ross & Moss Report. The committee is examining which of the recommendations to implement and will oversee the progress of those recommendations.

Development Council Protocol

It is the recommendation of the Development Council and the Foundation Board of Directors that the Board of Trustees adopt revisions to the current Development Council Protocol. The recommended changes are noted in "Section I Governance; II. Structure" and currently reads "The Board of Trustees shall select a chairperson from among the

five Council members from the Institution's Board of Trustees". It is recommended the language read as follows: "The Chair of the Board of Trustees shall select a chairperson from among the five council members from the Institution's Board of Trustees."

On motion made, seconded and carried, the Board approved the recommended changes to the Development Council Protocol; Section I Governance; II Structure and reads "The Chair of the Board of Trustees shall select a chairperson from among the five Council members from the Institution's Board of Trustees."

V. Committee Reports

Asset Policy Committee

The committee received reports on operating performance and budget, an update on the current capital projects, discussed a proposal for an Elm Lane Lot Annexation and held a strategic discussion regarding the Athenaeum Hotel.

They also discussed and recommend to the Board of Trustees a loan to Chautauqua Hotel Corporation payable monthly for 10 years at 2.7%. These funds will be used to replace a current loan with a balloon payment due May 2013.

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried the Board approved a loan to the Chautauqua Hotel Corporation payable monthly for 10 years at 2.7%.

Audit Committee

The committee reviewed and recommends the Board accept the December 31, 2012 Audited Financial Statements for Chautauqua Institution and the Chautauqua Hotel Company. Mr. Renjilian noted that the Institution received a qualified opinion and discussed the reason for this opinion as it relates the Institution not recording its beneficial interest in endowments held by the Foundation. In addition, the auditors discovered asset purchased or constructed in prior years (between 1992 and 2002) that were not previously depreciated within the old software. This will be reflected as a prior year adjustment.

Upon the recommendation of the Audit Committee and on motion made, seconded and carried, the Board accepted the December 31, 2012 Audited Financial Statements for Chautauqua Institution and the Chautauqua Hotel Company.

The committee also discussed risk issues in the area of procurement and contracting, heard from Sam Price on areas of administrative risk and discussed the 2013 auditor selection and contract.

Nominating & Governance Committee

Mr. McCredie reported that the committee has been working on the identifying three candidates for election in August 2013.

The Nominating & Governance Committee met on Friday, May 3, 2012 and unanimously approved and recommends to the Board of Trustees the approval of the proposed By-Law amendment to Section 1.4 Election and Succession: Vacancies. Mr. McCredie reminded

the Board that they received these recommendations at the February meeting for discussion and shared with the Board the committee's reasons for this recommendation.

Upon the unanimous recommendation of the Nominating & Governance Committee and on motion made, seconded and carried, the Board approved, the proposed amendment to Section 1.4 of the Chautauqua By-Laws which states: "The person elected as a trustee shall be eligible for re-election; provided, however, that no person shall be eligible to be subsequently re-elected to more than a second full term, without the lapse of at least one year from the date of termination of any prior service as a trustee, unless such person is then serving as the Board Chair or is elected to a third term after unanimous nomination by the Nominating & Governance Committee and the Executive Committee and by the affirmative vote of two-thirds of the Board of Trustees. The use of the foregoing provision to allow a trustee to serve for three successive terms should be utilized rarely and only under unique circumstances as determined by the Board of Trustees."

Program Policy

Ms. Georgescu reported for Ms. Bellowe regarding the work of the Program Policy Committee. She referred to a Policy Statement drafted by the committee. The committee asks the Board review the statement and submit comments and suggestions to Ms. Bellowe. The committee discussed the Romeo & Juliet Project, the Literary Prize for 2013, the potential creation of the Martin Luther King House for Peace and Justice and conducted a strategic discussion on the 2013 and 2014 programs through a power point presented by Mr. Becker.

Personnel Committee

The committee received a report from Mr. Becker on key staff positions, new hires and an update on the Staff Succession Plan. Mr. Rich Koerner, HR Consultant, presented new personnel policies and discussed the programs for personnel hiring and increased training of seasonal employees.

VI. Executive Session

On motion made, seconded and carried, the Board went in to executive session inviting Mr. Percy, Mr. Becker 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