

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
Bellinger Hall, Chautauqua Institution, Chautauqua, NY
8:30 a.m. Saturday, November 7, 2015

MINUTES

<u>Members Present</u>		<u>Member Absent</u>	<u>Others Present</u>	
Jim Pardo – Chair	Bob Jeffrey	Don Boswell	Sherra Babcock	Sam Price
Karen Arrison	Kyle Keogh	Sheila Penrose	Sebby Baggiano	John Shedd
Cathy Bonner (ex officio)	Ron Kilpatrick		Rindy Barmore	Bruce Stanton
Jim Brady	Jim Klingensmith		Tom Becker	Jordan Steves
Christine Brueschke	Candace Maxwell		Matt Ewalt	
Hugh Butler	Bob Metzgar		Geof Follansbee	
Carolyn Byham	Greg Miller		Robert Franklin	
Judith Claire	John Milos		Deborah S. Moore	
Laura Currie	Tim Renjilian		George Murphy	
Bonnie Gwin	David Rosen		Bill Neches	
John Haughton	Dede Trefts		Dusty Nelson	

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

I. Minutes

There being no corrections or additions to the minutes, the minutes of the August 29, 2015, meeting of the Chautauqua Board of Trustees stood approved as presented.

II. Report of the Chairman

Mr. Pardo referred to the Board working session on Friday, November 6, during which the Board engaged in a detailed, full-day discussion of the Amphitheater Project that included, among others, representatives from LPCiminelli. During the working session the Board, among other things, received reports on the status of permitting; the results and status of the competitive bid process; projected project costs and the status of bid-descoping and value engineering efforts; project contingencies; the risk mitigation plan; identification of the project team; funding and cash flow considerations; the related communications plan; and the process for further Board consideration and possible approval of the Amphitheater Project. Mr. Pardo thanked the Board for their dedication and diligence in the review of all of the details of the proposed project

Mr. Pardo reported on his survey in September of the Board of Trustees regarding the most critical strategic issues on which the Board might focus in the coming year. He also discussed the agenda of the February Board meeting, which will focus on strategic issues relating to census growth and programming.

III. Report of the President

Mr. Becker provided an update on the progress toward the 2016 program, noting in particular the collaboration with Jazz at Lincoln Center (week 9) and National Geographic (week 5). He discussed some of the anticipated leadership changes that will take place in the Piano, Dance and Theater areas.

Mr. Becker called on Rev. Robert Franklin, who identified the morning preachers for the coming season - noting that several will bring their church choirs to perform during the 2016 season. Rev. Franklin also noted that the AADH Board continues to work toward the creation of a denominational house on the grounds. A reception will be held in Atlanta in 2016 focusing on providing support for such a denominational house.

Mr. Becker then called on Mr. Follansbee, who reported on the purchase of the Miller Cottage which is anticipated to close before the end of the year. The funds for the purchase were gifted by a donor. An historic preservation architect has been engaged to report on the property. The cottage will be acquired and held by the Foundation until such time as the Institution determines the best use of the property.

Mr. Becker then called on Mr. Murphy, who reported on the work of Hennes Communications in assisting staff with issues of communications and specifically their connections to press and other media sources. Staff has found Hennes to be very helpful in the development of messaging and access to media sources.

IV. Committee Reports

Asset Policy

Mr. Kilpatrick referred to the census report noting that there has been a decline in long-term and single tickets over the last few years. He discussed the work of the Asset Policy Committee, which has focused on growth in attendance and strategies to achieve a goal of 3% growth per year. He noted the impact such growth would have on the Institution's bottom line. These strategies have been discussed during the development of the proposed budget, which generally has included a flat expense budget for the last three years. A sub-group of the Asset Policy Committee has been created to further analyze strategic investments, including investments in programming needed to drive volume growth. This sub-group will work in coordination with the existing four-trustee working group of the Program Policy and Asset Policy Committees, which is led by Mr. Renjilian. Mr. Kilpatrick provided a brief report on the overall financial results for the Institution in 2015, and he referred to the 2016 budget - noting the Asset Policy Committee met several times prior to this meeting to develop the proposed budget.

Standard Banking Resolution

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Standard Banking Resolutions were adopted.

The resolutions include, among other things, authorization to vote on Chautauqua Hotel Company Stock and sign leases and deed consents. Copies of the resolutions are on file with the official minutes.

2016 Ticket Prices and Fees

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Board approved the 2016 Ticket Prices and Fees

2016 Capital and Operating Budget

Upon the recommendation of the Asset Policy Committee and on motion made, seconded and carried, the Board adopted the 2016 Capital and Operating Budgets.

August 2015 Amp Related Corporation Meeting Motion

At the August 8, 2015 meeting of the Corporation, the following motion was passed:

The members of the Chautauqua Corporation request that the Board of Trustees of Chautauqua Institution, prior to the final award of a construction contract for the Amphitheater, consider securing a construction contract based on a design developed by a recognized historic preservation architectural firm with full access to necessary structural and engineering specifications.

The issue presented by this motion was referred in August to the Asset Policy Committee for its consideration. After review of the issue, the Asset Policy Committee issued a report to the Board that, among other things, determined that engagement of a recognized historic preservation architect currently is unnecessary, would not serve the motion's purpose of preserving the Amphitheater, and would not at this time provide significant additional value to the Board's consideration of the proposed Amphitheater project. The Asset Policy Committee recommended that, at this time, no further action be taken on this request from the members of the Chautauqua Corporation.

On motion made, seconded and carried, the Board accepted the report of the Asset Policy Committee.

On recommendation of the Asset Policy Committee, and on motion made, seconded and carried, the Board voted, at this time, to take no further action on the preservation-related request made by the members of the Chautauqua Corporation at the Corporation's annual meeting in August.

A letter from Mr. Pardo will be sent to the members of the Corporation and the community regarding the Asset Policy Committee's recommendation and the Board's decision.

Nominating & Governance

Revision of By-Laws

The Nominating & Governance Committee considered changes to the By-Laws to create a Marketing and Communications Committee and to modify the time periods within which nominees for the positions of Class A Trustee and Class B Trustee would need to be identified so as to allow, among other things, a more orderly process for the completion by nominees of the Conflict of Interest and Related Party Transaction Statement now required by New York law.

Upon the recommendation of the Nominating & Governance Committee and on motion made, seconded and carried, the amendments to the Chautauqua Institution By-Laws were approved by the Board of Trustees.

Election of Class A Trustee to Fill Current Vacancy

Ms. Gwin noted that there is a current vacancy on the Board due to the unfortunate passing of Ms. Laura Miller. The committee recommends the election of Larry Thompson to serve as a Class A Trustee and to fill the unexpired term of Ms. Miller, with Mr. Thompson's election to be effective as of January 1, 2016. Ms. Gwin briefly provided a report on Mr. Thompson's background and qualifications.

Upon the recommendation of the Nominating & Governance Committee and on motion made, seconded and carried, the Board of Trustees elected Mr. Larry Thompson as a Class A Trustee (class of 2018) effective as of January 1, 2016.

Election of Officers

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

<i>Sebastian Baggiano</i>	<i>Vice President of Finance & Community Service, Treasurer and Chief Operating Officer</i>
<i>Sherra Babcock</i>	<i>Vice President of Education</i>
<i>Rindy Barmore</i>	<i>Corporate Secretary</i>
<i>George Follansbee, Jr.</i>	<i>Vice President of Development</i>
<i>Deborah Sunya Moore</i>	<i>Vice President and Director of Programming</i>
<i>George Murphy</i>	<i>Vice President and Chief Marketing Officer</i>

Report on August Resolution

Ms. Gwin reported on the governance-related motion that was approved by the members of the Chautauqua Corporation at the Corporation's annual meeting in August. The issues presented by that motion were referred to the Nominating & Governance Committee in August. Ms. Gwin reported that the Committee has the issues under consideration and anticipates making a report to the Board at its February meeting.

Program Policy Committee

Mr. Haughton reported that the existing four-trustee working group of the Program Policy and Asset Policy Committees (Shelia Penrose, John Haughton, Greg Miller and Tim Renjilian), along with staff, continue to meet to develop analyses and strategies to attract new audiences, increase revenue, and retain the current audiences to the Morning Lectures and to presentations of Classical and Popular Entertainment. The working group is identifying objectives that need to be reached in terms of attendance and engagement, developing strategies to meet those objectives, and identifying measurements to determine success. Week Nine, which traditionally has been low in attendance with a very unique demographic due to the calendar, presents an opportunity for a test case to drive attendance. In 2016, the Institution is making a financial investment in collaboration with Jazz at Lincoln Center to provide an overarching theme regarding American music that will include, among other things, the presence on the grounds of the Choir from the Abyssinian Baptist Church and presentation of the Abyssinian Mass. The goal of the experiment in programming is to attract a new and very diverse audience to Chautauqua.

Development Council

Mr. Brady noted that the Promise Campaign has raised approximately \$90 million toward its goal of \$98.2 million. It is the recommendation of the Campaign Cabinet and the Development Council to conclude the Campaign at the end of 2016 and to not extend the campaign beyond that time.

Mr. Milos, chair of the Donor Acquisition Task Force, reported to the Board on the task force's work and recommendations. The task force has focused on reversing the trend in the declining numbers of individual donors to the recent Annual Funds. This decline has continued for five years and is a strategic issue. Mr. Milos discussed the task force's report and the four primary initiatives within the report, which included a greater focus on donor acquisition; data collection and analysis of the collected

information (systems); identification of new donors and creating specific programs to attract identified donor segments; and increasing the effectiveness of marketing to those donor segments.

Mr. Brady asked that the members of the Board participate in the year-end fundraising efforts through the phone drive of the Chautauqua Fund.

Chautauqua Foundation Report

Ms. Bonner and Mr. Follansbee provided a brief report on the Foundation's assets and investments and on the work of the Foundation's investment committee in considering a possible change in the third-party firm that serves as the Foundation's chief investment officer.

ARB Report

Mr. Jeffrey reported that several cases were brought to the ARB at its November 5 meeting, and he discussed the recommendations of the ARB regarding those cases. A case that previously was decided in August may again come before the ARB because of the owner's non-compliance with an agreed-upon outcome reached and announced at the August ARB meeting. The ARB also requested a minor correction to the Architectural Review Board Regulations, which has been reviewed and recommended by the Asset Policy Committee.

ARB Regulations

Upon the recommendation of the Asset Policy Committee and on motion, made, seconded and carried, the Board approved the proposed correction to the Architectural Review Board Regulations.

Hotel Board

The Hotel Board met and reviewed the summary of operations for the Chautauqua Hotel Company, which included the projected 2015 actual budget and the projected 2016 budget. Mr. Becker discussed the process for the development of the budget, which included the work of a sub-group of the Hotel Board that focused on the development of the projected 2016 budget and identification of risks within the budget.

V. Executive Session

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