

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
Tom and Jane Becker Room, Chautauqua Amphitheater
Chautauqua Institution, Chautauqua, NY
8:30 a.m., Saturday, May 4, 2019

MINUTES

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

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

I. Executive Session

Upon motion made, seconded and carried, the Board went into Executive Session, inviting Ms. Bonner, Mr. Snyder, and Mr. Price to remain and participate. Following the Executive Session, and upon further motion made, seconded and carried, the Board returned to its Open Session for which Mr. Pardo invited the Staff and other guests to join the meeting.

II. Approval of Minutes

There being no corrections or additions, the minutes of the February 2, 2019, meeting of the Board of Trustees were approved as presented.

III. Chairman's Report

Chairman-Elect

Mr. Pardo reported that, during the earlier Executive Session, Ms. Candace Maxwell was unanimously elected as Chair-Elect of the Board. Subject to a pro forma confirming vote at the Board's August meeting, Ms. Maxwell's initial term as Chair will commence on October 1, 2019. The Board welcomed Ms. Maxwell to the meeting.

Strategic Plan

Mr. Pardo thanked the Trustees and the members of the Staff for their participation and work during the deep dive discussions at Friday's meeting. He also thanked the members of the Strategic Planning Working Group for their hard work in developing and drafting the proposed Strategic Plan.

Mr. Hill provided a summary of the comments and suggestions received from the Board after the February Board meeting, focusing in particular on the area of communication with the overall Chautauqua community, the various organizations, groups and smaller constituencies that collectively comprise that community, and other key stakeholders and individuals. Comments from the February Board meeting included: highlighting the national demand for the Institution's work both as a movement and as a convener (particularly as those concepts embrace engagement around civil dialogue); noting the value of the Institution's work within the immediate region; capturing the sense of community; providing financial and investment strategies along with an annual operating plan; providing narrative around the critical parts of the plan, including the cross-cutting initiatives; highlighting the role of Chautauqua as a movement while not forgetting place; exploring new sources of work and programming that may have a significant impact in the larger society while also defining our brand; continuing to focus on internal issues such as accommodations, customer service and the place; recognizing the societal change in which individuals are living integrated lives (working while on vacation); providing a clear sense of how the four overarching plan initiatives work together to promote and achieve an increase in the financial health of the Institution; identifying tactical financial measurements to evaluate and ensure the plan's timely implementation and success, including attracting and retaining audiences; being bold in describing the future of the Institution; and assuring that the cross-cutting initiatives are woven into and throughout the plan and remain a significant focus, including commitments to technology, lake quality, and recruiting and retaining quality employees.

Motion to Approve Strategic Plan Narrative and Amendment

A motion was made and seconded to approve the strategic plan narrative in the form that was included among the pre-read materials sent to the Trustees in advance of the May meeting. Discussion ensued. A motion was made and seconded to amend the strategic plan narrative as previously circulated to the Trustees by changing the words "net revenue" as they appear in the Measures of Success for Objective 2 to "net contribution margin." Further discussion ensued, and the amending motion was approved.

At the conclusion of discussion and debate, the issue was called and the Board of Trustees approved the Strategic Plan Narrative, as amended.

Motion to a "Sense of the Board" Regarding the Draft Graphic Presentation of the Strategic Plan

Mr. Pardo referred to the draft graphic presentation of the strategic plan that was included among the pre-read materials sent to the Trustees in advance of the May meeting. Mr. Pardo explained that the Staff intends to use the materials contained in the draft (or various versions thereof) as a communications tool through which to engage the community and other key stakeholders and potential investors. The intent is to use the draft graphic presentation as a "master document" of sorts — and to modify that document on an ongoing basis as may be necessary or appropriate to best meet the needs of particular presentations. Mr. Pardo asked the Trustees to review the draft graphic presentation and to focus on its overall content, impact, and effect. He acknowledged that minor issues such as text font, text size, and choice of photography would be finalized by the Staff as the draft continues to evolve into a final product to determine if, as a Board, the Board believes it serves as an appropriate means of conveying to stakeholders an accurate representation of the now-approved strategic plan.

On motion made, seconded and carried, it was the sense of the Board of Trustees that the draft graphic presentation, once finalized, would indeed serve as an appropriate and effective master document from which to create various communications tools to convey the now approved strategic plan to the community and other key stakeholders.

IV. President's Report

Mr. Hill recognized Staff for their work and presentations at the deep-dive sessions of the Board meeting on Friday; referred to the collaboration with the Chautauqua County Executive and others interested in the ongoing issues relating to Chautauqua Lake, including the Institution's recent signing of a countywide Memorandum Of Agreement; thanked Mr. Shedd for his continued work spearheading the Institution's position regarding lake-related issues; noted that a Lake Conference Meeting will be held at the Elizabeth S. Lenna Hall on June 15; shared the details of the Institution's continued work with the Jefferson Project (the members of which will be convening at Chautauqua on Monday, May 6); thanked Ms. Trefts for providing and facilitating the original introduction to the Jefferson Project through IBM; discussed the progress and status of the Institution's real estate Master Plan, which includes a grant request to the Ralph B. Wilson Foundation and discussions with the County Executive regarding potential improvements to the Route 394 street scape; referred to recent philanthropic efforts to improve Chautauqua housing for various arts faculty venues; reported on recent hires onto the development team and the roles each position will play within the evolving fundraising structure; discussed the status of the search for the Director of Youth position; and shared recent discussions with potential collaborators including the National Constitution Center, PBS, and the University of Virginia regarding civil dialogue and convening opportunities outside of the Summer Assembly Season and throughout the country that would allow Chautauqua to reach beyond the gates and impact the larger society.

V. Committee, Working Group, and Other Reports

Budget & Finance

Mr. Baggiano referred to 2018 Audited Consolidated Financial Statements for the Chautauqua Institution and its wholly owned subsidiary, the Chautauqua Hotel Corporation; discussed the process and strategies conducted in the development of the Hotel Corporation's 2019 operating budget, which recently was approved by the Hotel Board; shared the analysis and evaluation strategies to be utilized by the Staff and the Hotel Board during 2019; and shared the goals and operational strategies implemented by the Hotel Staff for 2019.

Mr. Brady referred to the amended 2019 Chautauqua Institution Operating Budget, which now includes the recently approved final 2019 Hotel Budget. Mr. Brady requested that the Board approve the amended 2019 Chautauqua Institution Operating Budget.

On motion made, seconded and carried, the Board approved the 2019 Amended Chautauqua Institution Operating Budget, which includes the recently approved final 2019 Hotel Corporation Budget.

The Budget & Finance Committee and the Institution Staff have been working toward the development of multi-year Institution budgets, including strategic financial modeling forecasts. Mr. Baggiano discussed the process for the development of the various models and the projections for each.

Executive Committee

Ms. Trefts noted that the Executive Committee met on Thursday to discuss Friday's Deep Dive Sessions and expected outcomes of those discussions and further noted that the Executive Committee has no action items to present at this meeting.

Marketing & Communications

The Marketing & Communications Committee met in April to review the Institution's 2019 Marketing Plan and the Institution's progress to date with regard to that plan. Mr. Klingensmith reported positive results and provided specific details as to the efforts being made to meet the Institution's various census goals. The Committee also reviewed the analytics regarding market response to the 2020 Theme Weeks; discussed the 2020 Ticket Sales and Strategies; and received the Institution's 2019 Strategic Communications Plan. Mr. Klingensmith thanked the members of the Committee, noting that Mr. Milos, Mr. Boswell, and Ms. Byham will be leaving the Board at the end of their current terms (September 30, 2019) and, thus, leaving as members of the Marketing & Communications Committee. He recognized and thanked them for their contributions to the Committee over the last several years.

Human Resources & Compensation

Ms. Perry reported the Committee has focused its work toward organizational issues such as policy review and compliance. The Committee met earlier this week with Ms. Amber Blashak and Mr. Baggiano to review the work Ms. Blashak has been coordinating over the last several months in her role as Director of Human Resources. Her focus has included the development of internal employee processes, hiring and training of both year-round and seasonal employees; compliance; modernization of the hiring process and systems; and recruitment of quality employees (in and out of the Summer Assembly Season).

Development Council

Mr. Follansbee reported that the Development Council met, approved, and recommends to the Board of Trustees the naming of a new pavilion at the Chautauqua Children's School. The Foundation has received a gift from a donor to rebuild and replace what has been called the "temple" at the Children's School. The gift covers the construction costs of a new pavilion as well as excess funds that will be added to the Children's School Endowment held by the Foundation for maintenance of the Children's School. The donor family is requesting the pavilion be named the "Jessica Trapasso Pavilion" in honor of Mr. Kit Trapasso's wife, Jessica, who passed away several years ago. Mr. Trapasso has held the position of Director of Chautauqua's Children's School for over 35 years.

Mr. Pardo noted that as the result of the recent reorganization of the Board's committee structure, the Development Council now has the responsibility to review, approve, and recommend to the Board of Trustees all naming opportunities.

Upon the recommendation of the Development Council and on motion made, seconded and carried, the Board of Trustees approved the naming of the "Jessica Trapasso Pavilion" at the Chautauqua Children's School.

Foundation Report

Ms. Bonner thanked the Board for the opportunity to work with the Trustees over the last several years in her role as Chair of the Board of the Foundation, noting that the Foundation will be electing a new Chair at its August 2019 meeting. The Foundation is currently discussing the reorganization of its Board and

Staff based on the shift of all development and fundraising responsibility from the Foundation to the Institution effective January 1, 2020.

Audit Report

Mr. Metzger noted that the Audit Committee met to review the 2018 Audited Consolidated Financial Statements for the Chautauqua Institution and its wholly owned subsidiary, the Chautauqua Hotel Corporation, to ensure that the financial statements were presented fairly and accurately.

Upon the recommendation of the Audit Committee and on motion made, seconded and carried, the Board of Trustees voted to receive the December 31, 2018, Audited Financial Statements for the Chautauqua Institution and Chautauqua Hotel Corporation.

ARB

Mr. Jeffrey referred to the recent cases brought before the ARB; noted those cases in which the requested variances or other exceptions were denied and those cases in which the requested variances or other exceptions were approved; and provided insight into each case and the ARB's reasoning for its decisions. The ARB expects to come to the Board in November 2019 with recommendations for revisions to the Architectural and Land Use Regulations.

Hotel Board

Mr. Hill reported that the Hotel Board met and received a report from the General Manager, Mr. Leland Lewis, on recent improvements and upgrades to the Hotel including staff organizational changes focused on customer satisfaction, revenue growth, and expense controls. The Hotel Board also reviewed current occupancy projections and discussed revenue strategies related to its 2019 Operating Budget.

Executive Session

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

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustees