

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
Saturday, August 23, 2014
Hultquist, Chautauqua Institution, Chautauqua, NY

MINUTES

<u>Members Present</u>		<u>Members Absent</u>	<u>Others Present</u>	
Tim Renjilian, V. Chair	Bob Metzgar	Jim Pardo	Sherra Babcock	George Murphy
Karen Arrison	Dede T. McEvoy	Jill Bellowe	Sebby Baggiano	Sam Price
Don Boswell	Greg Miller	Carolyn Byham	Rindy Barmore	John Shedd
Jim Brady	John Milos		Tom Becker	Bruce Stanton
Christine Brueschke	Sheila Penrose		Hugh Butler	Linda Steckley
Laura Currie	Steve Percy – ex officio		Doug Conroe	Jordan Steves
Jim Groninger	Jason Phillips		Matt Ewalt	Maureen Rovegno
Bonnie Gwin	David Rosen		Robert Franklin	
Bob Jeffrey	John Viehe		Geof Follansbee	
Ron Kilpatrick			Deborah K. Moore	
Candace Littell				

Mr. Renjilian, Vice Chair, called the meeting to order with a word of prayer noting Mr. Pardo's absence due to the passing of his mother.

I. Minutes

On motion made, seconded and carried the minutes of the May 3, 2014 meeting of the Board of Directors were approved as presented.

II. Report of the Chairman of the Board

Mr. Renjilian noted that the November meeting will include a review of season statistics, continued focus on marketing, attendance and sustainability at the committee levels and changes to the Institution By-Laws based on the requirements from New York State Not-For-Profit law.

III. President's Report

Mr. Becker provided an update on the tragic death of Mary Whitaker, a member of the Chautauqua Symphony Orchestra. Ryan Kiblin was also a loss for the staff early this season when both she and her unborn daughter passed away. Ms. Kiblin served as the head of the grounds and garden crew. Her work regarding the improvements in the gardens, grounds and the storm water management has been significant on the grounds. Other members of the staff have taken on more responsibilities in the wake of her loss. There has been a request by the Bird Tree and Garden Club (BTG) to recognize the contributions of Ryan Kiblin by naming the existing storm water management park to the north of Root Avenue between Pratt and Palestine Avenue the Ryan Kiblin Memorial Storm Water Park. BTG will donate funds toward the endowment of the park.

On motion made, seconded and carried, the Board of Trustees approved the naming of the current storm water park to be named the Ryan Kiblin Memorial Storm Water Park and approved the following resolution:

Whereas, under the guidance, supervision and creative talent of Ryan Kiblin in 2014 with funds from New York State built a storm water management park to the north of Root Avenue Between Pratt and Palestine Avenue ("Land") with the purpose of improving the environment and the condition of Chautauqua Lake; and

Whereas the Institution wishes to recognize the contributions of Ryan Kiblin to the beautification of the grounds, the establishment of numerous gardens and the management of the grounds and landscaping staff; and

Whereas, by this resolution the Board of Trustees of the Institution conveys its deepest condolences to the family of Ryan Kiblin; therefore be it

Resolved, that the Board of Trustees does hereby designate the improvements to the Land as the Ryan Kiblin Memorial Storm Water Park until such action, if any, by the Board of Trustees to designate the use of such land for a different purpose.

Mr. Becker recognized several members of the staff for their work throughout the season. The negotiations with the Chautauqua Symphony Orchestra continue and have not yet come to agreement. The CSO Conductor Music Search Committee has met throughout the season and includes members of the orchestra, Karen Arrison and Christine Brueschke and members of the community. Surveys from members of the orchestra and the community and the recommendations from the search committee will be all be utilized in the choosing the final candidate.

Final attendance statistics are not yet completed, however the preliminary numbers indicate that attendance will be flat as compared to last year. Mr. Becker noted those weeks in which attendance was high assisted in leveling the overall attendance for the season. The Friday night specials were down against budget. Members of the programmatic staff are working on the development and creation of the program as it relates to increased growth and attendance within each of the specific weeks of the 2015 season.

IV. Chautauqua Foundation Report

Mr. Percy reported that Mr. Jack Connolly, Mr. Bill Goodell and Ms. Susan Murphy were all re-elected to the Foundation Board of Directors. Ms. Anne Odland was elected as a new Director taking the place of Mr. Chris Lytle. The Board will also be recognizing Mr. Groninger who will be leaving the Board after serving for 20 years and most recently served in the Trustee/Director position. Mr. Jim Brady was elected as the Trustee/Director of the Foundation Board.

Mr. Follansbee referred to the gift from Robert M. Smith which was received by the Institution and pursuant to the policy the gift has been turned over the Foundation as endowment. The policy of the Board of Trustees regarding "Gifts Occasioned by the Death of the Donor" provides that the Board of Trustees receive notice whenever a qualifying gift is made to the Institution that according to the policy is transferred to the Foundation to be held as endowment pursuant to the donor's instructions. The Institution was designated beneficiary of a trust established by Robert M. Smith in 1985. The governing trust instrument states that the Institution's "share is to be held as an endowment in the name of J. Vance Smith and Robert M. Smith." Robert Smith died in 1994 and his wife Eunice, a beneficiary of the trust until her death, died in February of 2014. The Institution and the Foundation have entered into an

agreement whereby, according to the Board of Trustees' policy, the amount received or to be received from the trust is transferred to the Foundation to be held by the Foundation as endowment. The Foundation has received the first and has created the J. Vance Smith and Robert M. Smith Fund which will be held as unspecified endowment. A copy of the "Gifts occasioned by the Death of the Donor" policy was provided to the Board for their information.

The Campaign has achieved approximately \$72 million to-date and the endowment's net assets have reached \$89 million to-date. Mr. McCredie reported that the Chautauqua Fund Campaign is going well with new volunteers recruited and approximately \$2.4 million achieved to-date towards its \$3.7 million goal. The Anderson Foundation has given a three-for-one grant with \$100,000 maximum match which has brought in 15 new members to the Lewis Miller Club.

Mr. Brady, chair of the Development Council, discussed the work of the staff as it relates to increasing the number of donors to the Chautauqua Fund and its focus on the work related to the Moss and Ross Report.

V. Committee Report

Asset Policy

Mr. Baggiano reported on the Hotel occupancy and revenue to-date as it relates to the new operating model which decoupled food service from accommodations. Lodging is down approximately 5% while food service revenue has increased. The dinner service was up 35% from budgeted numbers. Overall with the new operating model, staff expects to hit goal for the Hotel and other food-related services.

In terms of overall attendance, expectations are that it will be flat or slightly down in person days. Less than one week attendance is down and is believed to be due to the Friday night specials. Overall costs are not yet known, however no surprises are expected.

Mr. Kilpatrick stated that we expect to continue with a flat budget mentality going forward for next year as planned. Within the overall flat budget, certain costs will increase as a result of regulatory changes and other external issues. The things that will have the greatest impact are the increase in minimum wage, the Affordable Care Act (which will impact roughly 80-100 seasonal employees), and the impact of the utility district which may not take effect until 2016-2017.

Discussion focused on attendance, programming and marketing to those who have never attended before. Mr. Renjilian noted that those discussions will be continued as agenda items at the Asset Policy and Program Policy Committees.

Program Policy

Mr. Renjilian noted that Ms. Bellowe was not present at the meeting and he reported that the Program Policy Committee adopted a Program Policy Statement on April 22, 2014. The policy has been distributed to the Board for their information. No action is required by the Board.

The Program Policy also met with the Visual Arts Department during the season and heard from Don Kimes, Lois Jubeck and Judy Barie regarding the work of Art School Program and the Strohl Art Gallery. From that meeting it was noted that the leadership of those programs have been in place for a number

of years and that leadership could be transitioning over the next several years. Mr. Becker reported on the sales of the Art Gallery noting that revenue has continued to increase over the years.

ARB

Mr. Jeffrey stated that the ARB met the preceding Thursday to review the cases before them. There have been three training sessions with community members, contractors and realtors on the revised ARB regulations.

Personnel Committee

Ms. Currie stated the committee did not meet this past season, but that the Board and the out-going Trustees will be receiving the evaluations for the President. The Board will be asked to submit their evaluations early so that the committee can report out in November.

Audit Committee

The committee reviewed the Form 990 and will submit the final in the next few weeks. They also reviewed the Conflict of Interest Statements received from those Trustees being re-elected and those being newly elected to the Board and found no conflicts.

Nominating & Governance

Mr. McCredie referred to a draft Trustee Expectations document which is part of the Trustee Orientation Packet. The Board was asked to review and submit comments/suggestions to Mr. McCredie. The orientation for new Trustees has evolved to meetings with the chair of the Nominating & Governance Committee, Chair of the Board and Chair of the Asset Policy Committee and includes an orientation packet that they each receive in advance of the training sessions. Those Trustees being re-elected and those exiting the Board are involved in interviews with members of the committee regarding their service on the Board and those comments are used in assisting in the evaluation of the governance of the Board, its conduct and its meeting structure. The committee continues to review candidates for consideration for members to the Board.

Recommendation for Election to the Class of 2016

Upon the recommendation of the Nominating & Governance Committee, and on motion made, seconded and carried, the Board unanimously approved the re-election of Ms. Candace Littell, Mr. Robert Metzgar and Ms. Laura Currie, each for a four-year term to the Board of Trustees to the class of 2018.

Upon the recommendation of the Nominating & Governance Committee, and on motion made, seconded and carried, the Board unanimously approved the election of Mr. John Haughton and Ms. Laura Miller, each for a four-year term to the Board of Trustees to the class of 2018.

VI. Committee Assignments

Mr. Renjilian distributed the 2014-2015 Board of Trustee committee assignments noting that Mr. Pardo considered the needs and desires of the members as well as the work of the Board in his consideration.

On motion, made, seconded the Board ratified the ARB membership presented, which include: Mr. Bob Jeffrey as chair, Ms. Brueschke, Mr. Haughton, Mr. Milos and Mr. Rosen as members.

VII. Recognition of Trustees

Mr. Renjilian recognized Mr. James Groninger, Mr. J. Jason Phillips and Mr. John Viehe, each of whom is retiring from the Board. He noted that they have each given a great deal to the Board and the community, and he read the following resolutions:

James G. Groninger

WHEREAS, James G. Groninger has served the Chautauqua Institution as a member of its Board of Trustees for eight years, 2006-2014, serving on the Nominating & Governance Committee and on the Asset Policy Committee; and

WHEREAS, in addition to his service as a member of the Institution's Board of Trustees, Mr. Groninger simultaneously served as a Director of the Chautauqua Foundation, thereby bringing a unique perspective to his service on the Board of Trustees and prompting and ensuring a congenial, fully cooperative, and entirely effective relationship between the two Boards; and

WHEREAS, Mr. Groninger at all times has been a strong and effective voice on the Board in general, and on the Asset Policy Committee in particular, consistently encouraging high standards for the fiscal management of the Institution within the context of its overall mission; NOW, THEREFORE, BE IT

RESOLVED, that in deep gratitude for Mr. Groninger's exemplary service to the Chautauqua Institution, we, the Board of Trustees, do hereby record upon the permanent records of the Institution our sincere thanks and appreciation.

J. Jason Phillips

WHEREAS, Jason Phillips has served the Chautauqua Institution as a member of its Board of Trustees for eight years, 2006-2014, serving on the Nominating & Governance Committee, the Program Policy Committee, the Asset Policy Committee, and the Executive Committee and, from 2007-2012, as Chair of the Development Council; and,

WHEREAS, Mr. Phillips has been devoted to the best interests of the Institution through his years of service to the Board and the Chautauqua Foundation; and

WHEREAS, Mr. Phillips has been a strong and effective voice in the development, implementation, measurement, and oversight of the Strategic Plan adopted by the Board in February 2010; and

WHEREAS, Mr. Phillips in each of his undertakings as a member of the Board of Trustees has exhibited extraordinary dedication to the improvement of the Institution's internal procedures, insisting at all times on the highest levels of process and conduct; NOW, THEREFORE, BE IT

RESOLVED, that in deep gratitude for Mr. Phillips' exemplary service to the Chautauqua Institution, we, the Board of Trustees, do hereby record upon the permanent records of the Institution our sincere thanks and appreciation.

John Henry Viehe

WHEREAS, John Henry Viehe has served the Chautauqua Institution as a member of its Board of Trustees for eight years, 2006-2014, serving on the Asset Policy Committee, the Program Policy Committee, and the Personnel Committee; and

WHEREAS, as a Trustee elected by the members of the Chautauqua Corporation, Mr. Viehe has been an effective advocate in bringing the concerns of the Chautauqua community to the attention of the Board of Trustees and has been equally effective in articulating the activities and decisions of the Board to the Chautauqua community;

WHEREAS, Mr. Viehe in each of his undertakings as a member of the Board of Trustees has exhibited extraordinary dedication to the improvement of the Institution's internal procedures, insisting at all times on the highest levels of process and conduct; NOW, THEREFORE, BE IT

RESOLVED, that in deep gratitude for Mr. Viehe's exemplary service to the Chautauqua Institution, we, the Board of Trustees, do hereby record upon the permanent records of the Institution our sincere thanks and appreciation.

VIII. Meeting Adjourned

There being no further business to come before the Board, Mr. Renjilian declared the meeting adjourned.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustees