

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES

HULQUIST CENTER

Chautauqua Institution, Chautauqua, NY

8:30 a.m., Saturday, August 28, 2021

DRAFT MINUTES

(Subject to Change Upon Final Approval)

Members Present

Candace Maxwell, Chair
Marnette Perry, V. Chair
Christine Brueschke
Hugh Butler
Judith Claire
Helene Gayle
Nancy Gibbs
Izumi Hara
John Haughton
Terrance Horner
Robert Jeffrey
Kyle Keogh

James Klingensmith
Nancy Kyler
Anita Lin
Sarah McWilliams
Bill Neches
Richard Osborne
David Peckinpaugh
Sheila Penrose
Larry Thompson
Dorothy Trefts
Dick Wade

Members Absent

Mike Metzger

Others Present

Michael Hill
Sebby Baggiano
Rindy Barmore
Matt Ewalt
Geof Follansbee
Erica Higbie
Amy Gardner
Dana Lundberg
Deborah S. Moore
Emily Morris
Tim Renjilian
Shannon Rozner
John Shedd
Amit Taneja
George Sndyer

I. Call to Order

Ms. Maxwell called the meeting to order.

II. Motion to Move to Executive Session of the Board

A motion was made and seconded to move into Executive Session, inviting Mr. Hill, Mr. Snyder, Mr. Renjilian, and Mr. Lundberg to participate.

The motion was adopted.

III. Motion to Return to Open Session of the Board

A motion was made and seconded to adjourn the Executive Session and move into open session of the of the Board.

The motion was adopted.

Ms. Maxwell called the open session of the Board to order and offered a word of prayer.

Ms. Maxwell noted the recent passing of Mr. William Clinger, former Chair of the Board of Trustees, and dedicated this meeting in honor and memory of Mr. Clinger and recognized Ms. Erica Higbie, President-Elect of the Chautauqua Property Owners Association.

IV. Approval of May 8, 2021, Minutes

The minutes of the May 8, 2021, Board of Trustee meeting were approved as distributed.

V. Report of the Chair of the Board

Ms. Maxwell reported on continued work to address recommendations which came forth from the Board Self-Evaluation; referred to the Board work plan and educational opportunities focused on the various strategic initiatives prior to each scheduled Board meeting, made available through webinars and recorded Zoom sessions.

VI. Report of the President

Mr. Hill referred to the evolution of the 2021 season as Chautauqua managed the ever-changing environment of COVID-19; noted the challenge of staff shortages and examples of full-time staff stepping in to fill those shortages; discussed the status of ticket sales and other revenue developments for the season noting the addition of the Shutter Venue Operators Grant and other grants such as the Paycheck Protection Program, which will allow Chautauqua to report cash reserves in excess of the budget for 2021; discussed initiatives implemented during the season designed to supplement Chautauqua's programmatic offerings; and referred to the progress made to-date toward the various strategic initiatives.

Mr. Hill discussed the property known as 4833 West Lake Road, which has been for sale for several months. Mr. Hill, Ms. Maxwell, and Mr. Wade recently toured the property and discussed the possibility of purchasing the property for additional housing for program guests and potential year-round residency and accommodations related to year-round programming.

Mr. Wade and Mr. Baggiano discussed the cash flow and overall financial implications related to the purchase of the property.

A motion was made and seconded to authorize management to enter into a contract for the purchase of 4833 West Lake Road, Chautauqua, NY, pending acceptable inspection, for a purchase price determined during the Board's executive session that provides executive staff with appropriate flexibility following due diligence to negotiate the terms of the final contract and related purchase transaction, including fees or expenses.

The motion was adopted.

VIII. Committee Working Group and Other Reports

Executive Committee

Ms. Maxwell reported the Executive Committee met three times following the Board's meeting in May; briefly shared the actions and discussions of each of those meetings; noted that security and safety

planning will be considered by the Board at a future meeting; and reported on the Executive Committee's action regarding authorization of Inspectors of Election for the Corporation Meeting of August 14, 2021.

Audit Committee

Ms. Maxwell recognized Mr. Thompson, who is reporting in Mr. Metzger's absence.

Mr. Thompson reported the committee approved the engagement of Buffamante Whipple Buttafaro (BWB) as the Institution's auditors for fiscal year 2021 and will be seeking RFP's from auditing firms, including BWB, for services for fiscal year 2022; reviewed and approved Chautauqua Institution's and Chautauqua Hotel Corporation's Form 990; reviewed the Conflict of Interest and Related Party Transaction forms for the to-be-re-elected Trustees, and to-be-elected Trustees and found no issues of concern or conflict.

Mr. Thompson referred to the Institution's Audited Financials noting the Institution received a qualified opinion based on the fact that the Institution does not record its beneficial interest in endowments held by the Chautauqua Foundation. Upon careful consideration of the issues, the Audit Committee recommends the Institution take the necessary action to eliminate this qualification for future years.

Ms. Maxwell provided a recap of the committee's discussion, as well as discussions with external legal counsel regarding the risks related to Institution's qualified opinion. Discussion followed with Trustees highlighting several considerations including the historical perspective for maintaining the assets of the Foundation as separate from those of the Institution; the importance of comprehensive donor communications, should the endowment assets be recorded on the Institution's Financial Statements; the importance of compliance with GAAP principles; and the desire to follow best practices of other large not-for-profit organizations.

Ms. Maxwell thanked the Board for their comments and noted the Board will be asked to act at its November 2021, meeting regarding the Audit Committee's recommendation to seek an unqualified opinion from the auditors going forward.

Nominating & Governance Report

Re-Election of Board Chair

Ms. Maxwell recognized Ms. Kyler, Chair of the Nominating & Governance Committee and turned the meeting over to Ms. Perry, Vice Chair, to conduct the next portion of the meeting. Ms. Perry excused Ms. Maxwell from the meeting.

On behalf of the Nominating & Governance Committee, Ms. Kyler offered the following resolution:

WHEREAS, By-Laws of Chautauqua Institution, Article II. Officers of the Corporation and Board of Trustees, Section 2.2 Time of Election; Term of Office identify that the Board Chair shall be eligible for election in the month of August, for a two-year term, not to exceed three successive terms;

WHEREAS, Candance L. Maxwell has served as Board Chair for one two-year term of office starting October 1, 2019, and ending September 30, 2021, and is eligible and willing to serve an additional term as Board Chair;

WHEREAS, the Board of Trustees participated in a confidential survey of Candace L. Maxwell's board chair performance in May 2021 and the results of the survey identified outstanding leadership qualities were demonstrated during her first term of office;

RESOLVED, the Nominating and Governance Committee hereby nominates Candace L. Maxwell to serve as Board Chair for a second two-year term commencing October 1, 2021, and concluding September 30, 2023, pursuant to the terms of the By-Laws of Chautauqua Institution.

The resolution was adopted unanimously.

Ms. Maxwell was asked to join the meeting at which time the Board acknowledged their gratitude and congratulations to Ms. Maxwell for her election as Chair of the Board of Trustees for her second two-year term.

Re-Election of Current Trustees

On behalf of the Nominating & Governance Committee, Ms. Kyler offered the following motions regarding re-election of current Trustees and election of new Trustees:

Upon the recommendation of the Nominating & Governance Committee, a motion was made to re-elect Mr. Michael Metzger for a second four-year term to the Board of Trustees to the class of 2025.

The motion was adopted.

Upon the recommendation of the Nominating & Governance Committee, a motion was made to re-elect Ms. Marnette Perry for a second four-year term to the Board of Trustees to the class of 2025.

The motion was adopted. Ms. Perry abstained from voting.

Election of New Trustees

Upon the recommendation of the Nominating & Governance Committee, a motion was made to elect Mr. Paul Hagman, Mr. Jesse Marion, and Ms. Gwen Norton, as Class A Trustees to the Board of Trustees, each for a four-year term to the class of 2025.

The motion was adopted.

Ms. Kyler reported on the orientation process for new Trustees and the committee's upcoming review of policies and Chautauqua Institution By-Laws.

Budget & Finance Committee

Mr. Wade, Chair of the Budget & Finance Committee, referred to the August 2021 financial forecast noting the Board will receive detailed financials at its November 2021, meeting. He referred to the Maintenance Building Project noting the Board will receive the revised project cost estimates at its November meeting, as well as a request for approval to proceed with the project. Mr. Wade discussed the timing of current philanthropic payments toward this project, overall financing, and cash flow during construction.

Mr. Wade reported on the administration's work on the Capital Planning Model, which will document existing capital assets and associated maintenance requirements and costs. The model will support strategic financial planning to address Chautauqua's capital needs.

Marketing & Brand Strategy Committee

Mr. Kyle Keogh, Chair of the Marketing & Brand Strategy Committee reported the Committee recently met to review and discuss the Martin Group Project Plan which calls for the development of a Brand Strategy, Brand Architecture and Brand Identity for Chautauqua. He also reported on the various programmatic and other marketing initiatives conducted during the 2021, including Three Taps. The Committee will be evaluating each of the 2021 programmatic and marketing initiatives in the fall.

Human Resources & Compensation Committee

Ms. Perry, Chair of the Human Resources & Compensation Committee, deferred the report of the Committee to the executive session of the Board.

Development Council

Mr. Osborne, Chair of the Development Council, reported on the progress to-date of the Annual Chautauqua Fund and the Boundless Campaign. The Council reviewed and discussed Campaign performance reporting, which will address detailed fundraising goals and up-to-date progress toward each goal, including treatment of multiyear commitments for each area of giving.

Mr. Hill noted external philanthropic support will be tracked through the scorecard; will include evaluation metrics related to the Strategic Plan and the Boundless Campaign and report the current status and achievement of each of the initiatives and goals within the Boundless Campaign.

Mr. Osborne recognized Ms. Karen Goodell, who has retired from the Foundation Board of Directors and the Development Council, for her dedication to the Council during her tenure.

Architectural Review Board

Mr. Jeffrey, Chair of the Architecture Review Board (ARB), reported on the recent cases brought before the ARB noting the meeting was very successful and concise.

Lake Working Group

Ms. Trefts, Chair of the Lake Working Group, referred to the work of the Jefferson Project this summer and noted the Board will be receiving the final reports at a future meeting.

Hotel Board

Mr. Hill reported on the staff shortages at the Chautauqua Hotel and all food services during the season; referred to the restructure of the Hotel Board which will include former members of the Board of Trustees; and discussed the role of the Hotel Board over the next year which will include addressing the renovation and capital needs of the Athenaeum Hotel.

IX. Report of the Foundation

Mr. Renjilian, Chair of the Foundation, reported the Foundation Board of Directors met last week and elected three new Directors: Erroll Davis, Charles Denton, and Elizabeth Bechtolt-Magley; noted the Foundation has three additional vacancies on the Board which will be deferred until 2022; recognized out-going Director, Karen Goodell for service; referred to the work of the Foundation's Strategic

Planning Committee; approved the 2022 payout to the Institution of \$4.4million; and reported the current endowment assets total \$125 million.

X. Recognition of Retiring Trustees

Ms. Maxwell recognized Ms. Christine Brueschke, Mr. Robert Jeffrey, Ms. Shelia Penrose, and Ms. Dorothy Trefts, each of whom is retiring from the Board after completing their respective terms as Trustees.

Ms. Christine Brueschke

Ms. Maxwell shared her personal reflections regarding Ms. Brueschke's tenure and read the following resolution, after which Ms. Brueschke made brief remarks to the Board and others in attendance regarding the opportunity to serve as a Trustee.

WHEREAS, Christine Brueschke has served the Chautauqua Institution as a member of its Board of Trustees for eight years, from 2013 to 2021, serving as:

- a member of the Program Policy Committee from 2013 to 2017,
- a member of the Architectural Review Board from 2013 to 2020,
- a member of the Executive Committee from 2017 to 2019,
- a member of the Marketing & Brand Strategy Committee from 2017 to 2018,
- a member of the Budget & Finance Committee from 2018 to 2021,
- a member of the Audit Committee from 2019 to 2021, and
- a member of the Nominating & Governance Committee from 2020 to 2021; and

WHEREAS, Ms. Brueschke, throughout her service on the Board of Trustees has been singularly devoted to the best interests of the Institution; and

WHEREAS, Ms. Brueschke has dedicated her time, skills, and counsel to preserving the character of Chautauqua Institution's buildings and grounds, serving successively on the Architectural Review Board, where she has been dedicated to safeguarding the unique array of architecture and the aesthetic integrity of the Institution; and

WHEREAS, Ms. Brueschke has been a strong and effective voice on the Budget & Finance and Audit Committees, providing her expertise to oversight of the Institution's financial planning, sustainability and internal financial procedures;

NOW, THEREFORE, BE IT RESOLVED, that in deep gratitude for Ms. Brueschke'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.

The resolution was adopted unanimously.

Mr. Robert Jeffrey

Ms. Maxwell shared her personal reflections regarding Mr. Jeffrey's tenure and read the following resolution, after which Mr. Jeffrey made brief remarks to the Board and others in attendance regarding the opportunity to serve as a Trustee.

WHEREAS, Robert Jeffrey has served the Chautauqua Institution as a member of its Board of Trustees for eight years, from 2013 to 2021, serving as:

- Chair of the Architectural and Land Use Regulations Advisory Group from 2011 to 2013,
- a member of the Architectural Review Board from 2012 to 2013, and its Chair from 2013 to 2021,
- a member of the Budget & Finance Committee from 2013 to 2018,
- a member of the Executive Committee from 2013 to 2021,
- a member of the Board Special Committee on Amphitheater Related Issues from 2015 to 2017,
- a member of the Human Resources & Compensation Committee from 2018 to 2019, and
- a member of the Lake Working Group from 2019 to 2021; and

WHEREAS, Mr. Jeffrey has at all times been devoted solely to the best interests of the Institution throughout his service and in all of his roles on the Board; and

WHEREAS, as Chair of the Architectural Review Board, Mr. Jeffrey has been a strong and effective leader, consistently encouraging high standards in the design and construction of the built environment in Chautauqua; and

WHEREAS, Mr. Jeffrey's expertise and guidance as a member of the Board of Trustees Special Committee on Amphitheater Related Issues helped assure the timely and successful completion of the Amphitheater Project;

NOW, THEREFORE, BE IT RESOLVED, that in deep gratitude for Mr. Jeffrey'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.

The resolution was adopted unanimously.

Ms. Sheila Penrose

Ms. Maxwell shared her personal reflections regarding Ms. Sheila Penrose's and read the following resolution, after which Ms. Penrose made brief remarks to the Board and others in attendance regarding the opportunity to serve as a Trustee.

WHEREAS, Sheila Penrose has served the Chautauqua Institution as a member of its Board of Trustees for nine years, from 2012 to 2021, serving as:

- a member of the Budget & Finance Committee from 2012 to 2021,
- a member of the Human Resources & Compensation Committee from 2013 to 2014,
- a member of the Executive Committee from 2013 to 2015,
- a member of the Program Policy Committee from 2014 to 2018,
- a member of the Nominating & Governance Committee from 2018 to 2019, and
- a member of the Marketing & Brand Strategy Committee from 2018 to 2021; and

WHEREAS, Ms. Penrose has at all times been devoted solely to the best interests of the Institution throughout her service and in all of her roles on the Board; and

WHEREAS, as a long-standing member of the Budget & Finance Committee, Ms. Penrose has dedicated her time and expertise to oversight of the Institution's financial planning and sustainability

while insisting on the highest levels of conduct; and

WHEREAS, Ms. Penrose's strong and effective voice as a member of the Marketing & Brand Strategy Committee contributed greatly to the development of the Institution's brand strategy with a focus on value proposition and differentiation;

NOW, THEREFORE, BE IT RESOLVED, that in deep gratitude for Ms. Penrose'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.

The resolution was adopted unanimously.

Ms. Dorothy Trefts

Ms. Maxwell shared her personal reflections regarding Ms. Trefts' tenure and read the following resolution, after which Ms. Trefts made brief remarks to the Board and others in attendance regarding the opportunity to serve as a Trustee.

WHEREAS, Dorothy Trefts has served the Chautauqua Institution as a member of its Board of Trustees for eight years, from 2013 to 2021, serving as:

- a member of the Nominating & Governance Committee from 2013 to 2017,
- a member of the Budget & Finance Committee from 2013 to 2018,
- a member of the Executive Committee from 2013 to 2019,
- Vice Chair of the Board of Trustees from 2015 to 2019,
- a member of the Human Resources & Compensation Committee from 2018 to 2019,
- a member of the Marketing & Brand Strategy Committee from 2019 to 2021, and
- Chair of the Lake Working Group from 2019 to 2021; and

WHEREAS, Ms. Trefts has at all times been devoted solely to the best interests of the Institution throughout her service and in all of her roles on the Board; and

WHEREAS, Ms. Trefts has served as a critical resource for Chautauqua Institution leadership in identifying, developing, and implementing a comprehensive, science-based approach for promoting the health and sustainability of Chautauqua Lake through engagement and partnership with The Jefferson Project; and

WHEREAS, as Chair of the Lake Working Group, Ms. Trefts has been a catalyst and advocate to ensure continued focus on promoting lake health, creating alliances, and building coalitions with key stakeholders in order to achieve *150 Forward* strategic plan objectives;

NOW, THEREFORE, BE IT RESOLVED, that in deep gratitude for Ms. Trefts' 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.

The resolution was adopted unanimously.

VI. 2021-2022 Committee Assignments

Ms. Maxwell distributed the 2021–2022 Board of Trustees Committee Membership noting committee assignments take effect October 1, 2021.

Election of Vice Chair

Upon the recommendation of Ms. Maxwell, a motion was made and seconded to approve the nomination of Ms. Marnette Perry as Vice Chair of the Board of Trustees for a second two-year term.

The motion was adopted.

Architectural Review Board Members

Per Chautauqua Institution’s By-Laws, members of the Architectural Review Board are appointed by the Chair of the Board of Trustees and require approval by the Board of Trustees.

Upon the recommendation of Ms. Maxwell, a motion was made and seconded to appoint Ms. Anita Lin, Chair, Mr. Rick Evans, Mr. Paul Hagman, Mr. John Haughton, and Mr. Bill Neches each for a one-year term as members of the Architectural Review Board, effective October 1, 2021.

The motion was adopted.

VI. Executive Session

Hearing no objection, Ms. Maxwell adjourned the meeting, and the Board went into executive session, inviting Mr. Hill, Mr. Lundberg, Mr. Snyder and Mr. Renjilian to participate.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustees