



**CHAUTAUQUA INSTITUTION
BOARD OF TRUSTEES**

**Saturday, August 24, 2024
Chautauqua Institution**

DRAFT MINUTES

Trustees Present:

Veronica Biggins, Laurie Branch, Rick Evans, Nancy Gibbs, Paul Hagman, Izumi Hara, Terry Horner, Nancy Kyler, Anita Lin, Candy Maxwell, Steve Messinger, Mike Metzger, Bill Neches, Gwen Norton, Bob Obee, Rich Osborne, David Peckinpaugh, Jill Penrose, Marnette Perry, Sara Ponkow, Tim Renjilian, George Snyder, Larry Thompson, Steve Zenczak

Trustees Absent:

Helene Gayle, Sarah Hagen McWilliams

Others Present:

Sebby Baggiano, Geof Follansbee, Erica Higbie, Michael Hill, Dana Lundberg, Debbie Moore, Deborah Sunya Moore, Emily Morris, Shannon Rozner, Laura Savia, Angela Schuettler, John Shedd, Tamara Silzle, Melissa Spas, Jordan Steves, Amit Taneja, Vanessa Weinert

I. Open Meeting Session

A. Call to Order and Opening Prayer

The meeting was called to order by Ms. Maxwell, who then offered a prayer.

B. Action on Draft Minutes of May 4, 2024, Meeting

Ms. Maxwell presented the minutes of the May 4, 2024, business meeting. A discussion to clarify exactly what action the Board took regarding staff housing occurred. It was clarified that the administration could start raising money for the tiny homes concept, but the Board would need to issue additional approvals for the actual start of a building project.

Upon motion duly made and seconded, the Board approved the May 4, 2024, minutes as distributed.

C. Report of the Chair of the Board

Report of the Strategic Reporting Work Group

Ms. Maxwell reported on the formation and progress of the Strategic Reporting Work Group, established following the approval of the strategic plan refresh at the May meeting. The group consists of three trustees and three executive staff members and has met twice this summer. The work group is tasked with advising staff on reporting at the board and committee levels. They are working toward the implementation of monthly budget dashboards by 2025, acknowledging that it will take time to refine the process. The overall goal is to standardize reports and streamline the frequency of updates.

Board Chair Election Process

Ms. Maxwell reminded trustees that she is entering her final year as Board Chair and the Board will elect a new Chair at the May 2025 meeting to allow for a transition period before their October 1, 2025, term start. The election process, consistent with past practice, includes the Nominating and Governance Committee's involvement in making recommendations and creating a job description based on the required skills and experience. A survey will be sent to all trustees for their input.

Forum Dialogues

Ms. Maxwell expressed her gratitude to all who participated in the recent Forum Dialogues, with particular thanks to Ms. Spas, Mr. Taneja, Robin Harbage, Roger Doebke and Lynn Stahl for their efforts. The Dialogues were reported to be a positive experience, with participants feeling heard and gaining new perspectives. The key operational issues raised centered on food and hospitality services affecting patron experience, which have also been identified as a priority area of improvement by management. Next steps include sifting through the feedback, organizing and prioritizing issues to be addressed, reporting on learnings to the community, and determining whether to continue the Dialogues in 2025. The topic will be revisited at the November 2024 meeting.

Governance Matters

Ms. Maxwell discussed various governance issues, including the work of the Climate Subcommittee, which has been suspended to allow staff to develop the net-zero carbon plan. Dr. Horner will continue as a liaison to the staff.

The Board will change its oversight of Project-360 (technology transformation) by moving from a regular committee level review of its progress to full Board review of dashboard reporting at quarterly meetings.

Board culture will be a focus in the upcoming term and Ms. Biggins will lead this effort, leveraging her professional expertise and experience.

D. Report of the President

Dr. Hill referred trustees to his written report that was included in the pre-read materials, and then highlighted a few points, including:

Milestones

Dr. Hill presented all the trustees with a 150th anniversary poster, a print of one of the last works by Rita Auerbach. He shared the news of Jack Connolly's passing, highlighting Mr. Connolly's profound impact at Chautauqua, and noted there are plans for a memorial service next summer.

Celebrations

Dr. Hill provided an update on census, noting three years of consistent growth. Dr. Hill highlighted key successes from the season including the Kwame Alexander Writer's Lab, the naming of the inaugural Perry Democracy Fellows, CLSC having its largest class in recent history, the PBS production of a new documentary about Chautauqua on its 150th anniversary, and numerous anniversary events that took place over the summer season.

Dr. Hill acknowledged the exceptional efforts of the executive staff and their teams during the summer.

Operational Updates

Dr. Hill shared that Chautauqua will be welcoming Denyce Graves-Montgomery and Jonathan Beyer to lead the voice program. Wade Haubert, Director of Emergency Preparedness and Strategic Security Planning, will be leaving to return to government work. Special Studies is being evaluated for change.

Advancement Updates

Dr. Hill shared that enough money has been raised to start the work on Bellinger Hall and the new theater building project. Improvements are also planned for the locker rooms at Turner, an investment in a year-round aspect of the business that is revenue positive.

The Chautauqua Fund is on track, and the current campaign will add \$55 million to the endowment, the largest campaign contribution to endowment ever.

Real Estate

Dr. Hill reported that the Institution's offer to purchase a condo at Hunt Lea was successful, contingent on the seller's ability to purchase property on the Institution grounds.

E. Committee and Other Reports

1. Executive Committee

Ms. Maxwell noted that the Executive Committee met once in August and focused on developing the agenda for this meeting and discussing Forum Dialogues and board culture work. There were no action items.

2. Audit Committee

Ms. Norton shared that the Audit Committee met on August 14, 2024, and reviewed and approved the Form 990. The public version, with donor information redacted, will be posted on the CI website.

The Committee approved a new President Expense Policy and the engagement of BDO for the 2024 audit.

The Committee received an extensive review of an ongoing cyber audit and was updated on whistleblower complaints and insurance coverage.

Finally, the Committee reviewed potential conflicts of interest for new trustee candidates and accepted outside counsel's recommendation that any potential conflict related to Ms. Goodell's real estate business could be mitigated because she will not represent the Institution in any real estate transactions and she will recuse herself from Board discussions or decisions on Institution transactions in which she represents another involved party.

3. Nominating and Governance Committee

a. Action to Approve Sunset of Selected Policies

Ms. Kyler reviewed the policies the Committee recommended for sunset. Dr. Horner sought assurance that these policies would be incorporated into Chautauqua Institution's administrative policies and not lost. Ms. Rozner noted that some policies are truly sunset because they are no longer relevant. Policies transitioning to administrative are not yet adopted given higher priority policy work such as an updated harassment and discrimination policy, but they are in the queue.

Upon the recommendation of the Nominating and Governance Committee, the Board approved the sunset of 12 policies as presented in the pre-read materials and at the meeting.

b. Action to Amend Police Department Policy

Upon the recommendation of the Nominating and Governance Committee, the Board approved an updated Police Department Policy presented at the meeting including with the amendment of the name to the "Safety and Security Department Policy."

c. Action to Elect Trustees

The Committee recommended the election of Matthew Benson, Karen Goodell and David Pelton for four-year terms. There was a brief discussion regarding Ms. Goodell's potential conflict related to a real estate company she co-founded. Ms. Tyler clarified that Ms. Goodell receives a financial benefit only from those transactions in which she participates, not from every transaction at the company. It was shared that the Committee had taken this into consideration and that the candidate would not represent Chautauqua Institution in any real estate transaction nor would she participate in Board discussions or decisions involving transactions in which she represents any party.

Upon motion duly made and seconded, the Board approved the election of Matthew Benson, Karen Goodell and David Pelton to their first four-year terms, with one Trustee abstaining due to their close relationship with one of the candidates.

Upon motion duly made and seconded, the Board approved the re-election of David Peckinpaugh for a second four-year term. Mr. Peckinpaugh left the meeting during the vote.

4. Budget and Finance Committee

Dr. Branch referred to the Committee's material in the pre-read book to show the moving in and out of the Greene family's gift. She noted that \$213,000 is left for use in 2025 or beyond. The Greene gift covered some new expenses that will recur and some expenses that have existed for multiple years. The recurring expenses that will continue after the Greene gift has been fully utilized will need to be covered by new philanthropy or absorbed back into/added to the operating budget. The Committee will provide oversight of management's plan to do so.

The Committee focused on variances including a potential \$226,000 higher than budgeted loss at the hotel. The Hotel board is closely monitoring expenses.

Consolidated revenues are forecasted at \$50.2 million, but are about \$224,000 down against goal, primarily due to hotel performance.

The Committee reviewed cash flow. The forecasted \$9.8 million in unrestricted cash at year end does not include the Earned Revenue Credit. The timing of the IRS refund is uncertain so if it comes in 2024, it will be an upside "surprise."

The Committee noted that unearned revenues are hard to accurately forecast at this time of year because there is always a big philanthropy bump at year-end, but Advancement staff are confident the budget is achievable.

Dr. Branch called attention to the fact that *pro formas* through 2028 include a 3% annual increase in census, and given the forecasted 2.4% increase in 2024, this is likely too aggressive and adjustments may need to be made.

Dr. Branch extended an invitation to all trustees to attend the Budget & Finance meetings to help get a better understanding of the budget they will be expected to vote on at the end of the year. Ms. Maxwell reminded everyone of the importance of the educational webinars and that they are available for review on the portal.

Finally, Dr. Branch discussed the fact that there is no clear policy regarding when and how the Board should be made aware of and/or approve non-budgeted expenses. The Budget & Finance Committee is drafting a policy that will clarify this and will bring it forward for full Board approval at a later date.

Ms. Maxwell shared that the capital spending checklists in the pre-read book should be reviewed to continue developing a working knowledge of the checklist. The list was created as a way to look at initiatives in a more organized fashion and will be a key oversight tool for the Board as the Bellinger Hall renovation and new theater building construction projects progress.

5. Marketing and Brand Strategy Committee

Mr. Peckinpaugh noted that the Committee took a hiatus this summer and its next meeting will take place on September 25, 2024.

6. Human Resources and Compensation Committee

a. Employee Experience

Ms. Perry shared that the employee experience anecdotally seems to be much better this year compared to last year. She believes this is due partly to the Board's work raising awareness of the bad behavior last year and reminded trustees of specific measures the Board took to raise awareness of problems, including the creation of the shared promise campaign.

b. President's 2024 Objectives

It was noted that more of Dr. Hill's 2024 objectives have already been achieved by this time of year than in previous years.

c. Labor Update

Mr. Baggiano reported that this year was one of the most successful for hiring seasonal staff in recent history. The early launch of recruitment greatly contributed to this success. Chautauqua Institution remained flat in hiring compared to 2023, but the hotel's hiring grew by 30%, bringing the hotel closer to pre-pandemic levels.

Mr. Baggiano cautioned that despite this success, negative trends still exist such as the local labor pool decreasing, the lack of enough adequate staff housing, and the inability to hire enough lifeguards, cooks and housekeepers. He focused particularly on struggles in the food and beverage industry, most not unique to Chautauqua.

d. President's 2025 Objectives

Ms. Perry asked the trustees to reflect on the season and give Dr. Hill feedback as he starts to build his 2025 goals. Last year, only eight replies were received from the survey sent out. The 2025 survey will be sent in early September.

7. Development Council

a. Fundraising Reports

The Development Council met on July 30, 2024, to review the status of the Boundless Campaign and the Chautauqua Fund, noting that \$126 million has been raised in the campaign. The Council is pleased with the progress, which Mr. Osborne shared could be seen in the Board pre-read packet. It was noted the Chautauqua Fund is slightly behind where they anticipated being at this time, but Advancement staff expects to make goal by the end of the year.

b. Action to Approve Naming of Facilities – Theater Building and Bellinger Hall

Upon the recommendation of the Development Council, the Board approved naming schedules for the new theater building and the Bellinger Hall renovated building, as presented in the Board pre-read packet.

Mr. Osborne was pleased to report that the administration informed the Council that commitments at the funding levels necessary to name the theater project and rename Bellinger Hall have been received.

There was a discussion about renaming Bellinger Hall and that there are currently no rules in place regarding the renaming of a facility. However, in the case of Bellinger Hall, Advancement staff has been in communication with the

foundation that selected the Bellinger name and the foundation leader was congratulatory and expressed no concern with renaming the building.

In response to a question, it was also explained that the full amount of the gift does not need to be received at the time of commitment to be eligible for a naming opportunity, though it must be pledged.

Upon the recommendation of the Development Council, the Board approved the naming of the new theater building, the "Roe Green Theater Center."

Upon the recommendation of the Development Council, the Board approved the renaming of Bellinger Hall to the "Greene Family Commons."

8. Architectural Review Board

Ms. Lin shared the ARB held a brief public meeting on August 22, 2024.

Ms. Lin provided the Board with background on the ARB's June decision to approve a full replacement of siding at the St. Elmo condo building with vinyl siding. Originally, the St. Elmo request to replace all of the siding with vinyl siding was denied and the St. Elmo board was asked to go back and research other options. When they returned to the ARB in June, the St. Elmo board noted that the structure was built to hold vinyl siding, and it would cause extreme financial hardship to make the entire structure suitable to support another type of siding. The St. Elmo board was also informed that the contractor set to perform the work would not certify the safety of another type of material. The ARB reviewed the research presented by the St. Elmo board and agreed to allow them to use vinyl to reside the entire building.

9. Chautauqua Hotel Board

Mr. Hagman shared that the Hotel Board met twice this summer, once for a retreat in July and once for a business meeting in August. He reiterated the Budget & Finance Committee's report that the hotel's forecasted revenue is \$274,000 short of goal and noted that details regarding what composed the loss were included in the board pre-read packet.

Mr. Hagman also noted that the numbers may erode further as the fall season progresses.

Food and beverage remain a challenge and under-performed again in 2024. There will be a debrief in the coming months regarding the venues managed by a third party this summer. The hidden upside is that the third-party management arrangement for The Brickwalk Cafe and Three Taps/The A Truck freed up capacity for staff to focus on the Heirloom and other operations, and therefore Heirloom and Hotel operations improved.

An ad hoc committee has been created to examine hotel governance and structure, but the committee has not yet met. Mr. Hagman will report to trustees on this work.

F. Report of the Chautauqua Foundation

Mr. Renjilian shared the status of the endowment, which reached \$145 million as of June 30, 2024. The Foundation approved a \$5.2 million payout to Chautauqua Institution, with expectations this will increase as additional gifts are received in 2024. Due to the restrictions placed on gifts, not all payout funds can be utilized in a given year, and the Foundation staff has been making tremendous progress working with program staff especially to increase the efficiency of the payout and increase the flexibility in new endowment agreements.

G. Recognition of Retiring Trustees

Ms. Maxwell recognized Erica Higbie, the outgoing President of the Chautauqua Property Owners Association. Ms. Maxwell then honored four retiring trustees, including reading into the minutes resolutions regarding their service. The

three retiring trustees present offered brief remarks reflecting on their tenures and offering their thoughts on the Board's and the Institution's future.

Upon motion duly made and seconded, the Board unanimously approved the resolutions recognizing contributions of Helene Gayle, Nancy Kyler, Anita Lin and William Neches. The resolutions are attached as Attachments A-D.

H. 2024-2025 Committee Assignments

1. Action to Approve Executive Committee Members

Ms. Maxwell distributed the committee assignments for the coming year.

Upon motion duly made and seconded, the Board approved the confirmation of the Executive Committee members as distributed.

2. Action to Approve ARB Members

Upon motion duly made and seconded, the Board approved the confirmation of the ARB Committee members as distributed.

I. Action to Move to Executive Session

A motion duly made to move to executive session, inviting Dr. Hill and Mr. Lundberg, passed.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Shannon D. Rozner
Corporate Secretary
Chautauqua Institution Board of Trustees



With great appreciation to:

Helene Gayle, M.D.

Board of Trustees Member 2020 - 2024

WHEREAS, Helene Gayle has served Chautauqua Institution as a member of its Board of Trustees for four years, from 2020 to 2024, serving as a member of the Nominating and Governance Committee; and

WHEREAS, Dr. Gayle has been devoted solely to the best interests of the Institution throughout her service; and

WHEREAS, Dr. Gayle has dedicated her governance and leadership and knowledge and experience to the Nominating and Governance Committee; and

WHEREAS, Dr. Gayle shared her expertise from the earliest days of the pandemic and served as a key advisor to Chautauqua Institution's COVID Safety Committee;

NOW, THEREFORE BE IT RESOLVED, that in deep gratitude for Dr. Gayle'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.

Candace L. Maxwell, Chair
August 24, 2024



With great appreciation to:

Nancy Kyler

Board of Trustees Member 2016 – 2024

WHEREAS, Nancy Kyler has served Chautauqua Institution as a member of its Board of Trustees for eight years, from 2016 to 2024, serving as:

- a member of the Program Policy Committee from 2016 to 2018,
- a member of the Personnel Committee from 2016 to 2018,
- a member of the Nominating and Governance Committee in 2017 and from 2019 to 2024, and its Chair from 2019 to 2024,
- a member of the Development Council from 2019 to 2024, and
- a member of the Executive Committee from 2018 to 2024; and

WHEREAS, Ms. Kyler 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 Chair of the Nominating and Governance Committee, Ms. Kyler has dedicated her time, leadership, and expertise to greatly enhancing the Board's effectiveness by implementing best practices for governance and oversight; and

WHEREAS, Ms. Kyler's strong and effective voice as a member of the Development Council has advanced the philanthropic interests of the Institution through the successful collaboration of the Chautauqua Institution and Chautauqua Foundation Boards;

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

Candace L. Maxwell, Chair
August 24, 2024



With great appreciation to:

Anita Lin

Board of Trustees Member 2016 – 2024

WHEREAS, Anita Lin has served Chautauqua Institution as a member of its Board of Trustees for eight years, from 2016 to 2024, serving as:

- a member of the Program Policy Committee from 2016 to 2018,
- a member of the Marketing and Brand Strategy Committee from 2017 to 2024,
- a member of the Architectural Review Board from 2019 to 2024, and its Chair from 2021 to 2024, and
- a member of the Executive Committee from 2021 to 2024; and

WHEREAS, Ms. Lin 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 Chair of the Architectural Review Board, Ms. Lin has dedicated her knowledge and leadership to preserving the character of Chautauqua Institution's buildings and grounds, while promoting effective community engagement; and

WHEREAS, Ms. Lin's strong and effective voice as an artist and proponent of the arts has fostered deeper appreciation, support and oversight by the Board;

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

Candace L. Maxwell, Chair
August 24, 2024



With great appreciation to:

William Neches, M.D.

Board of Trustees Member 2016 – 2024

WHEREAS, William Neches, M.D., has served Chautauqua Institution as a member of its Board of Trustees for eight years, from 2016 to 2024, serving as:

- a member of the Asset Policy Committee from 2016 to 2018,
- a member of the Audit Committee from 2016 to 2021,
- a member of the Budget and Finance Committee from 2018 to 2024,
- a member of the Architectural Review Board from 2020 to 2024, and
- a member of the Budget and Finance Subcommittee on Climate Change Initiatives from the committee's inception in 2022 to 2024; and

WHEREAS, Dr. Neches 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 a Trustee elected by the members of the Chautauqua Corporation, Dr. Neches 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; and

WHEREAS, Dr. Neches, serving successfully on the Architectural Review Board, has been dedicated to safeguarding the unique array of architecture and the aesthetic integrity of Chautauqua Institution;

NOW, THEREFORE BE IT RESOLVED, that in deep gratitude for Dr. Neches' 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.

Candace L. Maxwell, Chair
August 24, 2024