

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
8:30 a.m., Saturday, November 3, 2007
Bellinger Hall, Chautauqua Institution, Chautauqua, NY
Draft Minutes

MEMBERS PRESENT

George Snyder – Chair	Katie Lincoln
Chace Anderson	Jack McCredie
Nancy Bargar	James Pardo
Jill Bellowe	Pete Pedersen
Jennifer DeLancey	Jason Phillips
Henry Foltz	Anne Prezio
Barbara Georgescu	John Viehe
Donald Greenhouse	Lowell Strohl
Judy Gregory	Donna Zellers
Jim Groninger	
Juanita Jackson	
Ron Kilpatrick	

MEMBERS ABSENT

Kathy Clingan
Ted First
Sal Martoche
Prudence Spink

OTHERS PRESENT

Sherri Babcock
Sebby Baggiano
Rindy Barmore
Tom Becker
Joan Campbell
Doug Conroe
Matt Ewalt
Geof Follansbee
Charlie Heinz
Marty Merkley
Richard Miller
Sam Price
Bruce Stanton
Mike Sullivan
Jack Voelker

Mr. Snyder opened the meeting with a word of prayer and welcomed the newest members of the Board, Ms. Jill Bellowe, and Mr. Jack McCredie and Ms. Jennifer DeLancey.

Referring to the Code of Ethics Policy and the Conflict of Interest Statement, Mr. Snyder asked each Trustee and staff person to sign the document and return them to the Corporate Secretary.

I. Minutes

On motion made, seconded and carried, the minutes of the August 25, 2007, meeting of the Board of Trustees were approved as presented.

II. Report of Chairman of the Board

Mr. Snyder stated that each Board meeting will include an executive session that will include and exclude Mr. Becker. In addition, the committee chairs are asked to keep reports to a minimum to allow for discussion/questions from the Board. The Executive Committee discussed the agenda for the February Retreat which will focus on the development of the next strategic plan. Once the outline of that plan is developed, it will be shared with smaller groups comprised of Board members and key community

members. The reports from those discussions will be brought back to the Board for review and discussion in its development of the final strategic plan. The next fundraising effort will spring out of the final strategic plan. Mr. Kilpatrick and Mr. Phillips will co-chair the February Retreat.

A grant to Kresge Foundation has been submitted requesting funding for a staff position for the purpose of addressing and recruiting diversity. The grant is still active and we hope to receive funds for this project.

The Executive Committee also discussed the transportation report and the performance evaluation of the President. Both subjects will be discussed in greater detail later in the meeting.

III. President's Report

Mr. Becker thanked his staff for their work in the delivery of the budget and closing 2007 with a surplus. He reported on the progress of the capitol projects and stated that Chautauqua has been designated a Steinway Festival. This is a very prestigious honor and places Chautauqua in line with Aspen and Tanglewood. He thanked Mr. Merkley for his efforts in achieving this honor. He briefly discussed the parking in Hurst and the South Lots and referred to the guidelines for addressing the reduced parking in Hurst due to the addition of a program facility in that space.

The staff received a Transportation Planning Report prepared by Glatting, Jackson, Kercher, Anglin, which assessed transportation planning at Chautauqua and identified areas for improvement. The report will be discussed in greater detail at the February Board meeting. In addition, staff will be meeting with Congressman Higgins in Washington, DC next week to discuss the issue of transportation and Route 394.

The Program Policy Committee and the Executive Committee discussed the issue of ancillary support organizations creating 501C3 status. There is currently a policy in place which clearly states that support organizations can not conduct fundraising unless approved by the Institution and the Development Office. The Executive Committee and the staff are asking the Board to reaffirm the current policy.

Upon the recommendation of the Program Policy Committee and Executive Committee and on motion, made and seconded, the Board of Trustees reaffirms the original Policy Statement Concerning Fundraising Projects adopted on June 21, 1980.

IV. Development Council

A sub-committee has been created to evaluate the Idea Campaign and will present its report to the Development Council. A final report will be presented to the Institution Board of Trustees in May and to the Foundation Board of Directors in June.

Mr. Phillips referred to the final reports of the Chautauqua Philanthropy Task Forces. There were five task forces, having between nine and twelve members. Those task forces included: Case and Public Relations Task Force; Gift Policy and Recognition Task Force;

Individual Prospects Task Force; Foundations Task Force; and Property Owners Task Force. The final reports of those task forces have been provided to the Board. The overall theme in each report focused on effective communication in the area of the financial needs of the Institution through philanthropy; reflecting enthusiasm and passion for Chautauqua in describing the Institution's needs; and the importance of attracting new Chautauquans. These reports have been delivered to both Boards and staff will review and recommend those areas that should be adopted as they relate to policy issues.

V. Asset Policy

2008 Budget & Fee Structure

The Asset Policy Committee has met several times by phone to review the financials and set the entire 2008 budget by this November meeting. The 2007 financials show that there is a positive return on the budget. Mr. Kilpatrick discussed the budget in detail and the process relating to the development of the budget and in particular its relation to depreciation. He also discussed the ticket fee and structure for the 2008 Season.

The Asset Policy Committee recommends the approval of the 2008 ticket and fee pricing and the 2008 Capital and Operating Budgets.

On motion made, seconded and carried, the Board approved the 2008 ticket and fee pricing and the 2008 Capital and Operating Budgets.

Proposed Sale of Property

The Asset Policy Committee recommends the sale of 241 sq. ft of land between 53 Foster and the Massey Avenue right-of-way. The parcel has no designation as either a building lot or as a street right-of-way. The Institution has an adopted policy of permitting the President to sell odd parcels of less than 500 sq. ft. for open space use. As this parcel is proposed for building use, the sale must be authorized by the Board of Trustees.

On motion, made, seconded and carried, the Board of Trustees approved the sale of 241 sq. ft between 53 Foster and the Massey Avenue right-of-way.

Standard Banking Resolutions

The Asset Policy Committee recommended the Board approve the following standard banking resolutions:

Authorization to Vote Chautauqua Hotel Company Stock

The Chairman of the Board and the President of the Institution are authorized to vote the shares of the Chautauqua Hotel Company stock at all meetings of the shareholders.

Authorization to Sign Leases

Any one of the following officers: President, Vice President of Finance & Community Services & Treasurer, or Vice President for Community Design & Strategic Planning is authorized to enter into lease agreements according to standard Institution practice.

Standard Banking Resolution

Any two of the officers listed below are authorized to sign checks in excess of \$3,000, have access to the Chautauqua Institution safety deposit box, and establish and borrow against a \$1,000,000 line of credit. Any one authorized officer is authorized to sign checks up to \$3,000, and sell or transfer stocks, securities and certificates of deposit.

The following is a list of authorized officers:

President, Vice President for Development, Vice President of Finance & Community Services & Treasurer, Vice President for Community Design & Strategic Planning, Vice President and Director of Programming, Secretary of the Corporation.

The M&T Bank is the primary depository bank, using other banks as needed. This resolution is conformed to the standard banking resolution.

Election of Members

Members of the Chautauqua Institution pursuant to Section 4 subsection 3 of the Charter of Chautauqua Institution:

- 1. All current trustees of Chautauqua Institution*
- 2. All current directors of Chautauqua Foundation*
- 3. All current officers of Chautauqua Institution*
- 4. All current officers of Chautauqua Foundation*
- 5. The following named persons:*

Sherra Babcock

Joan Brown Campbell

Michael Sullivan

John Voelker

On motion made, seconded and carried, the Board of Trustees approved the above standard resolutions.

VI. Audit Committee

Ms. Lincoln noted that the Audit Committee met with Lloyd & Company, Chautauqua's auditors, to review the audit plan for 2007.

The committee discussed a revised Whistleblower Policy and recommends it to the Board for approval. It is further recommended that the Whistleblower Policy be included in the Institution's Personnel Handbook and that all employees be made aware of the policy.

On motion made, seconded and carried, the Board of Trustees approved the revised Whistleblower Policy.

The committee reviewed a proposal from Lloyd & Company for auditing services for the Institution and the Hotel Company in 2008. Lloyd & Company will be merging with another larger organization in early January. The fee structure for 2008 was reviewed and will be honored by the new firm which includes a three year contract to be reaffirmed annually.

On motion, made and seconded the Board approved Lloyd & Company as Chautauqua Institution's and the Chautauqua Hotel Company's auditor for 2008.

The committee continues to review risk assessment issues and received a report on documentation retention and information technology. Ms. Lincoln is chair of the Foundation's Audit committee and has been charged with reviewing document retention for the Foundation. She will be working with Mr. Baggiano and staff to make recommendations as to the retention/destruction of the Institution's documents as well.

VII. Nominating & Governance

Mr. Lundine reported that the committee is spending considerable time discussing governance issues. Mr. Becker provided a report on the succession plan for key members of staff. The location of the February Retreat was discussed and it will be held at Chautauqua in February. Mr. Lundine asked the Board to contact him directly with any recommendations for consideration by the committee.

VIII. Program Policy

The committee reviewed the evaluations of the 10:45 and 2:00 lectures and an evaluation of the Chagrin Falls collaboration. The collaboration with Chagrin Falls will continue in 2008 with some adjustments in terms of reimbursement for overhead costs. In addition, the committee received updates from Mr. Voelker regarding programming for teens; Ms. Babcock regarding the Writer's Center, CLSC and Writing Programs and Rev. Campbell regarding the New Clergy Program.

Mr. Merkley reported that Stephan Sanderling has accepted the CSO Director position. The orchestra has been notified and there are press releases scheduled along with articles in the Fall Chautauquan announcing Mr. Sanderling's appointment.

IX. Foundation Report

Mr. Strohl reported on the work underway to explore the advantages/disadvantages of changing the Foundation's tax status from supporting organization to public charity, discussed the new publication "The Pillars" and shared the fundraising results to-date.

Ms. Gregory stated that the Chautauqua Fund is running \$179,000 ahead of last year at this same time. The projections indicate a year-end total of \$2.85 million. The Chautauqua Fund should exceed its five year Idea Campaign goal of \$12,350,000 by slightly over \$400,000.

Mr. Follansbee reported that 359 prospects calls have been completed out of the 558 in the Idea Campaign. The campaign has achieved \$48,747,000 as of September 30, 2007. During the first six months of the Foundation's fiscal year, gifts of \$2,509,791 have been received. Approximately \$1.7 million of that total is permanent endowment.

Mr. Groninger, chair of the Foundation's Investment committee, reviewed the investment results of the Foundation for the period ending October 12, 2007, and discussed the payout policy of the Foundation.

X. Executive Session

On motion, made, seconded and carried, the Board went in to Executive Session, asking all guests to excuse themselves and inviting Tom Becker, Sam Price, Lowell Strohl and Richard Miller to stay.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution
Board of Trustees