

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES

8:30 a.m., Saturday, May 7, 2011

Bellinger Hall, Chautauqua Institution, Chautauqua, NY

Minutes

MEMBERS PRESENT

George Snyder - Chair
Chace Anderson
Jill Bellowe
James Brady
Kathy Clingan
Laura Currie
Jennifer DeLancey
Barbara Georgescu
Don Greenhouse
James Groninger
Ron Kilpatrick
Candace Littell
Stan Lundine
Salvatore Martoche
Jack McCredie
Greg Miller
Jim Pardo
Pete Pedersen
Steve Percy
Jason Phillips
Tim Renjilian
John Viehe
Donna Zellers

MEMBERS ABSENT

Henry Foltz
Katie Lincoln

OTHERS PRESENT

Sherra Babcock
Sebastian Baggiano
Rindy Barmore
Tom Becker
Hugh Butler
Doug Conroe
Geof Follansbee
Marty Merkley
Richard Miller
George Murphy
Sam Price
Bruce Stanton
Linda Steckley
Jack Voelker

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

I. Minutes

On motion made, seconded and carried, the minutes of the February 5, 2011, meeting of the Board of Trustees were approved as presented.

II. Report of Chairman

Litigation

Mr. Snyder stated that he just received word that the Institution prevailed in the law suit that was currently pending at 17 Haven. It was unanimous decision in favor of the Institution.

III. President's Report

Amphitheater Study Group

The professional component (architects, preservationist, land use consultant) of the Amphitheater Study Group has met two times. The full group which includes members of the community will meet on June 15th. The group is collecting historical data on the Amphitheater in terms of the dates and extent of renovations over time to determine if there are any historical preservation issues. The study group will solicit the input from the general Chautauqua community during the season. Final recommendations in terms of the structure, historical preservation, etc., will be presented to the Board in early winter. The Board received a timeline of the work of the study group through the fall.

Architectural Land Use Study Group

The ALU Study Group met earlier this week and is focusing its discussion on the overall philosophical statement for the rules and regulations. The group will meet again in early July to continue their deliberations. They have created a sub group to work through a plan for communication and input from the community during the season.

CPOA

Mr. Butler, president of the CPO, reported on the ombudsman project that the CPOA is working on in collaboration with the Institution. A CPOA representative will bring issues to the Institution representative, George Murphy, as presented to the CPOA by property owners.

Personnel

All employees will gather next week to receive an update on the work of the Institution and the work of the Board. There have been two additions to staff, Mr. John Shedd, Administrator of Architecture & Land use Regulations and Capital Projects Manager, and Ms. Leslie Mathis, webmaster.

Program

Mr. Becker reviewed the 2011 program highlighting several of the programs throughout the season. Season ticket sales are on target and the Friday night specials are doing very well with preferred seating already sold out for one of the performances. Mr. Becker referred the Board to the update on Route 394. This report is a summary of the discussions at the February meeting.

Mr. Pedersen provided a brief report on the environmental issues he and a few other members of the Board are working on. He commended Mr. Conroe and staff on the recent grants which were received from the state for storm water and other environmental issues. Mr. Voelker discussed some of the local environmental programs that are being undertaken in the Chautauqua County area and collaborations with the Institution.

IV. Chautauqua Foundation Report

Endowment

For the fiscal year ending March 31, 2011, the Foundation received \$3.6 million in cash and cash equivalents for endowment. Approximately 71% of the total endowment contributions received came from eight donors in gifts of \$100,000 or more. As of March 31, 2011, the total endowment portfolio was \$48,624,818. Mr. Groninger discussed the investment portfolio in detail and the objectives within the portfolio.

Annual Fund

The goal for the Annual Fund is \$3,475,000. At this time it is too early to draw any conclusions from the results to date. Recruiting volunteers for the 2011 Chautauqua Fund campaign is nearly complete, with 12 full teams and one smaller team that will focus on the St. Elmo. Mary and Bob Pickens are again serving as co-chairs to the campaign.

Planned Giving

As of March 31, 2011, a total of four planned gifts were committed. The planned giving committee had its first meeting by telephone in February and is chaired by John Corry.

Development Council

The Development Council met earlier this week and reviewed the fundraising results and discussed the Promise Campaign in detail. The Promise Campaign Cabinet has had its first meeting and the campaign has achieved just over \$10million to-date. There have been a series of small donor dinners in various cities around the country and Mr. Phillips discussed the purpose of these sessions. The Council also received reports on the Institution's marketing plan and the Architectural Land Use and Amphitheater Study Groups.

Campaign

Mr. Snyder and Mr. Percy are co-chairs of the Promise Campaign. The cabinet members met for their preliminary meeting this week to discuss the campaign and the solicitation of major donors and board members.

V. Committee Reports

Asset Policy Committee

The committee received reports on operating performance versus budget; ticket sales and hotel occupancy to-date; the marketing program from George Murphy; the work of the Amphitheater and ALU Study Groups; street/sidewalk repairs; operating capital projects; the Refectory Project; and a strategic departmental analysis which will be an on-going discussion of the committee.

Mr. Becker referred to the report on the Refectory which is included in the Board's packet. At the February meeting of the Board, staff requested permission for funding for the renovation of Refectory. At that time, there was lengthy discussion and the Board approved the allocation of funds from the capital budget toward the overall project. Since that time, the Asset Policy Committee met by phone to receive an update on the status of the construction of the Refectory. Staff is pursuing a comprehensive master plan to

transform the Refectory into a restaurant of excellence in all aspects. The plan includes re-branding, a higher quality of food, higher standard of service and an overall re-designed environment for Chautauqua visitors. The master plan calls for a two part plan that would require renovations and improvements over a two year span. It was noted that allocating the funds to the first phase does not require the Board to commit to the second phase of the plan (of which the ultimate costs are not yet determined). Also, the first phase of the plan does not compromise any of the work in the second phase should the Board choose to implement the second stage next fall.

Phase one of the plan is aimed at improving the quality of food; the operational aspects of the food service; and an improved dining experience, working within a pre-established budget. This plan also includes customer satisfactions surveys developed by our marketing team and data collection which will be analyzed by staff. Conclusions from the analysis and surveys will enable staff to fine-tune the master plan as we move into the next phase. The first phase does not accomplish re-branding at this time, but re-branding is included in the future phasing. Phase one will be completed prior to the 2011 season and will include improvements to the restrooms, moving the point of sale services and acceptance of credit cards and gift cards; improvements in the management and staff focusing on customer service; and improvements to the quality of the food.

Audit Committee

The committee received a staff response to the auditors management letter; discussed the qualified audit opinion received by the auditors; reviewed risk areas (procurement and contracting annual update, information technology and tax exempt status); and reviewed the agenda and schedule for the summer adutor.

Upon the recommendation of the Audit Committee and on motion made, seconded and carried, the Board approved the December 31, 2010, audited financial statements for the Chautauqua Institution.

Nominating & Governance

Mr. Lundine reported that the committee discussed the candidates for the 2011 vacancies. Those vacancies include Ms. Clingan, Mr. Foltz, Mr. Greenhouse and Mr. Pedersen. Currently three candidates have been recruited with the fourth hopefully confirmed in the next few weeks. The names of the candidate will be presented to the Board in May and nominated for election at the July meeting. The committee also discussed future vacancies and the skills needed on the Board during the next several years. Ms. Currie presented an outline for Board Orientation for new Trustees which the committee will implement this summer. Exit and renewal interviews are conducted with each of the Trustees either renewing their terms or exiting the Board. Assignments for those interviews were determined.

Program Policy Committee

The committee reviewed a power point presentation regarding the 2011 program as it relates to the current strategic plan. The committee is trying to develop measurements to assure that the program is fulfilling the goals stated in the strategic plan. Mr. Merkley

provided an update on the CSO search process. The Program Committee meets with various artistic directors each season to learn more about their specific programs. This year the committee will meet with Marlena Malas.

Personnel

The Personnel Committee received a report from the President regarding personnel and Mr. Rich Koerner regarding human resources. Mr. Koerner provided updates on personnel policies, employee training, organization structure and staffing, and succession planning for key employees.

VII. Executive Session

On motion made, seconded and carried, the Board went into executive session, inviting Mr. Richard Miller, Mr. Price and Mr. Becker to participate.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustees