



**CHAUTAUQUA INSTITUTION
BOARD OF TRUSTEES BUSINESS MEETING
Saturday, February 3, 2024
1150 Connecticut Avenue, NW, Suite 700, Washington, DC 20036
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 Peckinpugh, Jill Penrose, Marnette Perry, Sara Ponkow, Larry Thompson, Steve Zenczak

Trustees Absent:

Sarah Hagen McWilliams, Helene Gayle

Others Present:

John Shedd, Sebby Baggiano, Amy Gardner, Erica Higbie, Michael Hill, Dana Lundberg, Debbie Moore, Deborah Sunya Moore, Emily Morris, Tim Renjilian, Shannon Rozner, Laura Savia, Angela Schuettler, Tamara Silzle, George Snyder, Melissa Spas, Jordan Steves, Amit Taneja

I. Welcome

Ms. Maxwell called the meeting to order.

II. Executive Session

A motion duly made to move to executive session, inviting Mr. Lundberg, passed. Upon exiting the executive session, Ms. Maxwell reported that Trustees approved the President's 2024 objectives and compensation and discussed the President's 2023 evaluation. Trustees also discussed the responsibilities for each committee and the Hotel Board and the President's succession plan policy. Detailed reviews of these two issues have been deferred to May to ensure Trustees have appropriate time for review.

III. Open Meeting Session

a. Action on Draft Minutes of December 14, 2023, Meeting

Upon motion duly made and seconded, the Board approved the December 14, 2023, minutes as distributed.

b. Report of Chair of the Board

Ms. Maxwell reviewed the Board's 2024 work plan, noting that the Board will maintain cadence, as much as practical, on action items by previewing items at one meeting and taking action on those items at the following meeting.

Board member educational webinars have been added to the work plan. The educational webinars are designed to help Trustees remain current on important issues and will be used to help onboard new Trustees going forward. These webinars will be posted on the Board portal.

The Board will review and accept revised committee charters at the May Board meeting. During the review of the charters at the committee level, a need to address alignment issues was found. Further review is needed to ensure they complement each other and fully reflect the work of the different committees.

Ms. Maxwell noted that the Human Resources & Compensation Committee is currently addressing and will make recommendations at the May Board meeting on what measures the Board will take to improve the employee experience. The Nominating & Governance Committee is continuing to review policies and will recommend updates, additions and deletions at the May Board meeting.

Ms. Maxwell asked Trustees to review the climate educational webinar as soon as possible because the Board will be asked in May to discuss New York State's likely requirement of a net zero carbon pledge.

Trustees will soon receive a Board self-assessment survey that each Trustee will need to complete. The results will be discussed in July and used to set the Board's objectives and expectations for its next term.

Ms. Maxwell described the plan to engage in a pilot program called Forum Dialogues during the 2024 Summer Assembly. The Executive Committee, Mr. Taneja and Ms. Spas have been deeply involved in the planning of this pilot program, in collaboration with Roger Doebke and other leaders of the CHQ Dialogues program. Forum Dialogues are designed to enhance communications and create new engagement experiences for Chautauqua's closest stakeholders, both to be in conversation with leadership, and one another. Each weekly Forum Dialogues session will include approximately 40 participants, two senior staff members

and two Trustees. Ms. Maxwell noted that this is to be a different type of engagement for the Board and is intended to focus on listening, sharing ideas, connecting around concerns, and building and strengthening relationships. Importantly, the sessions are not designed to engage in a question-and-answer format; this format is already provided in other forums and those will continue. There are still many details to work out, but in the meantime, Trustees were asked to engage this as an experiment that will hopefully embrace who we are as Chautauquans.

A discussion occurred regarding a question on the role of the Forum Dialogues in setting the priorities for action of the Institution. Ms. Maxwell noted the importance of setting the expectation that action will not be taken on everything that is discussed at the Forum Dialogues; instead, this is an opportunity to give stakeholders a unique mechanism by which to express ideas and perspectives through dialogue that will be informative to the Trustees and staff whose job it is to oversee and administer Chautauqua under our governance model. The goal is to understand what is important to community members and why it is important, to better inform decisions.

c. Report of President

Dr. Hill remembered Peter Nosler, whose daughter-in-law recently completed a match that will add a \$6 million gift to endowment. This will cover all of Mark Wenzler's salary and benefits and some program budget. Dr. Hill reminded Trustees that the Nosler family's generosity and that from the Batten family represent a growing trend at Chautauqua of large gifts from those who are not property owners or lifelong Chautauquans and who do not spend the whole summer on the grounds.

Dr. Hill discussed the hiring of Kwame Alexander as the Michael I. Rudell Artistic Director of Literary Arts, and the energy Mr. Alexander will bring to the summer.

Dr. Hill noted that he will be contributing a chapter to Volume 2 of *Rethinking Rural*. The chapter will be about rural America as an incubation space for new ideas, specifically focusing on the work around Chautauqua Lake as an example of a rural community binding together to accomplish something important.

Dr. Hill gave a recap of 2023 highlights, including retirements and new hires, a successful implementation of new security measures, struggles with the new ticketing system that Dr. Morris's team has addressed for 2024, employee morale issues related to patron behavior, and a successful 2023 Chautauqua Fund that exceeded its goal.

Dr. Hill shared that excellent progress is being made in securing philanthropy to fund the new theatre building, a priority of Boundless: A Campaign for Chautauqua.

Dr. Hill reminded Trustees that New York State Governor Kathy Hochul has included funds for Chautauqua Lake in her 2024 budget and management will keep Trustees apprised of its fate as the budget makes its way through the approval process.

Ms. Sunya Moore reviewed progress on summer programming. She highlighted some of the differences this year, which include working to secure bookings much earlier in the year; that Special Studies will open in early June with an enhanced focus on recreation classes to better respond to demand; and that staff are working to add additional opportunities for patrons to interact with presenters. The Writers Festival will also be redesigned as the “Kwame Alexander Writers' Lab.” Ms. Sunya Moore reviewed popular entertainment bookings and highlighted the challenges her team faces in a changing entertainment industry. Offers are getting more expensive, and speakers and performers are harder to book. She noted that Chautauqua continues to invest heavily in programming, but it costs more than it ever has.

d. Committee and Other Reports

Executive Committee

Ms. Maxwell shared the Committee met on December 19, 2023, and on January 19, 2024. At the December meeting, the Committee reviewed the plan for the strategic plan refresh process and discussed the pilot of Forum Dialogues. Ms. Rozner gave an update on the new Board portal. In January, the Committee reviewed the Board work plan, the agenda for the February meetings, and its charter.

Budget & Finance Committee

Dr. Branch reported that the Budget & Finance Committee has moved to variance reporting. The Hotel is showing an additional loss of \$63,000 in 2023. \$1,669,000 was taken from cash reserves to fund a portion of total capital expenditures in 2023. The Committee is not aware of any variances for 2024 or 2025 at this time.

The Committee will be scheduling monthly business meetings. Future agenda items include review of the financial aspects of program evaluation. The Committee's full workplan is still being drafted, and Dr. Branch will report out when it is done.

Marketing and Brand Strategy Committee

Mr. Peckinpugh reported that the Marketing & Brand Strategy Committee met on January 26, 2024, to review the 2024 marketing plan. Highlights of the plan include returning to a pre-COVID census level through an enhanced focus on guest experience, including improving the pre-arrival and arrival experience; making the calendar of events easier to understand; enhancing our understanding of our patrons; and improving food and beverage operations.

Mr. Peckinpaugh further noted that the purchase pace for gate passes is ahead of the January goal, likely due to several new program announcements. He highlighted efforts to maintain this pace, including scheduled price increase dates (March 5 and June 5), ongoing program announcements, and marketing tactics, including digital marketing campaigns that launch in February. He also noted that Road Scholar and Hotel bookings are very strong.

In January, the Committee was given an update on the operating plan relating to challenges staff have had with CHQ Assembly. The Committee will do a deep dive into CHQ Assembly in April.

Finally, Mr. Peckinpaugh reported that the search for a Director of Communications and Special Projects (the position vacated when Jordan Steves was promoted) has started. This position will help with community communications, among other communications responsibilities, and will also be the project manager for Chautauqua Travels.

Nominating and Governance Committee

Ms. Kyler thanked the Trustees who completed the skills and perspectives matrix, which will help identify gaps and skills needed on the Board. The Committee will meet in February to discuss Trustee candidates. Candidate referrals should be emailed to Ms. Kyler and Ms. Rozner. The Committee will look for candidates who best fill the gaps identified by the matrix and will also use *150 Forward* as a guide.

Ms. Kyler stated that a board self-assessment will be sent out in February to help identify strengths and weaknesses and benchmark the performance of the Board on various criteria.

Audit Committee

Ms. Norton reported that the Committee met on January 16, 2024, and discussed multiple updates. Staff provided an update on the status of the 2023 audit, which is progressing well and is focused on greater communication with BDO. Finance staff are updating and consolidating finance/accounting policies and procedures. The implementation of the new Enterprise Resource Planning (ERP) system is proceeding.

The Committee received a report from the Institution's insurance broker and Mr. Baggiano regarding insurance renewal from a risk perspective. Costs have increased and the market is tighter, especially on umbrella coverage. It may be that it becomes prohibitively expensive to maintain certain coverage levels. This will be monitored on an ongoing basis.

The Committee received a high-level review of 2024 safety and security plans from Ms. Rozner, and Ms. Norton reported the 2024 areas of risk identified by the Safety & Security team.

Ms. Norton discussed correspondence that was addressed to the Board from Georgia Court and Robin Radin regarding work performed by Cormier & Company for Chautauqua Institution in 2021. Her comments as read into the minutes are as follows:

- *First, I'd like to correct a misstatement by Ms. Court and Mr. Radin regarding the sequence of correspondence on this issue. As they note, the Audit Committee received its first correspondence from the parties on December 9, 2023. As Chair, I responded on December 11, 2023, acknowledging receipt of their letter, noting their concerns and informing them that if we have further response, we will inform them. They replied to this December 11th letter with appreciation for the response on December 12th. These exchanges were not included in your correspondence by Ms. Court and Mr. Radin, nor in their public statements on the matter.*
- *They then wrote again on January 14th and we replied on January 22nd.*
- *I want to report on the work of the Audit Committee to address this issue. First, I want to share the details of the work performed by Cormier & Company. This was previously shared in the executive session of our August 2023 meeting, but I think it is important to restate the facts. Cormier & Company was retained in 2021 to develop a business plan for strategic initiatives included in Objective 2 and to identify potential partnerships and other supports for the initiative. The work focused on a portfolio of initiatives under Objective 2 designed to address our mission, attract and retain new patrons and partners to CHQ, and provide potential new revenue sources. At the time, it included four areas: CHQ Assembly, artists residencies, CLSC 2.0, and climate change. Specifically, the work consisted of the following:*
 - *environmental scan and related research on comparable/competitor models*
 - *stakeholder interviews*
 - *business plan development*
 - *internal promotional video to help explain to Trustees the thinking behind and case for support of The Chautauqua Project (TCP) work*
 - *recommendations on prospective funders.*
- *Chris Maggiano's firm was the billing agent; his firm partnered with Marisa Renee Lee of Beacon Advisors, who has access to a wide breadth of potential partners for this work.*
- *The Board heard presentations from this work in May and November 2021.*
- *Their work led to several initiatives/outcomes:*
 - *Access to and partnership with Guggenheim-funded artist residency programs for whom we provided studio and theater space in the off-season, thereby enabling early stage experiments for this TCP initiative.*
 - *A roadmap for TCP, which supported staff planning and fundraising.*
 - *A multi-million dollar gift in support of TCP initiatives.*

- *You will recall that we received an inquiry from Rick Reiser and Rick Swegan in the summer of 2023, which was discussed, addressed and resolved during the executive session at our August 2023 Board meeting. The more recent inquiries from Ms. Court and Mr. Radin were discussed, addressed and resolved in executive session of the Audit Committee at its most recent meeting on January 16, 2024.*
- *Consistent with our practice, as this is an employment matter, we will not provide details of our deliberations in this open meeting.*
- *With respect to issues of compliance with NYS law regarding conflict of interest, I want to clarify that, were NYS law to be the only factor governing our determinations of compliance, there would be no grounds for the issue raised by some. Specifically, NYS law limits conflict of interest determinations to relatives and does not include friends. Our policies are more rigorous than NYS law.*
- *Finally, it's important to note that our work is ongoing to ensure that our policies, procedures, controls and enterprise risk management practices address such issues, as is typical of all organizations.*

Human Resources & Compensation Committee

Ms. Perry reported that the Committee's work on employee experience is ongoing in preparation for discussion by the Board at its May meeting.

Development Council

The draft update to the Operating Agreement between the Institution and the Foundation was discussed. Approval will be requested at the May meeting. Mr. Renjilian gave a brief history of the agreement and summarized the highlights of the proposed update.

Mr. Osborne, on behalf of the Council, proposed a resolution regarding the treatment of philanthropic monies to help rehabilitate the hotel. As the hotel is a for-profit entity, the Institution seeks to clarify for donors that donations to Boundless directed to the hotel qualify for tax deduction. The resolution codifies the importance of a healthy, robust, and safe hotel to the mission of Chautauqua Institution.

Upon motion duly made and seconded, the Board approved the resolution regarding fundraising for the Athenaeum Hotel as presented and recommended by the Development Council. The resolution is attached to these minutes as Attachment A.

Ms. Gardner noted the successes of 2023. Boundless has raised over \$106 million, and Ms. Gardner acknowledged the hard work of the Advancement team to launch

the campaign's public phase. The initial 2023 budgeted goal for the Chautauqua Fund was exceeded. Total fundraising activity in 2023 was in excess of \$36 million. Planned giving continues to grow. Advancement is discussing with the Opera Guild an opera endowment.

Ms. Gardner said that 2023 donor demographics are still being analyzed, but what is known is that there were fewer donors, but they gave more and gave more often, and that there were fewer Last Year But Not This (LYBUNT) donors than expected, which bodes well for donor retention.

Architectural Review Board

Ms. Lin reported there were three submissions for the ARB's February 1 meeting. There was an unauthorized demolition for which the administration will assess a penalty. The ARB approved the work to be done post-demolition. A request for a full demolition on the Brickwalk was approved and a request for replacement of windows was approved. A discussion ensued about how to address unauthorized demolitions.

Ms. Lin noted that in May the Committee will ask for approval of a Land Sale Process and Policy. The transfer of any Chautauqua Institution property is an area for Board consideration.

Chautauqua Hotel Board

Mr. Hagman shared that the Hotel Board met at the beginning of December 2023 to focus on the hotel budget. Mr. Hagman acknowledged the concerns expressed about the operational challenges of controlling expenses and increasing revenues. The Hotel Board believes the efforts being put forth this year will address those concerns. Early indicators are good, so they are cautiously optimistic about the 2024 budget. The Hotel Board will meet at the end of February.

A discussion occurred regarding whether deficiencies in the systems used by the Hotel, such as the scheduling software, contribute to its budget struggles. Dr. Morris attributed some of the issues to technology and described the solution being implemented for 2024, which involves integrating the scheduling software and the Point of Sales system to better control staff hours.

e. Report of the Chautauqua Foundation

Mr. Renjilian shared that the Foundation Board's strategic planning work is moving to standing committees. The endowment at the end of 2023 was \$129 million.

IV. Move to Executive Session

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

The Board exited Executive Session at 1:10 pm, having discussed significant misinformation being presented to the community about the President's contract. Ms. Perry reported that the contract provides compensation in full accordance with the law and accepted fundraising practices. The President's contract was designed with the assistance of an experienced human resources consultant and reflects a traditional compensation package afforded many non-profit executives in the United States. It was also subject to rigorous legal review by outside counsel. It had full visibility by the HR Committee, the Executive Committee and the Board of Trustees before approval by the Board.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Shannon Rozner, Esq.
Corporate Secretary



WHEREAS, the Chautauqua Hotel Company, Inc., is an investment holding of Chautauqua Institution held in support of the Institution's ability to use the Athenaeum Hotel in furtherance of Chautauqua Institution's mission; and

WHEREAS, improvements to the Athenaeum Hotel, in addition to helping preserve the Athenaeum Hotel and promote public participation in Chautauqua Institution's educational programs, increase the value of Chautauqua Institution's interest in the Chautauqua Hotel Company, Inc.; and

WHEREAS, improving the Athenaeum Hotel represents an application of funds for the benefit of Chautauqua Institution, in furtherance of its educational program; and

WHEREAS, the Athenaeum Hotel is an iconic and widely represented symbol of Chautauqua Institution and its educational programming, so improvements to the Hotel are a means of perpetuating the Chautauqua Institution brand,

NOW, THEREFORE, BE IT RESOLVED, that the Chautauqua Institution Board of Trustees has determined that improvements to the Athenaeum Hotel, in addition to helping preserve the Athenaeum Hotel, are critical to the sustainability of Chautauqua Institution because of the role the Athenaeum Hotel plays as:

- a primary place of residence for first time visitors;
- a location for the presentation of Institution programs and conduct of meetings;
- and
- an architectural icon and symbol of the Institution that perpetuates Chautauqua's brand.

FURTHER, BE IT RESOLVED that the Chautauqua Institution Board of Trustees has determined that the accomplishment of the Institution's mission requires renovations to the Athenaeum Hotel to make it more suitable for Chautauqua Institution's audience, speakers, artistic performers, and other visitors and to promote public participation in Chautauqua Institution's educational program.