

**SEMI-ANNUAL MEETING OF THE NATIONAL BOARD OF DIRECTORS
THE ENGLISH-SPEAKING UNION OF THE UNITED STATES
FRIDAY, JUNE 14, 2019**

DRAFT MINUTES

Present: Paul Beresford-Hill CBE KSt.J, E. Quinn Peeper, Cheryl Albuquerque; Donald Best; Karen Blair-Brand; Janet Haedicke; Julia Hansen; Duncan Karcher; James Kerr; Lisa Kressbach; William B. Maschmeier; Darryl McCormick; Bettie Miller; Donna Miller; Charles Reaves; John Raffaeli; Susan Sinclair; Jeffrey Schnabel; Julia Van de Water; Mathew West

Excused: Mary Alice Phelan

Observing (ESU Staff): Karen Karpowich, Interim Executive Director; Joshua Keppel-González, System Administrator and Executive Assistant

Welcome – Paul Beresford-Hill

Dr. Beresford-Hill welcomed members of the Board of Directors to the Semi-annual Meeting and thanked them for their participation in the ARNIC Graduation and the Gala Dinner. Karen Karpowich conducted a roll call and a video of the Shakespeare Competition was presented. Following a motion and a second, the minutes of the meeting of the National Board of Directors held on February 2, 2019 were approved unanimously.

Comments from the Chairman - Paul Beresford-Hill

Mr. Beresford-Hill presented two resolutions in light of the departure of Operations Manager Grant Hamel. He proposed that The English-Speaking Union Board of Directors assign Interim Executive Director Karen Karpowich as a signatory on the English Speaking-Union bank accounts with Sterling National Bank as well as its investments with Morse Asset Management.

Mr. Beresford-Hill then proposed that The English-Speaking Union board of directors would appoint John Raffaeli, the finance committee chair, as a signatory on the English Speaking-Union bank accounts with Sterling National bank as well as its investments with Morse Asset Management. Both resolutions were approved unanimously.

Mr. Beresford-Hill then presented a resolution to award the The English Speaking Union Founders Award to Robert.C. Morse. Mr. Morse served in the English-Speaking Union of the United States Board of Directors from 2008- 2012, was a patron member of The ESU for nearly twenty years, and, beside his work managing the organization's investments, had a considerable

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influence on the organization and in promoting English as a language of opportunity. The motion was seconded and unanimously approved.

Report of the President – E. Quinn Peeper

Mr. Peeper reported that the annual Board Giving Campaign predicted goal of \$90,000, was not to be reached due to changes in the organization. On June 14, 22 board members had made a contribution. The campaign had so far earned \$70,250 and \$10,000 was to be collected. Mr. Peeper then expressed that some grant proposals had been rejected because grants for immigrant programs are being redirected for advocacy and legal representation of undocumented immigrants. Regardless, The ESU will receive \$100,000 grant from The Open Society Foundation, \$200,000 from the Andrew and Marietta Romay Foundation and \$75,000 grant from the Hearst Foundation. In addition, the event on June, 10 raised \$70,950. The committee stated that next years estimated board giving goal is \$90,000.

Report of the Nominating Committee – Duncan Karcher

Mr. Karcher reported that the Nominating Committee interviewed and nominated three candidates, David Martinelli, Noel Sloan and Ralph Wyndrum to fill vacancies on the National Board. He also invited the board members to suggest candidates located outside New York City for regional perspective and diversity. David Martinelli is a Head of Global Investment Trading for Morgan Stanley with a variety of contacts and marketing experience. Noel Sloan works as The Head of Institutional Credit Risk Management at Brown Brothers Harriman. He is a former ESU scholar with a treasurer background. The third candidate, Ralph Wyndrum, is the president of the Monmouth County Branch. The motion was made to accept the nominees to fill vacancies present on the board. The motion was seconded and unanimously approved.

Election of Officers - Paul Beresford-Hill

Dr. Beresford-Hill opened discussion on the Vice Chairman position and its possible removal as an officer position. The motion was unanimously approved to elect John Raffaeli as a Vice Chairman until the end of the year 2019.

Report of the Finance Committee – John Raffaeli and Karen Karpowich

Mr. Raffaeli and Ms. Karpowich presented the draft of the budget for the 2019 -2020 Fiscal Year. Ms. Karpowich stated that the board giving campaign goal for the year is \$90,000 with individual giving to reach \$100,000. Foundation and corporate giving is expected to shift into more positive direction in the near future. In the previous fiscal year, the grants had been smaller than expected. The Hearst Foundation granted \$75,000 instead of previously promised \$125,000. Ms. Karpowich added that the membership dues will be adding \$260,000 to the budget. She finalized that the total revenue is estimated to be \$3,079,946 and the estimated total of the expenses was \$3,016,068, creating a net operating surplus of \$63,000.

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Ms. Karpowich added that a marketing and branding campaign and the preparations of the Centennial Campaign are to be added to the budget. The committee proposes that the estimated \$155,000 for Centennial Campaign expenses would not come from general operating funds but from endowments.

The motion to approve the Draft Budget for the 2019-2020 Fiscal Year was seconded and unanimously approved with one abstention.

Report of the Audit Committee - Charles D. Reaves

The committee announced that Grant Hamel would be stepping down from his position as Operations Manager. Mr. Reaves underlined that the person who would replace him would be required to work well with Branches. The audit company has expressed that financial statements and information of some assets has been challenging to receive from certain branches.

Mr. Reeves made a recommendation about starting a process in which the Branches' accounting systems would be modernized and automatized. In the initial stage, a small number of Branches would form a pilot program that would receive help from the National Headquarters in documenting and tracking the necessary audit information. This would then be expanded to other Branches to ensure a smooth transition.

Mr. Reeves presented that audit fees for the 2017-2018 Audit are expected to reach \$41,000, of which \$27,000 would be for the National Audit. The Audit Committee recommended the ESU approve the engagement letter with the audit company in question and authorize Charles. D. Reaves to sign it. A motion was made to adopt the recommendation of the Audit Committee which was subsequently seconded and approved with one nay vote.

The committee then recommended that the branch fees would be charged the same way as the previous year. The branches would pay a fee of \$250 , with the exception of the ten branches that are selected to be audited, which would pay a \$1000 fee. The balance, about half of the auditing fees, would be paid by the National Organization. A motion was made to adopt this second recommendation of the Audit Committee which was subsequently seconded and approved with one nay vote.

The board then discussed how to share information, validate the Branches and start the process of shifting bookkeeping responsibilities to Branches the most effective way. A committee formed by top Branches to control a prominent amount of assets was discussed as well as providing education for treasurers.

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Report of the Strategic Planning Committee – Julia Hansen and Duncan Karcher

The Committee made a motion that the “English in Action” tagline be replaced with “The English-Speaking Union” to prevent confusion and removed from all materials not related to the “English in Action” program. The motion was seconded and approved unanimously. It was noted that a New York-based marketing company would be engaged to make recommendations on the ESU Brand. The deadline for the branding proposal is the Annual General Meeting in November.

Dr. Julia Hansen then introduced the possibility of the committee engaging with a consultant at some point in order to finalize a new Strategic Plan. Dr. Beresford-Hill suggested Renee LiaBraaten, who worked with members on the Feasibility Study, would be an excellent choice to assist the Strategic Planning Committee. The timeline on how and when to engage Ms. LiaBraaten in order to meet the November deadline was discussed by the Board. Members of the Strategic Planning Committee stated that, due to awaiting results of the Branch Questionnaire and other committee members strong disinterest in using an outside consultant, the engagement of Ms. LiaBraaten should be delayed with the committee making the final decision.

Dr. Beresford-Hill reminded that the purpose of the committee when it was first established was to reflect the opinions of both branches and the board. However, final decisions are made by the board. He then stated that the original strategic plan, despite the valid criticism from the board, has an accurate representation of the mission of the English-Speaking Union and it could still serve as a guide. Dr. Hansen provided a timeline in which that committee would continue its work on the questionnaire and existing plan over the course of two meetings, and then engage with Ms. LiaBraaten.

Karen Karpowich offered to provide information on the Luard Morse Scholarship for the committee to make an informed decision on the future of that program.

The board then discussed how to increase the exchange of information between committees as well as the processes that are in place and possible new methods. Dr. Beresford-Hill stated that, in order to reduce confusion and not create a duplication of work across committees, the number of Executive Committee meetings will be increased as it represents the chairs for all the Standing Committees.

In review of the recommendations of the committee, Dr. Paul stated that the committee’s desire to have access to more nuanced financial figures and salary information is not appropriate as it provides a level of detail that only the National Board, as the legal fiduciary, should have access to. The larger issue of trust between Branches and the National Organization was addressed by the Board, with outside alterations made to the previous Strategic Plan highlighted as a key area

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that damaged trust. Dr. Sinclair stated that she agreed that governance should not be turned over to Branches and Members, but that Branch voices need to be heard and considered.

The board then discussed the importance of membership growth for the organization and how to increase the regional activity. Ms. Karpowich added that the branches' wellbeing is the key to the organizational growth of the ESU. The board unanimously agreed via a show of hands that growth and Branch health is the priority of the organization.

The information presented by the committee would be passed on to the marketing consultants in order to formulate a holistic new brand and story for the ESU.

The Report of the Development Committee – E. Quinn Peeper

The committee stated that the 2020 Centennial Celebration will be an important opportunity to increase visibility and vitality of the organization. The committee wishes that every board member will participate in the Annual Conference in Washington D.C. The board then discussed the events of the conference and how the Washington branch will be introduced in the conference. In addition the board agreed that the branches regional celebrations will be essential.

Ms. Karpowich presented that the recommendations for the branding organizations had been evaluated and four organizations had been asked to submit proposals. The organizations were Odgis + Co., Design Bridge, Langston Creative and Big Duck. In the proposals the organizations were asked to give an overview on the challenges of a legacy brand and bringing together multiple programs under a single identity. Ms. Karpowich stated that, of the proposals submitted, Odgis + Co. addressed Branch issues with the most alacrity and would provide the most flexibility and depth of engagement with Branch stakeholders. A motion was made to accept the report of the development committee and select Odgis + Co. as the branding consultant. The motion was seconded and approved unanimously.

Report of the Housing Committee – Karen Karpowich

The committee reported that the issues with the property are nearly solved. The third floor of the property was registered as residential property and was undergoing a hearing to approve its reclassification as business property. Ms. Karpowich anticipated that the Certificate of Occupancy would be acquired by the end of Summer 2019. Afterwards the construction company will finish their work and the property will be reassessed.

In the end of the meeting Mr. Beresford-Hill reminded the board that the International Council Meeting will be held in St. Petersburg in September. Mr. Beresford-Hill inquired if a board member would be interested in representing The English-Speaking Union at the event.

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The Board entered an Executive Session.