

28 October 2017
National Board Meeting Minutes

MEETING OF THE BOARD OF DIRECTORS
THE ENGLISH-SPEAKING UNION OF THE UNITED STATES
THE BROWN HOTEL, LOUISVILLE, KENTUCKY
SATURDAY, OCTOBER 28 9:00 AM

MINUTES

Present In Person: Paul Beresford-Hill, Chairman; Laura Phelps, Vice Chair; E. Quinn Peeper, President; Christopher Broadwell, Secretary of the Corporation & Executive Director; Susan D. Sinclair, Region II Chair; Karen Blair-Brand, Region III Chair; Julia Churchill Van de Water, Region IV Chair; Jeffrey Schnabel, Region VI Chair; James Kerr, Jr., Region VII Chair; William Maschmeier, Region VIII Chair; Cheryl Albuquerque; Donald Best; Polly W. Cox; Julia Hansen; Donna M. Miller; Charles D. Reaves

By Phone: Loveday Conquest; Darrell W. Hill; Duncan Karcher

Excused: Mary Alice Phelan, Region V Chair; Jacques Brunswick; M. Christine Carty; Peter Frey; Christopher Hodgkins; Bettie Miller; Christopher Medalis

Observers : Lisa Kressbach, Candidate to Board of Directors; Jane Easton, Director General of The English-Speaking Union of the Commonwealth; Edward Mohylowski, Deputy Executive Director; Rossana Ivanova, Development Director; Steve Whalen, Marketing Director; Grant Hamel, Operations Manager; Joshua Keppel-González, System Administrator and Assistant to the Executive Director/Recording Secretary

Presiding: Paul Beresford-Hill, Chairman

Dr. Beresford-Hill called the meeting to order at 9:00 am (EDT).

Welcome – Dr. Beresford-Hill welcomed members of the Board of Directors attending in person and by phone to the ESU semi-annual board meeting coinciding with the 2017 Annual Conference and preceding the 2017 ESU Annual General Meeting. Christopher Broadwell, Secretary of the Corporation, called the roll and announced a quorum.

Comments from the Chairman – Paul Beresford-Hill

Dr. Beresford-Hill introduced the draft National Bylaws Amendments, which were initially created by attorneys at Schnader Harrison law firm and reviewed by the Branch Services Committee in the process of the branch LLC restructuring. At the direction of Paul Beresford-Hill and Christine Carty, Executive Director Christopher Broadwell, in consultation with Schnader Harrison attorney Cynthia Fischer, further developed the draft presented here toward approval by the Board of Directors and subsequent approval at the Annual General Meeting. Paul Beresford-Hill called upon Christopher Broadwell to itemize the proposed amendments to the Bylaws that accommodate the branch LLC formation. After a step-by-step review of the proposed changes, a motion was made to approve the draft Bylaw amendments and present them to the membership at the 2017 Annual General Meeting for adoption. The motion was approved unanimously.

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Report of the President – E. Quinn Peeper

Dr. Peeper reported that the annual board giving campaign in 2016/17FY was successful. He noted that the board giving campaign was initiated in the 2014/15 Fiscal Year (FY) with a goal of \$35,000 which realized \$52,600. In the 2015/16 FY, a goal of \$50,000 was surpassed with gifts totaling \$59,249. The 2016/17FY goal of \$70,000 was achieved. The 2017/2018 FY campaign has commenced, with \$55,000 raised to date towards a goal of \$70,000. Additionally, sufficient funds were raised in conjunction with the Andrew Romay New Immigrant Center Graduation in June to meet the Marietta and Andrew Romay Foundation Challenge Grant to secure an additional \$25,000. Dr. Peeper also highlighted the hiring of a Development Director and Marketing Director as crucial for the successful preparation and implementation of upcoming centennial events.

Report of the Executive Director – Christopher Broadwell

Christopher Broadwell reported on the past fiscal year and provided context for the staff's achievements by reviewing the progress of the ESU over the past three years. Mr. Broadwell highlighted the implementation of essential financial systems and controls, a stabilized legal structure for the branches, the Strategic Plan and implementation of its designated program expansions, and renovations to the National Headquarters as accomplishments during his tenure. He noted that the Education Report submitted by Education Director Carol Losos was provided as a printed document and would be verbally presented in the next day's Annual General Meeting. Mr. Broadwell also formally introduced the new ESU Development Director Rossana Ivanova and Marketing Director Steve Whalen. Mr. Broadwell then called upon Edward Mohylowski to give the report of the Deputy Executive Director.

Mr. Mohylowski reported that The English-Speaking Union ended the fiscal year 2016/17 with 4,628 members, including National Patrons and Board members. This membership populated some 65 Branches, while six individuals are "members at large." Fifteen Branches had at least 100 members. In terms of the new governance structure, 50 Branches are BMOAs (Board Managed) and the balance are MMOAs (member managed). Concerning institutional giving, the Achelis and Bodman Foundation approved a grant request in support of the National Shakespeare Competition, and we received \$30,000 in September. Mr. Mohylowski reported that a renewal proposal had been submitted to the Axe-Houghton Foundation seeking \$10,000 for Middle School Debate. At the end of the last fiscal year \$5,000 and \$3,000 were received in renewed gifts from the Henry E. Niles Foundation and the Richard D. Donchian Foundation, also for Middle School Debate. The ESU also received an unrestricted grant of \$1,000 from the Dean S. Edmonds Foundation (based at BNY Mellon) and a gift of \$1,000 from the Soda Foundation in San Francisco restricted to the ESU San Francisco Branch. Mr. Mohylowski then asked Rossana Ivanova to provide an introduction as the Development Director. Ms. Ivanova outlined her role in facilitating and expanding the board's fundraising capabilities.

Report of the Nomination Committee – Polly Cox

The Slate of Officers for presentation to the Annual General Meeting was presented to the board. Ms. Cox noted that the entries on the slate of Laura Phelps and John Raffaeli came with explanatory marks. Ms. Phelps, currently in mid term as Vice-Chair, was proposed for re-election as Interim Treasurer until a full time treasurer could be elected at the Board Meeting

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following the Annual General Meeting. A note to Mr. Raffaelli's nomination stated that he, like Chairman Paul Beresford-Hill, serves on the Mountbatten Institute board and works for the Mountbatten Institute. Discussion of potential conflicts of interest ensued. A motion was made to approve the slate in its entirety and present it to the membership for approval at the Annual General Meeting. The motion was seconded and passed unanimously.

Report of the Audit Committee – Darrell W. Hill, Chair

Mr. Hill reported that several branches were delayed in supplying their financial statements, which deadline was accelerated this year to accommodate the new branch LLC audit process that includes the finances of the branches in the overall financial statements. A deadline of August 31 had been set for Branches to submit their required financial data, and three branches have still not complied. Due to these delays, Mr. Hill asked the board to allow the audit to be delivered sometime prior to December 31. A motion was made to accept the report of the Audit Committee. The motion was seconded and unanimously approved.

Report of the Finance Committee – Charles Reaves, Chair

Mr. Reaves reported on financing expenses of the restoration work on the English-Speaking Union headquarters. The Finance Committee had consulted with ESU investment advisor Robert Morse of Morse Asset Management who reported that in the past 12 months the portfolio had realized \$1.7 million in gains. Mr. Morse had advised that it would not be wise for the ESU, as a non-profit corporation, to take on debt to complete the headquarters restoration as funders would be wary to fund a 501(c) 3 corporation with debt, and the Finance Committee endorsed that recommendation. A motion was made to accept the report of the Finance Committee. The motion was seconded and unanimously approved.

Report of the Interim Treasurer – Laura Phelps

Ms. Phelps provided a worksheet that reconciled the accrual based audited financials with the cash based closing financial reports of the ESU. Ms. Phelps outlined the important assets of the ESU, including the headquarters building and the investments. She also stated the importance of stewardship of those assets, specifically insuring that quarterly reports provided by Robert Morse and Morse Asset Management matched reports and statements provided by the Bank of New York. A motion was made to accept the report of the Treasurer. The motion was seconded and unanimously approved.

The Chairman called for all staff and observers to leave the room so that the Board could meet in Executive Session.

Executive Session

Adjournment - The Board meeting was adjourned at 1:15 pm.

11.27.2017