

**26 April 2015**  
**National Board Meeting Minutes**

**MEETING OF THE NATIONAL BOARD OF DIRECTORS**  
**THE ENGLISH-SPEAKING UNION OF THE UNITED STATES**  
**NATIONAL HEADQUARTERS, NEW YORK, NY**  
**SUNDAY, APRIL 26, 2015 3:00 PM TO 6:00 PM**

**MINUTES**

Present: Josiah Bunting, Chairman; E. Quinn Peeper, President; Hollister Sturges, Treasurer; Christopher Broadwell, Secretary of the Corporation & Executive Director; Marie Dora Thornburg, President Emerita; Jan Slee, Region I Chair; Alice Irby, Region IV Chair; Mary Alice Phelan, Region V Chair; James Kerr, Jr. Region VII Chair; Paul Beresford-Hill; Donald Best; M. Christine Carty; Polly Cox; Paul Haigney; Darrell Hill; Charles Reaves; Jeffrey Schnabel; Mark Stollar; Anne Westbrook

By Phone: Laura Phelps, Vice Chair; Gloria Norris, Region II Chair; Karen Blair-Brand, Region III Chair; Barbara Kiffmeyer, Region VI Chair; F. David Grissett; Christopher Hodgkins; Christopher Medalis

Excused: William Maschmeier, Region VIII Chair; Loveday Conquest; T. Hoke Huss; Henry Williams III; George Williamson

Observing (Invited Guest): Susan Sinclair, Region II Deputy Director

Observing (ESU Staff): Edward Mohylowski, Deputy Executive Director; Carol Losos, Director of Educational Programs; Grant Hamel, Operations Manager; Dorothy Fiedler, Assistant to the Executive Director

Presiding: Josiah Bunting, Chairman

Welcome – Mr. Bunting welcomed members of the Board of Directors attending in person and by phone at the spring semi-annual board meeting in New York City coinciding with the 2015 National Shakespeare Competition held Monday, April 27 at Lincoln Center.

Christopher Broadwell, Secretary of the Corporation, called the roll and announced a quorum. The draft minutes of the National Board meeting held on October 17, 2014 were approved.

Comments from the Chairman – Josiah Bunting

Mr. Bunting commented on the newly restored ESU headquarters Garden Lounge and reception area on the first floor that sustained flood damage after a break in a hot water pipe due to extremely cold weather in February. He noted that the cost of the refurbishment in the amount of approximately \$250,000 is covered by the ESU insurance policy except for a deductible of \$2,500. He thanked the staff for their help and dedication in getting the headquarters fully operational again. Mr. Bunting commented on the 2015 International Council Meeting (ICM) in London scheduled for October 16-18 and asked for two ESUUS representatives from the Board

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to attend as delegates. Christopher Hodgkins stated that he will be in London at the time of the ICM in the fall and requested to be one of two delegates from the United States. Mr. Bunting said that the educational programs of the ESU are increasingly recognized as the heart of the organization, and that their success should be held in thought as the Board's goal through the business proceedings of this meeting.

#### **Report of the President – E. Quinn Peeper**

Dr. Peeper noted that he is reaching his first full year as ESU President. He reported that Board giving for the fiscal year 2014-2015 to date amounted to \$51,900, including outstanding pledges. He thanked the National Board for exceeding the goal for unrestricted Board Giving this fiscal year which was set at \$35,000. Dr. Peeper commented on the 100 year anniversary of the ESU in 2020. Dr. Peeper recommended extensive Branch involvement and beginning the capital campaign now, culminating in a celebration in 2020. When queried on the targets for the campaign, he said that that would have to be worked out by the Capital Campaign Committee, as while many current ESU members do not demonstrate the capacity to give substantially, they might be stimulated to identify others who can. He suggested the publication of a 100<sup>th</sup> anniversary commemorative book detailing the history of the ESU in the United States to raise support and interest. Also, Dartmouth House will celebrate its centennial in 2018 and their activities can serve as a guide to what is possible. Commenting on the 2015 ESU Annual Conference in New York City during the Columbus Day weekend, Dr. Peeper noted that his good friend, author Flora Fraser, will be a guest speaker. Her new book *The Washingtons* will be published in the fall. The theme of this year's annual conference will be "General Washington takes Manhattan" and will include venues in Manhattan associated with George Washington and the revolutionary war. Dr. Peeper reported that the National Patron Program now has 235 memberships (334 individuals, exclusive of the Board). Of these, 124 are new patrons, 9 are returning lapsed patrons and 15 are upgraded patron memberships.

#### **Report of the Executive Director – Christopher Broadwell**

Mr. Broadwell reported on the meetings held on March 23, 2015 at ESU headquarters to introduce the new Chairman of the Finance Committee, Anne Westbrook, to Hollister Sturges, Treasurer; Laura Phelps, Vice Chair; Robert Morse and Andrew McLaughlin, investment consultants from CG Asset Management; Lisa Toback and Jon Bara, accounting consultants from Kiwi Partners; and accountants Sanders Davies and Joseph Izzo, O'Connor, Davies. During the meetings, the staff, along with accounting consultants from Kiwi Partners, reported on the practically completed implementation of the new accounting system at headquarters using QuickBooks accounting software which interfaces with the ESU Raiser's Edge database. Chairman Josiah Bunting also participated in the meeting on the implementation of the new accounting system.

Mr. Broadwell commented on the progress of fiscal year 2013-2014 990 filing with the IRS. All Branches, with the exception of Dallas and Baltimore, have completed and returned their Branch information forms. Staff at Headquarters is busy preparing the 2013-2014 990 group return that is due on May 15, 2015.

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Mr. Broadwell noted that the ESU insurance policy will repay the cost for repairing and renovating the headquarters building following the damage that occurred as a result of a frozen water pipe break on Sunday, February 22, 2015. The insurance deductible of \$2,500 is the only expected expense for the ESU. Mr. Broadwell remains optimistic that art conservators will be able to restore at least some of the artwork that was damaged from the hot steam and that the insurance carrier will cover this expense. He noted that it was admirable how the ESU program staffers were able to find alternate spaces so that the daily classes were able to continue uninterrupted.

Mr. Broadwell continued that the hotel chosen for the 2015 Annual Conference October 10-12 is the Doubletree Hotel located at 569 Lexington Avenue in New York City. The fall semi-annual national board meeting will be held on Saturday morning, October 10, followed by a lunch and conclave with the Branch Presidents. The event agenda includes an opening reception and dinner held on Saturday night. Regional meetings will start at 11:00 am on Sunday followed by lunch with a speaker and the Annual General Meeting session in the afternoon. A patron reception is planned at the Morris-Jumel Mansion, a house museum in the Washington Heights section of Manhattan that served as Washington's headquarters during a phase of the Revolutionary War. Monday morning will see a breakfast at ESU Headquarters followed by a bus and walking tour to sites relevant to George Washington downtown. The Board concurred that a target registration fee of \$480 seemed reasonable to provide for such a meeting, and Mr. Broadwell reiterated that the abbreviated format of the meeting, like the 2015 meeting, should provide a more affordable and efficient conference with fewer hotel nights required.

Christopher Broadwell gave an update on the agenda of the 2015 ESU Shakespeare Competition weekend activities, and the Founder's Award Event scheduled on Monday, April 27 concurrent with this spring Board meeting. The Honorable Edwina Sandys MBE and Dr. Paul Beresford-Hill MBE are the 2015 Founder's Award recipients and are honored for their roles in ideating and launching the ESU National Shakespeare Competition in 1983 as part of a *Britain Salutes New York* festival.

#### Report of the Director of Educational Programs – Carol Losos

Board members were asked to read carefully the written report by Ms. Losos that accompanied the meeting materials, as her verbal report would only be a recap, and there is much more valuable information in the written report.

British Universities Summer School (BUSS) The ESU is sending 50 teacher-scholars for two to three weeks of study in the United Kingdom this summer. The ESU is unique in the United States for providing full scholarships to secondary school teachers to study in the UK, so continuance and growth of this program is essential. This support for educators will not exist if we do not continue the program. So far this year, a total of 17 ESU Branches have awarded 35 BUSS scholarships for a total of \$170,000 in scholarship funds and \$32,000 to cover transportation costs for this international study opportunity for teachers. This number is down from last year, although New York and Atlanta are joining the program for the first time in several years. Ms. Losos stated that she feels this program to be the most important, yet only about one quarter of the Branches participates. Headquarters also assists 15 independent teacher scholars who do not have access to Branch support and thus find their own funding to

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participate. New aspects of the program include application forms now available online through the ESU. When asked how teachers learn of the BUSS opportunity, Ms. Losos explained that our website is prominent among search engines for those searching online for these educational programs. ESU staffers also promote the programs at national educational conferences.

Middle School Debate Program Ms. Losos related that during the prior weekend, on April 18, the ESU hosted the first ever East Coast Championship National Middle School Debate Tournament, having 300 middle school debaters, ages 10 to 14, in Tarrytown, NY at the Hackley School. Some 100 adults also served as certified judges. At the event, there were 236 rounds of debate in total. The ESU will partner with the Morgan Library and Museum to host the National Middle School Debate Championship between the teams that won on the west and east coasts on Friday, May 29. All are invited to attend. The ESU's New York City and New Jersey debate programs are expanding and this year over 1,800 students (10 to 14 years old) and 750 volunteers participated in more than 1,200 ESU debates. The expectation is for an expansion to the Washington DC area next year. Ms. Losos commented that she has tried diligently to engage Branches in this program, and has provided display events at several national gatherings, but there is no eagerness on the part of the Branches to participate. Schools are interested in participating, but coordinating legwork on the part of the Branches is required to set them up.

Andrew Romy New Immigrant Center (ARNIC) Ms. Losos reported that the ARNIC program provides one-on-one conversation practice, English as a second language classes, workshops, and civic and cultural interest programs for recent immigrants to the United States who are in this country for less than two years. Social work interns from Columbia University School of Social Work provide support and counseling to ARNIC members four days a week at ESU Headquarters. The second annual graduation reception will be held on Thursday, May 21, 2015 at the Open Society Foundations offices in New York City. The program is in the third year of a three-year grant underwritten by the Open Society Foundation and Mr. Andrew Romy. The ESU is actively pursuing continuing those grants and has submitted to the Hearst Foundations a proposal for additional funding.

ESU-Folger Teaching Shakespeare Workshops The Rochester, Syracuse and Buffalo Branches jointly hosted a traditional two-day Shakespeare Teacher Intensive workshop on November 10 & 11, 2014 where more than 30 teachers as well as graduate students attended. Responding to feedback from Branches, the upcoming summer workshops have been redesigned as single-day events, rather than two-day events, for efficiency and economy. Ms. Losos expressed disappointment that only three Branches ultimately are scheduled for workshops -- Fort Lauderdale (June) and in New York City and Naples, FL (July). Ms. Losos said that it is incumbent on each Branch in a community hosting the Folger Library First Folio exhibits to hold a concurrent Teaching Shakespeare Workshop, as it was part of our partnership agreement with the Folger. Christopher Hodgkins volunteered to host a Shakespeare Workshop this summer in Greensboro, NC.

ESU National Shakespeare Competition 56 students plus a representative from the ESU Mexico are participating in weekend activities from Sunday, April 26 through Tuesday, April 28. The number of Branches participating in the Shakespeare Competition is down slightly this year, partly due to two Branches closing. The Toledo competition was absorbed by the Cleveland Branch. Branches' posting of current information on their websites is necessary for the Shakespeare Competition to work properly. Local educators use the sites for information, but as the majority of Branches do not update their sites, Headquarters staff had to undertake this

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posting for them with the limited information available to staff. Improvements to the Shakespeare Competition by the Headquarters staff include updating of the online information and registration forms necessary to draw educators to the program.

#### Report of the Deputy Executive Director – Edward Mohylowski

Mr. Mohylowski welcomed the members of the Board to New York and the board meeting. He reported that to date there are 5,651 ESU members, including National Patrons and Board members, about 225 fewer than last year at this time. There were 250 lapsed and due members that had not renewed by February and a special appeal was mailed to those members resulting in 39 renewals as of April 25 with more expected. Ed Mohylowski reported that Board giving is at \$51,900 including \$5,000 each from Dr. E. Quinn Peeper and Laura Phelps. Mr. Mohylowski noted that 100% participation is needed from the Board and 2 Board members had not met their Board giving responsibility to date. This year's ESU fund raising special event, the Founder's Award Dinner, will honor Edwina Sandys MBE and Dr. Paul Beresford-Hill MBE, co-founders of the ESU National Shakespeare Competition, and has generated about \$50,000 in cash and pledges. After expenses, the special event should net about \$27,000. Approximately 65 people are expected to attend on Monday, April 27 at the Empire Hotel immediately following the ESU National Shakespeare Competition. The national patron program has 235 memberships exclusive of Board members, and of that number 124 are new patrons. The National Patron program exclusive of Board giving has raised just about \$100,000 of which roughly 45% will be returned to the Branches according to the wishes of individual donors. There are two trips coming up, the first, *Voyage to Green & Gentle Lands*, is set to sail May 17 to 28, 2015 for England, Wales, Ireland and Scotland. The ESU expects a commission of about \$5,000 by the end of June. The second tour, exclusively for National Patrons, to Ardgowan in Scotland, is scheduled for the next fiscal year on September 3-10, 2015. There was a mailing of the annual report in December with a year-end appeal, and 6,000 copies were mailed to members, friends, supporters, and prospective donors. Over \$3,385 was generated from this mailing. From special segmented appeal mailings to alumni and tutors, the ESU received donations for the Secondary School Exchange program (\$19,730), the Luard Morse Scholarship program (\$14,740), British University Summer School program (\$50) and English in Action program (\$2,730). The ESU is seeking funding again from the individual donor Andrew Romy and the Open Society Foundation for renewed support to continue the ARNIC program after the initial three years. Institutional giving, or gifts from foundations and corporations, includes grants from the Axe Houghton Foundation (\$5,000), the F.M. Kirby Foundation (\$15,000), the Mountbatten Institute (\$10,000), and The Rosenstiel Foundation (\$1,000). An electronic proposal for funding in support of ARNIC in the amount of \$75,000 was submitted to the Hearst Foundation and a site visit is scheduled for May 7. In addition, proposals are pending with the Solon Summerfield Foundation in support of the Shakespeare Competition in the amount of \$10,000 and with the Booth Ferris Foundation (\$100,000 over 2 years), the Henry E. Niles Foundation (\$5,000), and the Richard Donchian Foundation (\$2,500) for middle school debate.

Mr. Broadwell listed on the 2015 spring regional meetings: Region V February 20-21, 2015 in Winter Park, FL; Region VIII May 1-3, 2015 in Portland, OR; Region IV May 15-17, 2015 in Pinehurst, NC; Region VI May 30, 2015 in Madison, IN; Region III June 6, 2015 in Winterthur, DE and noted that the Region II meeting in Atlanta, GA was cancelled. Region I and Region VII

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will not hold regional meetings in spring 2015. Mr. Broadwell reported that he had attended the Region V meeting in Winter Park, Florida on February 21.

Mr. Broadwell had meetings with Ken Hubble to discuss the Central Florida Branch investment account at CG Asset Management LLC and the Memorandum of Understanding (MOU) dated 2011 between the Central Florida Branch and the National Board relative to that. He reported that the MOU calls for a Central Florida Branch person to sit on the national Finance Committee. However, the recently amended national bylaws state that members of the Finance Committee must all be members of the National Board. No person from Central Florida currently serves on the National Board. As a solution, Mr. Broadwell requested that the Board resolve to increase its number to 31 to accommodate a Board member from Central Florida, as called for in the MOU. A motion was made to change the number of board members from 30 to 31, but after brief discussion the motion was tabled and deferred until after further review of the MOU between the Board and the Central Florida Branch.

Mr. Broadwell reported that two Branches, Ft. Worth and Toledo, requested to close and that their final Branch 990 reports have been filed. He reported that Ft. Worth requested that remaining Branch funds be shared with the Dallas Branch. The Toledo Branch would send their remaining funds to the national office upon dissolution, a reversal of normal practice. A motion was made, seconded and passed to close the Ft. Worth and Toledo Branches. Headquarters is waiting to receive the remaining funds and final 990 reports before allowing the Providence Branch to officially close, and Board Member Jan Slee is working to resolve the situation concerning Providence. Irregularities in obtaining the remaining Branch funds from the Baltimore, Maryland Branch continue to delay the closing of that Branch.

#### **Report of the Treasurer – Hollister Sturges**

Hollister Sturges presented the financial statements as of March 31, 2015 as attached. He noted that due to implementation of the new financial reporting system, being primarily and nimbly overseen by Grant Hamel, the accounting firm Owen J. Flanagan was no longer preparing the month to month financial statements which are now prepared in house.

On the Statement of Financial Position as of March 31, 2015, Cash & Equivalents was at \$90,376 compared to \$148,466 a change of (\$58,090). The Endowment at FMV was at \$13,582,037 compared to \$13,304,771 at June 30, 2014, a change of \$277,266. Under Liabilities, the Line of Credit at \$51,107 includes a bank loan drawn from the line of credit at BNY Mellon Bank in the amount of \$50,000 in early March. He commented that another loan from the ESU's line of credit at the bank will be requested in the next few months.

In the Statement of Activities, for the nine months ended March 31, 2015, Membership Dues revenues were at \$154,214 compared to a budget \$120,000. In the prior year-to-date, Membership Dues were at \$161,674. General Contributions were at \$300,088 compared to \$534,375 a variance of (\$234,287) due to four main large contributions that were put into the budget and do not appear in the actual year to date, including \$181,000 in revenue received in December from the Open Society Foundation that was pledged last year, not appearing in this year's actuals. Similarly, \$10,000 in revenue from the Kaplan Fund was booked last fiscal year yet budgeted for this year and a payment from Andrew Romy in the amount of \$41,000 was received in early April. The variance in Education Revenue (\$212,038) was due to budgeting

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\$212,000 for BUSS scholarship revenue which comes in during May and June. On the Expense side, \$212,000 was budgeted for BUSS Scholarship expenses which will be paid once the revenue comes in during May and June. The Management & General expense variance of \$224,980 is due to budgeting for several consultants that has not yet been spent. Mr. Sturges noted that in the budget, expenses were allocated by department and not seasonally adjusted. Operating loss is at (\$100,016) while the Change in Net Assets is at \$95,051.

The alternative view of the Statement of Financial Activities as of March 31, 2015 as attached shows details for contributions and ongoing operational expenses for a total net loss of (\$181,016) including \$81,000 in depreciation.

Mr. Sturges commented on the Schedule of Investment Activities for the nine months ending March 31, 2015 as attached with Board allocated income at (\$446,366) and investment gains net of board allocated income at \$276,067.

Mr. Sturges noted that another board meeting will be scheduled for late June 2015 to consider the 2015-2016 budget. He noted that Grant Hamel, Operations Manager, has been added as a third signer on the ESU account with Hudson Valley Bank with the board's approved.

#### **Report of the Finance Committee – Anne Westbrook, Chair**

Anne Westbrook, the new Finance Committee Chair, reported that the members of the Finance Committee are Laura Phelps, F. David Grissett, William Maschmeier, Donald Best, Paul Beresford-Hill and ex-officio Treasurer Hollister Sturges. She commented that the Finance Committee has been charged to oversee the organizational financial planning; monitor that adequate funds are available for the plan; safeguard the organization's assets; draft organizational fiscal policy; anticipate financial problems; ensure that the Board receives accurate and completed information; help the Board understand the financial statements and general financial situation of the ESUUS; make sure that federal, state and local financial reporting takes place in a timely manner and undertake such projects as may be assigned by the ESUUS Chairman or Board. Ms. Westbrook noted the ESU investment portfolio is managed by CG Asset Management and includes investment objectives and guidelines as approved by the Finance Committee so that there are no risky investments. She noted that CG Asset Management is doing a good job and that investment management fees charged by investment consultant Robert Morse are 70% less than market price. Ms. Westbrook continued that goals critical for this year include getting the new reporting system up and running, creating transparency in financial reporting, automating and streamlining the IRS 990 nonprofit information reporting from the Branches. Ms. Westbrook recommended that a risk management assessment of the Branches be conducted to make sure that the ESU adheres to the requirements of nonprofit 501(c)3 status and obligations, and an independent audit of investment manager CG Asset Management. Ms. Westbrook recommended looking at the use of the credit line, the schedule of repaying the loan and when to utilize the line of credit.

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

Darrell Hill thanked Mark Stollar for stepping in as interim Audit Committee Chairman last fall when he was unable to fulfill his role as Audit Committee Chair. The Audit Committee has not met since the previous committee meeting in October 2014. Mr. Hill presented his timeline for the next meetings of the committee leading up to presentation of the audit report to the national Board for acceptance at its semi-annual meeting on October 10, 2015. The next committee

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meeting is planned for late May or early June to review the 2015 audit plan and fees and to vote on the approval of accountants O'Connor Davies as auditor for the fiscal year 2014-2015 audit.

#### **Report of the Nominating Committee – Polly Cox, Chair**

On behalf of the Nominating Committee, Polly Cox placed into nomination the name of Philip Sjogren, Boston Branch, (bio attached) for election to the National Board as a Director-at-Large to fill a current vacancy. Mr. Broadwell commented that Philip Sjogren expressed eagerness to serve on the National Board and to participate in strategic planning. A motion was made, seconded and approved to elect Philip Sjogren as Director-at-Large to the National Board to fill the current vacancy. Polly Cox also announced that Board members whose terms renew in October will be polled to see if they want to serve again and that terms for Regional Chairmen will be reviewed in preparation for the regional meetings in October.

#### **Report of the Branch Services Committee – Jeffrey Schnabel, Chair**

Jeffrey Schnabel gave a status report to the national Board on his committee which consists of twelve individuals - eleven members of the national board and Christopher Broadwell, Secretary of the Corporation. He commented that the Branch Services Committee charter has a wide range of issues and goals to address and ultimately make recommendations to the Board. These issues include investigating and recommending an alternate branch organizational model that will address and satisfy the legal compliance with IRS requirements and regulations for structuring a multi-unit nonprofit organization; working through regional chairs to assist Branches to improve membership levels; increasing the number of students, teachers and educators who benefit from ESU programs; and to make recommendations to improve communication between all levels: Branches, Regions and National. Mr. Schnabel reported that it is in the best interest of the organization for the Branch/National relationship to be modified or updated to increase liability protection and keep its tax exempt status by forming a modified LLC structure. Alice Irby commented that changes to the national by-laws would have to be approved by the national membership at its annual general meeting. A motion was made to hold a Special Meeting of the National Board to fully discuss the timing and consider the implications of this matter. The motion was seconded and approved.

#### **Report of the Strategic Planning Committee – Hollister Sturges, Chair**

Hollister Sturges reported that the Strategic Planning Committee had tasked Christopher Broadwell with researching strategic planning facilitators, and that he had held initial interviews with nine such consultants. A core group of the Strategic Planning Committee had scheduled interviews on April 15 and April 28 with two prospective strategic planning facilitator prospects out of four finalists: consultants Guy Hermann of The Insights Group and Elizabeth Watson of Heritage Strategies with the goal to receive help or guidance on envisioning the strategic planning process that will work with the organization. Mr. Sturges and the Strategic Planning Committee will report the results of both interviews at a future meeting of the national board.

Adjournment – there being no other business, the meeting was adjourned and Board members went into Executive Session.

Executive Session



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Future Dates:

2015 National Shakespeare Competition, NYC, Monday, April 27, 2015  
2015 Founder's Award Dinner Event, Monday, April 27, 2015  
ESU Cruise "Voyage to Green and Gentle Lands" May 17–28, 2015  
Special Meeting of the National Board of Directors, Headquarters, NYC, TBA June 2015  
ESU Private Tour of Ardgowan with Cindy Chetwode, for national patrons, Sept. 3–10, 2015  
2015 Annual Conference, New York City, Columbus Day Weekend, Oct. 10-12, 2015  
2015 International Council Meeting, London, UK, October 16-18, 2015

Spring Regional Meetings:

Region VIII – May 1-3, 2015, Portland, OR  
Region IV – May 15-17, 2015, Pinehurst, NC  
Region VI – May 30, 2015, Madison, IN  
Region III – June 6, 2015, Winterthur, DE