

**Thursday June 18, 2020**

**Minutes of the English-Speaking Union Meeting of the Board of Directors**

**SPECIAL MEETING OF THE NATIONAL BOARD OF DIRECTORS  
THE ENGLISH-SPEAKING UNION OF THE UNITED STATES  
THURSDAY, JUNE 18, 2020  
Held via Teleconference**

**MINUTES**

Present: Paul Beresford-Hill, Duncan Karcher, Donald Best, Jeffrey Schnabel, Noel Sloan, Donna Miller, Karen Blair-Brand, Julia Hansen, E. Quinn Peeper, David Martinelli, Daryl Mc.Cormick, Julia Van de Water, John Raffaeli, Susan Robin Sinclair, Bettie Miller, William Maschmeier, Jill Richardson, Frederick London, Barbara Hughes, Charles Reaves

Excused: Cheryl Albuquerque, Ralph Wyndrum, Janet Haedicke, Donald Best

Observing (ESU Staff): Karen Karpowich: Secretary of the Corporation and Executive Director, Josh Keppel-Gonzales: Communications and IT Manager

All participants could hear each other at the same time and could participate in all matters before the Board.

Welcome – *Chairman, Ambassador Dr. Paul Beresford-Hill*

Dr. Beresford-Hill welcomed the Board of Directors to the meeting of the English-Speaking Union. The Secretary of the Corporation Karen Karpowich conducted a roll call. The Chairman thanked the staff of the ESU, especially Bill Edelstein for organizing and Josh Keppel-Gonzales for producing successful online events. He also thanked Jill Richardson for her work for the Luard Morse Scholarships and Karen Karpowich for her leadership. He congratulated Dr. E. Quinn Peeper on behalf of the English-Speaking Union for being appointed as a Honorary British Consul for Louisiana.

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President's Comments – *President, Dr. E. Quinn Peeper*

Dr. Peeper reported that the ESU has been effective in using the online platforms for its advantage and moving its programs into online. He reported that the Tea Drive - social media campaign got members familiar with Facebook and Instagram, and reached its \$20,000 goal. Board giving campaign has been successful this year and the development report shows that the organization has done very well considering the pandemic. Bill Edelstein has led development successfully. The annual giving campaign is up from last year. Foundation giving is \$236,000. A decrease from last year is due to a grant from the Hearst Foundation which can be applied next time in 2021-2022. The gala in October is being planned. The establishment of the ARNIC emergency fund and an increase in legacy giving were positive changes. Centennial Campaign's phase-one goal is to gain \$1 million for Shakespeare competition and \$600,000 for the Wrench Speaker Program in an effort to make these programs as self-sufficient as possible. A \$50,000 goal has been set for the refurbishment of the garden lounge which will avoid the need to rent spaces for special events. Centennial Campaign phase-two goal is \$250,000 which is allocated for the programs and generational membership. In total Centennial Campaign has a \$769,000 goal.

Report of the Branch Task Force - *Kate Nitzken*

Kate Nitzken gave a report of the Branch Task Force. The members of the task force were divided into three committees to guarantee the best possible results. The Administrative Committee provided background information and documents to guide the work of the Branch Task Force.

Best Practices - Committee determined best practices for Branches, based on the responses of Branch Presidents and stakeholders. The committee also performed a gap analysis to see what the practices of ESU branches might be missing compared to other similar nonprofits.

The Structure, Evaluation, and Recommendations - Committee determined the best communication structure and evaluation methods to help the branches improve outcomes. The Branch Task force recommendations were:

- Hiring a Branch Liaison/Advocate
- Hiring an accomplished Marketing and Communications Staff Member
- Introducing the Benchmarks Concept to a focus group of Branch Presidents representing all three levels of Branch Health. Get feedback.
- Introduce the Benchmarks Concept to the ESU staff. Get feedback.
- Make adjustments to the plan based on feedback from those focus groups.

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- Create and implement a final best practice plan using the guidelines suggested.
- Develop Evaluation Tools at all levels to help the organization and branches measure the level of engagement by membership.
- The Implementation of Best Practices requires careful cost analysis to determine feasibility.

Additionally:

- Reach out to key volunteers in the ESU system.
- Branch Boards of Directors have skilled people who could be tapped for future programming opportunities becoming resources for other branches.
- All stakeholders need to understand the importance of narrowing the focus and directing the outcomes of the branches to accomplish the best practice goals of the ESU.
- The Task Force has worked hard to create a cohesive Focused Analysis/Strategy Development/Positive Outcome Model that could impact the organization in a very powerful way.

Dr. Paul Beresford-Hill thanked the Task Force for its extensive work. Karen Karpowich reported that the hiring of staff members to support the branches is the first step in implementing the recommendations.

Report of the Nominating Committee - Duncan Karcher

Duncan Karcher reported that the nominating committee will make a recommendation in the October meeting of the Board of Directors on Susan Ferris from the Portland Branch joining the Board. Duncan Karcher added that the committee hoped that the bylaws would give permission to recommend new members for the board more than one time a year. Bylaws committee would need to make a recommendation about the change.

Report of the Finance Committee - John Raffaeli

John Raffaeli reported that the assets of the organization had slightly increased despite the pandemics influence on the financial market. Endowments are being thoughtfully invested by the investment company and Rob Morse. The Finance committee voted to approve the budget and Josh Raffaeli thanked Karen Karpowich and Angela Larson for their work. The finance committee plans to meet often due to the changes in the financial markets and possible changes needed in the budget. Karen Karpowich introduced Angela Larson who presented the budget to the Board.

Angela Larson presented a relatively neutral budget heavily influenced by the last six months. It considers the impact of the pandemic on the markets, ESU assets and the cancellation of programs, especially education programs and the Wrench speakers. Angela Larson underlined the decrease of in-kind donations in the budget. These donations refer to spaces that have been

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used for English-in Action and ARNIC programs. In addition, it shows a decrease in education program expenses because they were canceled or moved to online. Additional costs reported in the budget are the COVID related cleaning and the use of Zoom. Angela Larson reported that the budget forecasts a breakeven year for the organization.

John Raffaeli made a motion to approve the budget. It was seconded and unanimously approved. Robin Sinclair asked if the budget which was voted on was a tentative budget and therefore subject to change. John Raffaeli clarified that if the need rises, changes will be presented for the Board's approval, but without them the budget is binding.

Report of the Audit Committee - Charles Reaves

Charles Reaves reported that the accounting firm gave the audit a qualified opinion. It was caused by material weaknesses including lack of documentation provided by some branches. The audit committee underlined the importance of a clean audit for organizations ability to apply for grants from foundations.

Angela Larson presented an oversight plan to correct the deficiencies. The plan concentrated on supporting the branches with asset management. She reported that a new staff member will concentrate on supporting Branches with finances, simplify forms, communicate with accountants and auditors. Treasurers will be supported by having a Quickbooks -kind of an account which makes information exchange easy and transparent.

Motion was made to approve Angela Larson's plan in cleaning the audit and hiring of an additional person to help with the branch finances. Second recommendation dealt with the audit fees. In the coming year the audit committee recommended to waive the collection of the reimbursement of the audit fees. In addition, the Audit firm's financial statements were proposed for the board's adoption. The motion was made, seconded and unanimously approved. The Audit committee plans to meet regularly in order to get the audit in order.

The committee then suggested that the work with the audit firm would be continued next year. The total audit costs presented were \$70,000. From which \$41,000 would be going towards the branch audits. The costs were considered reasonable. The engagement letter was presented to be voted on. Motion was made, seconded and approved.

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Comments of the Chairman and The Executive Director - *Ambassador Dr. Paul Beresford-Hill & Karen Karpowich*

Dr. Beresford-Hill agreed with the audit committee. In order to gain a strong financial team that can support the branches, an assistant position for the controller needs to be established.

Karen Karpowich commented that the hiring of a controller has a very positive impact on the organization. The priority of the organization is to offer best possible support to the branches and take the budget into account in this process.

Dr. Beresford-Hill proposed a motion that the board should consider the appointment of a finance administrator so that the executive director could start the process. Proposal was made by a board member and seconded.

Susan Rodin Sinclair asked if the personnel committee would be involved in the process. John Raffaeli clarified that the committee is a policy-oriented entity and it has responsibilities regarding for example the employee handbook and reviewing the employee policies. The hiring of individuals is the responsibility of the Executive Director.

The Chairman called for a vote and the proposal was unanimously approved.

Charles Reaves added that a new revenue regulation procedure for non-profits was supposed to go into effect this year. Due to the pandemic the revenue regulation rule is postponed until next year.

Report of the Executive Director - *Karen Karpowich*

Karen Karpowich reported that the new logo and design elements have been placed on the website. She reported that ESU received a temporary CVO and the full CVO is expected to be received in July. The refurbishment of the first floor will be the next goal in the building.

Report of the Chairman - *Chairman, Ambassador Dr. Paul Beresford-Hill*

Dr. Paul Beresford-Hill thanked Angela Larsson and Helena Fontaine for their work. He suggested that a centennial update should be provided for the board monthly. He also reported that he is working with Jane Easton and Professor Raven of the ESU Commonwealth on the Agenda of the International Council Meeting.

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Dr. Karen Blair-Brand thanked Karen Karpowich for considering the Branch Task Force recommendations. She added that hiring someone for a marketing and social media position would be beneficial for the organization. Robin Sinclair agreed with Dr. Karen Blair-Brand.

Dr. Paul Beresford-Hill stated that considering the resources being available the Executive Director is working on a new organizational structure in which the marketing is taken into consideration.

The meeting was adjourned.