



Minutes of the 2018-2019 Board of Directors Teleconference December 19, 2018

The 2018-2019 Toastmasters International Board of Directors convened on December 19, 2018, with International President Lark Doley, DTM, presiding. The other officers and directors present were: Deepak Menon, DTM; Richard Peck, DTM; Margaret Page, DTM; Balraj Arunasalam, DTM; Don Bittick, DTM; Reginald Darnell Ford, DTM; Joan Lewis, DTM; Anthony Longley, DTM; Larry J. Marik, DTM; Morag Mathieson, DTM; Mary Morrison, DTM; Carol Prahinski, DTM; Daniel Rex, Radhi Spear, DTM; David Templeman, DTM; Tracy Thomason, DTM; Tuire Vuolasvirta, DTM; Derek Wong, DTM and Susan Zhou, DTM. Chief Financial Officer John Bond, Chief Information and Digital Officer Sam Farajian. Chief Member Engagement and Support Officer Darci Maenpa and Secretary/Treasurer Jennifer Barr were also present. No Board members were absent.

BOARD OF DIRECTORS

1. The following minutes were previously accepted:
 - a. May 23, 2018 Board of Directors Teleconference
 - b. June 20, 2018 Board of Directors Teleconference
 - c. June 28, 2018 Executive Committee Teleconference
 - d. July 2, 2018 Executive Committee Electronic Vote
 - e. July 18, 2018 Board of Directors Electronic Vote
 - f. July 25, 2018 Board of Directors Teleconference
 - g. August 19-21, 2018 Board of Directors Meeting
 - h. August 26-27, 2018 Board of Directors Meeting
 - i. September 12, 2018 Board of Directors Teleconference
 - j. September 26, 2018 Board of Directors Teleconference
 - k. October 24, 2018 Board of Directors Teleconference
 - l. October 30, 2018 Board of Directors Teleconference
2. The Board reviewed and unanimously voted to accept the agenda as presented.

EXECUTIVE COMMITTEE

The 2018-2019 Executive Committee convened November 9-12, 2018, with International President Lark Doley, DTM, presiding. The other officers present were: International President-Elect Deepak Menon, DTM; First Vice President Richard Peck, DTM; Second Vice President Margaret Page, DTM; Chief Executive Officer Daniel Rex, and Immediate Past International President Balraj Arunasalam, DTM. Secretary/Treasurer Jennifer Barr was also present. No Committee members were absent.

STRATEGIC PLANNING COMMITTEE

1. The Strategic Planning Committee, led by Immediate Past International President Balraj Arunasalam, DTM, began its discussions with the development of the 2020 Strategic Plan and reviewed the proposed timeline. The Committee discussed the objectives in the 2015 Strategic Plan, Club Excellence, Member Achievement, and Awareness, Engagement and Participation, as well as the organization's core values, envisioned future and mission.



Discussions on development of the 2020 Strategic Plan will continue at a future Board meeting.

EXECUTIVE COMMITTEE

1. The Committee reviewed the proposed 2019 Toastmasters International budget. The information presented in support of the budget summarized ongoing operations, work in progress, project summaries and timelines, and department service overviews. The Committee recommends that the Board approve the 2019 Toastmasters International budget. The Committee is scheduled to present the 2019 budget to the Board in December 2018. The Committee also discussed Toastmasters dues and fees and determined at this time to not make any changes.
2. The Committee presented educational sessions, focusing on the organization's mission and Strategic Plan, for members and leaders in and around Prague, Czech Republic. In addition, the Committee held a question and answer session and shared their leadership journeys and experiences to provide those present with encouragement to continue their leadership journey.

STRATEGIC PLANNING COMMITTEE

2. The Executive Committee reconvened as the Strategic Planning Committee to continue the following discussions:
 - a. Board Composition/Structure: The Committee discussed the organizational challenge, as expressed by the 2017-2018 International Leadership Committee, with finding two fully qualified candidates from each region to be nominated to serve on the Board of Directors. The Committee also discussed the role of the Board and reviewed their responsibilities in and out of the boardroom. The Committee agreed to continue discussion on this subject during a future meeting.
 - b. 2015 Strategic Plan: The Committee reviewed the plan and evaluated its usefulness. The Committee noted the lack of metrics in the plan, making it difficult to evaluate its success. The Committee discussed possible measurement categories for future strategic plans. The Committee agreed the Board should set annual goals based on consistent measurement categories to be determined at a future meeting.

EXECUTIVE COMMITTEE

3. Chief Executive Officer Daniel Rex provided an update on the status of the organization. The organization is experiencing slow membership growth; however, new members are continuing to increase. The Committee will continue to monitor this progression and determine what corrective measures should be implemented.
4. In accordance with the California Nonprofit Integrity Act of 2004, the Committee reviewed a compensation analysis for Toastmasters International's Chief Financial Officer. After review, the Committee determined that the Chief Financial Officer's salary is just and reasonable.



5. The Committee reviewed and discussed proposed amendments to the Speech Contest Rulebook. These amendments further clarify eligibility requirements, types of speeches and topics for speeches. Subsequent to discussion and review, the Committee requested that World Headquarters present additional amendments at a future meeting.
6. The Committee reviewed the agenda for the upcoming 2019 Mid-year Training. The Committee requested a few changes to the agenda to allow more time for team-oriented discussion and collaboration among district leaders. The Committee also reviewed the responsibilities of region advisors, international directors and officers at Mid-year Training. The Committee agreed with the responsibilities as presented.
7. The Committee discussed a draft series of potential additional Toastmasters programs, other than the Toastmasters club program and other existing sub-programs, that could potentially fill known and anticipated marketing opportunities. Below are the potential future programs categories:
 - a. Incarcerated Groups
 - b. College/University Groups
 - c. Youth Groups

The Committee directed that additional planning take place for the potential college and university and youth group programs. Discussions will continue at a future meeting.

8. The Committee discussed proposed changes to the organization's club officer training program and materials and reviewed proposed amendments to policy. The Committee made additional suggestions and directed World Headquarters to further develop the program and materials, and propose policy changes based on the discussions. World Headquarters will also obtain comments from the district leaders at Mid-year Training to be shared with the Committee during a future meeting.
9. In August, the Committee discussed creating a more formal process to use when evaluating potential legal registration in any country. The process would provide the Committee a more complete understanding when discussing the possibility of creating a legal entity and assist in prioritizing the countries in which to seek a legal registration. Protocol 2.2: Toastmasters International Legal Entities (attached) was adopted by the Committee. This protocol specifies what information must be submitted when individuals request to establish a legal entity.
10. The Committee had an open discussion to allow each member to share thoughts and ideas about the future and any concerns not addressed through the meeting agenda. The following items were specifically identified:
 - a. Establishing an annual schedule for goal setting, planning and prioritizing projects
 - b. Evaluating and prioritizing untapped market potential in certain locations
 - c. Defining excellence at all levels



- d. Enhancing the relevancy of Toastmasters speech contests in a changing environment

The Committee agreed to continue its discussion on these topics in a future meeting.

On a December 4, 2018 teleconference, the Board discussed and voted to adopt the Executive Committee's recommendation to approve the 2019 Toastmaster International budget (Item 1).

BOARD OF DIRECTORS

3. RESTRICTED

- 4. The Board acknowledges the decline in membership growth and organizational performance; therefore, they discussed possible ways to help clubs and districts achieve success and possibly boost the membership growth. Below are the results of this discussion:

- a. Give successful club coach credit and leadership service credit. Specifically, this would provide an additional benefit of district leader service credit for achievements on June 30, 2019 and June 30, 2020. This would assist clubs in obtaining distinguished status and bring more awareness to individuals about the organization's benefits. The Board adopted this change, effective immediately, to the program and agreed to re-evaluate the program in March 2020.
- b. Modify the requirements for the District Recognition Program as follows:

	Net Membership Payments Growth	Net Club Growth	Club Base Distinguished
Distinguished	1.5 percent	1.5 percent	40 percent
Select	3 percent	3 percent	45 percent
President's	5 percent	5 percent	50 percent
Smedley	8 percent	8 percent	55 percent

The Board adopted this change, effective immediately, to the District Recognition Program for the 2018-2019 and 2019-2020 program years. First Vice President Peck abstained from the vote.

As no other business was conducted, the teleconference was adjourned.



Pursuant to Policy 11.3, items contained in the minutes of this meeting were classified as "unrestricted" upon distribution of the minutes by World Headquarters, not to include any matters marked "restricted."

A handwritten signature in black ink, appearing to read "Jennifer Barr", is centered on a light gray rectangular background.

Jennifer Barr
Secretary/Treasurer

Distribution: Board of Directors
Nonprofit General Counsel
Chief Executive Officer
Past International Presidents
Past International Directors

Protocol 2.2

Toastmasters International Legal Entities

1. The Board of Directors is the only body authorized to establish Toastmasters International legal entities as defined in the Bylaws of Toastmasters International, Article XII, Section 3e.
2. The Board of Directors at its own initiative may establish a legal entity in any country.
3. When considering the establishment of a Toastmasters International legal entity in a country, the Board of Directors evaluates the following items and any other facts it considers to be relevant:
 - A. The best interests of the clubs and district(s).
 - B. The number of clubs within the country, with 35 being the minimum for consideration.
 - C. The potential to establish 150 or more clubs in the country over time.
 - D. A clear legal requirement that Toastmasters International establish a legal entity to support district functions.
4. Any district with 35 or more clubs in a country may, after approval by a majority of the District Executive Committee, submit a letter of inquiry to the Chief Executive Officer for review with the Executive Committee. The Executive Committee provides its recommendation to the Board.
5. To be considered, the letter of inquiry must include:
 - A. The specific laws and regulations that are prompting this request.
 - I. Any forms or applications required to establish an entity.
 - II. Fees to register and when will they be due. Provide all fees; even potential fees must be disclosed. (Application fees, yearly costs, etc.)
 - III. The specific tax implications for the organization.
 - IV. Details on specific auditing that would be required and if a local firm needs to be retained.
 - B. Reasons why the establishment of a legal entity is in the best interests of the clubs, district(s) and Toastmasters International.
 - C. An analysis of each district(s) that will be directly impacted, which shall include:
 - I. Number of clubs, club strength, growth trends, growth potential, population, education, languages spoken, and geographic influences
 - II. Marketing plan projecting growth and identifying key market opportunities

III. Financial projections demonstrating the anticipated income and expense

D. Summary of the strategy for the proposed process, including all benefits of establishing an entity and any drawbacks and challenges that could be faced.

- 6. Additional information may be requested by the Board as deemed necessary.**
- 7. Establishment of a legal entity comes at significant cost to the organization. The Board of Directors shall use the district(s) reserve accounts to recoup these costs.**
- 8. The Board of Directors will review the proposal. If approved, World Headquarters will handle all entity creation activities. Interested parties will be notified at the completion of the process.**