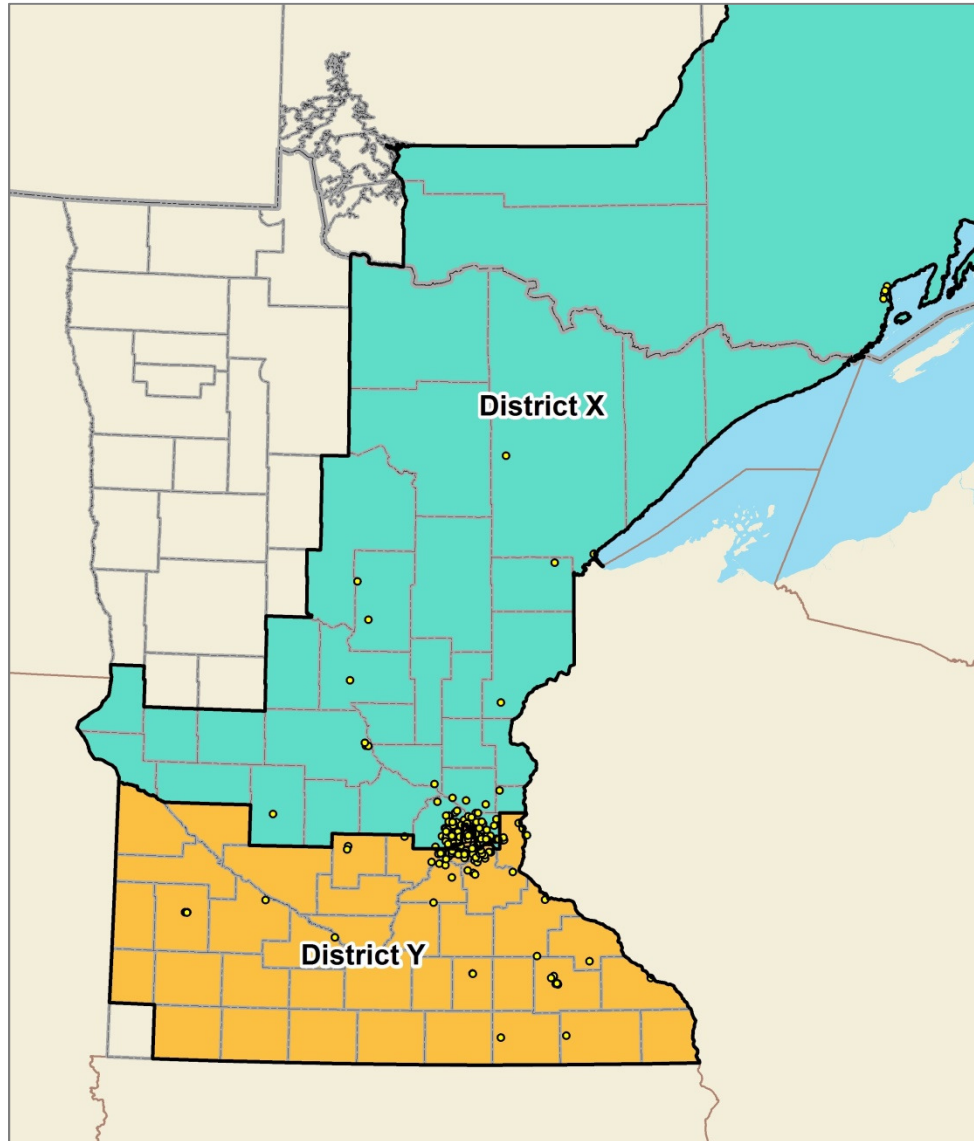


District 6

Serves Parts of Minnesota and West Central Ontario

Proposal for Reformation



Submitted to:

Toastmasters International

May 2, 2016

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i. Reform Committee Members

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Diane Windingland, DTM, Program Quality Director
Harold Osmundson, DTM, Club Growth Director
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I. Introduction

Over the past 78 years, District 6 has consistently built Toastmaster Clubs in companies and communities throughout Minnesota and West Central Ontario. Throughout the years we have experienced cyclical membership growth and decline. In the past five years, Toastmasters International Officers and Past-Officers visiting District 6 have repeatedly advised the need to split as a means to better serve the member.

This proposal is the culmination of consultation, communication and careful analysis about the merits and need for District 6 to become two autonomous Districts.

A. Executive Summary

District 6's Realignment committee of 2013-2014 strategic plan was to prepare the district for reform. The committee presented a proposal which re-drew division and areas based on county and municipal boundaries. The proposal was ratified at the convention business meeting in May 2014. As an outcome of the business meeting, the formation of Reform Committee was approved. Investigation and interviews conducted by the Reform committee revealed two major causes to reform; time commitment expectations of district executive leaders and distance challenges are a hindrance in attracting members to district executive leadership roles. Benefits expected from the proposed reform are: reduced workload for district executive leadership team, reduced travel and travel costs and most importantly greater attention to quality and support of fewer clubs and members by each leadership team. Proposed reform attempts to evenly split the District into District X (106 north) and District Y (6 south), each containing five divisions and average of 30 areas. No additional boundary changes are required due to the prior approved realignment. Thorough financial analysis has been completed to ensure sustainability of both districts. District 6 is fortunate to have 28 Past District Governors and current Trio members who are actively engaged in the District. They will continue to provide mentoring and support of future leaders. Approximately 10 of these leaders are members in clubs in both District X (106 north) and District Y (6 south). The Reform Committee presented this proposal for ratification by the District Council, on April 30, 2016. Proposal was ratified with a 94% approval. District 6 Leadership submitted request, to Toastmasters International, to present proposal to the Board of Directors during their August 2016 meeting. We anticipate both districts will begin operating independently on July 1, 2018.

B. Purpose of this Document

This document is respectfully submitted for review by the Board of Directors of Toastmasters International with the request for approval of reformation. This proposed reformation shows the benefits of reforming District 6 into two districts: the new District (106) and District (6).

C. Organization of this Document

This document is organized into the following sections:

- **Request for Approval of Reformation:** contains information on the district motions approved for reformation, the challenges facing the District and the assessed benefits of reformation.
- **Overview of the Reformation Process:** contains information on the Reformation Committee structure, timelines, and consultation and communication activities undertaken for the review.
- **Analysis of the Proposed Reformation:** contains information on District demographics, club, membership, financial and leadership analysis.
- **Implementation Strategies:** identifies the various activities identified for implementation of the newly formed districts.

II. Overview of the Reform Process

This section gives an overview of the process undertaken to develop the reformation proposal, which subsequently led to its approval by the District Executive Committee and the District Council.

A. Reformation Committee Structure

The Reformation Committee was established fall of 2015. Weekly committee meetings were conducted via webinar and conference calls. All documents were stored in a shared Drop Box.

B. Reformation Timeline

The following is a proposed timeline of events shared with the District Council during District 6 Fall Conference in 2015. Culmination of events leads up to the submission of this reformation proposal to the Board of Directors to obtain their approval to reform into two Districts.

Table 1: Reformation Timelines

Timeline	3 Year Process Event	Status
2015		
May	D6 District Council approves formation of Reform Committee at Spring Convention Business Meeting	Complete
August	Toastmasters International Convention	Complete
October	DEC approves Reform Committee	Complete 10/10
	D6 Fall Conference Reform Progress Communicated	Complete 10/17
	D6 communication to TI Executive Director	Complete 10/23
December	Reform Business Case	Complete
2016		
January	TI President scheduled status update with District Director	Complete
February	TI Board of Directors Meeting – D6 Reform plan (informally) presented	Complete
April	D6 Spring Convention Business Meeting – vote on Reform Plan	Ratified 4/30
July	D6 Communication to TI Executive Director	
August	TI Board of Directors Meeting – Decision on D6 Reform plan	
2017		
April / May	D6 Spring Convention Election of Super Trio 1 District Director, 2 Program Quality and 2 Club Growth Directors	
July	TI Communicates number of new District	
2018		
July 1	District X (106) begins serving their members District 6 continues serving their members	

C. Communication and Consultation Activities

Early in the process, the Reformation Committee recognized need to communicate updates to our members via numerous resources.

Key communication methods employed to date included:

- Conference calls
- Division TLI updates by member(s) of the Committee
- Monthly District newsletter
- Updates to Reform page on D6tm.org
- Information sharing a Division Speech Contests
- Information session(s) and displays at DEC meetings and District Conferences
- Town Hall session at Spring Convention
- Other as needed

III. Request for Reformation Approval

A. Rationale for District Reformation

As identified in the Introduction, District 6 has experienced 78 years of growth and cyclical membership growth and decline. The leadership at the request of Toastmasters International has undertaken a review to assess the need for reformation. The District 6 Reformation Committee in consultation with District leaders and member's final decision was ratified by the District Council on April 30, 2016. We formally request District X to be given number 106, if possible. This would mark 100 Districts that have formed since District 6 was chartered.

Challenges Facing the District - Defining elephant in the Room

Elephant in the room" or "**Elephant in the living room**" is an English metaphorical idiom for an obvious truth that is either being ignored or going unaddressed. The idiomatic expression also applies to an obvious problem or risk no one wants to discuss. It is based on the idea that an elephant in a room would be impossible to overlook.

https://en.wikipedia.org/wiki/Elephant_in_the_room

Below, we define some of the key challenges, "***Elephant in the room***", facing District 6.

District 6 has repeatedly been advised by Toastmasters International Officers, past and present, to consider reformation due to our size and difficulty serving our members. A survey conducted by the Reformation Committee of our membership revealed primary challenge is '*time commitment required for volunteer activities*', which causes members difficulty juggling volunteer, work and life balance. Survey results confirmed our Nominating Committees challenge of fewer individuals stepping forward into District Leader roles due to excessive time commitment required from Trio Leaders. Overall, we are part of a district that continues to experience low to no growth in two out of three Key Performance Indicators (Club Growth and Membership/Membership Payments). Listed below are the major "***Elephant in the room***" *components / items of concerns for the district*.

Cause:

- Time commitment expectation on District Executive Leaders
- Distance challenges are a hindrance to attract members to District Executive Leadership roles

Affect:

- Membership strength – flat
- Anemic Club Growth
- General membership disengaged from District Leadership
- Low participation rates by district members
 - TLIs

- Conventions (2 – 3% attendance)
- Division Speech Contests – Major attendance by club officers
- Change management

B. Geographical Size

District 6 covers 434,982 square miles / 1,126,598 sq. km in Minnesota and West Central Ontario.

The longest, most direct, driving distance between clubs is 469 miles / 755 km.

C. Growth

As indicated in District 6 Performance Report Trends report below, four year average membership growth is 1.2%; the average number of clubs suspended is 12; the number of new clubs built is 13. The District continually promotes membership growth by building public awareness using billboards and other media. Club losses are attributed to the District's economic environment which negatively impacts corporate clubs.

Pressure on District leaders to build 10-15 clubs each year causes significant pressure and burnout.

Table 2: District 6 Performance Trends, 2009 – 2016.

District 6 Performance Report Trends					
Member Payments (% of Minimum Goal)				Members	PerCent
	Year	Total	Goal	Per Club	Growth
	2015-16		11314		
	2014-15	10943	11455	18.7	-1.1%
	2013-14	11067	11283	19.0	1.4%
	2012-13	10911	10891	18.7	3.2%
	2011-12	10573	10915	18.7	-0.8%
	2010-11	10659	10947	18.8	-0.4%
	2009-10	10698	11119	18.9	
	4 Yr Ave			18.8	1.2%
	Ave.			18.8	0.5%

Table 3: Performance Trends, District 6, 2009 – 2016.

Number of Paid Clubs		Distinguished		
	Year	Goal	Suspended	Chartered
	2015-16	296	6 (to-date)	4 (to-date)
	2014-15	299	14	14
	2013-14	299	8	10
	2012-13	289	9	17
	2011-12	287	14	14
	2010-11	286	14	14
	2009-10	291	11	9
	Ave.	292	12	13

D. Expected Benefits of Reformation

Given our challenges, the Reformation Committee and District Leaders have identified benefits resulting from Reformation of District 6.

- Greater service to our members
- More opportunities for members to hold elected and appointed District Leadership roles
- Reduced workload for District Executive team
- Reduced travel and travel costs due to smaller geographical size
- Greater attention to quality and support of fewer clubs and members
- Improved member participation at District events
- Expanding Toastmaster experience to more clubs post reformation

Reformation Committee researched nine newly reformed districts from 2012 – 2015 to determine their achievement results. Data below compiled from 2012-2013 Toastmaster year.

- 1.45% increase in Club growth rate
- 8.24% increase in clubs attaining Distinguished or better
- On average improvement occurred post-reformation. District 6 anticipates similar results.

Comments from District Leaders supporting the above points and reinforce the need for reformation:

Anecdotal information from 2015-2016 Program Quality Director; as Round 1 Club visits reports were filed, she read, studied and responded to each. Approximately 260 out of 287 were submitted. At an average of 5 minutes per report, her time investment was 22 hours. 77 of the reports came in the last three days before the deadline. The PQD read studied and responded to all of them, within 24 hours of receipt, (including looking up the 10+ year DCP History and in some cases the membership lists and websites as well as other resources). Having to deal with so many club visit reports in a quality way is extremely time-consuming.

E. District Motions Approved

E.1 Motions Approved by District Executive Committee

E.2 Motions Approved by District Council

The Reformation Committee recommends that District 6 reform into two Districts. That the boundaries of the new Districts be as follows:

In proposed District X:

In the province of Ontario, that part bounded by the State of Minnesota, from Fort Frances east to Lake Superior, along Lake Superior easterly past Marathon to Highway 614, North on Highway 614 to Highway 625. At the junction of Highway 625 and Highway 11, the boundary shall continue in a northeasterly direction to Cape Henrietta Maria and in the west by Highway 71 to Sioux narrows, then east to the junction of Highway 17 and Highway 599, then following Highway 599 in a northeasterly direction to Fort Severn; also, Minnesota counties of Aitkin, Benton, Big Stone, Carlton, Cass, Cook, Crow Wing, Itasca, Kandiyohi, Koochiching, Lake, Meeker, Mille Lacs, Morrison, Pope, Sherburne, St. Louis, Stearns, Stevens, Swift, Todd, Traverse, Wright, Anoka, Chisago, Isanti, Kanabec, Pine, and Ramsey; also, that part of Washington County north of a line extending eastward from the northern most boundary of Ramsey County including the municipalities of Forest Lake, Hugo, and Marine on Saint Croix; also, the municipalities of Brooklyn Center, Brooklyn Park, Champlin, Crystal, Corcoran, Dayton, Deephaven, Excelsior, Golden Valley, Greenfield, Greenwood, Hanover, Hopkins, Independence, Long Lake, Loretto, Maple Grove, Maple Plain, Medicine Lake, Medina, Minnetonka, Minnetonka Beach, Minnetrista, Mound, New Hope, Orono, Osseo, Plymouth, Rockford, Robbinsdale, Rogers, Saint Anthony, Saint Bonifacius, Saint Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, Woodland; also, that part of Eden Prairie within the Opus Campus which is north of Highway 62 and west of Highway 169.

In proposed District Y:

In Minnesota the counties of Blue Earth, Brown, Carver, Chippewa, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, McLeod, Mower, Murray, Nicollet, Nobles, Olmsted, Pipestone, Redwood, Renville, Rice, Scott, Sibley, Steele, Wabasha, Waseca, Watonwan, Winona, and Yellow Medicine; also, that part of Washington County south of a line extending eastward from the northern most boundary of Ramsey County including the municipalities of Afton, Bayport, Birchwood Village, Cottage Grove, Dellwood, Grant, Hastings, Lake Elmo, Lake Saint Croix Beach, Lakeland, Lakeland Shores, Landfall, Mahtomedi, Newport, Oak Park Heights, Oakdale, Pine Springs, Saint Marys Point, Saint Paul Park, Stillwater, Willernie, and Woodbury; also, that part of Hennepin County comprising of the MSP airport and Fort Snelling; also, the municipalities of Minneapolis, Bloomington, Edina, and Richfield; also, the municipality of Eden Prairie except that part within the Opus Campus which is north of Highway 62 and west of Highway 169.

Results: District Council approved on April 30, 2016

IV. Analysis of Proposed Reformation

A. Rational for the Proposed Boundaries

Toastmasters International Protocol 7.0 District Structure states reformed districts will have no fewer than 100 clubs each. Of which sixty clubs in good standing must average 20 members per club for development of a sound district administration. Protocol 7.4 states the district with the oldest surviving club within its boundaries will retain the original district number. The other district will receive the next sequential number available. The number will be communicated to the district leaders no later than July 1 of the year prior to reformation.

District X:

In the province of Ontario, that part bounded by the State of Minnesota, from Fort Frances east to Lake Superior, along Lake Superior easterly past Marathon to Highway 614, North on Highway 614 to Highway 625. At the junction of Highway 625 and Highway 11, the boundary shall continue in a northeasterly direction to Cape Henrietta Maria and in the west by Highway 71 to Sioux narrows, then east to the junction of Highway 17 and Highway 599, then following Highway 599 in a northeasterly direction to Fort Severn; also, Minnesota counties of Aitkin, Benton, Big Stone, Carlton, Cass, Cook, Crow Wing, Itasca, Kandiyohi, Koochiching, Lake, Meeker, Mille Lacs, Morrison, Pope, Sherburne, St. Louis, Stearns, Stevens, Swift, Todd, Traverse, Wright, Anoka, Chisago, Isanti, Kanabec, Pine, and Ramsey; also, that part of Washington County north of a line extending eastward from the northern most boundary of Ramsey County including the municipalities of Forest Lake, Hugo, and Marine on Saint Croix; also, the municipalities of Brooklyn Center, Brooklyn Park, Champlin, Crystal, Corcoran, Dayton, Deephaven, Excelsior, Golden Valley, Greenfield, Greenwood, Hanover, Hopkins, Independence, Long Lake, Loretto, Maple Grove, Maple Plain, Medicine Lake, Medina, Minnetonka, Minnetonka Beach, Minnetrista, Mound, New Hope, Orono, Osseo, Plymouth, Rockford, Robbinsdale, Rogers, Saint Anthony, Saint Bonifacius, Saint Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, Woodland; also, that part of Eden Prairie within the Opus Campus which is north of Highway 62 and west of Highway 169.

District Y:

In Minnesota the counties of Blue Earth, Brown, Carver, Chippewa, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, McLeod, Mower, Murray, Nicollet, Nobles, Olmsted, Pipestone, Redwood, Renville, Rice, Scott, Sibley, Steele, Wabasha, Waseca, Watonwan, Winona, and Yellow Medicine; also, that part of Washington County south of a line extending eastward from the northern most boundary of Ramsey County including the municipalities of Afton, Bayport, Birchwood Village, Cottage Grove, Dellwood, Grant, Hastings, Lake Elmo, Lake Saint Croix Beach, Lakeland, Lakeland Shores, Landfall, Mahtomedi, Newport, Oak Park Heights, Oakdale, Pine Springs, Saint Marys Point, Saint Paul Park, Stillwater, Willernie, and Woodbury; also, that part of Hennepin County comprising of the MSP airport and Fort Snelling; also, the municipalities of Minneapolis, Bloomington, Edina, and Richfield; also, the municipality of Eden Prairie except that part within the Opus Campus which is north of Highway 62 and west of Highway 169.

Table 4: Proposed Districts, post reformation

District	# Clubs	# Areas	# Divisions	Members	Population
Proposed X	142	29	5	2,463	2,517,000
Proposed Y	152	32	5	2,800	2,524,000
Base Total	287	61	10	5,263	5,041,000

Oldest club is: Minneapolis Club #75, chartered 2/1/1937, resides in proposed district Y

Table 5: Proposed Divisions and Area Counts, post reformation

District 6 Toastmasters			
Proposed Reformation			
#	District	Division	Areas
1	X	A	3
2	X	B	7
3	X	C	7
4	X	G	6
5	X	I	6
	Sub total	5	29
1	Y	D	7
2	Y	E	6
3	Y	F	5
4	Y	H	7
5	Y	J	7
	Sub total	5	32
	Total	10	61

Table 6: Divisional boundaries

District X Division Boundaries	
Division A	Consists of: the counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis; also that part of Ontario Canada within the boundaries of District 6
Division B	Consists of: the counties of Benton, Big Stone, Cass, Crow Wing, Kandiyohi, Meeker, Mille Lacs, Morrison, Pope, Sherburne, Stearns, Stevens, Swift, Todd, Traverse, and Wright; also, the municipalities of Brooklyn Center, Brooklyn Park, Champlin, Corcoran, Dayton, Greenfield, Hanover, Independence, Loretto, Maple Grove, Maple Plain, Medicine Lake, Medina, Osseo, Plymouth, Rockford, and Rogers
Division C	Consists of: the counties of Anoka, Chisago, Isanti, Kanabec, and Pine; also, that part of Ramsey County outside the city limits of the municipality of St Paul; also, that part of Washington County north of a line extending eastward from the northern most boundary of Ramsey County including the municipalities of Forest Lake, Hugo, and Marine on Saint Croix
Division G	Consists of: the municipalities of Crystal, Deephaven, Excelsior, Golden Valley, Greenwood, Hopkins, Long Lake, Minnetonka, Minnetonka Beach, Minnetrista, Mound, New Hope, Orono, Robbinsdale, Saint Bonifacius, Saint Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, and Woodland; also, that part of Eden Prairie within the Opus Campus which is north of Highway 62 and west of Highway 169
Division I	Consists of: the municipality of St Paul and that part of the municipality of Maplewood lying south of the street Larpenteur Ave E

District Y Division Boundaries	
Division D	Consists of: the counties of Blue Earth, Brown, Carver, Chippewa, Cottonwood, Faribault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, McLeod, Murray, Nicollet, Nobles, Pipestone, Redwood, Renville, Sibley, Waseca, Watonwan, and Yellow Medicine; also, the municipalities of Chanhassen, Eden Prairie, and New Prague; also, the municipality of Eden Prairie except that part within the Opus Campus which is north of Highway 62 and west of Highway 169
Division E	Consists of: the counties of Dakota, and Rice; also, that part of Scott County outside the city limits of the municipality of New Prague; also, that part of Washington County south of a line extending eastward from the northern most boundary of Ramsey County including the municipalities of Afton, Bayport, Birchwood Village, Cottage Grove, Dellwood, Grant, Hastings, Lake Elmo, Lake Saint Croix Beach, Lakeland, Lakeland Shores, Landfall, Mahtomedi, Newport, Oak Park Heights, Oakdale, Pine Springs, Saint Marys Point, Saint Paul Park, Stillwater, Willernie, and Woodbury
Division F	Consists of: the counties of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Steele, Wabasha, and Winona
Division H	Consists of: the municipality of Minneapolis
Division J	Consists of: the municipalities of Bloomington, Edina, and Richfield; also, that part of Hennepin County comprising of the MSP airport and Fort Snelling

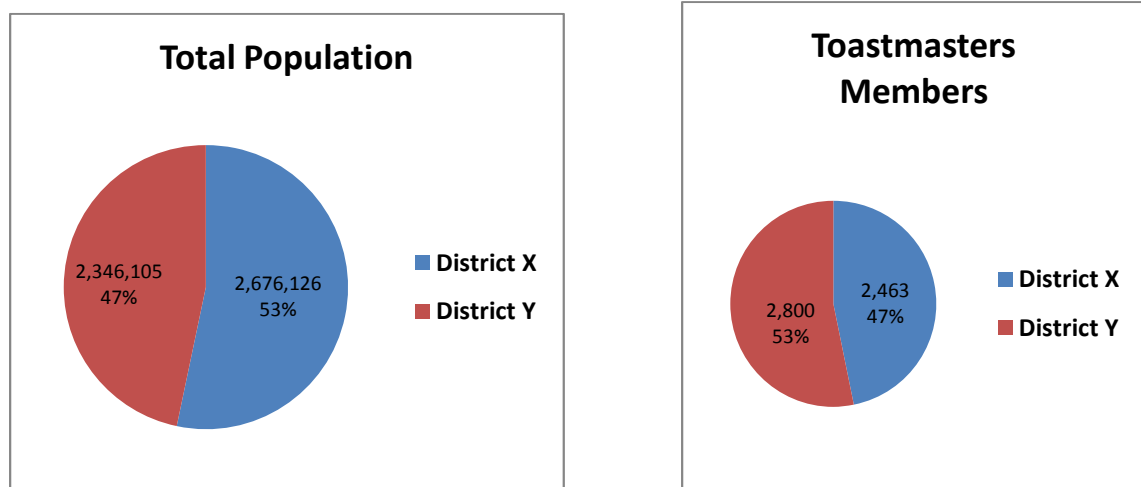
B. District Demographics

District 6 spans over most of Minnesota and West Central Ontario. Whereas the geographic portion in Ontario is significant, there are currently only 5 clubs from Ontario in District 6, all 5 located in Thunder Bay. Low population density and isolation has been a major factor for why there are not more clubs in this portion of Ontario. Due to this lesser significance to the district and the limited ability to pull data for this exact portion of Ontario, most of the following demographic information is focused on the Minnesota portion only.

B.1 Population

The total population of the proposed districts is quite similar with District X at 2,567,767 (Minnesota Only) and District Y at 2,346,105 (U.S. Census, 2010). District X also includes Thunder Bay, the most populous municipality in Northwestern Ontario, with a population of 108,359 (Canada Census, 2011). This number has been included in Figure 1a.

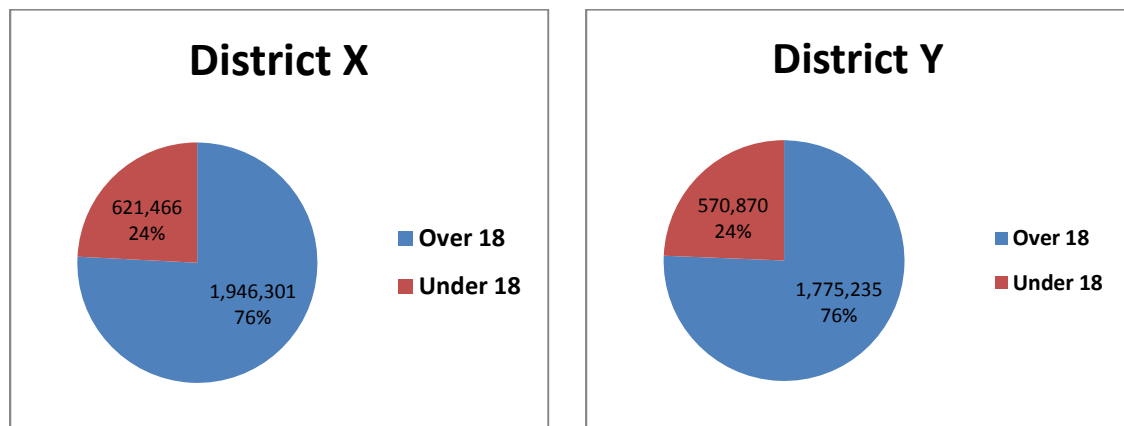
In comparing members in Toastmasters, District X has fewer members but is more populous; District Y has more members but is less populous. We think this balances the two proposed districts (**Figure 1a and Figure 1b**).



Figures 1a & 1b: Estimated population and membership balances of the proposed districts.

B.2 Age

The age of the general population is the same between the two proposed districts (Figure 2a and Figure 2b, U.S. Census, 2010)



Figures 2a & 2b: Estimated age distribution of the proposed districts.

B.3 Ethnicity

The ethnic makeup of the proposed districts is very similar. Figure 3a and Figure 3b show the ethnic makeup of the proposed districts (U.S. Census, 2010).

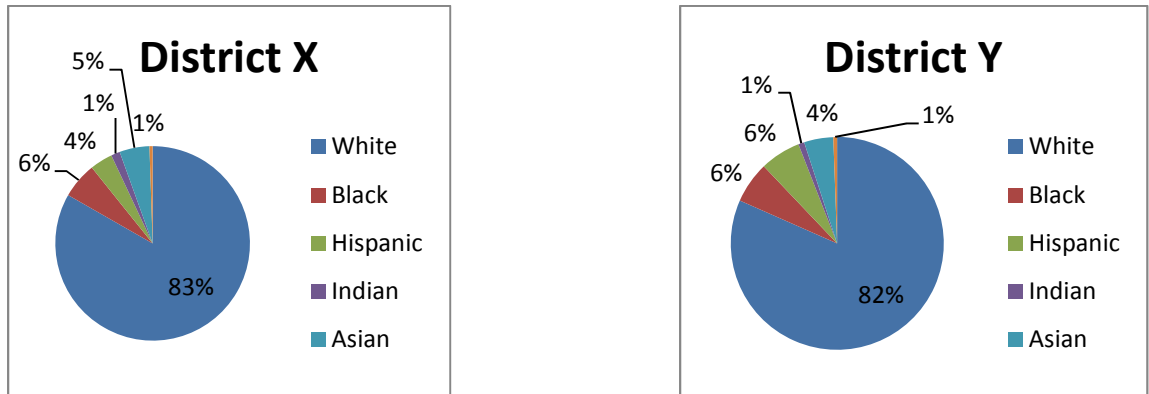


Figure 3a & 3b: Ethnic makeup of proposed districts X and Y.

B.4 Language

English is the predominate language in both of the proposed districts. In Minnesota, behind English, the most common languages spoken are Spanish (3.7%), Hmong (1.0%), and Somali (0.7%) (Minnesota State Demographic Center). In Thunder Bay, 81.6% speak only English and 2.6% speak only French (Wikipedia).

C. Analysis of Projected Growth and Future Market Opportunities

The potential for continued growth of the number of clubs and members is key to the ongoing success of the new Districts after Reformation. As noted earlier in this document, our growth has been cyclical and declining. Strategies contributing to growth will be a focus for continued development of clubs in identified markets.

The marketing plans are identified in the current District Success Plan document.

Leads: 32 leads (10 are in post-kickoff stages). The number of leads will grow and shrink. The leads are at various stages.

Marketing Plan (short version)

- Developing New Clubs
 - Use direct contact to reach large and mid-size companies, educational institutions, religious organizations, and prisons.
 - Find opportunities for additional clubs in companies that already have successful clubs. This includes companies with multiple locations/campuses.
 - Proactively start community clubs in communities that are under-served and don't have existing clubs.
 - Add new leads through member/leader referrals, in addition to other prospecting channels.
- Increasing Membership
 - Enable existing clubs to better market themselves by providing a marketing guide, example materials, and on-going support.
 - Promote Toastmasters through public relations and carefully selected advertising.
 - Partner with chambers of commerce, religious and ethnic organizations, and non-profit organizations where Toastmasters adds value.

- Reach English as a Second Language (ESL) audience, which can be served well by Toastmasters.

Projected growth is expected to continue at the same pace as recent years, with about 32 leads for new clubs currently in place. This includes those clubs that are in process. Over the past three years, proposed District X and Y have grown by an average of the 14 clubs per year. Table below depicts the Distinguished District minimum club goal for each new district is 3% which is a 5 club net growth. Thus the projection suggests that a continued achievement of the Distinguished District club goal is realistic. Based on a starting point of July, 2015 the minimum Distinguished District goal for each new District in the next five years is shown.

Table 7: Planned Club Growth.

Planned Minimum New Club Growth							
Proposed District	Base 2015-2016	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
District X	142	146	151	155	160	165	170
District Y	152	157	161	166	171	176	181
Base Total		303	312	321	331	341	351

Providing support to existing low member clubs is vital. Strategies are in place to boost the club coach presence and success in the District.

D. Financial Analysis (financial projections demonstrating the anticipated income and expense for both districts)

The financial analysis was given careful consideration. Cautious consideration was received from some members about the affordability and sustainability of reformation. The analysis shows financial stability for both Districts. The proposal is based on high level financial projections for Membership Revenue, Conference and TLI Revenue. Expenses for Marketing, Conferences and Total District were taken into consideration.

Table 8: District 6 Actual Revenue, Expenses and Travel amounts. Projected travel funds available for the Super Trio is slightly less than \$7000. Incoming District Director should modify budget to accommodate travel for the Super Trio by lowering the Marketing or other line item to compensate for additional travel expenses.

District Revenue (Actuals)				
	2012-2013	2013-2014	2014-2015	3Yr. Avg.
Membership Revenue	\$ 91,217	\$ 93,104	\$ 91,922	\$ 92,081
Conference Revenue	\$ 37,151	\$ 38,396	\$ 36,195	\$ 37,247
TLI Revenue	\$ 13,805	\$ 13,465	\$ 8,877	\$ 12,049
District Store Revenue	\$ 3,065	\$ 2,774	\$ 4,368	\$ 3,402
Fundraising Revenue	\$ 2,087	\$ 1,128	\$ 3,001	\$ 2,072
Other Revenue	\$ 26	\$ 103	\$ 528	\$ 219
Total District Revenue	\$ 147,350	\$ 148,969	\$ 144,890	\$ 147,070

District Expenses (Actuals)				
	2012-2013	2013-2014	2014-2015	3Yr. Avg.
Conference Expenses	\$ 17,698	\$ 50,926	\$ 22,043	\$ 30,222
TLI Expenses	\$ 15,479	\$ 15,402	\$ 15,429	\$ 15,437
District Store Expenses	\$ 3,554	\$ 588	\$ 7,337	\$ 3,826
Marketing Expense	\$ 82,777	\$ 64,258	\$ 40,394	\$ 62,476
Communications & PR Expenses	\$ 1,597	\$ 1,069	\$ 5,375	\$ 2,680
Education & Training Expense	\$ 10,270	\$ 4,098	\$ 7,987	\$ 7,451
Speech Contest Expenses	\$ 2,358	\$ 4,216	\$ 4,088	\$ 3,554
Administration Expenses	\$ 3,122	\$ 2,991	\$ 8,277	\$ 4,797
Travel Expense	\$ 21,651	\$ 26,153	\$ 29,104	\$ 25,636
Other Expenses	\$ 1,084	\$ 2,894	\$ 5,935	\$ 3,304
Total District Expenses	\$ 159,589	\$ 172,594	\$ 145,968	\$ 159,384
Total Net Income	\$ (12,240)	\$ (23,625)	\$ (1,078)	\$ (12,314)

Year	Travel – Budgeted	Travel - Actual	Travel - Variance
2012 – 2013	\$ 18,320	\$ 21,651	\$ (3,331)
2013 – 2014	\$ 39,341	\$ 26,153	\$ 13,188
2014 – 2015	\$ 40,200	\$ 29,104	\$ 11,096
3Yr. Average	\$ 32,620	\$ 25,636	\$ 6,984

E.1 Revenue – Membership and others are listed in Figures 5 – 8.

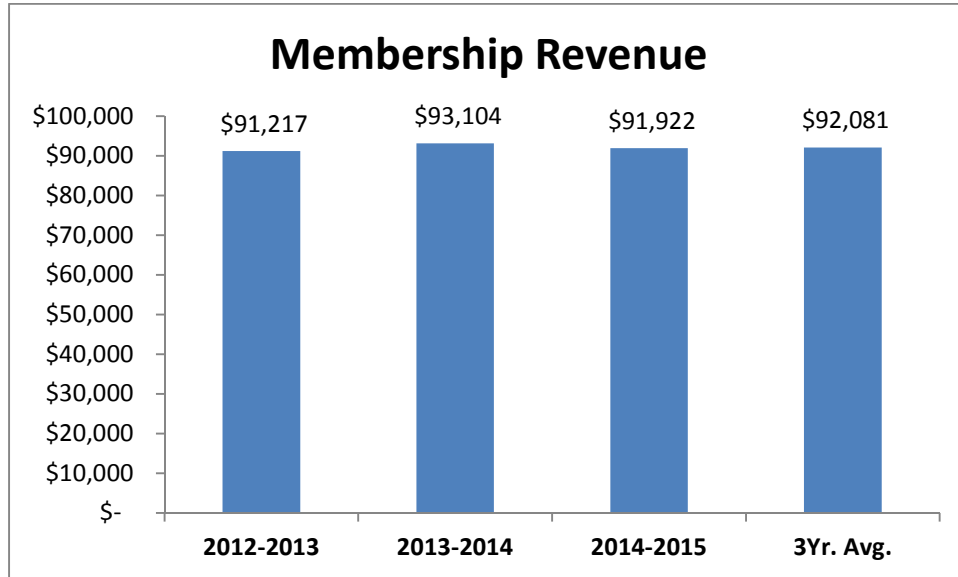


Figure 5: Membership Revenue.

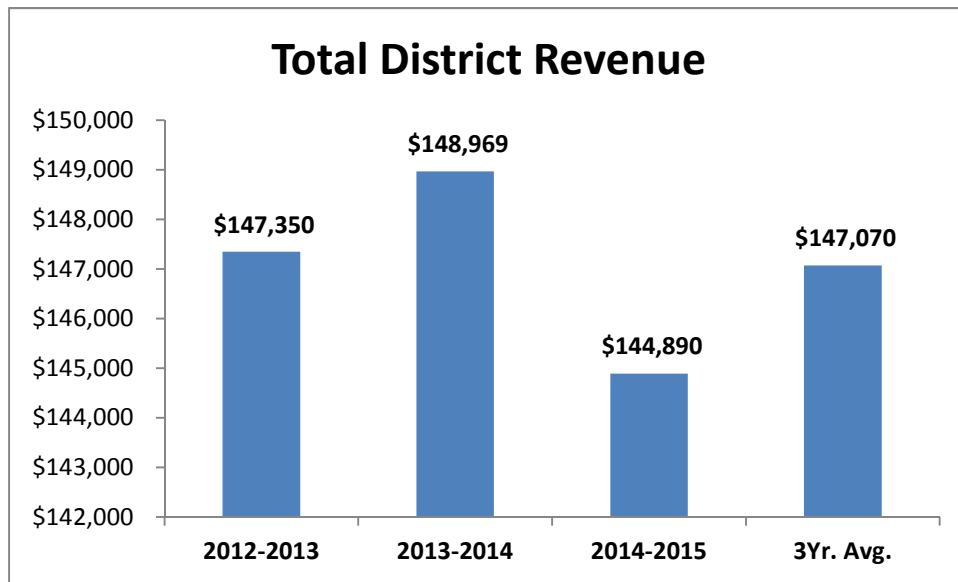


Figure 6: Total District Revenue (includes Membership Revenue).

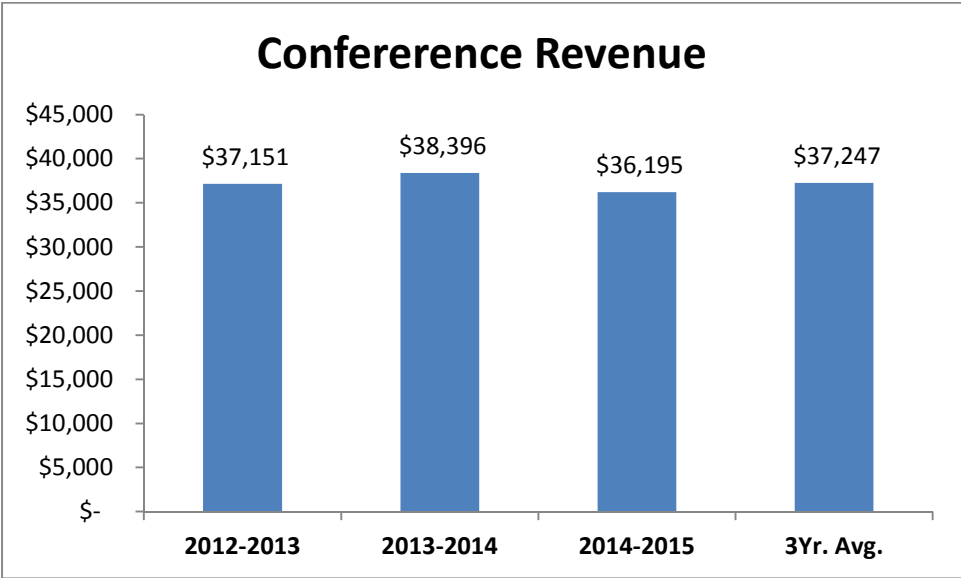


Figure 7: Conference Revenue.

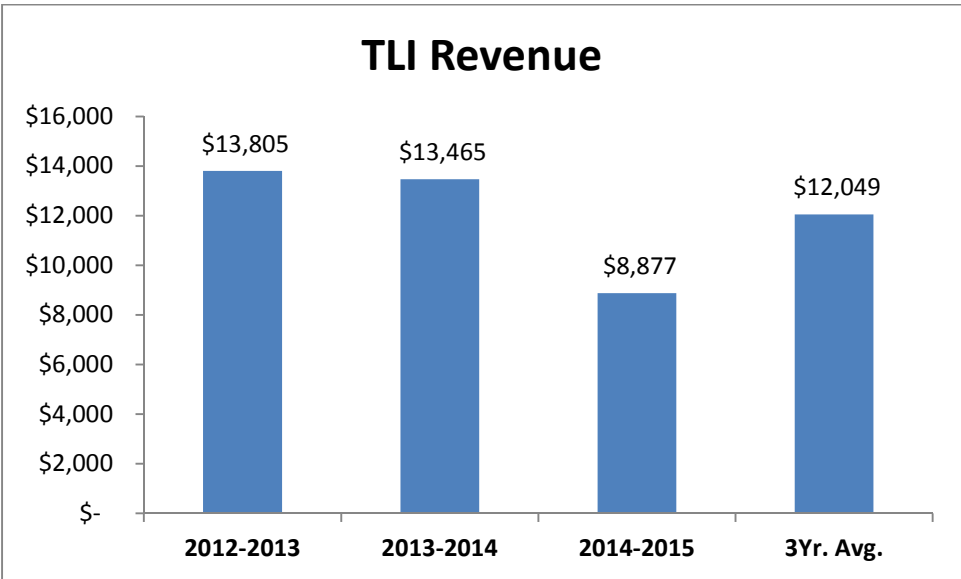


Figure 8: TLI Revenue.

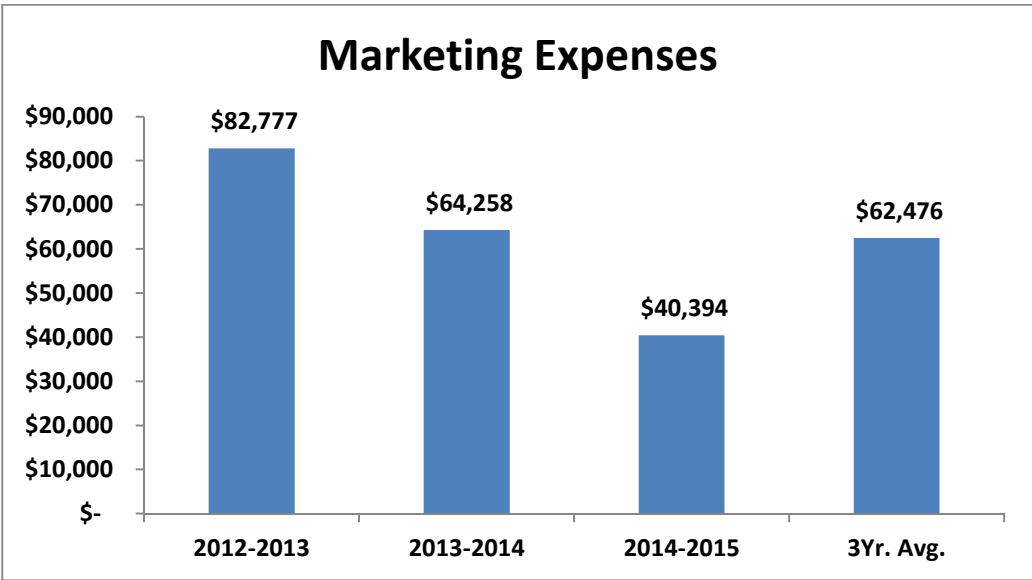


Figure 9: Marketing Expense.

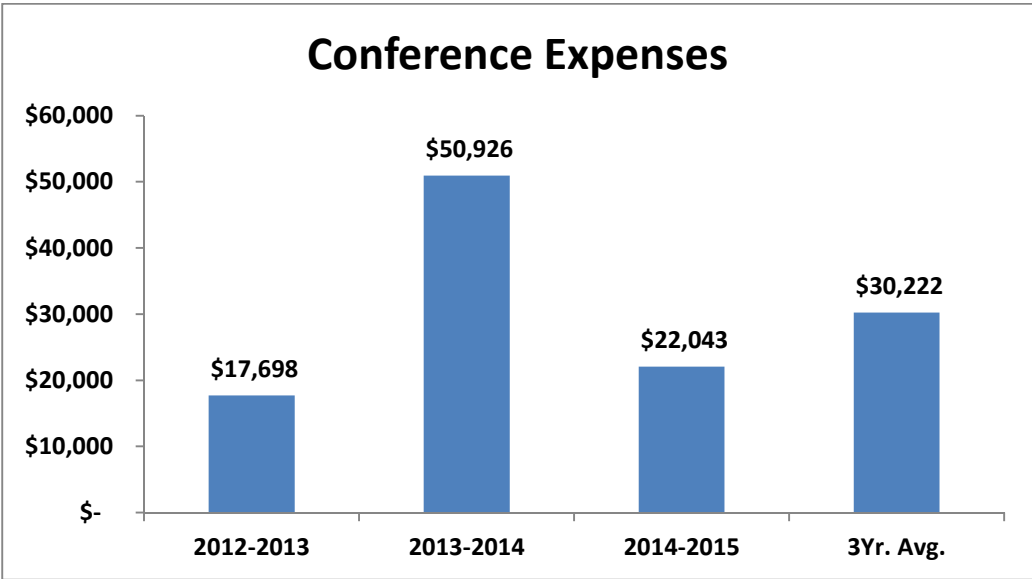


Figure 10: Conference/Conventions Expense.

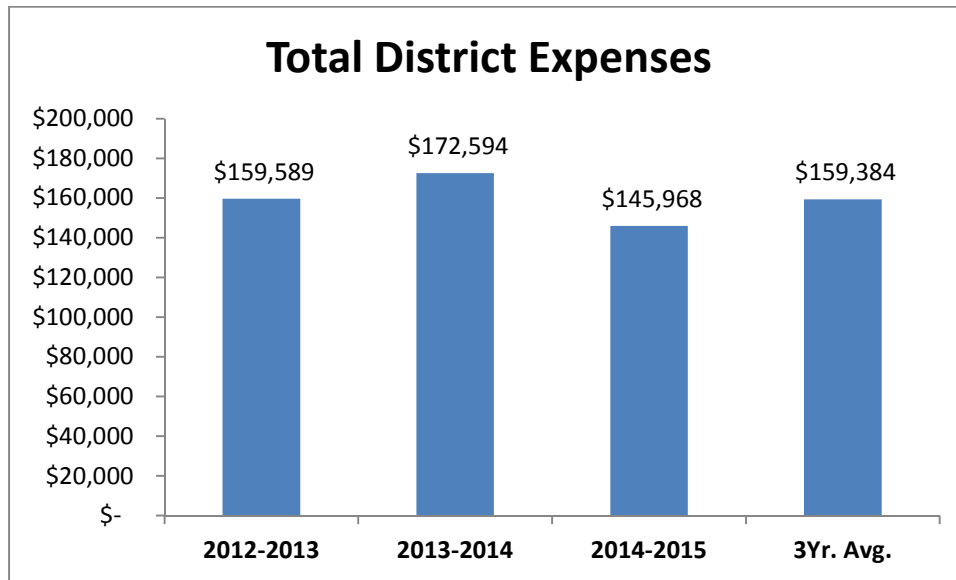


Figure 11: Total District Expenses.

E. Estimated 5 and 10 year revenue/expense forecast

In this section, we show projected revenue, expenses and net income for District 6, based on average inflation rates (http://inflationdata.com/Inflation/Inflation_Rate/CurrentInflation.asp) for five and ten years (1.67, 2.17%, respectively). All projections are based on averages for the past three years of the aforementioned categories (revenue, expenses and net income).

Table 8: Estimated Revenues and Expenses with 5 year average inflation rate.

District Revenue	5 Year Inflation Rate of 1.67%/year based on 3Yr. Avg.					
	3Yr. Avg.	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Membership Revenue	\$ 92,081	\$ 93,618	\$ 95,182	\$ 96,771	\$ 98,387	\$ 100,030
Conference Revenue	\$ 37,247	\$ 37,869	\$ 38,502	\$ 39,145	\$ 39,798	\$ 40,463
TLI Revenue	\$ 12,049	\$ 12,250	\$ 12,455	\$ 12,663	\$ 12,874	\$ 13,089
District Store Revenue	\$ 3,402	\$ 3,459	\$ 3,517	\$ 3,575	\$ 3,635	\$ 3,696
Fundraising Revenue	\$ 2,072	\$ 2,107	\$ 2,142	\$ 2,178	\$ 2,214	\$ 2,251
Other Revenue	\$ 219	\$ 222	\$ 226	\$ 230	\$ 234	\$ 238
Total District Revenue	\$ 147,070	\$ 149,526	\$ 152,023	\$ 154,561	\$ 157,143	\$ 159,767

District Expenses & Net Income	5 Year Inflation Rate of 1.67%/year based on 3Yr. Avg.					
	3Yr. Avg.	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Conference Expenses	\$ 30,222	\$ 30,727	\$ 31,240	\$ 31,762	\$ 32,292	\$ 32,832
TLI Expenses	\$ 15,437	\$ 15,695	\$ 15,957	\$ 16,223	\$ 16,494	\$ 16,770
District Store Expenses	\$ 3,826	\$ 3,890	\$ 3,955	\$ 4,021	\$ 4,088	\$ 4,157
Marketing Expense	\$ 62,476	\$ 63,519	\$ 64,580	\$ 65,659	\$ 66,755	\$ 67,870
Communications & PR Expenses	\$ 2,680	\$ 2,725	\$ 2,770	\$ 2,817	\$ 2,864	\$ 2,911
Education & Training Expense	\$ 7,451	\$ 7,576	\$ 7,702	\$ 7,831	\$ 7,962	\$ 8,095
Speech Contest Expenses	\$ 3,554	\$ 3,613	\$ 3,674	\$ 3,735	\$ 3,797	\$ 3,861
Administration Expenses	\$ 4,797	\$ 4,877	\$ 4,958	\$ 5,041	\$ 5,125	\$ 5,211
Travel Expense	\$ 25,636	\$ 26,064	\$ 26,499	\$ 26,942	\$ 27,392	\$ 27,849
Other Expenses	\$ 3,304	\$ 3,359	\$ 3,416	\$ 3,473	\$ 3,531	\$ 3,589
Total District Expenses	\$ 159,384	\$ 162,045	\$ 164,282	\$ 166,549	\$ 168,847	\$ 171,177
Total Net Income	\$ (12,314)	\$ (12,520)	\$ (12,259)	\$ (11,987)	\$ (11,705)	\$ (11,410)

Table 9: Estimated Revenues and Expenses with a 10 yr. average inflation rate.

District Revenue	3Yr. Avg.	10 Year Inflation Rate of 2.17%				
		2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Membership Revenue	\$ 92,081	\$ 94,079	\$ 95,650	\$ 97,247	\$ 98,871	\$ 100,522
Conference Revenue	\$ 37,247	\$ 38,056	\$ 38,691	\$ 39,337	\$ 39,994	\$ 40,662
TLI Revenue	\$ 12,049	\$ 12,310	\$ 12,516	\$ 12,725	\$ 12,937	\$ 13,154
District Store Revenue	\$ 3,402	\$ 3,476	\$ 3,534	\$ 3,593	\$ 3,653	\$ 3,714
Fundraising Revenue	\$ 2,072	\$ 2,117	\$ 2,152	\$ 2,188	\$ 2,225	\$ 2,262
Other Revenue	\$ 219	\$ 223	\$ 227	\$ 231	\$ 235	\$ 239
Total District Revenue	\$ 147,070	\$ 150,261	\$ 152,770	\$ 155,322	\$ 157,915	\$ 160,553

District Expenses & Net Income	3Yr. Avg.	10 Year Inflation Rate of 2.17%				
		2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Conference Expenses	\$ 30,222	\$ 30,878	\$ 31,394	\$ 31,918	\$ 32,451	\$ 32,993
TLI Expenses	\$ 15,437	\$ 15,772	\$ 16,035	\$ 16,303	\$ 16,575	\$ 16,852
District Store Expenses	\$ 3,826	\$ 3,909	\$ 3,975	\$ 4,041	\$ 4,108	\$ 4,177
Marketing Expense	\$ 62,476	\$ 63,832	\$ 64,898	\$ 65,982	\$ 67,083	\$ 68,204
Communications & PR Expenses	\$ 2,680	\$ 2,738	\$ 2,784	\$ 2,830	\$ 2,878	\$ 2,926
Education & Training Expense	\$ 7,451	\$ 7,613	\$ 7,740	\$ 7,870	\$ 8,001	\$ 8,135
Speech Contest Expenses	\$ 3,554	\$ 3,631	\$ 3,692	\$ 3,753	\$ 3,816	\$ 3,880
Administration Expenses	\$ 4,797	\$ 4,901	\$ 4,982	\$ 5,066	\$ 5,150	\$ 5,236
Travel Expense	\$ 25,636	\$ 26,192	\$ 26,630	\$ 27,074	\$ 27,526	\$ 27,986
Other Expenses	\$ 3,304	\$ 3,376	\$ 3,432	\$ 3,490	\$ 3,548	\$ 3,607
Total District Expenses	\$ 159,384	\$ 162,842	\$ 165,562	\$ 168,327	\$ 171,138	\$ 173,996
Total Net Income	\$ (12,314)	\$ (12,581)	\$ (12,792)	\$ (13,005)	\$ (13,222)	\$ (13,443)

F. Leadership Overview – Past International and District Leadership

Table 10: Current District Leaders.

Leader	PDG Year	Home Club	District X	District Y
Mario Pedercini, PID PDG	1976-1977	TicTalkers	X	
Ken Nelson, PDG	1985-1986	Midland Club	X	
Richard Peterson, PDG	1988-1989	Capitol Square	X	
George Deliduka, PDG	1991-1992	Sunrisers Club	X	
Susan Koering, PDG	1992-1993	Talking Meds	X	
Keith Hardy, PDG	1996-1997	St Paul Speakers/ Wordsmiths	X	
Mary Torno, PDG	1999-2000	White Bear Toastmasters	X	
Len Glaeser, PDG	2000-2001	Whole Wheat	X	
Cliff Heinsch, PID PDG	2001-2002	Leadership Summit	X	
Judy Southwick, PID PDG	2002-2003	Leadership Summit	X	
Theo Black, PID PDG	2005-2006	Leadership Summit	X	
Pat Croal, PDG	2007-2008	Talking Meds	X	
Joan Watson, ID PDG	2008-2009	St Paul Speakers	X	
Stephen Shaner PRA PDG	2010-2011	Greysolon	X	
Dru Jorgensen, PDG	2012-2013	Super Valued Speakers	X	
Diane Windingland, PQD		PowerTalk	X	
Harold Osmundson, CGD		AC Early Risers	X	
Terry Daily, PIP		Cargill Trademasters	X	
Bob Pierce, PDG	1982-1983	Stillwater Toastmasters		Y
Sally Muraski, PDG	1989-1990	PROS Toastmasters		Y
Bruce Trippet, PID PDG	1993-1994	Uncommon Speakers		Y
Jim Miller, PDG	1995-1996	Speak N' Eagan		Y
Shirley Daniel, PDG	1997-1998	Shakopee Toastmasters		Y
Mary Swanson, PDG	2004-2005	Super Speakers		Y
Catherine Cardenuto, PDG	2011-2012	Word Masters		Y
Sharon Rollefson PDG	2013-2014	Crest		Y
Clinton Hunt IPDG	2014-2015	Hastings StoryWeavers		Y
Larry Marik, DD	2015-2016	Money Talk\$		Y
*Approximately 10 leaders belong to clubs in both Districts				

G. Future District Leadership Prospects - District succession strategy is documented below.

- Review all Club Visit reports for members interested in leadership roles.
- For each of the next 3 years, obtain a list from the Nominating Committee Chairperson of those who showed an interest in running for CGD/Division Director or who was approached, showed interest, but declined for that year.
- Enlist the help of Past District Governors/Directors to seek out possible candidates and encourage them to run.
- With the help of WHQ, obtain a list of past Area/Division/District leaders from past 5 years who could be tapped to support and mentor those leaders who step up to fill District X or Y roles. This list will be shared with the new Trio members.
- At District sponsored training events, give a presentation about what the district leadership roles are, and provide information on what the responsibilities are for each. Collect names of attendees who show an interest.
- Carry forward the above mentioned lists from year-to-year to provide continuity in the succession process.

H. Membership Achievements

Our members consistently achieve their education awards. A motto in the District is 'no free speeches'. Over the past three years we have increased Leadership awards year over year. Members in the proposed districts strive to utilize the Toastmaster education program.

Table 12: Member Achievement Awards.

Member Achievement Awards										
Proposed District		X				Y				
Education Track	Award	2012-2013	2013-2014	2014-2015	X Total	2012-2013	2013-2014	2014-2015	Y Total	Grand Total
Communication	ACB	71	72	76	219	97	83	72	252	471
Communication	ACG	17	23	23	63	21	27	23	71	134
Communication	ACS	29	37	41	107	43	40	46	129	236
Communication	CC	274	267	267	808	294	323	270	887	1695
Communication Total		391	399	407	1197	455	473	411	1339	2536
Leadership	ALB	55	58	53	166	54	69	61	184	350
Leadership	ALS	8	16	19	43	11	16	21	48	91
Leadership	CL	129	122	146	397	127	145	157	429	826
Leadership	DTM	10	12	24	46	11	13	17	41	87
Leadership	LDREXC	19	23	29	71	14	22	28	64	135
Leadership Total		221	231	271	723	217	265	284	766	1489
Grand Total		612	630	678	1920	672	738	695	2105	4025

- I. Clubs attaining Distinguished status or better are evenly split between proposed districts, per chart below. District X overall had 44.68% District Y overall had 44.37%.

Table 13: Distinguished Clubs in the proposed districts...

Distinguished Clubs					
	2012 - 2013	2013 - 2014	2014 - 2015	Grand Total	%
Proposed District X	141	145	146	432	
Distinguished	15	14	10	39	9.03%
Select Distinguished	19	20	17	56	12.96%
Presidents Distinguished	32	29	37	98	22.69%
	46.81%	43.45%	43.84%	44.68%	
Proposed District Y	159	155	157	471	
Distinguished	10	8	13	31	6.58%
Select Distinguished	20	28	15	63	13.38%
Presidents Distinguished	35	41	39	115	24.42%
	40.88%	49.68%	42.68%	44.37%	
TI Year End Results	46.79%	48.28%	45.17%		

V. Implementation Strategies

A. Initial Tasks

- Establish a transition team
- Engage PDGs to support / mentor leaders in both Districts. Purpose is to carry on the legacy as deemed appropriate
- Begin purchasing additional equipment in 2016-2017 in an effort to spread costs over the next two years
- Set up new District website and social media accounts
- Set up common email for twin officers to ensure consistent communication

B. Marketing Plan

Utilization of various Toastmaster International tools and the education program, both Districts will make concerted effort to expand their market. Below are some suggested tools that each district can use.

- Cold Calls
 - a. Sales Professional to conduct seminars for both districts
 - b. Present Techniques at a TLI/Educational Session
 - c. High Performance Leadership Program – Several
- Conduct Youth Leadership Programs. Parents that bring their youth sometimes join a club. We anticipate this as a strategy for growth and sustainability for both districts.
- Conduct Speechcrafts
- Strategic localized marketing campaigns (not billboards)
 - a. Minnesota Public Radio
 - b. AllOver Media (specializes in targeting the “on-the-go” consumer through a national network of convenience stores, gas stations and truck side billboards).
 - c. Increase districts’ presence at County Fairs and local job fair venues
 - d. Increased emphasis on Radio Advertising (e.g. Community Announcements)
 - e. Educational/Community Television spots.