Aloha TOC Board members,

I'd like to followup on the subject of altering our TOC dues structure that was raised at our Development Committee meeting in April and subsequently discussed at the TOC board meeting in May. I have cc'd the board here, so that everyone is up to speed on the issue.

After the May board meeting, those attending commented via email about several ideas that had been put forth, including increasing the minimum membership level, changing the number of levels, types of levels, possible gifts associated with level of commitment, additional revenue that could be garnered with an increase in dues, rationale for increasing dues, etc.

Several board members who responded are also branch leaders, in particular, Waimea, East Hawaii and Kauai, and they expressed their thoughts as to how dues level changes might affect their particular branch membership numbers. Among all TOC Board members who participated in the email exchange, there was no clear consensus as to what the levels should be, or whether they should be changed at all.

I then reached out via email to our active branches statewide who are not represented on the TOC board, to get their thoughts on the matter from their branch's perspective. (Email sent to Manoa, NSOC, Waikoloa Village, and LKOC. Note: in-active branches: Kaneohe, East Honolulu, Waikiki were not contacted.)

All the branches responded with salient thoughts and ideas about how we approach dues in general, and how we can better coordinate with each other to achieve our common goals. These comments are included here. There is still no consensus on a dues structure, but the branches are all committed to the success of the organization and want to be involved in seeing it thrive.

Therefore, at this time, I'd like to propose that rather than having the TOC board decide on dues levels, we consider addressing the issue of restructuring our approach to dues at a **Full Circle Meeting** of all the branches in the Fall. We have not held one since 2019, and it would be a constructive way to involve the branches in our overall operation and reinforce our cohesion as a statewide organization. I'd like to discuss this approach at the Development Committee Meeting next week and then at our TOC Board Meeting in July. For information on prior Full Circle Meetings, search for 'Full Circle' on our TOC website.

I look forward to your thoughts on this.

Thanks,
Diane

Included here is the following:
Section A. Background on Current Dues Structure
Section B. Information on Branch Donations to TOC
Section C. Comments on Proposed Changes to Dues from a Branch Perspective

Section A. Background on Current Dues Structure

Back in 2013, TOC revised its Bylaws so that all membership dues would accrue to TOC and could therefore be used to fund central office operations. Prior to this, the lion's share of branch dues accrued to the branches to be spent on programs and not on operations. The rationale at the time was that programs were/are the activities that make our organization successfully fulfill its mission – and can be paid for with restricted funds, grants, etc. Our TOC operations, by contrast, in general, can not be funded through restricted funds.

Since the branches, with their membership base, were, and still are, well-equipped to carry out programs, it was also the intent at that time that the branches would be able to access our TOC restricted funds (based on their membership numbers) to help replace the funds they would lose in dues. We really did want to push these restricted funds out to the branches, and we set up a Branch Grant Policy, with several ways for the branches to access these funds, as described in our Policy Manual. However, in reality, this disbursement of TOC restricted funds to the branches has never materialized in any significant way.

Another factor in setting up our dues structure at the time was to standardize dues levels statewide (prior to 2013, although TOC had a fixed set of dues levels (individual, family, business, corporate), branches were setting their own dues rates and levels). In the standardization process, we defined the current dues levels, and transferred all members' contact information, including membership levels, into a statewide centralized database.

At this point in time, our current annual dues income (<$20K) contributes less than 5% towards our current operating expenses, unlike TOC's financial status 13 years ago, where dues revenue offset our operating expenses by 25%. This means that dues, realistically, no longer significantly contribute to our annual operating revenue.

Therefore, independent of any changes to our dues levels, I'd like the TOC board to consider giving each branch a portion of their dues each year, to demonstrate our commitment to them. (Note: the email to branch leaders described here did not mention this idea (only the new dues levels), but several branches asked that we consider it, as shown in comments.)

Section B. Information on Branch Donations to TOC

Just so you are aware, our branch members statewide regularly donate to TOC as well as their branch. For example, since late 2017, our branch members have donated over $68,000 to TOC. If you add in Statewide members (who also pay dues) the total is over $97,000 in donations to TOC.
These donations, in large part, have come from TOC's annual year-end renewal appeals.
Note, these totals include donations from members affiliated with each of the branches whose comments are included here, as well as from members of our non-active branches: Kaneohe, East Honolulu, Waikiki.

Section C. Branch Comments on Proposed Changes to Dues Structure

Here is a summary of comments from the branches, as shown in italics.
Items in brackets [] are my additions just for clarity.

Comments #1 - #4

These comments are in response to an email in which the branches were asked to respond to a 'draft' of proposed new dues levels and to respond to the following questions:

1) Do you feel your branch members will support an increase/change in our dues levels?
2) How do you think the proposed dues levels will impact your membership levels?
3) Would you like to see a different dues structure than that proposed?
4) Would you rather see no change in dues levels?
5) Other comments/ideas?

The levels proposed were as follows:

Current levels:
Level 1: Student/Senior $25
Level 2: Individual $50
Level 3: Supporter $100
Level 4: Contributor $150
Level 5: Advocate $250
Level 6: Benefactor $500
Level 7: Patron $1000
Level 8: Sustaining ($X/month; annual auto-renew) (assigned Level 1-7, based on year total)
Level 9: Lifetime $2500 (one time dues payment)
Proposed new levels (names TBD based on level of commitment)
Level 1: Circle Member $35,
Level 2: Friends of the Circle Member $75 (or $80)
Level 3: Supporting Circle Member $200
Level 4: Family Circle Member $500
Level 5: Inner Circle Member $1000
Level 6: Sustaining Circle Member: $X/month (annual auto-renew).

1) Comments from Manoa Branch:

Paying dues to a state-wide organization without apparent benefit to the branch was considered by MOC a significant impediment to membership expansion. There is a feeling of being disjointed between the branches and TOC - the board understands the admin staff, financial accounting support, insurance, and staff statewide policy influencing and program management being provided by TOC, but the general membership doesn't. They ask why their entire dues go to TOC? The explanation that "statewide policy is important" has some resonance but does not stand up against the questions of why so much, and how does the branch benefit?

*Any changes in the dues structure, will have to show how the branches will benefit from the increase in dues. If left as proposed, the membership will look at an increase of revenue to TOC as being borne on the backs of branch members. I think it will likely decrease interest in joining TOC [*and*] we will also lose branch members.*

The timing could also not be worse. I suspect the economy will begin to slow as we realize the impacts of travel bans, tariffs, cost increases in basic commodities, and overall federal cuts. Independent of any

persuasive argument for the need to increase dues, the economic conditions may prevail on affordability issues.

*[*However*] Now is the time to be bold and innovative and find a way to benefit both TOC and the branches - not only financially but as its future life's blood - grow our membership. Find a strategy that will allow for an increase in revenue* [and] *show value to TOC and the branches by strategically melding what the branches do best with what TOC does best…recommend that TOC staff consider working with each branch to have one program a year on a topic of mutual interest or concern - eg a "show your stuff" program to let our members appreciate staff's knowledge, experience, expertise, and reach.*

Simplify the dues: Students - $25; Seniors - $35, and Individuals/Families - $100 with revenue sharing to the Branches - eg Students - $25 to the Branch; Seniors - $20 to TOC and $15 to Branch; Individual/Families - $75 to TOC and $25 to Branch.

Recommend that at the time of dues renewal, members are encouraged to join the "Donation Circle" to "Keep The Outdoor Circle Alive" (or other such wording). When joining this donation circle, TOC membership is ***free and is a benefit of being in "The Circle"*** *(With the understanding that every membership waived by being in the donation circle will involve $25 going to the branch as if a membership dues was paid.)*

The Proposed Donation Circles:
Circle Friend - $200- 499, Circle Supporter - $500 – 999, Circle Caretaker - $1000 to $4999,
Circle Sustainer - $5000 or more.

2) Comments from North Shore Branch
We had a board meeting and discussed your proposal and the questions you asked.
Here are our thoughts and our own questions.

1. For the new basic member option, we feel that the Circle Member amount of $35 will be fine for us and for our members. However, we wanted to know what benefits the increasing member levels offer. For example, we are concerned that the jump from Circle Member at $35 to the Friends of the Circle Member at $75 seems like a large jump in money, and we are unclear if there are benefits for members at these other levels. The other jumps are quite extreme as well.
Can you clarify for us what the benefits of the different levels are?

2. Our other concern is with donations to our branch.
Can you clarify how someone can join TOC and designate part of their dues as a donation to NSOC?

On a separate note, we have been talking about the fact that TOC, like other organizations, has a rotating membership schedule. We understand that this is the most logical way for people to have the ability to join at any point during the year, however we have been talking about how more convenient it would be if there could be a standard month to join TOC, that way every January (or whatever month you chose) would be the time to join TOC and people could more easily remember that it is time to join! There could be a prorated amount for people who join at other months during the year.
We know that this may not be feasible, but wanted to let you know that it is something we have been talking about.

3) Comments from Waikoloa Village Branch:
The dues should be raised and $35 may not be enough. $50 is more appropriate if TOC actually wants to lobby in support of our goals. More events celebrating the environment would increase people's awareness. Everyone should know that TOC is responsible for ridding Hawaii of billboards and advocating for trees and fewer garish signage. The goal of Clean, Green and Beautiful is more important than ever.

It's much easier to grow membership when people know their money is staying in their community and not being sent to Oahu. Perhaps some portion of the dues could be designated for the Branches. ('Back in the day' each branch was free to exact whatever annual membership dues they chose because the individual branches kept that money but for 5% that was shared with TOC.)

4) Comments from LKOC Branch:
Our LKOC board met to discuss the proposed dues level changes, and we are not in favor of changing dues levels at this time, given the current economic uncertainty and how it might affect our membership base, but we are willing to revisit the issue at a more opportune time.

LKOC has been fortunate to have been able to keep many of its spousal members (i.e., both became members when the single 'family' membership ($50) was removed, although most renewed at the $25 level, so no increase in dues occurred. But this has resulted in a fairly stable membership base.)

LKOC also reaches out to its members twice a year with a Newsletter, that keeps them informed of our activities. And we are lucky to have the Town Party as a source of fundraising for us. It is our only fundraiser each year. We do not solicit our members for donations, but many donate upon renewal.

Comments #5 - #7
These comments are from our branch leader TOC Board members who attended the May TOC board meeting and participated in the email exchanges after that meeting. These comments express how possible dues level changes might affect them, from their branch's perspective.

5) Comments from Waimea Branch:
We should not make any changes to the dues levels. Any additional income would be relatively insignificant to TOC's operating budget and brings a risk of losing even more branch members.

After TOC made the decision to centralize membership and banking, we still did our best to solicit and renew members by assuring our members that even though our dues all went to TOC, we benefited from what the main office provided the branches. It was a hard sell and we heard over and over again that members wanted their money to stay with the branch. After a number of years of managing our membership, we agreed to have TOC handle the renewals, especially since all dues went to TOC.
[Overall, however,] *this has resulted in a large decrease in our branch membership, with many not renewing and others paying the minimum amount and deleting spouses.*
Fortunately, we continue to receive additional branch donations with many of our renewals.

6) Comments from East Hawaii Branch:
My feeling is $50 base level is way too high… will lose most of our members at that price. Especially in the current environment. I know a few who can't even do our current $25.

[Suggested levels]:
Sustaining Circle Member: $25+/month auto renew annually
One Time Payment Levels:
Part of the Circle Member: $35
Friends of the Circle Member: $75
Supporting Circle Member: $200
Family Circle Member: $500
Continuing Legacy Circle Member: $5k or $10k (maybe make this every 5 years or something).
Circle of Life: $25,000 (a lifetime membership, one time payment) if we need to keep this at all.

7) Comments from Kauai Branch:
I have suggested raising our membership rates for many years. It demonstrates a commitment to the organization. However, I'm basing that on, Kaua'i, which has a very small member base. So the fallout will be minimum. Larger branches may have different results.

I think we could limit the number of categories and raise the dues without losing many members, but my branch is so small that it won't make a difference.