

Rotary District 5130 Conference
District Business Meeting
The Hyatt at Vineyard Creek
2:00 p.m.
May 31st, 2013

MINUTES

Welcome - DG Michael Juric

The District Business Meeting was brought to order, by DG Michael Juric, at 2:03 p.m. There were approximately 45 members present.

DG Nominating Committee Report 12/13 – PDG Ken Moulton

PDG Moulton announced that the Nominating Committee met 2 February 2013 and nominated Erin Dunn as DGND.

- **M/S/P (Campbell/Owen) to accept the Nominating Committee's recommendation of Erin Dunn for DGND.**

Report on the Council for Legislation – PDG Ken Moulton

During 21-26 April 2013, PDG Moulton represented District 5130 on the RI Council for Legislation. PDG Campbell attended as an alternate. This committee meets every three years to discuss enactments to the bylaws and resolutions that come from districts and RI directors. Meetings were held from 9-6 daily. Every three days, representatives were separated to avoid block voting. Enactments required a two-thirds majority, and resolutions required a simple majority vote.

The topics included: attendance and flexibility in club meetings, reimbursement for travel, increased accountability, and the Objects of Rotary. The fifth avenue of service, New Generations, now Youth Services, required the development of specific objectives. Moulton recommended that our district send different people to this event to provide others a greater opportunity to understand the operation of the RI organization.

Update on the Incorporation and Board of Directors Meetings – DG Juric with PDG Norm Owen and PDG Mike Merrill

DG Juric explained that incorporation of the district has brought a more formal and stronger collaboration to the district. PDG's Owen and Merrill were responsible for completing the legal work. PDG Stevenson was acknowledged for her effort to bring the district finances into alignment with greater stability. The Board of Directors consists of: DG Michael Juric, PDG Jim Flamson, PDG Maureen Merrill, DGE Helaine Campbell, DGN Kevin Eisenberg, Members-at-Large: Bert Campton and Erin Dunn, DGND, with Non-voting Members: Leonard LaBranche, District Treasurer, and Carolyn Anderson, District Secretary. DGE Campbell announced the incoming Board of Directors, Members-as-large, are: Bert Campton, Humboldt/Del Norte Counties, and Bea Moulton, Lake County.

DG Juric announced that the Board of Directors meeting minutes and the district budget are posted on the district website. The Board meetings are open to the district membership and meet in Ukiah at the Fairfield Inn.

Action: The District secretary will forward the Board of Director meeting dates for 2013-14, to be posted on the district website.

Financial Report – PDG Ed Fullerton and Leonard LaBranche, District Treasurer

PDG Ed Fullerton reported that district incorporation has eliminated the need for a Finance Committee (FC) since all but one member of that committee sits on the Board of Directors. The committee will remain in force while the incoming governor and Board consider a bylaws change. This committee may be reinvented to support the board's action. Every DG creates a budget that is reviewed by the FC. The funds that come from club membership support the DG budget, and thus, the operation of the district. The budget accommodates the district committees, and these funds are meted out during the year.

In the past, DG's spent a considerable amount "out of pocket." One DG spent \$25,000 in personal funds. Recently, one DG put 40,000 miles on a vehicle because our district is so large. The FC concluded that this wasn't fair or right. Thus, over the past three years, the FC has investigated district income (dues), verses actual expenses for the DG line and committees. They took into consideration the required District Reserve Fund that covers emergency situations *i.e.*: cancelation penalties and weather conditions that effect event attendance. This past year, the Reserve Fund was tapped for \$12,000 to fund Future Vision training throughout the district. Operating as a business, the district is required to maintain files in a central location with a responsible person. In the past, committees kept their own budgets and funds. As a corporation, the IRS requires that all committee funds be centrally maintained for tax purposes. Therefore, the district hired Leonard LaBranche, C.P.A., to prepare and keep all financial records and file taxes for the District.

LaBranche reported that the current financial records are available on the district website. These financial reports document the budgets from PDG's Brown, Flamson, Merrill, and Juric.

The district budget includes the following three Reserve components:

1. The Emergency Fund, required in the bylaws is to be 50% of incoming resources. It is currently at \$55,000, and is \$33,000 short of the required \$88,000.

2. The District Revolving Loan Fund, which is a revolving account, advances money for the DGE and DGN years. It is intended to cover training, travel, deposits, etc. These monies are paid back from dues and other resources acquired during the DG year.

3. Excess Funds, contains additional monies. The district has none at this time.

The District Assembly, Foundation Dinners, and Conference are expected to be revenue neutral. There is a per/member conference assessment of \$10 per member. Attendees pay for additional expenses such as meals.

DGE Campbell and DGN Eisenberg were charged by the district to form a sub-committee to research the need for a dues increase. Currently, District club assessment is \$39 per member (\$29+\$10 conference assessment). Campbell and Eisenberg reported that the district is obligated by law to replenish the Reserve Fund.

DGE Campbell reviewed the dues charged by comparable zones and discovered that we were in the lower third. They met with District Treasurer LaBranche and other representatives from the district, to determine what was needed to provide for district expenses and restore the Reserve Fund. These figures were used to determine the amount of income required for the district to become fiscally sound within five years. The Committee recommended dues be increased \$16/member to meet that requirement. The District dues for 2013-2018, will be assessed at \$55 per member (\$45+\$10 conference assessment).

Discussion related to the dues increase suggested that the membership would prefer advance notice and documented support of the need. Presidents-elect reported that being handed a budget to be approved at PETS was too short notice to act on a document of this nature. Eisenberg committed to figuring out a better model for handling budget issues in the future.

There were questions concerning what happened with the district grant funding process and if that would effect District Grants going forward. It was noted that in the past, the district did not have a hard deadline for reports, but RI did. The district did not meet the RI report dates, and we were not eligible for funds. The District is only allowed two outstanding reports at any one time. Should this limit be exceeded, the monies from RI will not be forthcoming. This will not occur in the future since the district will adhere to hard deadlines consistent with RI.

A request for better dissemination of information to the membership was requested rather than having all materials come to the President, from the District and RI. DGN Eisenberg responded that the district is setting up a consistent database in order to better serve club members and officers as appropriate. Links of a specific nature will be added to the district website to direct information to appropriate officers and members. The Board is open to creating solutions that work best for our district.

PDG and RI Representative John Blount reported that by the end of Aug, the RI website will become quite different. It will be a better resource for members and provide information to those who need it. For instance, club presidents will be directed to information specific to their office, etc.

Discussion of by-laws change /Process for the selection of district governor – DG Michael Juric

When the corporation was formed district clubs voted was decided to retain essentially the same bylaws that were in place previously. This was a conscious choice made with the idea that issues would be brought up later such as the process for selecting a District Governor. In the past, the procedure has worked well, but it may be time to look at a different model. Bylaw changes may be proposed by the DG or by clubs. If a proposal made, it is voted on by delegates at the District Conference or through a vote of the clubs in the district.

In the past, the selection of a DGND has been decided upon by, five Past District Governors, meeting and interviewing candidates. The DGE and DGN were not included in this process. There was no representation from the district's regions. A discussion followed based on the following questions: Should the configuration of participants in the process be changed? Should there be representation by those who are in line to be DG? Should there be representatives from the district-at-large? What minimum qualifications should exist if representatives are included on the committee? How will

the regions of the district be determined? Responses suggested district regional representation may be a good thing. If there is representation from the district, the regions should be more similar in size. Regions may want to choose their own representation. Minimum qualifications to be a representative should be determined and include: being a past club president and experience at the district committee level. DG experience and continuity is important in decision-making. PDG's know the history of the district and the expectations of RI. PDG Campbell noted, that Rotary is not a democracy. The role of DG is to represent RI to the District, and this person needs to understand nature of the business. The Nominating Committee needs to consider how to get the best CEO, and may need to find a candidate if a suitable one is not proposed.

DG Juric indicated he would follow through, based on this discussion. He plans to work with a sub-committee and hold discussions on this topic in town hall meetings.

Items for consideration from Clubs – DG Michael Juric

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DG Flamson reported that District Treasurer LaBranche has worked for the district for the past four and one-half years. He is planning to continue for another two years in that capacity.

District Secretary, Carolyn Anderson was acknowledged for her three years of service.

Adjourn

The annual business meeting for District 5130 was adjourned by DG Juric at 3:26 p.m.

Respectfully submitted,
Carolyn Anderson
District Secretary