

MINUTES

of the

JANUARY 2013

Rotary International Board of Directors Meeting

The Rotary International Board of Directors held its third meeting of the year on 20–23 January 2013 in La Jolla, California, USA.

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Present were: President Sakuji Tanaka, President-elect Ron D. Burton, Vice President Kenneth M. Schuppert Jr., Executive Committee Chairman Yash Pal Das, other directors, José Antonio Antiório, Ann-Britt Åsebol, John B. Boag, Kenneth R. Boyd, Jacques Di Constanzo, Allan O. Jagger, Paul Knyff, Takeshi Matsumiya, Anne L. Matthews, Shekhar Mehta, Juin Park, Gideon Peiper, Andy Smallwood, Bryn Styles, and General Secretary John Hewko. Michael K. McGovern attended as Trustee liaison. Treasurer Elizabeth S. Demaray was unable to attend the meeting.

At the Board's invitation, also present were President-nominee Gary C. K. Huang and Directors-elect Celia Elena Cruz de Giay, Mary Beth Growney Selene, Holger Knaack, Seiji Kita, Larry A. Lunsford, P. T. Prabhakar, Steven A. Snyder, and Michael F. Webb.

Alice Baehler served as secretary of the meeting with assistance from Laura Tell and Matt Hohmann. Other staff present were David Alexander, Michele Berg, Joe Brownlee, Alan Buddendeck, Lori Carlson, Pete DeBerge, Pat Groenewold, Paul Hydzyk, Peter Markos, Andrew McDonald, Michele Moiron, Carol Pandak, Steve Routburg, and Nora Zei. Nobuko Andrews, Alain Drouot, Taka Hoshino, Patrick Nunes, and Eiko Terao served as staff interpreters.

Under the guidance of the president, the general secretary had prepared an advance memorandum for this meeting containing items for consideration with background information and analyses. Those items, along with others initiated during this meeting, constituted the agenda of the meeting as reflected in the remainder of these minutes.

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130. Minutes of the October 2012 Board Meeting

Statement: The general secretary distributed the October 2012 Board meeting minutes to each director.

DECISION: The Board approves the minutes of the October 2012 Board meeting as distributed.

131. Ratification of Decisions Made by the President

Statement: As authorized, President Tanaka took decisions on behalf of the Board during the period 13 September through 6 December 2012.

DECISION: The Board ratifies the decisions shown in Appendix A made on behalf of the Board by President Tanaka during the period 13 September through 6 December 2012.

132. Ratification of Decisions Made by the General Secretary

Statement: As authorized, the general secretary took several decisions on behalf of the Board during the period 13 September through 6 December 2012.

DECISION: The Board ratifies the decisions shown in Appendix B made by the general secretary on behalf of the Board during the period 13 September through 6 December 2012.

133. Tentative Future Agenda

Statement: Board procedures require at each meeting the submission of a tentative agenda for the next Board meeting.

DECISION: The Board receives the tentative agenda for its June 2013 meeting.

134. Report of the President

Statement: President Tanaka reported on his activities, accomplishments, and concerns since the October 2012 Board meeting.

DECISION: The Board thanks President Tanaka for his report.

135. Report of the General Secretary, Including an Update on the Secretariat Reorganization Plan

Statement: The general secretary presented a report on the work at the Secretariat since the Board's October 2012 meeting, including an update on the status of the Secretariat reorganization plan.

DECISION: The Board thanks the general secretary for his report concerning the work at the Secretariat since the October 2012 Board meeting, and for the update on the Secretariat reorganization plan.

136. Report of the Treasurer

Statement: Rotary Code of Policies section 29.040.7. requires the treasurer to report on the status of RI finances at each Board meeting. In Treasurer Demaray's absence, Director Smallwood, a member of the Finance Committee, presented the treasurer's report.

DECISION: The Board thanks Treasurer Demaray for her report.

137. Communications from the Trustees

Statement: At their January 2013 meeting, the Rotary Foundation Trustees took several decisions of interest to the Board.

DECISION: The Board

1. notes the following decisions from the January 2013 Trustees meeting:
 58. Communications from the RI Directors
 61. Election of 2013–14 Trustees Vice Chairman
 64. Rotary Foundation Alumni Advisory Committee Report
 65. 2013–14 Joint Committee on Alumni Relations
 67. Training for 2013–14 Endowment/Major Gift Advisers
 68. Terminology for the Funds of the Foundation
 71. International PolioPlus Committee Report: Continuing Relationship with the Gates Foundation
 77. International PolioPlus Committee Report: Compensation for Families of Pakistan Health Care Workers
 79. Rotary Peace Symposiums

85. RI/TRF Cost Allocation Review Committee Report

2. requests the Board's Executive Committee to review Rotary Code of Policies section 30.060.5. to determine how trustees might be included in developing the general secretary's key performance indicators that relate to the Foundation, and to include trustees in evaluating the progress in achieving those goals, for review by the Board at its June 2013 meeting;
3. concurs with the appointment of a 2013–14 Joint Committee on Alumni Relations.

138. Continuing Relationship with the Bill & Melinda Gates Foundation

Statement: At its October 2012 meeting, the International PolioPlus Committee (IPPC) considered a proposal from the Gates Foundation for additional funding for the PolioPlus program. The committee agreed that further negotiations were necessary. IPPC Chairman Scott presented the results of these negotiations that could bring up to \$70 million per year through 2018 in matching funds from the Gates Foundation to the PolioPlus program. In decision 71, January 2013 the Trustees approved the terms of a supplemental agreement with the Bill & Melinda Gates Foundation as follows:

- a. the Gates Foundation will match Rotary 2:1 for disbursement of up to US\$35 million annually to WHO and UNICEF;
- b. the Gates Foundation will only match funds that Rotary raises from sources other than the Gates Foundation;
- c. all Gates Foundation matching funds will be paid to Rotary in the first quarter of the following calendar year of when the Rotary funds were spent;
- d. the full amount of Gates Foundation funding must be disbursed by Rotary to the Global Polio Eradication Initiative for activities that reduce the financial resource requirements (polio eradication funding gap) within six months of when it is received;
- e. PolioPlus Partners, PolioPlus communications, and PolioPlus administrative expenses are not eligible to be matched;

The Trustees requested the Board's concurrence with this agreement.

DECISION: The Board concurs with the terms of a supplemental agreement with the Bill & Melinda Gates Foundation for disbursement of additional funds for polio eradication efforts, as approved by the Foundation Trustees.

139. Petitions to the Board

Statement: The Board considered two petitions from Rotary clubs:

- From the Rotary Club of Kenton on Sea (District 9320 – South Africa), requesting the Board to consider harnessing the networking capacity, power, and influence of the Rotary world and the World Wild Life Fund South Africa to save the rhinoceros from extinction and to preserve the future of the species;
- From the Rotary Club of San Juan Capital (District 4865 – Argentina), requesting the Board to amend the text that refers to the intended users of the *Manual of Procedure* on its cover and wherever such references occur; and requesting the Board to consider changing the order of the chapters in Part One (Administration) of the *Manual of Procedure*.

DECISION: The Board, the Executive Committee acting on its behalf, requests the general secretary to follow-through on the petitions received at this meeting in accordance with discussion at this meeting.

140. Updates to the Rotary Code of Policies

Statement: Board policy requires the general secretary, at the conclusion of each Board meeting, to review the decisions taken by the Board at that meeting and to prepare a report listing the decisions that might be added to the Rotary Code of Policies. The general secretary provided suggested amendments to the Code based upon decisions taken by the Board at its October 2012 meeting.

DECISION: The Board, to record the decisions taken at its October 2012 meeting and previously, amends the Rotary Code of Policies as shown in Appendix C, filed only with the official copy of these minutes.

141. Revised Rotary Code of Policies Chapter 8

Statement: In decision 39, November 2010, the Board requested the general secretary to conduct a thorough review of the Rotary Code of Policies per guidelines presented at that meeting, with the goal of reducing its

length by removing obsolete and unnecessary provisions. The general secretary had previously revised chapters 6 (Communications) and 7 (Meetings). The Board, in decision 159, January 2012, requested the general secretary to similarly revise chapter 8 (Finances).

DECISION: The Board

1. adopts the revised Rotary Code of Policies chapter 8 (Finances) as shown in Appendix D, filed only with the official copy of these minutes;
2. requests the general secretary to present a similarly revised version of Chapter 2 (The Rotary Club) for review by the Board at its October 2013 meeting.

DECISIONS 142–143

Council on Legislation Advisory Committee Report

The Council on Legislation Advisory Committee met on 16–17 January 2013 in San Diego, California, USA and made several recommendations to the Board.

142. Review of Board Legislation

Statement: The Council on Legislation Advisory Committee reviewed all Board-proposed legislation, identified other club- and district-proposed legislation that the Board may want to support or oppose, and considered a general strategy for addressing various items of legislation. The committee recommended that the Board withdraw two items of legislation that it had previously agreed to submit.

DECISION: The Board

1. agrees not to submit the following proposed enactments to the 2013 Council on Legislation:
 - File 006: To eliminate club attendance reporting requirements
 - File 032: To provide for flexibility on when the International Assembly shall be held;
2. rescinds accordingly its decisions 49 and 61, September 2011;
3. rescinds its decision 128, October 2012, regarding amendments to the RI travel policy;
4. endorses the legislative strategy presented by the Council on Legislation Advisory Committee at this

meeting and proposed presenters to the 2013 Council.

143. Authority of President to Act on Behalf of the Board in Legislative Matters

Statement: Since various Council-related matters requiring Board approval may arise before the Board's April 2013 pre-Council meeting, the Council on Legislation Advisory Committee recommended that the Board grant authority to the president to act on its behalf until that time.

DECISION: The Board authorizes the Council on Legislation Advisory Committee chairman, in consultation with the RI president, to act on its behalf until its April 2013 meeting with respect to all matters relating to the Council on Legislation.

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144. Constitution and Bylaws Committee Report: Review of Legislation

Statement: In decision 83, October 2012, the Board agreed to submit to the 2013 Council on Legislation a proposed enactment to revise the target general surplus fund calculation and requested the Constitution and Bylaws Committee to review the legislation for report to the Board at this meeting. The Constitution and Bylaws Committee met via correspondence on 6 December 2012 to review the enactment and agreed that it was not defective.

DECISION: The Board agrees that the proposed enactment, "To Revise the Target General Surplus Fund Calculation" is not defective and shall be submitted to the 2013 Council on Legislation.

145. Council on Legislation Review Committee Report

Statement: The Council on Legislation Advisory Committee recommended that the Board establish a committee to review the structure and operations of the Council on Legislation.

DECISION: The Board

1. agrees to create a six-person committee to review the structure and operations of the Council on Legislation;

2. requests the president, in consultation with the president-elect, to appoint the members of this committee;
3. requests the general secretary to include sufficient funds in the 2013–14 budget for this committee to meet the number of times determined by the president-elect.

146. Directors-nominee Attendance at the Council on Legislation

Statement: At its April 2012 meeting, the Finance Committee considered various cost reduction ideas in balancing the budget. Among the items considered was eliminating funding for directors-nominee to attend the Council on Legislation. At its May 2012 meeting the Board deferred consideration of this matter.

DECISION: The Board allocates US\$28,000 from the \$2,000,000 approved in its decision 298, May 2012, to fund operational and strategic initiatives, for directors-nominees to attend the 2013 Council on Legislation as observers.

147. Additional Director Allocation

Statement: Each director is provided the same RI expense allocation regardless of the size of the geographic area he or she covers and the number of districts in the zone(s). Director Mehta noted that the allocation RI provides the director in Zone 6 does not adequately cover the costs associated with the many travel and meeting obligations for the director from this zone. In discussing this matter, several other directors noted that allocation amounts for each director should be reviewed.

DECISION: The Board

1. in consideration of the many travel and meeting obligations for the director from Zone 6, authorizes an increase of US\$10,000 to the annual expense allocation effective immediately;
2. authorizes a 2012–13 budget variance of \$10,000 for this increased allocation;
3. requests the president to appoint a committee of directors to review the equity of the director allocation and to recommend any changes to the Board at its June 2013 meeting.

148. Sectioning of Zones 4 and 5

Statement: The RI Bylaws provide that the Board may create sections in a zone so as to allow each area in the zone an opportunity to nominate a director under a rotation schedule that is based on an approximate equal number of Rotarians in each section. Noting that the sectioning of Zones 4 and 5 has had little impact on the director selection process since 2008 when the sectioning first took effect, Directors Das and Mehta requested the Board to eliminate the sections in Zones 4 and 5.

DECISION: The Board, pursuant to RI Bylaws section 12.010.6.,

1. agrees to eliminate the two sections in Zone 4, thus creating one unified zone for northwestern and western India;
2. agrees to eliminate the two sections in Zone 5, thus creating one unified zone for central and southern India, and Sri Lanka;
3. requests the general secretary to notify the clubs in both Zones 4 and 5, affording them a reasonable time to register any objection, should they wish to do so;
4. absent a majority objection from the clubs in Zone 4 and 5, agrees that the unified zones structure shall take effect 1 July 2016.

149. District 3292 Request to Move from Zone 6A to Zone 6B

Statement: The president received a request from District 3292 (Nepal and Bhutan) to be removed from Zone 6A and placed in Zone 6B.

DECISION: The Board defers consideration of this matter to its June 2013 meeting.

150. Election of Director from Zone 9

Statement: In response to an election complaint filed by the Rotary Club of Cheongju, Korea, the Board, in decision 49, October 2012, requested the general secretary to conduct a mail ballot between the four candidates whose names were submitted to the Zone 9 Nominating Committee to determine the 2013–15 director from the zone. When the ballots were received, it was noted that none of the candidates received a majority of votes cast, as required by the RI Bylaws.

The Board therefore requested the general secretary to conduct another ballot using the single transferable ballot system so as to ensure that one candidate would receive a majority of the votes cast.

DECISION: The Board

1. notes that none of the candidates in the ballot to select the 2013–15 RI Director from Zone 9, as mandated by Board decision 49, October 2012, received a majority of the votes cast, as required by RI Bylaws 12.030.7.;
2. requests the general secretary to conduct a ballot-by-mail between the candidates using the single transferable ballot system to select the 2013–15 director from Zone 9, such ballot to be completed by 15 March 2013.

151. Report of Joint Working Group on Governance Issues

Statement: In decision 255, May 2012, the Board agreed in concept to six goals that would help the Board (and the Trustees upon their concurrence) to better use their time in meetings by focusing more on matters of strategic importance, while delegating administrative issues to appropriate Board and Trustee committees. The Board further requested the general secretary, in collaboration with one director and trustee, to develop a plan to support these goals for report to the Board and Trustees at their October 2012 meetings. In decision 6, October 2012, the Trustees requested their Executive Committee to provide a recommendation to their April 2013 meeting for a new committee structure in 2014–15 and beyond and requested that such recommendation consider opportunities for greater collaboration with RI. In response, the Board, in decision 35, October 2012, requested the president and chairman to appoint a joint working group to consider how best to move forward.

DECISION: The Board

1. notes that the Trustees have appointed a committee to consider a new committee structure for 2014–15 and notes further that this committee will consider opportunities for greater collaboration with RI;
2. agrees that when the Trustees' committee has sufficiently completed its new committee structure evaluation, then the president and Trustee chairman shall appoint a joint working group of three directors and three trustees to consider how best to

further develop plans for greater collaboration of resources and volunteers between RI and TRF.

152. Director-nominee Training

Statement: Director Boyd suggested that the Board should establish training for directors-nominee, which would be in addition to that provided to them as directors-elect. He presented examples of how such training and orientation is conducted in his zones. The Board considered establishing centralized training that could be applicable to all directors-nominee.

DECISION: The Board

1. agrees to establish training for directors-nominee, which shall be scheduled during the second half of their year as directors-nominee;
2. agrees that the *Manual of Information* for the RI Board of Directors, updated annually, shall continue to be used as a guideline for training;
3. requests the general secretary to plan this annual training, which shall be in addition to the annual director-elect orientation, and agrees to review a plan for this training at its June 2013 meeting.

153. Status of Litigation

Statement: The general secretary provides a status report on litigation affecting RI at each Board meeting.

DECISION: The Board receives the general secretary's report on litigation.

DECISIONS 154–156

Ad Hoc Committee on Leadership Training Report

The Ad Hoc Committee on Leadership Training met on 10–11 December 2012 in Evanston, Illinois, USA and made several recommendations to the Board.

154. Governors-elect Training Seminar Review

Statement: The Ad Hoc Committee on Leadership Training conducted a review of the Governors-elect Training Seminar (GETS) to determine best practices for improving the training.

DECISION: The Board

1. requests all GETS conveners to certify to the president-elect that at a minimum, the RI topics will

be followed so that governors-elect receive consistent training before the International Assembly;

2. agrees that a GETS training team leader must be a recent past RI training leader, with exceptions made as necessary;
3. to ensure quality of the GETS training, agrees that the team leader and general trainer must be appointed by the president for the class of governors being trained, upon recommendation by the convener;
4. agrees that while the GETS team leaders may have logistical and administrative responsibilities, they must also help train the governors-elect;
5. emphasizes the importance of GETS team leaders conducting a train-the-trainer session;
6. recognizes that not all GETS are currently held in conjunction with Rotary institutes;
7. amends Rotary Code of Policies sections 19.050.3.–19.050.9., and 60.050. as shown in Appendix E.

155. Observers at the International Assembly

Statement: In reviewing Rotary Code of Policies sections pertaining to the International Assembly, the Ad Hoc Committee on Leadership Training agreed that clarifications were needed regarding observers at the assembly.

DECISION: The Board amends Rotary Code of Policies section 58.040.12. as follows:

58.040.12. Observers at International Assembly

Current and past district governors and their guests should be permitted to attend the plenary sessions as observers to the extent that space is available.

The general secretary shall permit at least up to 200 current and past district governors and their guests to attend the International Assembly as observers and shall continue accepting registrations for observers until the available space, as determined by the general secretary, is filled. A registration fee will be determined by the general secretary on an annual basis to ensure that observer participation is revenue neutral for the event of US\$30 has been established.

156. Pilot Project Extending the Term of Governor to Two Years

Statement: In decision 74, October 2012, the Board requested the Leadership Development Committee (in 2013 called the Ad Hoc Committee on Leadership Training) to explore the feasibility of implementing a pilot project to extend the term of the district governor to two years, for report at this meeting. Noting several challenges with a two-year term, the committee concluded that it would not be a good use of RI resources.

DECISION: The Board agrees not to conduct a pilot project extending the term of the district governor to two years.

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157. International RYLA at 2014 RI Convention

Statement: At its October 2012, the Board reviewed RYLA Committee's events management plan for an international RYLA event to be held in 2014. In decision 97 from that meeting, the Board requested the RYLA Committee to develop a more cost-effective plan, such plan to be US\$150,000 or less for 2013-14, with subsequent years' costs reduced further by sponsorship support. The committee met by correspondence to rework a more cost-effective international RYLA, and presented the plan for the Board's review.

DECISION: The Board

1. thanks the RYLA Committee for its report;
2. approves 26-29 May 2014 as meeting dates for the International RYLA to be held in conjunction with the 2014 RI (Sydney) Convention and requests the general secretary to budget for this event as outlined in the committee's report;
3. agrees that an International RYLA may be held at the 2015 RI (São Paulo) Convention at a cost to RI for staff-related expenses not to exceed US\$20,000;
4. agrees that any additional expense for the São Paulo International RYLA shall be the responsibility of the Host Organization Committee;
5. agrees to review the International RYLA after the 2014 RI (Sydney) Convention and requests a report to the Board at its October 2014 meeting;

6. suspends Rotary Code of Policies section 41.050.8., and agrees not to hold a RYLA preconvention meeting at the 2014 and 2015 RI conventions.

158. New Generations Committee Report

Statement: At its October 2012 meeting, the Board considered a request from the New Generations Committee to develop two new awards that support the New Generations Avenue of Service. The Board declined this request. In response, the committee met via correspondence to revise its proposal.

DECISION: The Board amends the Rotary Code of Policies section 21.060. to encourage recognition of New Generations at the district level, as follows:

21.060. District New Generations Committees

District governors ~~should~~ are encouraged to appoint a district New Generations committee. The committee shall work with district Interact, Rotaract, RYLA, Youth Exchange, and any other committees as determined appropriate by the governor. District New Generations committees are encouraged to facilitate district recognition for clubs and/or individuals who advance the principles of New Generations and empower and engage young people.

159. Rotarian Action Groups Committee Report

Statement: Rotary Code of Policies section 42.020.4. requires prospective Rotarian Action Groups to apply to the Board for recognition. Since the Board's October 2012 meeting, the general secretary received two applications from prospective Rotarian Action Groups. The Rotarian Action Groups Committee met by correspondence to review these applications and recommended their approval.

DECISION: The Board

1. recognizes the proposed Rotarian Action Group Against Child Slavery;
2. recognizes the proposed Rotarians for Hearing Rotarian Action Group.

160. Rotarian Action Group for Microcredit Name Change

Statement: The Board recognized the Rotarian Action Group for Microcredit in February 2007. Since that

time, this group expanded its areas of expertise to include microsavings and micro-insurance. To reflect this broadened scope of services, the action group sought the Board's approval for a name change.

DECISION: The Board recognizes the Rotarian Action Group formerly known as Rotarian Action Group for Microcredit under its new proposed name, Rotarian Action Group for Microfinance and Community Development.

161. Potential Program with Thunderbird School of Global Management

Statement: Director Boyd requested the Board to consider establishing a service partnership with the Thunderbird School of Global Management, a private business school located in Arizona, USA. The school focuses on educating people for international careers, 50 percent of whom are non-American.

DECISION: The Board

1. looks with favor on developing a pilot program with Thunderbird School of Global Management that, if successful, can be replicated with other higher-level educational institutions throughout the world;
2. requests the general secretary to use the information as presented in Appendix F, filed only with the official copy of these minutes, including any additional information as available, in conjunction with the Thunderbird School of Global Management to develop parameters for the program, for report to the Board at its June 2013 meeting.

162. Potential Partnership with the Peace Corps

Statement: Rotarians have long expressed an interest in developing a partnership with the US Peace Corps program. The general secretary presented potential areas of collaboration between the two organizations for consideration by the Board.

DECISION: The Board receives the general secretary's update on a potential partnership with the Peace Corps.

163. 2014 RI (Sydney) Convention Budget

Statement: At its July 2012 meeting, the Sydney Convention Committee discussed various registration rates for the 2014 Sydney Convention. Considering historic convention registration trends and a projected

attendance of 17,000, the committee recommended that the convention budget should be based on a US\$295 registration fee.

DECISION: The Board

1. thanks the 2014 RI (Sydney) Convention Committee for its work on the 2014 Sydney convention budget;
2. approves the budget for the convention as shown in Appendix G, filed only with the official copy of these minutes;
3. sets the registration fee for the Sydney convention at US\$295 per adult registrant based upon 17,000 registrants with corresponding registration fees as outlined below:

Registration Fees	15 Dec, 2013	31 Mar. 2014	On site
Rotarian, Non-Rotarian spouse, Spouse of deceased Rotarian, Rotary club/ district employee, Guest age 19 or older, and Rotary Foundation alumnus (before 2006-07)	\$295	\$345	\$395
Rotaractor, *Rotary Foundation alumnus (2006-07 or later), and one guest of Rotaractor or Rotary Foundation alumnus	\$60	\$90	\$120
Guest age 5 to 18, Youth Exchange Student or Interactor	\$10	\$10	\$10
Guests younger than 5	free	free	free

* Rate does not apply to alumni who were Rotarians before their Foundation program participation.

164. 2015 (São Paulo) RI Convention Status Report

Statement: In decision 199, January 2012, the Board requested an update on the 2015 São Paulo convention at this meeting. The general secretary reported on a recent planning trip to São Paulo that included meetings with the São Paulo Host Organization Committee; contract development with the chosen venue; meetings with potential shuttle transportation system companies; a meeting with official convention hotel representatives to explain procedures, timelines, and expectations; and

inspections of various hotels and venues for pre-convention meetings.

DECISION: The Board

1. receives the general secretary's status report on the 2015 RI (São Paulo) Convention;
2. requests a further update on the 2015 RI (São Paulo) convention at its October 2013 meeting.

165. 2019 RI (Durban) Convention and Limited Attendance Policy

Statement: In decision 104, October 2012, the Board did not look with favor on holding the 2019 convention in Durban, South Africa, noting that the venue plan and hotel block did not meet the critical criteria for hosting an RI Convention. At the request of the Durban Host Organization Committee chairman, the general secretary suggested that the Board consider exploring a "limited attendance" model for a smaller international convention that would allow for convention sites in smaller cities.

DECISION: The Board

1. thanks the general secretary for his report regarding limited attendance at an RI convention, but does not wish to restrict attendance at this international member event;
2. reaffirms its decision 104, October 2012.

166. International Institute Policy

Statement: Rotary Code of Policies section 60.010. provides that an international institute shall be held annually in conjunction with the international convention, provided that a suitable venue can be contracted. President-elect Burton requested the Board to consider additional flexibility to this policy.

DECISION: The Board

1. amends Rotary Code of Policies section 60.010. as follows:

60.010. International Institute

Upon the recommendation of the president-elect and with RI Board approval, an International Institute ~~may shall~~ be held ~~annually~~ in conjunction with the International Convention, provided that a suitable venue can be contracted. Those eligible to

attend the institute are past, current, and incoming officers of RI (including reported governors-nominee), current RI committee members, and Rotary Coordinators, Rotary Public Image Coordinators, and Regional Rotary Foundation Coordinators. Spouses and/or guests of those Rotarians eligible to attend the institute shall be permitted to register on the same form as an eligible Rotarian.

2. agrees not to hold an International Institute in conjunction with the 2014 RI (Sydney) Convention.

167. Districting Committee Report

Statement: The Districting Committee met via teleconference in December 2012 to review the various districting proposals received at the Secretariat and to review all districts that were below or near 1,200 members.

DECISION: The Board

1. reorganizes the clubs in District 1460 into two districts, effective 1 July 2014, as follows:

District 1461

DENMARK—That portion including the county of South Jutland, the commune of Vejen from the county of Ribe, that portion of the county of Vejle south of the northern boundaries of the communes of Egtved and Vejle; and the island Funen with adjacent smaller islands.

District 1462

LITHUANIA—The national boundaries of Lithuania.

and requests the general secretary to notify the clubs in District 1460 of this decision;

2. thanks Rotary International in Great Britain and Ireland (RIBI) for submitting the RIBI five-year membership development plan and task completion analysis;
3. supports phases one and two of the RIBI redistricting plan, and requests RIBI to keep the general secretary apprised of any changes that occur;
4. reorganizes the clubs in Districts 1140 and 1250 (England) into one new district, effective 1 July 2015, as follows:

District 1145

ENGLAND—South and South West London, northeastern part of Hampshire, Surrey, western and west-eastern parts of Sussex.

and requests the general secretary to notify the clubs in Districts 1140 and 1250 of this decision;

5. reorganizes the clubs in Districts 1050 and 1280 (England) into one new district, effective 1 July 2015, as follows:

District 1285

ENGLAND—Greater Manchester, Isle of Man and Parts of: Chesire; South Lancashire; Merseyside; West Yorkshire; Derbyshire; North Staffordshire.

and requests the general secretary to notify the clubs in Districts 1050 and 1280 of this decision;

6. reorganizes the clubs in Districts 1170 and 1290 (England) into one new district, effective 1 July 2015, as follows:

District 1175

ENGLAND—Devon, Cornwall, and the Isles of Scilly.

and requests the general secretary to notify the clubs in Districts 1290 and 1170 of this decision;

7. reorganizes eight clubs from District 1050 (England) into District 1180 (England and Wales), effective 1 July 2015, thus changing the district boundary description as follows:

District 1180

WALES—Anglesey, Conway, Denbighshire, Flintshire, Gwynedd, Wrexham, and Part of Powys.
ENGLAND—Parts of: Chesire; South West Lancashire; Merseyside, and Shropshire Border.

and requests the general secretary to notify the clubs in Districts 1050 and 1180 of this decision;

8. receives the redistricting proposal for Argentina and approves the reorganization of clubs in Argentina from 11 to nine districts, effective 1 July 2014 as follows:

- a. Districts 4845, 4855, 4915, 4920 and 4930 will remain unchanged;

- b. reorganizes the clubs in Districts 4825 and 4890 into one new district, effective 1 July 2014, as follows:

District 4895

ARGENTINA—Buenos Aires City and parts of Buenos Aires provinces including Vicente Lòpez, San Isidro, San Fernando, Tigre, Pilar, Exaltacion de la Cruz, Escobar, Campana, Zarate, Baradero, Ramallo, San Nicolas, Arrecifes, Pergamino, San Nicolas, San Antonio de Areco, Capitan Sarmiento, Salto, Rojas, Colon, Junin, General Arenales, Florentino Ameghino, General Villegas, Rivadavia, General Pinto, Alem, Chacabuco, Carmen de Areco, San Andres de Giles, General Viamonte and part of Partido de General San Martin.

- c. reorganizes 36 clubs from District 4835 into District 4940 to become new District 4945, effective 1 July 2014, thus changing the district boundary description as follows:

District 4945

ARGENTINA—Provinces of Entré Rios and Santa Fe, and URUGUAY—the Western part.

- d. reorganizes 17 clubs from District 4815 (Argentina) into District 4865 (Argentina), effective 1 July 2014, thus changing the district boundary description as follows:

District 4865

ARGENTINA—Provinces of Mendoza, San Juan, San Luis, the northern part of La Pampa, and the southern part of Córdoba.

- e. reorganizes 28 clubs from District 4835 into District 4815, effective 1 July 2014, thus changing the district boundary description as follows:

District 4815

ARGENTINA—Provinces of La Rioja, Catamarca, Jujuy, Salta, Tucumán, Santiago del Estero, and the mid-north part of Córdoba.

and requests the general secretary to notify the clubs in the eleven existing Districts of 4815, 4825, 4835, 4845, 4855, 4865, 4890, 4915, 4920, 4930, and 4940 of this decision;

9. notes that Districts 1360 (Iceland), 1911 (Hungary), 2540, 2830 (Japan), 4100, 4110, 4130, 4150, 4160, 4170, 4180, 4190, and 4200 (Mexico), 4970, 4980 (Uruguay), and 9550 (Australia) have exemptions that expire 1 July 2013, and requests the general secretary, in consultation with corresponding directors, to request a status update and plan from each district by 1 July 2013;
10. notes that Districts 1380 (Finland), 4620, 4310, 4680, 4750 (Brazil), 7000 (Puerto Rico), and 7330 (PA, USA), have less than 1,200 members each and requests the general secretary, in consultation with corresponding directors, to contact each district for an update and plan, for report to the Board at its June 2013 meeting;
11. notes that Districts 1400 (Finland), 2490 (Israel), 3271 (Pakistan), 3850 (Philippines), 3870, 4240 (Nicaragua, Costa Rica, El Salvador, Panama), 4320 (Chile), 4370 (Venezuela, Curaçao, Aruba, Netherlands), 4380 (Venezuela), 4410, 4440, 4520, 4550, 4560, 4580, 4600, 4610, 4650, 4651, 4670, 4710, 4740, 4780 (Brazil), 5510, 7190, 7300, 7470, 7490, 7500, 7530, 7550, 7640 (USA) and 7810 (Canada/USA), have less than 1,300 members each and requests the general secretary, in consultation with corresponding directors, to contact each district for an update on membership growth efforts.

168. Report on Additionally-Supported Districts

Statement: An “additionally-supported” district is a temporary designation that allows the Board to create or maintain a district that does not meet the minimum number of clubs or members as required by RI Bylaws section 15.010. Rotary Code of Policies section 17.010.7. authorizes annual funding of up to US\$200,000 for such districts for additional training, membership development, promotion of participation in The Rotary Foundation, and other appropriate support as determined by the general secretary in consultation with the director for that area and district leadership. The general secretary works with the leadership of these district to assess their funding needs, based on their individual requirements. The Board reviews the status of additional-supported districts annually at its January meeting.

DECISION: The Board receives the general secretary’s report on “additionally-supported” districts and looks forward to the next annual report at its January 2014 meeting.

169. Report on RI in Serbia (District 2483)

Statement: In August 2012, President Tanaka requested Past Director Balkan to investigate allegations of misconduct in Serbia (District 2483). Past Director Balkan presented his report and recommendations to the Board for its review.

DECISION: The Board

1. thanks Past Director Balkan for his investigation and report on the status of leadership practices in Serbia (District 2483);
2. requests Director Peiper and the general secretary to contact current and incoming club presidents in Montenegro regarding their status in District 2483;
3. noting the irregularities in the election process, requests the District 2483 governor to re-run the election for 2014–15 governor by holding a ballot-by-mail between the original candidates who were eligible for selection with the ballots returned to the general secretary no later than 1 April 2013;
4. requests the RI president to appoint a special representative to District 2483 to promote unity, collaboration, shared Rotary values, and to develop a long-term plan for the strengthening of the district;
5. requests the district governor and district governor-elect to work with the appropriate director to focus on their roles as leaders and unifiers of the district;
6. notes that the creation of a regional magazine for Serbia should be considered as part of the long term rehabilitation plan for the district and requests the special representative as noted in point 4 above to include this issue in the district’s long-term planning;
7. notes that the TRF chairman has been advised directly that the district Rotary Foundation chairman should be removed;
8. noting the disagreements between various past, current, and incoming leadership in the district, requests that any Rotarians involved in court cases with other Rotarians withdraw their case in order to build more cohesiveness and unity within the district;

9. requests the past, current, and incoming district leadership to take note and communicate widely that there has been no evidence of a lack of impartiality from the RI Secretariat staff in relation to any district leader nor any evidence of RI Secretariat staff receiving any tangible benefits for supporting a district leader.

170. District 9010 Governor-elect Attendance at GETS

Statement: District 9010 comprises the French-speaking countries in northern Africa. As part of Zone 20B, the governor-elect in District 9010 must attend the Zone 20B Governors-elect Training Seminar (GETS), which is conducted primarily in English. Past governors from District 9010 have noted that they were the only French-speaking participant at these GETS. The district requested that it be allowed to attend the predominantly French-speaking Zone 11 GETS, where the district already has many ties.

DECISION: The Board authorizes the District 9010 governor-elect to attend the governor-elect training seminar in the zone of his choice, provided that the governor-elect inform the GETS convener at least six months before the event.

171. Governor-Nominee Selection Procedures in India

Statement: In an effort to reduce the number of election disputes in Zones 4, 5, and 6, the Board, in decision 260, May 2012, adopted a Governor-Nominee Selection Procedures in India pilot project. Directors Das and Mehta recommended several amendments to this pilot project.

DECISION: The Board amends the Governor-Nominee Selection Procedures in India Pilot Project as shown in Appendix H.

172. Recognition Pin for New Member Sponsors

Statement: In decision 288, May 2012, the Board approved development of a new recognition pin for Rotarians who sponsor new members. In decision 116, October 2012, the Board approved the concept of establishing multiple levels of recognition for new member sponsors, similar to the Paul Harris Fellows recognition system, and requested the general secretary to investigate the operation impact and costs associated with adopting this initiative, for report at this meeting. The general secretary provided estimated costs for the

pins, postage, and staffing, and reported that implementing such a program would require approximately US\$327,000 to develop a centralized, automated tracking system.

DECISION: The Board

1. approves a new member sponsor recognition pin to be developed and distributed from Rotary International;
2. requests the general secretary to develop a system to track new member sponsors and to automatically send the new member sponsors the recognition pin;
3. rescinds its decisions 189, January 2009 and 259, June 2009, related to the "Each Rotarian: Reach One, Keep One" recognition pins, in favor of this new program.

173. Report of Committee to Strengthen Rotary's Brand

Statement: The Committee to Strengthen Rotary's Brand met on 15 January 2013 in San Diego, California, USA. The committee developed a draft essence statement based on recommendations from the Board and Trustees and from validation research findings. The committee also reviewed recommendations from branding firm Siegel+Gale pertaining to RI's visual expression.

DECISION: The Board, acknowledging that Rotary's brand is "Rotary," recognizes that the purpose of an essence statement is to focus communications and strategic decision-making, and adopts the essence statement as recommended by the Committee to Strengthen Rotary's Brand.

174. Report on Expo Milano 2015

Statement: In decision 101, October 2012, the Board authorized the general secretary to continue discussions with Expo Milano leadership to develop a partnership proposal with RI for the event, for report at this meeting. The president appointed an Expo Milano Working Group of RI directors from Europe, which presented a proposed governance structure for RI's involvement, including a budget plan and funding model.

DECISION: The Board

1. recognizes the opportunity to promote the work of

Rotary at Expo Milano in 2015 and agrees that RI should participate;

2. authorizes the general secretary to finalize an agreement with Expo Milano;
3. approves the governance structure proposed by the Expo Milano Working Group, and authorizes the working group to appoint the members of the Expo Milano Host Organization;
4. receives the report on the funding model and projected costs for the Expo Milano Host Organization, and requests a final report at the June 2013 Board meeting;
5. receives the preliminary RI projected budget and
 - a. from the amount of US\$2,000,000 approved in decision 298, May 2012 to fund operational and strategic initiatives, agrees to allocate \$200,000 for Expo Milano in 2012–13;
 - b. in accordance with RI Bylaws section 17.050.06. and by a three-quarters vote of all directors, authorizes the expenditure of an additional amount of up to \$1,200,000 for Expo Milano and agrees such expenditure shall be funded with any amount of the \$2,000,000 referenced in point a. that may remain unallocated at the end of 2012–13, with any remaining amount to be funded out of the general surplus fund;
 - c. authorizes the general secretary to approve the expenditures approved in point b. as needed during 2013–14, 2014–15, and 2015–16;
6. authorizes the general secretary to secure exhibit space in the House of Friendship at the 2013 (Lisbon), 2014 (Sydney), and 2015 (São Paolo) conventions.

175. “Dean” Appointment to the Rotary Representative Network

Statement: As a leading non-governmental organization, RI maintains a long-standing relationship with the United Nations and other international organizations. RI holds the highest (Category 1) consultative status with the United Nation’s Economic and Social Council. In decision 124, October 2012, the Board approved the expansion of the RI representative network to the European Union, League of Arab States, Common-

wealth of Nations, and the Organization for Economic Cooperation and Development. The general secretary noted that with the now nearly 30 Rotarians representing Rotary at 23 UN agencies and at other organizations around the world, there is need to establish greater coordination among these representatives.

DECISION: The Board

1. agrees to create a new volunteer leadership position, called “dean” of the Rotary Representative Network;
2. agrees that candidates for this position will be limited to existing Rotary representatives to the United Nations and other organizations;
3. requests the RI president to annually appoint the dean beginning in the 2013–14 Rotary year;
4. requests the general secretary to support the dean in conjunction with the Rotary representatives to the United Nations and other organizations and to budget accordingly for related travel expenses associated with this position.

176. Triennial Review of Countries Exempt from Magazine Subscription

Statement: RI Bylaws section 20.030.2. allows exemption from subscription to *The Rotarian* or regional magazine for certain countries if the members are not literate in the language of the available magazine. Rotary Code of Policies section 31.030.11. authorizes the general secretary to act on the Board’s behalf to excuse clubs from this requirement and Code section 51.020.7. requires the general secretary to provide a report on counties exempt from magazine subscription every three years.

DECISION: The Board receives the general secretary’s report on countries exempted from subscription to *The Rotarian* or regional magazine as follows:

Afghanistan	Estonia	Lithuania
Albania	Greece	Moldova
Azerbaijan	Hungary	Montenegro
Bosnia- Herzegovina	Indonesia	Romania
Cambodia	Kazakhstan	Tajikistan
Croatia	Kosovo	
	Latvia	

177. RI Finance Committee Report

Statement: The RI Finance Committee met via teleconference and webinar on 8 January 2013. The committee reviewed the status of RI's finances, 2014 budget assumptions, updates to the five-year financial forecast, and the Investment Committee report, among other topics.

DECISION: The Board

1. thanks the RI Finance Committee for its report;
2. approves the key budget assumptions for 2013–14 as shown in Appendix I, filed only with the official copy of these minutes;
3. approves the updated assumptions for the five-year financial forecast for 2012–13 through 2017–18 for presentation to the 2013 Council on Legislation as shown in Appendix J, filed only with the official copy of these minutes.

178. RI/TRF Joint Cost Allocation Review Committee Report

Statement: The RI and TRF codes of policies require the president and trustee chairman to each appoint two members annually to a joint committee of directors and trustees to review and recommend any necessary changes to RI's methodology and allocation of costs to the Foundation. In decision 298, May 2012, the Board requested the RI/RF Joint Cost Allocation Committee to reconsider the allocation costs from RI to TRF associated with archives and intellectual property. The committee met on 27 October 2012 in Evanston, Illinois, USA to review these allocations and also reviewed 2011–12 allocation results compared to budget, the 2012–13 allocation budget, and a revised administrative services agreement, among other topics.

DECISION: The Board

1. receives the RI/TRF Joint Cost Allocation Review Committee's report;
2. recognizes that the changes to the allocation resulting from the Secretariat reorganization will have a net zero impact on the budget of Rotary International and the Rotary Foundation;
3. approves the updates to schedules A, B, and C of the administrative services agreement;

4. agrees to eliminate from the RI/TRF allocation all costs associated with the intellectual property and Rotary history and archives cost centers beginning in 2013–14;
5. requests the RI/TRF Cost Allocation Review Committee to review at its next meeting the default methodology relating to headcount and the allocation of costs associated with the Investment Committee;
6. requests the general secretary to review the allocation of expenses for the international offices during the 2013–14 budget process, for recommendation to the RI Finance Committee.

179. 2013–14 Funding for Polio Eradication

Statement: In decision 35, October 2012, the Board agreed to consider at this meeting a 2013–14 general surplus fund expenditure of US\$5 million to The Rotary Foundation for polio eradication efforts.

DECISION: The Board, recognizing that polio eradication is Rotary's number one priority, authorizes a 2013–14 expenditure of US\$5,000,000 from general surplus funds to The Rotary Foundation for polio eradication efforts.

180. RI Financial Services Resolution

Statement: The RI resolutions on financial accounts and services delegate authority to specific Secretariat staff regarding the establishment and operation of TRF's bank accounts. Due to the recent Secretariat reorganization, the Board was required to update the resolution with specific job titles.

DECISION: The Board amends the resolutions on financial accounts and services as shown in Appendix K.

181. Performance Assessment of External Auditor

Statement: In accordance with Rotary Code of Policies section 67.020., the Audit Committee annually evaluates the performance of RI's independent auditor.

DECISION: The Board receives the Audit Committee's annual performance assessment of RI's external auditor.

182. Modification to the Budget in 2012–13

Statement: At the conclusion of each meeting, the Board reviews all actions taken during that meeting affecting the RI budget.

DECISION: The Board

- notes no modification to the 2012–13 budget as approved through October 2012:

2012–13 Budget	
Revenues:	US\$95,511,000
Expenses:	<u>(106,522,000)</u>
Change in net assets:	(11,011,000)
Convention reserves:	583,000
GSF funded expenses:	<u>12,110,000</u>
Total change in net assets net GSF:	<u>US\$1,682,000</u>

- approves budget variances for 2012–13 as indicated below:

<u>Expenses: increase/(decrease)</u>	
July 2012 approved variances:	91,000
October 2012 approved variances:	133,000
January 2013 Board meeting	
Dec. 146 Directors-nominee attendance at the COL:	28,000
Dec. 147 Additional Director Allocation:	10,000
Dec. 157 International RYLA at 2014 Convention:	6,000
Dec. 174 Expo Milano 2015:	<u>200,000</u>
Total January 2013 Board meeting variances to the 2012–13 budget:	<u>244,000</u>

Total 2012–13 change in net assets including variances: **US\$1,214,000**

- notes the following decisions at this meeting impacting future years:

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:			
Dec. 157 International RYLA at 2014 RI Convention:	44,000		
Total revenues:	<u>44,000</u>		

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses:			
Dec. 157 International RYLA at 2014 Convention:	180,500	14,000	
Dec. 167 Districting Committee Report:	(21,910)	(33,825)	
Dec. 172 Recognition Pin for New Member Sponsors:	203,000	65,000	65,000
Dec. 174 Expo Milano 2015:	250,000	730,000	220,000
Dec. 175 “Dean” Appointment to the Rotary Representative Network:	5,000	10,000	
Dec. 178 RI/TRF Cost Allocation Review Committee Report:	243,000		
Dec. 179 2013–14 Funding for Polio Eradication:	<u>5,000,000</u>		
Total expenses:	<u>5,859,590</u>	<u>785,175</u>	<u>285,000</u>
Total financial impact on future years:			
	<u>US\$5,815,590</u>	<u>785,175</u>	<u>285,000</u>

Adjournment

The foregoing is a true record of the proceedings at the January 2013 Rotary International Board of Directors meeting.

Sakuji Tanaka
President

Alice A. Baehler
Secretary of the Meeting

Attest:

John Hewko
General Secretary