

1**Rotary's Governance

The governance structure of Rotary International follows closely that of our federal government. The Executive Branch is comprised of the President and General Secretary, now the CEO of Rotary. The Senate is comprised of our Directors, one who represents our zone 28 and its 12 districts and our paired district which is currently Zone 29 and its 15 districts. Our House of Representatives is the triennial **Council of Legislation** when each of the 530 plus districts send a delegate to Chicago to act on legislative issues.

2**Council history

The Council was created by the 1933 Convention to serve as an "advisory body" to assist with the review of enactments and resolutions proposed at the annual convention. It first convened as part of the 1934 convention.

The 1970 convention further modified the process when it decided that the Council should no longer serve in an advisory capacity, but instead become RI's official legislative body, considering proposals to amend the RI Constitution and Bylaws and the Standard Rotary Club Constitution. Four years later, delegates decided that the Council would meet triennially, still in conjunction with the convention. Finally, in 1977, the Council adopted an enactment to meet independently of the convention.

3**Memorable moments

The 1980 Council was notable for its support of Rotary's efforts to immunize children against polio. A year earlier, the RI Board had approved the first Health, Hunger and Humanity grant funding a five-year effort to immunize six million children in the Philippines against polio. The effort eventually led to the PolioPlus program launched in 1985. The 1986 Council adopted a resolution that further endorsed Rotary's commitment to immunizing the world's children against polio.

The 1950 Council is remembered for adopting "Service Above Self" and "He Profits Most Who Serves Best" (later reworded "One Profits Most Who Serves Best") as Rotary mottoes.

****Charitable tax status**

The Council has authorized the Board to pursue changing RI's status to a section 501(c)(3) tax-exempt organization under the US Internal Revenue Code. After extensive discussion, the vote was 374-120.

The Board, which proposed the item, says the change from 501(c)4 will allow several benefits such as tax reductions and vendor discounts that will reduce expenses, taking pressure off of dues.

Opponents feared the measure would change the way clubs have to operate by requiring only activities that qualify as charitable, and would harm the reputation of The Rotary Foundation as the charitable arm of Rotary.

A joint committee, composed of members of both the Board and Foundation, has reviewed the idea for more than 18 months, and argued the change would not change the way Rotary clubs operate or be harmful to The Rotary Foundation.

Close vote

By the narrowest of margins, Council members voted 258-252 to strike RI past presidents, and all but one board member from taking part in future councils as non-voting members. The president, president-elect, and one director would remain as non-voting members.

But in an emergency...

The Board may now propose legislation it deems urgent to the Council on Resolutions, which meets online every year, instead of waiting for the next Council on Legislation. Proposal 19-96 passed 325-182, and offers the Board a means of recommending constitutional changes more frequently than every three years, as the Council voted to retain moments ago.

Smaller, more frequent council fails

A measure to allow the Council to meet every two years, instead of three, but with a smaller number of delegates, failed 174-334.

The Board argued having a smaller half-sized council meet more frequently would make the process more manageable with more robust debate, and allow Rotary to be nimble and flexible. Districts would have been paired, with one district's delegate attending every other council.

But opponents were against shrinking the council, denying districts the ability to send its own representative every time.

4And the dues increase is ...**

The Council has approved a dues increase of \$1 a year beginning with the 2020-21 year for each of three years. The board described the increase as a modest amount needed to keep the organization operating at a small deficit.

The Board would seek to close that deficit with further efforts to reduce expenses. These include a further review of business processes and procedures, moving work to low cost jurisdictions, implementing a revised financial system, and pursuing changes in RI's charitable status.

With the increase, dues clubs pay to RI per member will increase to \$34 a half year in 2019-20 (as established by the 2016 Council) \$34.50 per half year in 2020-21, \$35 per half year in 2021-22, and \$35.50 per half year in 2022-23 until modified by future councils.

Title change: General Secretary now CEO

Rotary's General Secretary will now externally be known as CEO following action by the Council, proposal 19-62, approved 306-214. The General Secretary's duties and compensation will not change, and that title will still be used internally. But backers of the move said CEO better matches the actual duties of the office and the terminology used by other global organizations, and will give the General Secretary more credibility with the outside (non Rotary) world.

That is also the last measure for the day. Council members, enjoy your tours of One Rotary Center and the Paul Harris Home!!

RI Reserve

By overwhelming majorities, the Council has approved two measures that are designed to allow Rotary's Board of Directors and senior officers to keep the organization on a secure financial footing. The first proposal, 19-93, renamed the General Surplus Fund to the RI Reserve, as it more accurately reflects the purpose of the fund. It passed 502-14.

The second measure, 19-94, will allow the board to establish the target for the reserve fund annually, based on business conditions and risks, instead of having a fixed calculation that may not line up with existing industry standards. This measure was also adopted by a wide margin, 434-68.

Presidential succession simplified

On 13 July 2017, Sam F. Owori died tragically due to complications from surgery after having been elected to serve as president of Rotary International in 2018-19. Owori's passing exposed a weakness in the processes Rotary has in place for selecting a replacement. Several potential candidates were disqualified because they were serving on the current nominating committee now tasked with choosing a replacement and naming the next year's nominee.

Today, the Council voted to streamline and simplify the process if the need ever arises again, by allowing the Board of Directors to choose a successor from among the original pool of candidates under consideration at the time. Proposal 19-40 passed, as amended, 492-17. At the same time, proponents praised RI President Barry Rassin for the magnificent job he has done.

5Flexibility holds**

Club flexibility withstood its first significant challenge this afternoon as the Council voted down a proposal from the Rotary Club of Kobe-Suma in Japan. The measure would have required that clubs meet a minimum of 40 times a year. Proponents said less frequent meetings have weakened some clubs. But opponents, including an RI director, noted that too little time has passed to support that claim. Rather, since the 2016 Council adopted sweeping flexibility measures, many clubs have benefited from the ability to fit their meeting frequency and format to their members' needs. Proposal 19-33 was rejected 122-384.

6A Yes for diversity**

The Council approved an endorsement of aggressively seeking a more diverse membership. The measure will add a sentence in the bylaws on membership that specifies that "each club shall endeavor to build a well-balanced membership that celebrates diversity." Its advocates argued that it is not enough just to say "you can come in. We have to prove our desire for diversity with our actions and our priorities."

Can you be half-ethical?

That question was at the heart of a proposal put forward by leaders in the Rotary Club of Mumbai South, India. Their measure argued that one is either ethical or they are not. You cannot have high ethics or low ethics. And therefore wording in Rotary's Constitution referring to "high ethical standards" would be better stated as simply "ethics and integrity in business and professions."

Adding the word integrity, the proponent argued, would provide a more solid framework and concept. The dictionary defines integrity as the quality of being honest and having strong moral principles. One opponent, however, suggested that while *ethics* refer to standards that are public, *morals* are more private, and can vary by region.

Although the measure got more yes than no votes, a two-thirds majority is needed to amend the constitution, and the proposal failed.

What's your Avenue of Service?

The Council's business this morning began with a look at several items that would have amended Rotary's Avenues of Service. Rotary clubs channel their commitment to service at home and abroad through five Avenues of Service, which are the foundation of club activity. These include Club Service, Vocational Service, Community Service, International Service and Youth Service.

Most of the measures sought to emphasize a particular issue, like the environment or agriculture, and add specific language into the definition of an avenue of service. For example, one proposal sought to specify that community service consist of activities that encourage agriculture and farming through efforts like creation of year-round water resources and research into and development of agriculture production. District 3000 in India argued the change would address the problems of hunger, starvation, and death.

But this and others were all voted down. While appreciating the sentiment of those who were suggesting the changes, opponents felt the avenues of service already provided enough flexibility to tackle these global challenges without forcing the organization into prioritizing a specific cause over others.