

Proposed 2020-2021 District Budget for review prior to the Annual Meeting on May 19th

Sent on Apr 06, 2020 at 7:58 PM

This message is going to all Rotary members in District 5650 and is an important item needing your review.

On behalf of the District Leadership and Finance Committee, I am submitting the proposed 2020-2021 District Budget to all of our District members for comment and review prior to the Annual Meeting on May 19th.

Last year's budget process was a dramatic change, as up until then we had been using a pretty loose budgeting format that overestimated costs and relied on using District Reserves to fill any gap. We have not, however, been using the reserves because of the overestimation of costs. While this year's budget (19-20) was estimated to use \$4,200 of reserves there is very good chance that it will actually have a surplus, but the current situation imposed on us with COVID makes that somewhat uncertain to predict for sure.

At last year's business meeting a vote was approved to increase District Dues from \$35 to \$36 per member in the 20-21 year and to \$37 per member in the 21-22 year. This is the first dues increase in seven years. While this offsets overall increases in costs over the last seven years, one of the harsh realities that we are dealing with is membership losses. To be safe in the budgeting process we are projecting 1,850 members to start the 20-21 year, which is a 50 member decrease from the projected starting number for the 19-20 budget year. What this means is that if the projection is accurate, we're basically only seeing a \$100 increase in membership revenue for the 20-21 budget year with the dues increase in place.

The 2020-2021 budget continues down the path of being more exact in our budgeting process. That being said, the 20-21 expense budget is only down slightly from the 19-20 budget. This is largely due to the fact that the September Zone institute is in Houston, next year's convention is in Taipei, Taiwan and we are required to send a representative for the Zone Director nomination. While we're no longer covering the costs of spouses to attend these events, the increased travel costs are impacting the budget.

Based on our current projections the 20-21 budget will require us to draw \$4,375 from District reserves. Again, there is a strong possibility that no reserves will be required, but again the current situation with COVID makes that very difficult to accurately predict.

We are looking at several options to bring the expense budget fully in the black for the 21-22 budget year and discussions are in process to address those changes. We believe that the reduction in travel costs that we'll see in 21-22 along with the additional

\$1 in dues should bring the budget into full balance. That of course, depends on membership as a major variable.

To allow our annual meeting to be as productive as possible, we ask you to review the attached proposed District budget (in both Excel and PDF format) and provide comments or questions back to us as part of an open comment period. All of the adjusted budget items are highlighted in **red** (for increases in expenses or reductions in revenues) and **green** (for increases in revenue or reductions in expenses) and have an associated note explaining the change.

The open comment period will run until May 12th, at which time we will close the dialog in preparation for the annual meeting on May 19th.

Please send any comments on the proposed budget to budget@rotarydistrict5650.org. This address automatically distributes email to the members of the District Leadership team.

We will be sharing any comments back to the district every few weeks to make sure this process is transparent. The comments will be shared anonymously, unless the author of the comment wishes to be known. These comments—along with related feedback from the Leadership team—will be posted on the District Website. Because of this process, we will be changing how the budget is presented in the Annual meeting. We will not do a detailed line by line review, but use summary information and the results of the open comment process. This will allow us to cover the budget in 10-15 minutes instead of 45-60 minutes.

As a reminder, everyone is welcome to attend the Annual meeting, but the vote on items on the agenda are done by Electors. Clubs are granted one elector for every 25 members the club has. No club has less than one Elector and the number of Electors is rounded up or down to the nearest increment of members that is divisible by 25, per our District Bylaws. For example a club with 37 members is granted one Elector and a club with 38 members is granted two Electors.

Your Electors will represent you and your club's vote on this important item at the Annual Meeting.



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