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MINUTES OF THE MEETING OF  
KIWANIS INTERNATIONAL BOARD OF TRUSTEES  
January 18-21, 2017

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MINUTES OF THE
MEETING OF THE KIWANIS INTERNATIONAL BOARD OF TRUSTEES

January 18-21, 2017

The meeting of the Board of Trustees of Kiwanis International convened at the Kiwanis International Office in Indianapolis, Indiana, January 18-21, 2017. Those present were: Jane M. Erickson, President; Susan A. “Sue” Petrisin, Immediate Past President; James M. “Jim” Rochford, President-Elect; Florencio C. “Poly” Lat, Vice President; Stan D. Soderstrom, Executive Director; Trustees Kenneth A. “Ken” Alovera, Chian Chu-Ching, M.A. “Fred” Dietze, John E. DeVilbiss, Koshiro “Kit” Kitazato, Lance M. Incitti, Gary Levine, Peter J. Mancuso, Paul Inge Paulsen, Arthur N. “Art” Riley, Dewey Smith, Barbara K. “Barb” Thompson, Daniel Vigneron and Terry A. White.

The meeting was called to order by President Jane M. Erickson on Saturday, January 21, 2017 at 8:35 a.m. EST in Indianapolis, Indiana. An invocation was given by Trustee Dewey Smith.

The following reports were received:

REPORT OF THE PRESIDENT
The Report of the President, Jane M. Erickson, is attached as Tab 01.

REPORT OF THE PRESIDENT-ELECT
The Report of the President-Elect, James M. “Jim” Rochford, is attached as Tab 02.

REPORT OF THE VICE PRESIDENT
The Report of the Vice President, Florencio C. “Poly” Lat, is attached as Tab 03.

REPORT OF THE EXECUTIVE DIRECTOR
The Report of the Executive Director, Stan D. Soderstrom, is attached as Tab 04.

REPORT OF THE REPRESENTATIVE TO THE KIWANIS CHILDREN’S FUND BOARD
The Report of the Representative to the Kiwanis Children’s Fund Board, Susan A. “Sue” Petrisin, is attached as Tab 05.

REPORT OF THE BOARD COUNSELOR TO CIRCLE K INTERNATIONAL
The Report of the Board Counselor to Circle K International, John E. DeVilbiss, is attached as Tab 06.

REPORT OF THE BOARD COUNSELOR TO KEY CLUB INTERNATIONAL
The Report of the Board Counselor to Key Club International, Terry A. White, is attached as Tab 07.
GENERAL CONSENT ITEMS

Without objection, the following recommendations were adopted:

APPROVAL OF SEPTEMBER 28-OCTOBER 2, 2016 MINUTES

That the Kiwanis International Board approves the minutes of the Board meeting convened September 28-October 2, 2016 in Indianapolis, Indiana, as shown in Tab 08.

APPOINTMENT OF 2017-18 KIWANIS INTERNATIONAL BOARD COUNSELORS TO CIRCLE K INTERNATIONAL AND KEY CLUB INTERNATIONAL

That the Kiwanis International Board approves the appointment of Peter J. Mancuso as 2017-18 Kiwanis International Board Counselor to Circle K International, and M.A. “Fred” Dietze as 2017-18 Kiwanis International Board Counselor to Key Club International.

REPORT OF THE EXECUTIVE COMMITTEE

The Report of the 2016-17 Executive Committee, Jane M. Erickson, Chair, was presented. (Tab 09)

2021 CONVENTION SITE SELECTION

Upon recommendation of the Executive Committee, it was moved and adopted:

That the Kiwanis International Board ratifies the Executive Committee’s decision to select Salt Lake City, Utah as the location for the 2021 Kiwanis International convention.

This completed the Report of the Executive Committee.

REPORT OF THE BOARD COMMITTEE ON AUDIT AND FINANCE

The Report of the 2016-17 Board Committee on Audit and Finance, Arthur N. “Art” Riley, Chair, was presented. (Tab 10)

2015-16 CONSOLIDATED AUDIT REPORT (KIWANIS, CIRCLE K, KIWANIS YOUTH PROGRAMS, AND KIWANIS CHILDREN’S FUND)

Upon recommendation of the Board Committee on Audit and Finance, it was moved and adopted:

APPROVAL OF 2016-17 AUDITORS (KIWANIS, CIRCLE K, KIWANIS YOUTH PROGRAMS AND KIWANIS CHILDREN’S FUND)

Upon recommendation of the Board Committee on Audit and Finance, it was moved and adopted:

That the Kiwanis International Board selects BKD, LLP as auditors for Kiwanis International, Circle K International, and Kiwanis Youth Programs for the 2016-17 administrative year.

REVISION TO CURRENT EXCHANGE RATE PROCEDURE

Upon recommendation of the Board Committee on Audit and Finance, it was moved and adopted:

That the Kiwanis International Board approves a change to Board Procedure 781.1 – Exchange Rates, as follows:

781 - CURRENCY EXCHANGE RATES FOR PAYMENT OF ACCOUNTS

781.1 - Exchange Rates

Member clubs paying in a currency accepted by Kiwanis International other than U.S. dollars shall pay based upon the exchange rates of the currency to U.S. dollars on the last business day of September July annually, as reported by the World Bank. However, for the 2015-16 administrative year, clubs shall pay the exchange rate as of September 30, 2014.

This revision will be effective for the 2017-18 administrative year beginning October 1, 2017, utilizing the exchange rate as of the last business day of July 2017.

This completed the Report of the Board Committee on Audit and Finance.

REPORT OF THE BOARD COMMITTEE ON GOVERNANCE

The Report of the 2016-17 Board Committee on Governance, Kenneth A. Alovera, Chair, was presented. (Tab 11)

CLARIFICATION REGARDING AFFILIATES AND SUBSIDIARIES

Upon recommendation of the Board Committee on Governance, it was moved and adopted:

That the Kiwanis International Board amends Article X, Section 1, of the Kiwanis International Bylaws as shown below, strictly to clarify what “each entity” is referring to. This amendment is permitted by Rule 22 of the Standing Rules of the House of Delegates at the Kiwanis International Convention, which provides: “The Kiwanis International Board and Staff are authorized to make nonsubstantive corrections that may be necessary as a result of adopting Bylaw amendments that cause unintentional conflicts or inconsistencies in terminology, grammar, numbering, cross-references, etc.”
ARTICLE X. AFFILIATES AND SUBSIDIARIES  (Rev. 6/2016)

Section 1. The legal structure and operations of each affiliate and subsidiary of Kiwanis International shall be described and defined in its bylaws. Any bylaw provisions adopted or amended shall only be effective upon ratification of the Kiwanis International Board. (6/2016)

Section 2. The sole member of any subsidiary shall be Kiwanis International. If the leadership structure of a subsidiary includes a board, it shall be led by a chairman and shall include at least one member of the Kiwanis International Board or a designee determined by the Kiwanis International Board. (6/2016)

Section 3. Each affiliate and subsidiary must comply with all governmental reporting requirements for finances, taxation, employment and any other areas of operation. Each affiliate and subsidiary shall conduct an annual financial audit performed according to international audit standards and shall report regularly on its financial status, including the annual audit, to the Executive Director and the Kiwanis International Board, at such times and including such information as requested by the Board. (6/2016)

Section 4. The Kiwanis International Board may adjust the amount of Kiwanis International dues and/or fees paid by clubs in affiliates according to currency and economic conditions and may authorize collection and payment by such methods appropriate to the nation(s) involved. Adjusted amounts shall not exceed the per member amounts stipulated in Article XXII of these bylaws. (6/2016)

Section 5. The Kiwanis International Board may grant the right to use the Kiwanis name and marks through license or franchise to any legal entities in order to accomplish the Kiwanis mission and may establish appropriate fees and financial structure for such. (6/2016)

Further, that the Kiwanis International Board adopts the policy revisions related to affiliates and subsidiaries shown in Exhibit A.

DISTRICT ‘EQUIVALENCY’ REGARDING BACKGROUND CHECKS

Upon recommendation of the Board Committee on Governance, it was moved and adopted:

That the Kiwanis International Board presents the following amendment to Article IX, Section 3, of the Kiwanis International Bylaws to the House of Delegates at the 2017 Kiwanis International Convention in Paris:

ARTICLE IX. DISTRICTS

Section 3. The officers of a district shall be a district governor, a governor-elect, the immediate past governor, a lieutenant governor for each division of the district, and/or a trustee for each region of the district, a secretary, and a treasurer. There may be an acting governor appointed as provided in these Bylaws. (7/2014)

The officers of the district may also include:
- A vice-governor, whose occupant shall normally succeed to the offices of governor and governor-elect;
- Any positions required by applicable laws.
• Any other positions as determined by the district house of delegates and stated in the district bylaws, provided any person filling such position is an active member in good standing of a club in good standing in the district;

(7/2014)

Where a district requires that an officer, candidate or volunteer working with children submit and have a clear criminal history background check, meeting or exceeding the current Kiwanis International standards, the issuance of a certification of a clear criminal history background check by a district approved screening provider shall be accepted by Kiwanis International as meeting the requirements of this Section. (6/2013) (See also Interpretations.)

Section 4. Each district officer shall be an active member in good standing in a club in good standing of the district; and each lieutenant governor shall be a member of a club in the division from which elected and each trustee shall be a member of a club in the region from which elected. Each candidate for the office of governor, governor-elect, and vice-governor (if any) also shall have a clear criminal history background check conducted and verified by Kiwanis International. (7/2014)

RESOLUTIONS AND BYLAWS COMMITTEE REPORT

Upon recommendation of the Board Committee on Governance, it was moved and adopted:

That the Kiwanis International Board receives the two reports of the Resolutions and Bylaws Committee as shown in Exhibits B and C.

Further, that the Kiwanis International Board takes the following positions on Kiwanis International Bylaws amendment proposals submitted by clubs and districts to be presented to the House of Delegates at the 2017 Kiwanis International Convention in Paris:

To revise the minimum number of members necessary to open a new club from 15 to 20
From the Kiwanis Club of Meridian Hills, Indiana, USA
Not support.

To provide that members who belong to more than one club shall pay Kiwanis International and district dues only to their primary club but not their secondary club(s)
From the Kiwanis Club of Rijn en Gouwe and the Kiwanis Club of Rheden “de Veluwezoom,” Netherlands
Not support.

To provide for candidate nominations and initial review of proposed amendments and resolutions at the Kiwanis International convention, with final voting permitted to take place online.
From the Capital District Board
Not support

To remove the limitation that only one person from a district may serve on the Kiwanis International Board at the same time
From the Kiwanis Club of Springfield-Downtown, Illinois, USA
Not support
To remove the restriction that a person may not serve on the Kiwanis International Board for one full year after someone else from the same district has left service on the Board (the ‘dark year’ provision).
From the Kiwanis Club of Springfield-Downtown, Illinois, USA
Not support

Further, that the Kiwanis International Board presents the following amendment to Article XVIII of the Kiwanis International Bylaws to the House of Delegates at the 2017 Kiwanis International Convention in Paris:

ARTICLE XVIII. NOMINATION AND ELECTION OF OFFICERS

Section 3.

e. A majority of all valid votes cast for each position shall be necessary for the election of the President and the President-Elect. In the event that any ballot cast for President or President-Elect does not show a majority for any nominee for the foregoing offices, the President shall designate a time and a place for further balloting for such office. Prior to the second ballot, the nominee having the lowest vote on the first ballot shall be dropped; and on each succeeding ballot, the same procedure shall be followed until some nominee shall have received a majority of all valid votes cast. (6/1997)

f. A majority of all valid votes cast shall be necessary for the election of the Vice-President, and the entire house of delegates shall vote for one (1) nominee. In the event that a nominee does not receive a majority of the valid votes cast, the President shall designate a time and a place for a run-off election for such office. For the run-off election, the two (2) nominees receiving the greater number of valid votes cast shall be voted on, and the nominee then receiving a majority of the valid votes cast shall be elected. (6/1997)

Section 4. The nominee for a guaranteed office of Trustee for a region shall be presented to the delegate body and declared elected to the Board of Trustees as of the ensuing October 1. (6/2010)

Section 5. The nominees for Trustees for regular three-year terms from the United States and Pacific Canada Region receiving the greater number of valid votes shall be declared elected. When necessary to fulfill the requirements of guaranteed representation for the at-large position of Trustee, as provided in these Bylaws, the nominee receiving the greater number of valid votes shall be declared elected. (6/2010)

Section 6. In the event of a tie vote for any office, the house of delegates shall take a new ballot on the affected candidates.

(Sections 6-8 shall be renumbered as 7-9.)

This completed the Report of the Board Committee on Governance.
REPORT OF BOARD COMMITTEE ON MEMBERSHIP AND EDUCATION

The Report of the 2016-17 Board Committee on Membership and Education, Dewey Smith and Barbara K. “Barb” Thompson, Chairs, was presented. (Tab 12)

SEED MEMBERS

Upon recommendation of the Board Committee on Membership and Education, it was moved and adopted:

That the Kiwanis International Board approves the changes to Policy 302.3 – Seed Members and Dual Members for New Clubs, as shown below. This revision will be effective March 1, 2017.

302 – CLUB MEMBERSHIP

302.3 - Seed Members and Dual Multiple-Club Members for New Clubs
When forming a new Kiwanis club, the New Club Builder Club Opener may identify current and/or former members of Kiwanis who are willing to become members in the new club for the specific purpose of assisting the club during its first year to establish sound operations. These persons should be included in the initial core of the club’s leadership. Seed members should be given specific guidance by the New Club Builder about their role in the new club. A new club should have no more than five seed members. (9/97)

If seed members are former Kiwanis members, they may be included in the minimum number required for the new club. (9/97)

If seed members are moving their active membership from another club, they shall be counted in addition to the minimum number of members required to organize the new club. Also, those “transferring” to the new club shall be exempt from paying the charter member fee, and the new club will not pay dues and fees for that seed member to Kiwanis International until the club’s next annual billing period. Existing clubs which lose a member for the purpose of being a seed member in a new club shall not be penalized for loss of that member for one year. (9/97) (4/06)

Dual Multiple club members in a new Kiwanis club are required to pay all financial obligations (club, district, and International dues and fees) as outlined in the International Bylaws. The total number of dual and seed members in a newly-formed Kiwanis club is limited to five (5) members. (4/06)

PROVISIONAL DISTRICT AND NATIONS SUPPORT

Upon recommendation of the Board Committee on Membership and Education, it was moved and adopted:

That the Kiwanis International Board allows the West Virginia District to remain a district through September 30, 2018 at which time it will default to the appropriate designation.
**ADMINISTRATIVE ACTION REPORT**

Upon recommendation of the Board Committee on Membership and Education, it was moved and adopted:

That the Kiwanis International Board approves the administrative action report as shown in Exhibit A.

**KOREA DISTRICT-IN-PRE-FORMATION FINANCIAL OBLIGATIONS**

Upon recommendation of the Board Committee on Membership and Education, it was moved and adopted:

That the Kiwanis International Board accepts the payment and membership information as currently submitted from the Korea District-in-Pre-Formation and will write-off US$6,798.23 from 2015-16 on the condition that all outstanding amounts from 2016-17 will be paid no later than March 31, 2017. If such amounts are not paid by that date, this action will be null and the amounts to be written-off from 2015-16 will be due in full immediately.

**NEWLY OPENED KIWANIS CLUB STORE CREDIT**

Upon recommendation of the Board Committee on Membership and Education, it was moved and adopted:

That the Kiwanis International Board approves the option for new Kiwanis clubs to apply the value of their Kiwanis Kash certificate toward SLP club sponsorship within the period the Kiwanis Kash certificate is valid. This action will be effective February 28, 2017.

**MATCHING GRANT REQUEST FROM THE JAPAN DISTRICT**

Upon recommendation of the Board Committee on Membership and Education, it was moved and adopted:

That the Kiwanis International Board approves the matching grant request from the Japan District in the amount of US$3,000.

**MATCHING GRANT REQUEST FROM THE KOREA DISTRICT-IN-PRE-FORMATION**

Upon recommendation of the Board Committee on Membership and Education, it was moved and adopted:

That the Kiwanis International Board approves the matching grant request from the Korea District-in-Pre-Formation in the amount of US$5,000.

This completed the Report of the Board Committee on Membership and Education.
REPORT OF THE BOARD COMMITTEE ON PUBLIC RELATIONS, IMAGE AND MARKETING

The Report of the 2016-17 Board Committee on Public Relations, Image and Marketing, Koshiro “Kit” Kitazato, Chair, was presented. (Tab 13)

No action was taken.

This completed the Report of the Board Committee on Public Relations, Image and Marketing.

REPORT OF THE BOARD COMMITTEE ON SERVICE AND PARTNERSHIPS

The Report of the 2016-17 Board Committee on Service and Partnerships, Florencio C. “Poly” Lat, Chair, was presented. (Tab 14)

APPROVAL OF DISCOVER STUDENT LOANS AS A KEY CLUB CO-SPONSOR

Upon recommendation of the Board Committee on Service and Partnerships, it was moved and adopted:

That the Kiwanis International Board approves a partnership with Discover Student Loans, a division of Discover Card, as a Key Club co-sponsor, subject to the condition that Discover Student Loans also approves such partnership by February 3, 2017.

This completed the Report of the Board Committee on Service and Partnerships.

NEW BUSINESS

TASK FORCE ON ONLINE VOTING

That the Kiwanis International Board approves a new task force on the subject of online voting with a chair and members appointed by the President.

FINALIZATION OF PROPOSED AMENDMENTS

That the Kiwanis International Board authorizes the Executive Officers to make any substantive adjustments that may be necessary to carry out the Board’s position and intention regarding all proposed amendments. The Board also authorizes the Executive Director to make any nonsubstantive editing adjustments in any Board-proposed amendments that may be necessary.

NEXT BOARD MEETING – APRIL 19-23, 2017

The next meeting of the Board of Trustees will be April 19-23, 2017, in Indianapolis, Indiana, USA.

The meeting adjourned sine die on Saturday, January 21, 2017 at 10:45 a.m. EST.