

Annual Report Rotary Books for the World Project 2008

1.0 Introduction

Calendar year 2008 was a year of change and challenge. Our host since 2006, McLean Cargo Specialists, was successfully sold and presented us with the challenge of finding another host and changing our operating procedures. After a month or two of scrambling for temporary places to store books, we were led to Exel, Inc. who offered to host us. We also cleared a backlog of stored books as we shipped the remaining stored inventory for Rotary Books for the World from McLean's warehouse. We also started the funded Nigerian project and failed to connect with the Ghanaian project.

Hurricane Ike disrupted our operations. In spite of all the disruptions, we managed to ship 18, 40' containers of books, computers, and school furniture. These shipments totaled 729,994 pounds of books and other materials at a total cost of \$110,897.41.

2.0 Exel, Inc.

Exel offered to host the Rotary Books for the World Project in one of its three million square feet warehousing space in Houston. They choose an air conditioned warehouse racked five high for double pallet storage in La Porte, Texas. The only constraint has been that our donors deliver only pallets of books. This constraint has turned into a blessing for our donors have so far willingly done much of the work the Rotary work parties used to do. For those pallets which still arrive with mixed English and Spanish books or are not packed for loading in the container, the Exel staff has taken on sorting and repacking the books as a labor of love. They also are fumigating the containers before delivery to the port. All these services are provided without charge and they continually thanks us for letting them be part of the project.

3.0 Hurricane Ike

On September 13th Hurricane Ike roared into our staff and warehouse area. We were just beginning to firm up our new business model. Exel was closed until the power was restored and they had time to verify their operational integrity. Our staff turned their focus on repairing the damage to their dwellings and restoring their lives. The project returned to shipping by the end of October but we had a backlog to recover from storing books where ever we could find in the summer. Our first two containers were books which had been stored temporarily at Gulf Winds and World in Need. The new 5890 Rotary Club, Gulf Coast after Five, sorted some of the World in Need books. We shipped the Gulf Winds books as is. Other books had arrived from the Madison, Wisconsin facility and the Atlanta,

Georgia locations. We held a Saturday work party where a large number of Interactors joined our Rotarians to sort books and restack pallets and to clear the warehouse after Ike. The final shipment of the year sent these books on their way.

4.0 Clark Freight

Our previous transportation host before McLean was Clark Freight Lines, Inc. Danny Schnautz, Pasadena South, agreed to step in and host the transportation again. They have helped us consolidate the book storage into Exel and transport our containers from the yard to Exel to the port. They are a great company to work with. Danny was president of the long haul association in Houston in 2008 and will be working to have the project adopted by that freight association.

5.0 McLean and BNSF

To clear McLean's warehouse and yard, we needed to work off a long standing problem. In 2003-04, District 5790 started a book project in parallel with ours. They were successful in enlisting the support of BNSF and Maersk. The effort succeeded in shipping four containers before a hike in rail shipping rates caused a falling out of the partners. Shipping stopped and so did the project for most clubs. Some clubs shipped directly to us. We determined that eight 55' BNSF trailers were filled with books and had them transported to the BNSF yard in Houston. The last year with McLean we worked through those trailer loads with multiple work parties and with financial help from District 5790.

6.0 Mack Hobdy

Over the last year, the demand for containers went up dramatically and so did the price. We are now paying \$2400 per container as a charity price from the container yards. Mack Hobdy who works at the Port of Houston for the ILU and is a former Seabrook Rotarian is able to get us containers at about \$1000 cheaper than the charity rate. We have purchased eight containers this last year from Mack. The savings is well appreciated.

7.0 Capital Expenditures

With the increase in capability and the change in our business model it became necessary for Second Wind to purchase a forklift and a couple of trailers for the containers to roll and be stored on.

7.1 Forklift

A used forklift was purchased for handling boxes of books which needed to be palletized. It worked well as we scrambled to handle the books coming

from the schools in the summer. Unfortunately, it is probably a victim of Hurricane Ike.

7.2 Chassis

One chassis was purchased before Ike and rode out the storm well at Exel. We have had the need for two chassis because of the volume and tried borrowing one. We held the chassis too long before we could get a ride on a ship. The owner was looking to get it back in revenue service. At the end of 2008, we purchased a second chassis so that we can park two containers at Exel which will normally hold our inventory there.

8.0 Nigeria

Our current Rotary Foundation Chair asked Second Wind to procure and send computers for his church in Kano, Nigeria. He put out \$5,000 of his funds for the project. We made our first shipment on the money in 2008. We learned that shipping rates were very high. Shipping cost almost as much as the computers. The FedEx people, who processed the shipment, and one acquaintance from previous shipments, confided that there were much better rates available for charitable institutions. We are now in the process of getting Second Wind its own FedEx account number.

9.0 Johannesburg Center's Needs

The center has increased its outflow to the point of needing more books to keep up with demanded. They have done an excellent job of creating awareness of the center's capabilities due the tireless efforts of PDG Shirley Downie.

10.0 Mediterranean Shipping Lines (MSC)

We have reached a verbal agreement with MSC to ship two containers as a pilot to Johannesburg. MSC is providing the containers (donated to us), ocean freight, clearing and shipping from Durban to Johannesburg without charge. These two containers are a pilot so we hope everything goes well.

11.0 Financial Needs

As always, our needs are primarily financial. Second Wind and Rotary Books for the World are the primary casualties of Hurricane Ike. Moneys budgeted for the project have been redirected to the Red Cross and the Salvation Army both doing good work for Ike victims but also well funded even with their high overhead costs. We have identified a potential funding source but have not cashed in on it yet. It is the selling/trading of the carbon credits accrued from each of our shipments. A second alternative has been offered by Follett Educational Services, Inc. They will compensate us for books donated to us that

would fit in their resellers program. We have opened discussions with them. Finally there is the possibility that one or more of the major shipping lines will host our efforts at no charge.

An unaudited, unreviewed financial statement is attached to this report. It notes about an \$18,000 loss on the year and does not include the value of our rolling stock or damaged forklift. We have about \$12,000 in outstanding debt with over \$22,000 in the bank. Our treasurer has not yet reviewed this information. Consequently, it may change upon review. Our income for the year was about \$115,000, down from 2007.

12.0 Summary

We are getting a lot of interest in the project. The Textbook Coordinators Association of Texas (TCAT) featured us at the recent annual meeting in Austin. Their 2009 president is now a new member of the Brazosport Rotary Club and has made the project TCAT's focus project for 2009. That means many of the Texas ISD's will be donating books to us. Finally, the RI Literacy Resource Group has made Rotary Books for the World its focus project for 2008-09. The General Coordinator, PDG Dick Hattwick, has asked all Rotary Clubs except those in Africa to contribute something to the project and Second Wind.