



Minutes of a meeting of the Administration-Finance Committee held at the National Headquarters of the Air Force Association of Canada on Saturday, 28 February 2009

In Attendance:

Brian Darling, National 1st Vice President – Acting Chairman
George Macdonald, Honorary National President
Ted Mahood, Immediate Past National President
Ron Coleman, Financial Advisor

Secretary

Dean C. Black

Absent:

Terry Chester, 2nd Vice President

Regrets:

John E. Melbourne, National President

Item	Discussion and Decisions	Actions Taken and Responsible Parties
I	Call to Order. The Acting Chairman called the meeting to order at 10:30 AM. The National President's written remarks were acknowledged. Mr. Darling explained that Mr. Melbourne was en-route to Afghanistan to visit with air force troops.	
II	Honorary National Presidents Comments. Mr. Macdonald added we need to be very attentive to our financial situation, and be totally familiar with all the issues.	
III	Immediate Past National President's Comments. Mr. Mahood echoed the Honorary National President's remarks, and emphasized how important it is to focus on the issues.	
IV	Financial Advisor's Report. Mr. Coleman provided the Chair with a copy of the latest investment report. He also cautioned that no one could have predicted the challenges we are facing in light of the current world-wide financial situation. However, he did point out that	

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	<p>our investments are placed with a very safe financial institution and it was hoped that their value would increase in the future.</p> <p>A discussion ensued regarding the source of deferred revenues that have been invested since 2005-06. It was confirmed that the majority of invested funds are deferred membership dues and these dues are primarily used to pay for staff salaries, rent and other similar obligations. The Acting Chairman then asked if we should now approach the auditors and ask whether our recent staffing changes now mean our financial obligations reflected in the 2005-06 decision to invest deferred funds will have changed as a consequence of the downsizing we have undertaken. In 2006, the auditor(s) claimed that the association would require \$270,000 in assets; however, since five staff positions have been cut or eliminated through attrition and early retirement, and the office has been downsized by two-thirds, it is felt our asset requirement might have shrunk. The Executive Director will contact our auditors to receive an update.</p>	Executive Director
V	<p>Executive Director's Report. The Executive Director reviewed the budget to date. A review of a recent report written by the executive director ("Financial State of the Air Force Association of Canada" dated 19 February 2009) was also discussed at length, with an emphasis being placed on the options which the Admin-Fin Committee was invited to consider in detail.</p> <p>The members agreed that the Executive Director should pursue a line of credit for the short-term, recognizing that the cash flow problem appears related in part to the 3-year membership cycle for MALs.</p> <p>The Admin-Fin Committee agreed to propose to the NEC a 10 per cent pay deferral for contracted employees, with the proviso that should funding permit it, that the contracted employees be offered a bonus at the end of the fiscal year to help cover either in part or <i>in toto</i> the balance of their salaries that have been</p>	Executive Director

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	<p>deferred. The Admin-Fin Committee agreed that pay deferrals would not be necessary if a suitable line of credit could be established with the Association's bankers. It was noted that the two contract employees had agreed in advance of this meeting to accept such a pay deferral should it become absolutely necessary. Appreciation was expressed to both employees for being willing to accept these temporary measures, if needed.</p> <p>The Acting Chairman suggested that we highlight to the Group Presidents the importance of having Wings complete their annual reports because the reports are linked to the provision of the allowance to Groups at the end of the year. He also suggested that the Executive Director provide Group Presidents with a format and an example of a business plan.</p> <p>The Admin-Fin Committee did not support the option of drawing down on the deferred revenues investments.</p> <p>The Admin-Fin Committee agreed with the immediate proposal to adopt a 56-page magazine format. They also agreed with further rental space reductions if they can be managed, although it was recognized that the "wall" appears to have been hit, and further possible reductions may not be sufficient to reduce operating expenses, and may begin to impact negatively on operations at the headquarters.</p> <p>The Admin-Fin Committee also agreed that the 3-year Membership for Wing members' idea should be promoted by the association at every level. Concerns raised previously by some Group Presidents while understandable, were not considered to be sufficient justification to prevent such a promotion.</p> <p>The Admin-Fin Committee also discussed the proposal to offer significant savings on an extensive list of kitshop items. There was general agreement that the kitshop is a vital service to the membership.</p>	<p>Executive Director</p> <p>Editor, Executive Director</p> <p>Group Presidents</p> <p>Executive Director</p>

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VI	RCAF Association Trust Fund Update. Mr. Coleman provided an update on the RCAF Association Trust Fund. He reflected on the availability of approximately \$6,000.00 in discretionary funds, and offered praise for the efforts of select individuals that have kept the Fund at the forefront of some of our important activities. Mention was made to consider a fund raising campaign by way of the Airforce magazine.	
VII	Old Business. There was no old business.	
VIII	Roundtable. There were no additional points.	
IX	Adjournment. The Acting Chairman adjourned the meeting at 12:10 PM.	

Dean C. Black
Secretary

Approved/Not Approved

Brian Darling
Acting Chairman