

Minutes of the 164th Meeting of the
National Executive Council
held by Teleconference and Video Conference from
Ottawa on Saturday 28 March 2015 from 1:00 PM to 3:30 PM EST

<u>Present via Computer and/or Phone</u>	<u>Present Via Phone</u>	<u>Secretary</u>	<u>Observers</u>
Terry Chester Les Ball Ralph Murphy Herb Harrison Greg Spradbrow Jorma Hamalainen Gaston Cloutier Robert Clarke	Guy Vallieres Reg Daws <u>Absent with Regrets</u> LGen (Ret) Lloyd Campbell	Dean Black	Arthur Jordan John Hooper

Srl	Issue and Discussion	Sponsor and Decision Sought	Actions, Discussion and Decision(s)
I	Opening Remarks	Chairman	None
II	Consent Agenda <ul style="list-style-type: none"> • Minutes of the 162nd Meeting of the NEC • Minutes of the 163rd Meeting of the NEC 	Chairman <ul style="list-style-type: none"> • Approval of the minutes – Reg Daws moved to accept the minutes of the 162nd meeting; Guy Vallieres seconded the motion • Approval of the minutes – Herb Harrison moved to accept the minutes of the 163rd meeting; Ralph Murphy seconded the motion 	The Chairman did not ask for a vote in favour of the motion, but instead asked if there was anyone opposed to the motion. There were no dissenters.
III	Strategic Issue – Budget Report. The Executive Director reported that as of end-February, directors should be watching those budget line items that exceed 67% or higher. Revenues: <ul style="list-style-type: none"> • Membership Dues and Revenues at 90% • The Ex Dir sent renewal letters to 4,986 members no 30 December 2014; first time in five years such letters were sent; 498 renewed; 300 “deceased”; \$30,000 + taken in; • AGM Revenue – still missing RCAF \$5,000 payment for Trophy Funds – MoU issue between TB/PWGSC and the RCAFA is still unresolved. 	Chairman <ul style="list-style-type: none"> • No discussion and no decision sought. • Later in the meeting, the issue of the Member of the Year attending the upcoming Air Force Day on the Hill was raised. The Chairman took the time to justify this added expense, in respect of how important it would be to show to the air force personnel the extent to which the association leverages its honours and awards system and showcases our members who make the most significant contributions. 	The consequence of this indecision is that there has been no Call for Nomination letter issued to the Air Force for the 2015 honours and awards.

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	<p>Expenditures:</p> <ul style="list-style-type: none"> • Advertising and Promotion – 30 December mail-out, cost almost \$3,000 but netted \$30,000 in revenue • Members Fees 82% - 30 December mail-out • National Convention 172% over-expended. The executive director explained this is because the attendance at the AGM was very low. Not enough delegates to vote on strategic matters but enough members represented (81%). For as long as attendance falls below quorum levels there is little justification for providing funding support to the general meeting format. • NEC Meetings & Travel 302% rising to 425%. The non-AGM NEC travel budget approved by members was \$3,500, but the NEC has overspent this amount by 300%. When the Air Force Day on Parliament Hill figures are accounted for at end-April the over-expenditure will exceed 400 % • Staff Travel, Admin Support 90% rising to 110% • Bottom line: currently \$69,000 to the good. The Executive Director vowed to continue monitoring other budget line items to ensure over-expenditures are adequately covered. 		<p>The Chairman indicated that he was very concerned by this trend, and stated that we may soon be forced to justify to our members (who pay their own way to these events) that there is value-added in all Directors attending at the Association member's expense.</p> <p>The Chairman thanked the ED for his frank discussion of these issues.</p>
IV	<p>Budget Proposal</p> <ul style="list-style-type: none"> • Funding shortfall for NEC (meeting) travel and NEC (non-AGM) travel. The continuing decline in membership, which is a consequence of the passing of members at a rate of about 400 per year, as well as comparatively low recruiting at the Wing level, means some budget line items will not get funded, unless members choose between budget lines, or find ways to boost recruiting and membership. 	<p>Chairman – identified the shortfall, explained priorities and asked for ideas. The fundamental question to which the Chairman sought answers was: “How do we want to fund meetings? The underlying suggestion was that the next fiscal-year’s meeting (September 19-21, 2015) could also be done via teleconference, <i>since there were no funds currently earmarked for the meeting.</i></p> <ul style="list-style-type: none"> • The Chairman asked board members to consider the need to fund NEC non-AGM-related travel throughout the year. • No single board member offered any thoughts or suggestions, so the Chairman posed a simpler question: “Do you think the funding of NEC non-AGM-related travel is important?” • Discretionary Funds (Membership Revenues): <ul style="list-style-type: none"> • 3,800 Wing members; • 2,600 Members-at-Large; 	<ul style="list-style-type: none"> • The first board member to respond to this budget proposal shortfall said since he was stepping down in May, he would leave the issue for his successor. There were no suggestions or ideas forthcoming from any of the other board members. • Board members were encouraged to motivate all their fellow members to each recruit one other person into the association this year. Board members were also encouraged to propose ideas for the funding of NEC travel, both annual NEC meeting and non-AGM (other) travel costs. • Decision: NEC board members to report back to the Chairman with their

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		<ul style="list-style-type: none"> • Final tally: 5,500 members @ \$49 per member = \$269,500 now and \$245,000 one year from now + • Totals: \$290,0000 now; \$260,000 next year Salary Obligations: <ul style="list-style-type: none"> • Total Salary Obligations with no overtime = \$161,800 	<p>ideas, proposals and suggestions no later than 15 April 2015.</p>
V	Additional Information Issues: <ul style="list-style-type: none"> • Constitution & By-laws; • Dawn Patrol Breakfast • New Website 	Chairman <ul style="list-style-type: none"> • The By-law updates have already been approved (see Chapter 2); changes in blue were mandated by the NFP Act and changes in red were mandated by our members. We now need to format the by-laws, a process which will preserve the green, blue and red text as the core by-law(s), but will add explanatory sections that can only improve our governance knowledge. Any changes following this process will incur a cost of \$200 per change, thus emphasizing the importance of the (new) explanatory sections, to future efforts to change by-laws. We can save money if desired changes can be shown as affecting only the explanatory sections, rather than the core by-law itself. If the desired changes do change the core by-law those changes will cost \$200 each. • The Chairman briefly described the success of the Dawn Patrol Breakfast. • New Website: The Chairman sought the approval of the board members to go live with the new website. There were no concerns or issues, no motions or dissenters. 	<p>Decision: The website is to go live next week.</p>
VI	MAL Restructure Paper	Gaston Cloutier and Les Ball. Decision sought: a go ahead for this proposal.	<p>Decision. It was decided that we should go ahead with the implementation plan as proposed. The Chairman explained the Wing numbering system for these virtual Wings should follow closely the current regions (100 for Atlantic; 300 for Quebec; 400 for Ontario, etc...) to preclude confusion. The matter of which group or area should be</p>

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			chosen for the “trial” was left up to the Sponsors. They will report back to the NEC once that is determined. The Chairman thanked the Sponsors for their excellent work.
VII	Honours & Awards. The Chairman described the work that was done by LGen Campbell, himself Guy Vallieres and Dean Black. The aim was to review Booklet 104, align the significant association awards with the modern day roles of the Canadian Forces, specifically the RCAF, and for a further review to be done of all the association awards.	Chairman. The Chairman indicated now was the time for all Wings and members to consider the purpose of the Association Honours & Awards system, and for Group Presidents to pose the important questions shown.	How do your members feel about the current Honours and Awards system? Is it meeting the needs of the Association? Are parts of the process redundant? Group Presidents are tasked to propose ideas for recognition of group and association awards; Les Ball explained that those members we have chosen to honour can point to honours and awards on display in their home, but there would seem to be a need for some way of showing that honour and award on our uniform. The Chairman noted that these types of suggestions could form part of the submissions from the groups following their discussions.
VIII	Battle of Britain. This is the 75 th anniversary year of the Battle of Britain. There are many forms of commemoration planned, and others soon to be revealed.	Chairman. The Chairman described some of the activities being planned within the association, and those being planned by some of our closest stakeholders. For example: Vintage Wings is holding its Warbird University this weekend; 808 Wing Parade, Reception, Dinner, Airshow; • Air Cadet League 40 Cadets Visit Ottawa. There were 114 Canadians in Battle of Britain, perhaps members could think of ideas around this number.	Reg Daws added some details about the Boundary Bay Ceremony which may involve up to 1,000 cadets. He also corrected the Wing number to 801, from 808. Major Jorma Hamalainen is the officer-in-charge of the Battle of Britain RCAF commemorations. He provided a brief overview of some of the planned activities: RCAF Twitter and Facebook sites; Vintage Wings to fly on Canada Day with the Snowbirds. From 10 to 12 July RCAF and RAF participating in the UK. “Volunteers to go to the UK”. Parliament Hill, 20 Sep 2015. Looking for about 100 RCAF veterans (from the Association).
IX	AGM 2015 and locations for AGM 2016. The Chairman reviewed the proposed ‘strawman’ for the upcoming NEC meeting in September: <ul style="list-style-type: none"> • Arrive 18 September 2015, Friday PM; Check-in Hotel Indigo Ottawa; • NEC Board Meeting, Saturday 19 September 2015 	Chairman. The Chairman reviewed some of the planned activities but emphasized there currently is no funding for this budget line. Board members were reminded of the need to come to terms with the budget and make decisions regarding funding allocations.	<ul style="list-style-type: none"> • Board members are requested to propose AGM locations for 2016. • Dean Black explained the Trenton choice was the best attended in recent years.

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	<ul style="list-style-type: none"> • NEC Semi-formal Dinner and Awards announcements, Saturday evening; • Sunday, 20 September 2015, Battle of Britain Commemorations Parliament Hill • NEC Members depart Monday 21 September 2015 		
X	<p>Briefing Note 1 and Briefing Note 2.</p> <ul style="list-style-type: none"> • Background. At the 162nd NEC meeting two board members explained a number of their Wings were accustomed to paying membership dues on behalf of their members. The remaining board members were polled to determine the extent to which they might support this idea. A discussion ensued with most board members (Group Presidents) seeming to agree with the idea, but the other half of the members undecided or opposed. Dean Black had explained in the 162nd meeting that there were several constitutional references that clearly reflected such a practice was inconsistent with dues payment processes and expectations of individual members. He took the time to explain the contract that is struck between the association’s board of directors and the member who pays for a specific package of programs, products and services the board agrees to provide, in exchange for the funds. Dean also explained a number of the booklets reflected the same thing. Finally, he emphasized that individual-member-funded organizations exist because the individual members entrust their board members to apply their funds toward the package of programs, products and services these individual members are seeking. It simply did not make sense that members who pay nothing could even have expectations vis-à-vis that package of programs, products and services. • A second briefing note became necessary after it was learned one board member had applied to his provincial government to form a society, supported by a constitution and by-laws that introduced fundamental changes to the executive authorities of the Group that appeared to contravene the association’s constitution and by-laws. The purpose 	<p>The Chairman.</p> <p>The Chairman of the NEC sent out two briefing notes with a full explanation of the issues, which also formally polled all Directors as to their views on these two matters.</p>	<p>All Directors, but one, replied to the surveys. The returns unequivocally stated that: “Association membership dues must and should be paid solely by individuals as a testament to their commitment to their Association”. The Chairman went on to say that he believed that the bulk-payment of membership dues by organizations went against the fibre of who we are, as an association, in addition to it providing untold difficulties and expense in maintaining an accurate membership list. He hoped that the angst and divisions created by this issue were finally put to rest. As regards the second issue, the Chairman confirmed that: “Not one Director voted in favour of increasing the powers, authorities and scope of the Groups at this time” He also noted that the idea (to incorporate a Group of the association) was in contravention to what our constitution presently says, and that we would need to go to the members if we wished to change that.</p> <p>Chairman thanked the members for their forthright participation in these difficult issues, and stated that the Board had achieved consensus, and now we should proceed together.</p>

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	<p>of the second briefing note was to confirm how the other board members perceived their peer's intentions, and whether it should be permitted.</p>		
XI	<p>Charitable Donations at the Wing level and Sponsorship of Association Wings.</p> <ul style="list-style-type: none"> • Wings in Ontario and Nova Scotia routinely request sponsorship funds from aerospace industry; • RCAF Association also requests sponsorship and advertising support from aerospace industry for advocacy events and magazine advertising; • Aerospace industry representatives from two companies have declined to fund or provided very limited funding to the RCAF Association because they had already spent their budgets responding to Wing requests; • In one case, the aerospace company had a list of six Wings that had requested support in the past year; • Wings are not in the habit of advising the RCAF Association before-hand, nor do they seek permission, perhaps because they have never been encouraged to do so; • RCAF Association currently has no control over these activities, but the activities in support of Wings could qualify the association as a soliciting corporation; • 	<p>Chairman. Should these activities be collaborative? Shared? Managed? Regulated? Curtailed? The Chairman expanded the discussion beyond these two issues to a different issue, one concerning the encouragement of ageing members to remember the association and/or the Trust Fund, in their will. There was no decision sought but we will need to dialogue these issues frequently as it appears to be necessary.</p>	<p>Do we need a policy that guides us through the process of seeking donations from deceased members? Reg Daws volunteered to help with this matter.</p>
XI	<p>VP (Veterans Liaison). The Chairman thanked Guy Vallieres for stepping into this role. He also explained the level of activity in support of the Minister of Veterans' Affairs has increased dramatically.</p>		<p>Guy Vallieres briefly described some of Minister O'Toole's announcements, and Guy Vallieres also confirmed he cannot attend Vimy Ridge event.</p>
XII	<p>VP Ceremonial. Major Jorma Hamalainen had no report at this time. He indicated he will be submitting an additional report through Dean Black in the coming few weeks.</p>	<p>Chairman. The Chairman encouraged everyone to read Major Hamalainen's editorial in the current issue of Airforce Magazine. This editorial is consistent with Maj Hamalainen's role as CF Liaison officer for the association.</p>	
XIII	<p>Executive Director's Report:</p> <ul style="list-style-type: none"> • Kitshop <ul style="list-style-type: none"> ○ Sales down to \$27,000 ○ May reach \$35,000 ○ Kitshop Staff Salary \$9,000 	<p>The Chairman commented on the number of RCAF Association Trust Fund activities, especially the International Bomber Command Memorial & Interpretation Center; IBCM Survey; Sabre Legacy Project; Air Cadet Medal Project; Griesbach RCAF</p>	

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	<ul style="list-style-type: none"> ○ Cost of Sales \$19,000 ○ May reach \$23,000 ○ No Wing interest in profit-sharing model proposed at AGM ○ No Wing ideas for new items ○ Red Canoe National Heritage Brands ○ Joseph Green – Royalty agreement and Association watches ○ Canadian Museum of History Royalty Agreement and Gift shop samples ○ 65-Years pin Blank pins, Engraved on demand, 200 blanks ordered, Presentation Card included <ul style="list-style-type: none"> ● Membership Report. First increase in membership (by 59 members) year-over-year in 15 years! Remains to be seen if it will hold for the end-of-year report. ● Deferred Revenues. In 2006-2007 deferred revenues were \$127,000 in deficit; In 2014-2015 deferred revenues are \$8,000 in credit; projections show a balance over the near to mid-term (3 or 4 years) followed by a slowly increasing deficit owing to life membership purchased; Remedial practices needed – staff function; Offsets can involve kitshop sales catering to the life member segment ● Investments ● RCAF Association Trust Fund Report & Activities ● Airforce Magazine ● Multiview e-Newsletter Update 	<p>Memorial Park; Edmunston Lancaster KB882 Relocation to Alberta; University of Victoria Bursary and Book Prize; 427 “Lion” Squadron Association, 408 “Goose” Squadron Association; 416 Wing Kingston Aircraft Memorial Restoration; 801 Wing Battle of Britain Commemorations; Air Cadet Flying Scholarships and Bursaries; Spitfire Museum Winnipeg; Veterans’ Stories (History) Project – Canada Air & Space Museum.</p> <p>The Chairman sought some clarification on how the cheque presentation would go, for the Air Force Day on the Hill. Dean Black explained that Laurie Hawn is ready to present the cheque to the President of the Alberta Aviation Museum, LCol (Ret) Tom Sand, who has indicated he will be traveling to Ottawa for the event.</p> <p>Dean Black explained that some Wings continue to protest the 10% Administrative Deduction from donations. Group Presidents and Trustees need to communicate to the members. The 10% fee was established in 1975 by all RCAF Association members, and was formalized in the Trust Fund Constitution & by-laws. The 10% fee was eliminated sometime before 2004, with no evidence of any approval from members. Consequence: the RCAF Association Trust Fund audits had to be paid from membership dues thereafter. Therefore, a portion of funds paid by members via their dues, went toward charitable activities (audit) but members were unaware, and they also did not benefit from any charitable receipt. The annual budget approval process appears to have never revealed this to members, therefore, members have been asked to approve budgets the details of which were not made clear. Audit fees (\$4,000 to \$5,000) are now paid from a very small portion of all donations, and in any one year should the association qualify as a soliciting corporation as a consequence of a single request by a Wing, or by the association for charitable contributions, that soliciting corporation label will stick for three years, thus increasing the cost of the annual audit for each of those three years. Non-soliciting corporations may</p>	

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		qualify for a review engagement (audit) which can cost 25% less than a full audit. Therefore, the actions of wings and the association, should be managed closely, in so far as charitable activities are concerned. WE NEED TO KNOW IN ADVANCE IF A WING OR IF THE ASSOCIATION (TRUST FUND) EXPECTS TO "SOLICIT" A DONATION FROM A PUBLIC OR PRIVATE COMPANY so that we can plan accordingly.	
XIV	Chairman closing remarks		150 th anniversary of Canada events and participation. The Chairman requested ideas, plans, and preparations for the year 2017.
XV	Group AGM dates.		Atlantic Group - 29 to 31 May Quebec Group - 25 April Ontario Group - 15-17 May Prairie Group - 17-19 April Alberta Group - 22-23 May Pacific Group - 5-6 May
XVI	Adjournment	The Chairman sought an adjournment	Ralph Murphy moved to adjourn. The meeting was adjourned at 3:17 pm.



Dean C. Black
Secretary

Approved/~~Not Approved~~



Terry Chester
Chairman