

**AIR FORCE ASSOCIATION of CANADA
NATIONAL IMMEDIATE PAST PRESIDENT'S
REPORT TO THE ONTARIO GROUP
ANNUAL GENERAL MEETING
SARNIA, ONTARIO. MAY 15 -17 2009**

President Sam, Ontario Group Executive Council, Accredited Delegates, Fraternal and Special Guests. On behalf of Air Force Association of Canada National President John Melbourne and the entire National Executive Council I wish to convey their best wishes for a successful 60th Annual General Meeting.

MEMBERSHIP:

Exactly eleven years ago on this exact same date I stood before you here at the Annual General Meeting in Sarnia as your Ontario Group President. That seems like a long time ago. A tremendous lot of water has passed under the bridge since then. In 1999 Ontario Group had thirty two Wings spread over six regions boasting a total membership of four thousand regular members, that's not even counting an undetermined number of associate members. The latest membership report dated March 17 2009 indicates that Ontario Group Wing membership stands at 2482 regular members (down 1518), twenty –nine Wings (down 3), spread over four regions (downsized x 2). That same situation exists in all six Groups throughout the entire Association. At present total AFAC Wing membership stands at 5498 compared to 5710 Members at Large. Over half of our Association's total membership consists of Members at Large. Let's face it, things are not going to get better unless each and every one of us seriously take this membership crisis personally and decide to do something to positively turn this situation around. Probably right now our biggest competitor is the Grim Reaper who is just chomping at the bit to recruit our aging WW11 members. **(Point of interest RCL 49.76% over 65 / 28.17 over 75)** Somehow, someway, right now, if our beloved Association is going to survive, we have to sign up new members to fill the oncoming void. Most assuredly this will not be an easy task, but the end result will more than compensate for the hard work involved. AFAC Executive Director, Dean Black designed, printed and distributed this very

impressive, informative booklet titled **“EACH ONE REACH ONE”**. This booklet briefly outlines what AFAC is primarily all about and is to be handed out to potential new members. I’m sure each of you has a couple of them in your breast pocket just in case you come upon an aspiring candidate. I believe most of you would agree that this booklet is an excellent recruiting and information aid. I would now ask each of you to please hold you’re recruiting booklet / booklets up so that all can witness that it is in fact being utilized to its fullest potential. If you are unaware, or do not possess any of these booklets please consult your Wing President, whom I’m sure will be able to procure same for you. Every person in this room has a responsibility to promote the Air Force Association of Canada and that definitely involves recruiting/signing up new members. We are planning some sort of acknowledgement to recognize the member who is responsible for recruiting the most new members, because we recognize how important recruiting is, to our association. Retention of our members is also very important. This is why the NEC developed an incentive program that helps retain Wing members, by offering a 3-Year membership deal that saves them money over the long term.

FINANCIAL:

When the membership elected me at the 2001 National Annual General Meeting in North Bay to represent them on the National Executive Council as the National 2nd Vice President the future of the AFAC financial situation was starting to look pretty bleak. The National Executive Council relentlessly searched for ways to cut costs in order that AFAC would continue to remain solvent. Under National President Don McLeod, NEC got very serious and concerned therefore cost cutting measures began. Following in Don McLeod’s footsteps NEC during my watch as National President put forth numerous cost cutting measures to the membership, which in turn they sanctioned. Now, I am the first to admit that some of these cost cutting decisions were definitely not popular, but they were absolutely necessary. No-one really likes a **“Dues Increase”**, but if the membership had not passed that resolution, AFAC would not exist today. Following numerous lengthy debates an NEC decision called for an end to funding the **Group Capitation Grant**,

which was definitely not popular, but necessary. Ever since that fateful but important decision, we have listened intently to Ontario Group's assertions seeking reinstatement of the Capitation Grant, but those assertions gained little to no support amongst the membership, as reflected in the NEC's opposition to the idea. Things changed, however, when the National President authorized Dean Black to meet in person with Ontario Group to take another look at what Ontario Group was trying to accomplish. That meeting in July 2008 revealed that while governance changes that led to the elimination of Regional Directors did indeed help to cut some costs, those changes imposed a greater financial burden on the remaining Executive members, especially when the elimination of two Ontario regions is taken into consideration. As a result an NEC level decision to institute a **Wing Visitation Allowance** was reached with the understanding that there were two guiding principles (Groups would submit a business plan, and the allowance would come in the form of up to \$100.00 per Wing for those Wings that submit an annual report). This allowance reflects the important governance-related promotion and marketing work Regional Vice-Presidents and all members of the group executive do, as part of their association work.

With respect to further cost-cutting measures, NEC Midterm Meetings were first combined with the CDA/CDAI Seminars to save travel costs and later the NEC Meeting was changed to a Teleconference Call to eliminate travel costs completely. Executive Director Dean Black has over the past three years downsized the National Headquarters' office space from 3,040 square feet to a little more than 900 square feet, by subleasing excess space to other organizations, such as CDA/CDAI and Tree Canada. Dean arranges and oversees the sub-leasing arrangement which in itself is quite a task. The bottom line is that where AFAC once paid close to \$80,000.00 rent a year they now pay about \$29,000.00. At one time AFAC was considering relocating their headquarters due to the high rental cost. That now is not necessary, and the advantage of a downtown Ottawa location remains extremely beneficial for AFAC. The lease at 222 Somerset Street, Ottawa has been renewed for another three years. Regretfully, but again necessary, the office staff has been downsized from a once total of eight employees to four employees (two contract and two salaried).

Airforce magazine layout/artwork has been out-sourced, again saving AFAC many dollars. At the NEC Mid Term Teleconference because of lack of potential advertisers for *Airforce* magazine, plans to reduce the number of pages in future issues were discussed, and this option is being explored for future implementation. As well, travel by National Executive Council members has been cut to minimal in the last several years. Several NEC members have gone so far as to not claim travel reimbursement when representing AFAC at required functions. Circumstances beyond anyone's control such as the World Economic Downturn, especially during the last year, has had a negative impact on our investments. It is worth mentioning, as well, that our investments really consist of deferred revenues the largest single component of which is salaries for staff. It is this reality – that future salary moneys have been cut in half, as a result of the deep recession we are now in – that led to the recent unavoidable staff cut decision this past January. The money simply was not there to meet the monthly pay-roll, and a cut had to be made while we were still able to offer a severance package. Hopefully the markets will recover in the not too distant future, and our ability to meet our financial. At the 2009 NEC Mid Term Teleconference Meeting, on the recommendation of the Admin/Fin Committee (due to negative cash flow) NEC passed a motion that the Executive Director apply for a **Line of Credit** to get us over the hump until dues came in from MAL renewals. Because of complications, red tape etc, Dean abandoned that approach and instead decided to delay taking his own salary for three months, to help pay the association's bills. Fortunately, enough MAL renewals came in and Dean has since been paid up in full, although he has taken an interim 10 per cent pay cut. Now, that's dedication. On recommendation from our auditor our two companies - AFPL and AFAC are now just one - AFAC, and with only one account to audit, we have found another way to cut some costs.

Aviation Affairs Committee:

When I was elected AFAC National President at the 2005 Annual General Meeting Lieutenant General (Ret'd) George E.C.Macdonald volunteered to become the new AFAC Honorary National President replacing Lieutenant General Al

Dequetteville whom had recently stepped down. At our 2005 Post AGM Meeting I approached the General and asked him if he would seriously consider chairing the AFAC Aviation Affairs Committee. The General fully agreed and it has definitely been all up hill ever since. AFAC has since gained tremendous respect in the Aviation Community due to the continuous production of excellent, informative position papers in support of our Air Force. CDA/CDAI has nothing but good to say about the position papers that are presented to them from AFAC. These position papers can readily be viewed on the AFAC website @ [airforce .ca](http://airforce.ca)

Plans are presently under way to convert /produce these position papers into the French language as the funds become available.

National Activities:

As AFAC is one of the mainstays of CDA and CDAI senior AFAC NEC members once again attended the CDA / CDAI AGM and Seminar this past spring at the Chateau Laurier, Ottawa. During this time AFAC hosts the Dawn Patrol Breakfast at no cost due to sponsorship. This event as always was a huge success, with the Aviation Industry representatives, Members of Parliament, air force members, and other military organizations all bidding to get an invite. Then there is the Air Force Day on the Hill, which again is held at no cost to AFAC due to sponsorship. This was the third year for this event which was held at the Parliament Buildings in Ottawa just last Tuesday May 12 2009. This special day is organized by the Air Force Association of Canada and is designed to raise awareness among parliamentarians of both past and recent accomplishments of the Air Force. Once again this most prestigious event was a great success which garnered well deserved publicity for our air force and as well AFAC. On the second Sunday in September each year AFAC and the Chief of the Air Staff co-host the Battle of Britain Service and parade which is normally held at the Canada Aviation Museum, Ottawa. If you ever get the opportunity to attend this event, go for it, you will be most impressed. I have just touched on a few activities that bring AFAC to the forefront.

2009 Events:

This particular year is certainly going to be an extremely busy eventful year for the Air Force Association of Canada. Our nation celebrates the 100th Anniversary of Powered Flight in Canada. Special events are planned all across our country and I would especially like to mention the Silver Dart project which was such a huge success. Hats off for their dedication to all the members of AEA 2005 (Silver Dart Replica Project). The famous Snowbirds will this year be joined by Hawk One, Vintage Wings of Canada's refurbished Canadian F-86 Sabre Jet painted in the famous Golden Hawk colors. They will be accompanied by an air force CF-18 decked out in an amazing paint scheme. This is the 85th Anniversary of the formation of the Royal Canadian Air Force, the 60th Anniversary of Royal Canadian Air Force Association / Air Force Association of Canada, 60th Anniversary of Ontario Group Air Force Association of Canada and as well 50th Anniversary of the cancellation of the CF-105 AVRO Arrow. This year the AFAC Annual General Meeting will be held in Trenton, Ontario October 16th -18th 2009. We chose Trenton – in the municipality of Quinte West, because Quinte West municipal officials recently decided to donate \$500,000 to the National Air Force Museum of Canada and Royal Canadian Air Force Memorial Park. This substantial donation could not go unnoticed, so we wanted to express our gratitude for their support of our Association's heritage flag-ship the museum, by bringing convention and tourism business to the area. Opening Ceremonies, the Banquet and Closing Ceremonies are planned to take place at the RCAF Memorial Museum. More to follow as plans are still underway. Due to AFAC's financial situation plans for the 2010's AGM tentatively scheduled to be held at Comox BC are under review. Nevertheless, a bid for 2010 from a Penticton-based convention centre has been received, and a bid for 2011 from a Quebec-City-based convention centre has also been received.

Summary:

Briefly touching base once again regarding the AFAC Financial cut backs, I know that some of the financial decisions were not popular with all of our membership. Over the past couple of years I have sensed a growing unwarranted resentment towards senior NEC members and as well the AFAC Executive Director. Might I

remind you that NEC members were elected by you the membership? They are doing their utmost on your behalf to keep this ship in the air. AFAC Executive Director Dean Black is doing an incredible job in his position. We are very fortunate to have acquired his professional, talented services and hopefully Dean will remain with AFAC for some time to come. I cannot begin to describe all that Dean has accomplished for AFAC in the short time span that he has been in the position, but he has effectively found a way to advise the NEC such that our leaders have implemented decisions that have just about wiped out our operating deficit and, more recently, erased our debt that had reached almost \$90,000 over the past five years. Not every member out there is readily adaptable to change. Sometimes we lead with our hearts instead of our heads, me included. No one is perfect; the only people who do not make mistakes are the people who do nothing. Probably the most heart wrenching incident that really got to me was the Name Change resolution in 1994. I fully endorsed eliminating Regional Directors positions from NEC and replacing them with Group Presidents. Now that we have instituted that practice, I have to wonder every once in a while, was it the right move. Perhaps we put too much pressure on the Group Presidents as they now in theory try to serve two masters. The reality is somewhat different: there really is only one master – the member, and those in executive positions are mandated to ensure the member's wishes come first. To that end, and in the wake of the structural changes that were made in respect of Regional Directors and Group Presidents, we have come to realize that while our executives are reasonably skilled at managing, we now need to learn how to govern a modern-day association. Governing is what directors do, and it involves coming up with policies that serve the membership, while leaving the day-to-day management of the association to the staff members we have employed for that purpose. If we can learn more about how to be more effective at governance, we should see an end to our past tendencies to involve ourselves too much in the day-to-day operation of the association. Mastering governance skills is our next phase, and to help in this next phase we are giving serious consideration to implementing formal orientation information sessions as part of the Annual General Meeting. Part of this formal orientation process will require we get much better at communications. Modern technologies demand that we do so, so we are going to

learn how to get better at this important aspect. There will be many more necessary changes ahead. But please keep in mind if we are to survive as an Association then now more than ever is the time to put aside our differences and work together for the betterment and survival of our beloved Air Force Association of Canada. Because if we are not all on the same page, AFAC could very easily self destruct.

As your National Immediate Past President, I shall be stepping down at the upcoming 2009 Trenton Annual General Meeting. It has been a great honor and privilege to have served you in these esteemed positions while being a member of the AFAC National Executive Council for the past eight years. I leave the NEC knowing full well that you the membership will continue to be guided by the dedicated, concerned members of the National Executive Council.

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Grant E.(Ted) Mahood
Immediate Past National President
Air Force Association of Canada