



ACEP-CAPE FINANCE COMMITTEE MEETING

Meeting Minutes

Date: April 14, 2021

Time: 3:00 PM to 5:20 PM

Location: Microsoft Teams

Present: **Members:** Greg Phillips (President), Howard Delnick (Chair) André Picotte, Andreas Trau, Camille Awada, Kelly Mansfield, Charlene Lonmo, Jamie Lafontaine

Staff: Omid Kahriz (Director of Finance), Mark Courty (Payroll and Accounting Assistant)

Guest: Christie Matwee (Cumberland Private Wealth Management)

Topic	Follow-up items
3:00 PM Meeting quorum reached, and G. Phillips reads the harassment policy to the Finance Committee and assigned himself as the policy officer.	
1. <u>Approval of Agenda</u> C. Awada moves to approve the agenda, seconded by A. Picotte. In favour = 8 Against = 0 Abstention = 0 Carried	
2. <u>Approval of Minutes from March 16, 2021 Meeting</u> C. Lonmo moves to approve the minutes of March 16, 2021, seconded by C. Awada. In favour = 7 Against = 0 Abstention = 1 Carried	
3. <u>Cumberland Investments</u> O. Kahriz introduced C. Matwee to the Finance Committee. C. Matwee reviewed CAPE's Investment Policy Statement noting that it allowed money invested with a long-time horizon to have up to 50% equity while money invested for the short term, or emergency funds should be held in cash or equivalents. She then provided a detailed overview of the Investment Portfolio Report for period ending April 12, 2021.	



ACEP-CAPE FINANCE COMMITTEE MEETING

At the end of the presentation, C. Matwee asked the Finance Committee if they would like to remain with the current 5% asset allocation for equities and the \$1.5M in the Altamira Cash Performer for emergency purposes.

A. Picotte asked C. Matwee what her overall prediction of the Stock Market is.

C. Matwee indicated that she believes the market will go up and down. At Cumberland they do not believe a bear market will occur in the near term, but corrections happen all the time and she does not recommend trying to time the market. She advised the Finance Committee that it is impossible to predict the market, but they are comfortable being invested in equity up to near the limits that clients allow in their portfolios.

H. Delnick asked C. Matwee what her recommendation would be regarding the equity investments.

C. Matwee indicated that 50% equity does make sense if CAPE does not need the cash for specific needs. If that is too quick of a jump, possibly go from 5% to 10% or to 25%.

H. Delnick asked what she would recommend.

C. Matwee suggested at least 10%.

C. Lonmo asked how long it would take to go from 5% to 50%.

C. Matwee indicated that she does not see why it cannot be 50% today given that CAPE is not dependent on the money for day-to-day operations.



ACEP-CAPE FINANCE COMMITTEE MEETING

A. Picotte indicated that his main concern was the consequence on the capital.

C. Matwee indicated that is why she recommends going with 50% equity for the long-term investments to provide diversification across different types of risk and return and that over the long-term markets typically go up after they go down.

A. Trau indicated that he is not opposed to the increase in equities but is concerned if CAPE must withdraw a large amount suddenly.

C. Matwee indicated that the Investment Policy indicates that there is a \$1.5M readily available and that the Finance Committee can change that amount as they feel is necessary.

H. Delnick thanks C. Matwee for her time and input.

C. Awada asked the Finance Committee if they would like to continue this discussion as it is fresh in our memory.

H. Delnick asked O. Kahriz for his opinion.

O. Kahriz indicated that C. Matwee makes excellent recommendations and that we are all looking at what is best for the Association. He believes that by diversifying the portfolio, CAPE would be taking less risk and recommends going with 15% to 20% equity.

H. Delnick indicated that he is comfortable going with 25% equity and asked the Finance Committee what they would recommend.

A. Trau raised concern about buying into a peak market and that it seems impulsive.



ACEP-CAPE FINANCE COMMITTEE MEETING

<p>A. Picotte mentioned that we are uncertain the market is peaking.</p> <p>C. Lonmo believes that we should give the discretion to C. Matwee.</p> <p>O. Kahriz indicated that the risk is higher now with the current portfolio.</p> <p>G. Phillips mentioned that an expert was hired and if they are recommending 25% equities, he does not see a reason to object.</p> <p>C. Awada moves to increase the asset allocation of equities from 5% to 25%, seconded by J. Lafontaine.</p> <p>In favour = 6 Against = 2 Abstention = 0 Carried</p>	
<p>4. <u>Review and Approval of Financial Package for Period Ending March 31, 2021</u></p> <p>a) Financial Statements Postponed until the next Finance Committee Meeting.</p> <p>b) Expense Reports Postponed until the next Finance Committee Meeting.</p> <p>c) Chart of Accounts Postponed until the next Finance Committee Meeting.</p>	<p>Include all items on Agenda for next meeting.</p>
<p>5. Follow-up Action Items from prior periods</p> <p>a) G Phillips to inquire about 3-year budget proposal. Postponed until the next Finance Committee Meeting.</p> <p>b) Adding President salary line item back to financial statements H. Delnick indicated that this item has been an on-going issue. He believes that if the line item</p>	<p>Include items a, c, and d on Agenda for next meeting.</p>



ACEP-CAPE FINANCE COMMITTEE MEETING

is not added back to the Financial Statements, it will continue to cause issues.

C. Awada asked H. Delnick how he would like to add this line item back into the Financial Statements.

H. Delnick indicated that it could be added back in as it was before and have the scale value of the salary included as per the constitution.

G. Phillips indicated that he still has concerns about the confidentiality of his contract and asked the Finance Committee to move beyond this item and put it to rest. G. Phillips also indicated that at a certain point, it becomes harassment.

O. Kahriz indicated that CAPE is unable to add this line item to the Financial Statements due to the confidentiality of the contract.

A. Trau mentioned that he thought this topic was resolved from a previous vote. He also indicated that he does not see a reason to have the Presidents salary separate from the rest of management.

J. Lafontaine mentioned that due to the confidentiality of the contract, it cannot be disclosed.

A. Picotte agrees that the confidentiality clause does not allow for this line item to be added back in. He suggested to keep things status quo and move on.

H. Delnick indicated that this topic was discussed, and the Financial Statements will not change.



ACEP-CAPE FINANCE COMMITTEE MEETING

<p>c) Changing of Fiscal year Postponed until the next Finance Committee Meeting.</p> <p>d) Life cycle of Cape Assets – O. Kahriz Postponed until the next Finance Committee Meeting.</p>	
<p>6. New Action Items</p> <p>a) Corporate Credit Card Expenditure Review & Approval Processes Postponed until the next Finance Committee Meeting.</p> <p>b) Purchase Order Process Review Postponed until the next Finance Committee Meeting.</p> <p>c) Disposal of Association Assets Postponed until the next Finance Committee Meeting.</p>	<p>Include all items on Agenda for next meeting.</p>
<p>7. Budget Planning</p> <p>G. Phillips indicated that budget planning needs to begin.</p> <p>H. Delnick agrees and asked O. Kahriz to think about it and to get back to him with the next steps.</p> <p>G. Phillips indicated that 2 full days would be needed. The first day would consist of management providing their input and the second day would be for the Finance Committee to discuss what will be included in the budget.</p> <p>G. Phillips suggested to send out an email to management as soon as possible to provide them with sufficient time and ask for a presentation to be done to the Finance Committee.</p>	



ACEP-CAPE FINANCE COMMITTEE MEETING

H. Delnick agrees with this approach and indicated that he wants all of management to have an equal opportunity regarding the budget.

G. Phillips recommends scheduling the meetings for May 3, 2021 and May 7, 2021.

O. Kahriz indicated that year-end is coming up and is time consuming. The Finance section is also receiving a lot of request lately making it difficult for 2 individuals to maintain the workload.

K. Mansfield suggested to hire a contractor to temporarily help the Finance Team until the budget is approved to hire more staff.

H. Delnick asked O. Kahriz to let the Finance Committee know what would be needed.

G. Phillips advised the Finance Committee that these decisions are operational and would have to go through the proper channels at CAPE.

A. Trau mentioned that this is his fourth budget, and it was not an issue in the past.

H. Delnick indicated that the budget now has a much higher priority than in the past.

O. Kahriz indicated that the budget now requires more work due to the engagement of the stakeholders.

J. Lafontaine agrees with O. Kahriz that it is a great idea to engage the NEC and management.

C. Lonmo indicated that the main issue seems to be a time constraint. We are trying to do two things at once. She mentioned that a contractor would be a quick fix to organize the budget process.



ACEP-CAPE FINANCE COMMITTEE MEETING

<p>G. Phillips mentioned that management has already thought about the budget and it will not be new to them.</p> <p>K. Mansfield indicated that a lot of things have changed since the last few budgets and that O. Kahriz will need the help that is required.</p> <p>H. Delnick agrees with K. Mansfield and indicates that things are being taken more seriously than in the past.</p> <p>C. Awada asked O. Kahriz what the time frame would be for a contractor.</p> <p>O. Kahriz mentioned that he has not given thought to a contractor but indicated that training would be necessary.</p> <p>H. Delnick mentioned to O. Kahriz to think about what is needed and we can go from there.</p>	
<p>8. <u>Roundtable</u> Postponed until the next Finance Committee Meeting.</p>	
<p>9. <u>Confirmation of next meeting and adjournment</u> H. Delnick moves to carry all outstanding agenda items forward to the next Finance Committee Meeting, seconded by C. Awada.</p> <p>In favour = 8 Against = 0 Abstention = 0 Carried</p> <p>M. Courty will coordinate with H. Delnick to send out a doodle poll to the Finance Committee regarding the next meeting.</p>	