

(Office-2021)
Date: 5/14/2021
Time: 1:00 pm

2021 COMMITTEE RECOMMENDATION FORM

Agenda Item **1**
Committee **1**
Subject: **2021-2022 AFA-CWA Annual Budget**

The Committee recommends the resolution be adopted as amended:

WHEREAS the AFA-CWA Board of Directors sets and reaffirms our priorities each year; and,

WHEREAS, together we build our annual budget to support our priorities based upon available resources, including our projected income; and,

WHEREAS, today our country is remains in the midst of a pandemic due to COVID-19, and the airline industry continues to be affected resulting in reduced flights throughout the industry; and,

WHEREAS, AFA was part of history making legislation that supported all classifications of airline workers through Payroll Grants to airlines for direct payment to workers through September 30, 2021; and,

WHEREAS, this pandemic injects uncertainty in the dues revenue projections for the coming fiscal year; and,

WHEREAS, AFA remains fully committed to ensuring adequate Members of Staff are in the appropriate positions as the industry emerges from the effects of the pandemic; and,

WHEREAS, maintaining a solid and well-funded Reserve Fund (RF) has been a high priority of the Finance Committee and the Board of Directors, and contributions to the Reserve Fund have been made in 2017, 2018 and 2019; and due to good ongoing fiscal constraint by each Local and MEC, the AFA is well prepared for these times of change in the airline industry, such that the current proposed budget maintains the Reserve Fund; and,

WHEREAS, cyclical variations in constitutional services such as elections, trainings, and negotiations cause significant spending fluctuations, the adopted approach of prefunding these activities through the Future Funding Commitment has been an improvement to our budgeting process; and,

WHEREAS, the Budget Committee has met and submitted a balanced budget recommendation to the Board of Directors;

THEREFORE BE IT RESOLVED, that the CWA Dues Average of \$50 was used in the construction of the AFA-CWA Proposed 2021-2022 Budget for the fiscal year beginning June 1, 2021 through May 31, 2022; and,

BE IT FURTHER RESOLVED, that the Board of Directors in session on May 13, 2021, for the purpose of passing a balanced budget, adopt the following adjustments:

- Section IV.C.1.: Effective June 1, 2021, each Local Council will be allowed a regular monthly allowance based on seventeen percent (17%) of the total monthly dues including service charge monies of the Council affected. However, in no event shall the monthly allowance be no less than \$2,250 or an amount equal to twenty percent (20%) of a total of 100 members and service charge payers dues.
- Section IV.G.2.: The value of the MEC budget allocation will be reduced by 15%.
- An allocation of \$1,600,000 from the Future Funding Commitment (FFC) will be utilized, as needed.
- Article XI.G.2. At end of each fiscal year, whenever total income exceeds total expenses, such net income may be credited to the Union reserves whenever it is net worth is less than two (2) times the annual income. In 2021, an allocation of \$600,000 from the prior year AFA Surplus will be utilized, as needed, and all remaining surplus will be credited the AFA Reserve Fund.

BE IT FURTHER RESOLVED, that as the industry recovers from the pandemic and the Union grows, the International Officers will ensure that the previously approved new positions for a Staff Attorney, Staff Attorney/Negotiator, IT Specialist, Mobilization Specialist, and Finance Specialist will remain as high priorities, as well as the previous position in Air Safety, Health and Security and an International Staff Representative; and,

BE IT FURTHER RESOLVED, that during this time of uncertainty with the COVID-19 pandemic, the Finance Committee, in consultation with the International President, will monitor the monthly dues revenue and expenses, and should there be a substantial change in the net balance, a reassessment of the annual budget will be made; and appropriate budgetary changes made to ensure a solid foundation is maintained for our Union; and,

BE IT FINALLY RESOLVED, that should budget changes affecting the LEC or MEC budgets be required during the fiscal year, an explanation will be provided, and a ballot of the Board will be conducted.

Signature: Jeffrey W. Heisey
Committee Chairperson

Action Taken by the Board: Voice x Division of the House _____ Roll Call _____

 Adopted Unanimously Date: 5/14/2021 Time: 5:56 pm
 x Adopted as Amended
 Not Adopted
 Tabled
 Recommended to Agenda Committee
 Withdrawn

(Budget V.1)