

**The Returned & Services League of Australia
(Victorian Branch) Inc.
A.C.N. A0028777L**



70 MAY 2007

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**Minutes of the State Executive Meeting held on the 17th May 2007
in the Boardroom, ANZAC House, commencing at 9:30 am**

• Present

Chairman
State Senior Vice President
State Vice President
State Honorary Treasurer
Chief Executive Officer

General D J McLachlan)
(Mr R S Webster)
(Mr M J Bugg)
(Mr J F Cullen)
(Mr M Annett)

Messrs M Brown, H S Heslop, J V Johnson, D Lewien, C Logan, F Matons, (Mrs) A Pahl, K V Rossi and J Stack.

The Chief Financial Officer (Mark Sherlock), the Chief Operations Officer (Mark Johnson) and the Minute Secretary (Rosemary Kennedy), were in attendance.

• Silent Tribute

The Chairman asked the Executive to join him in a silent tribute to fallen and departed comrades:

Mr Alex Kowarzik, current President of the Mandanong RSL Sub-Branch, Life Member and former State Councillor - passed away 28th April 2007.

Mrs Susan Richardson, current Secretary Lilydale RSL Sub-Branch - passed away 12th May 2007

• Apologies

Neil Slaughter (LOA), Peter Byrne and Jim Haby.

(Bugg - Cullen)

Cd.

Strategic Planning Issues

The Chief Financial Officer advised the meeting that he had received two desktop reviews of Upper Yarra and Mitcham Sub-Branche - this was in response to previous concerns the Chairman of the Property Committee raised.

j. Mitcham RSL Sub-Branch Inc:

The PKF review for Mitcham highlighted that the Sub-Branch was currently trading insolvently and the situation needs to be resolved as a matter of urgency.

It was agreed by the Property Committee that due to the budgeted projected loss in the Sub-Branch accounts for the next year, a new form of management be initiated. It was suggested that Box Hill Sub-Branch be approached with a view to assisting with the management of Mitcham Sub-Branch.

It was recommended that the State President request Box Hill Sub-Branch to consider immediate management of Mitcham and initiating relevant change in management to address the financial situation.

(Webster - Johnson)

Cd.

k. Upper Yarra RSL Sub-Branch Inc:

In response to a request from Upper Yarra Sub-Branch to borrow \$700,000, the conclusion of the PKF report was "The lending criteria of both interest cover and the capital ratio are not met, there being shortfalls under both. We therefore advise the financial capacity is currently not there to borrow \$700,000". The report indicates that the Sub-Branch only has the capacity to borrow \$100,000.

The report also indicated that the Sub-Branch had entered into negotiations with DGAS in regard to a possible income stream from a Joint Venture project for aged care accommodation. The Sub-Branch indicated that they would receive in excess of \$600,000 as its share.

The Sub-Branch plans to expend \$850,000 on the first stage of the development. The report indicates that the funds could come from:

• Borrowings not to exceed	\$100,000
• Profit from JV	\$600,000
• Sub-Branch Reserves	\$150,000

It is recommended that the previous agreement be rescinded and that borrowings not be approved at this time until financials have been reviewed by the Chief Financial Officer.

(Webster - Rossi)

Cd.

It is noted that the Sub-Branch has made an application for a Commonwealth grant which, if successful, will be used to construct Stage 2 of the project.

l. Oakleigh/Carnegie RSL Sub-Branch Inc.

It was noted that Rob Gay has perused and reviewed the current operating position of Oakleigh Sub-Branch and a report will be tabled at the next Property Committee meeting.

Noted.