

7331-1-2 (EFC)

March 2020

Distribution List

**RECORD OF DECISIONS - EUROPEAN FUND COMMITTEE
MEETING BY VTC/PHONE 3 MARCH 2020**

In Attendance:

Chairperson: Commander Formation Europe BGen D.O. Quinn rep by Cdr J. Lessard

Members: CO Germany Col R.A. Pamplin
 CO Italy Col D.A. Russel
 CO NATO IMS LCol I. Barnes rep by LCol T. Wilson
 CO Casteau/South-West LCol S.N.M. Harding
 CO CFSU(E) LCol H.L. Staal
 SCO CDLS (L) Col A.V. Lussier
 CO Netherlands/North-East Col W.A. Taylor
 NUF Rep LCol P. Mackenzie
 FCWO CWO R. Viel

Ex-Officio: EFWG Chairperson Maj J.R. Murdock
 COS FE Cdr M.S.J Lessard
 SCO Brussels (CANMILREP) Col G. Ivey rep by LCol K. Leblond
 CO UK Col D.C.D. Hilton
 DNATEX Mr. Carl Towing (absent)
 Sr Manager PSP (E) Mrs. Johanne Thibault
 NPF Acct Mgr Mrs. Michelle Joly
 Secretary Mrs. Jovy Niese

ITEM	DISCUSSION	ACTION
1.	OPENING REMARKS	
	<p>1. The Chair called the meeting to order at 1400 hrs. The attendees were welcomed and called one by one to identify themselves.</p> <p>2. Because it is the first time EFC meeting was held via video/tele conference, the Chairperson rep explained that the voting will be by asking members who are against the motion & no answer means they vote for yes.</p> <p>3. Statistics of the EF were presented to the EFC members. It was explained that the numbers of EF members are based on the numbers of members as of October/November 2019. Those numbers are used the</p>	Info

	following Financial Year to issue the EF, PFMG and CANEX-SISIP grants.	
2.	ADOPTION OF PREVIOUS EFC ROD 31 OCTOBER 2019	
	<p>1. The Chair asked the Committee members to review the previous record of decisions, from the meeting held on 31 October 2019. There were no further comments from the members.</p> <p>2. MOTION: SCO Brussels Rep motioned to adopt the record of decisions, motioned seconded by CO CFSU(E). All in favour, motion carried.</p>	Carried
3.	REVIEW OF EF FINANCIAL STATEMENTS AS OF 31 JAN 20	
	<p>1. The NPF Acct Mgr presented the financial position of the EF based on the financial statements at 31 January 2020.</p> <ul style="list-style-type: none"> a. Currently, EF has a healthy bank account: €114,000, there are two months to go; b. The EFC asked NPF Acct to provide a new slide with the budgeted amount and an estimation of where the EFC will be at the end of FY. Two new slides have been added to the presentation. The slide deck is attached with new slides; c. At the end of January 2020, the EF is in a better financial situation than it was last year with a variance of +€16,041; and d. NPF Acct has provided new slides (please see the attached Power Point). She estimates that the EF will finish the year with a positive bank account of €26,155. This amount could be larger depending on unused NUF claims and Representational Expenses. Note that the months of February and March will show considerable expenses and revenues in the chalet program. <p>2. During the last EFC, NPF Acct Mgr was asked to provide a Critical Long Term View of the EF financial position:</p> <ul style="list-style-type: none"> a. EF should continue to distribute the European Fund grant in July and December and the CANEX/SISIP grant in December (does not affect the NUF); b. EF should maintain an unencumbered cash balance* of 60K, but not higher than 100K; 	Info

	<p>c. Investment - Interest-only strategy. This means using the interests and not touch the investment; and</p> <p>d. EF should continue to present a conservative budget.</p> <p>3. To meet the needs of the EFC, NPF Acct Manager will provide a financial analysis of the EF financial situation in the future. During the budget meeting (Feb), she will also provide the best possible a prediction of the end of year financial situation.</p>																			
4.	BUSINESS ARISING FROM THE LAST EFWG AND EFC MEETINGS																			
	<p>1. GRANTS FOR LOCAL NATIONALS</p> <p>Discussion no longer needed.</p> <p>2. REPRESENTATIONAL EXPENSES</p> <p>a. At the last EFC, EFWG was tasked to re-examine the EF Representational Expenses program and to present recommendations at the next EFC meeting in February 2020;</p> <p>(1) Who receive, who should receive Representational expenses;</p> <p>(2) What amount is received, what amount should be received; and</p> <p>(3) Should the amount be set per capita of the grouping of units in an area (i.e. one larger Rep fund in the UK where we have more CAF members)?</p> <p>b. EFWG recommends to distribute Representational Expenses by Region and by Appointment on a one year trial as follows: COs under Regional COs cannot spend more than the amount set by CFMWS €860;</p> <table style="margin-left: 40px;"> <tr> <td>Comd FE/NMR</td> <td>€2050</td> </tr> <tr> <td>SCO Brussels</td> <td>€860</td> </tr> <tr> <td>CDLS(L)</td> <td>€860</td> </tr> <tr> <td>SCR Shape</td> <td>€860</td> </tr> <tr> <td>CO CFSU(E)</td> <td>€860</td> </tr> <tr> <td>CO Turkey</td> <td>€500</td> </tr> <tr> <td>CO NATO IMS</td> <td>€500</td> </tr> <tr> <td>CO Norway</td> <td>€500</td> </tr> <tr> <td>CO SHAPE</td> <td>€1000</td> </tr> </table>	Comd FE/NMR	€2050	SCO Brussels	€860	CDLS(L)	€860	SCR Shape	€860	CO CFSU(E)	€860	CO Turkey	€500	CO NATO IMS	€500	CO Norway	€500	CO SHAPE	€1000	Info
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	<p>CO UK €2500 CO Germany €2500 (includes SCO OSH) CO Italy €2500 CO Netherlands €2500 Miscellaneous €2000 Total of €20,000 (Saving of €6984 to EF)</p> <p>c. CO Italy asked how the math was done with the recommended representational fund. Sr Mgr PSP (E) stated that the idea was to reduce the representational fund to €20K because money was being budgeted but not used that's why EFWG was tasked to make recommendations. CO Germany stated that the EFWG Committee needs to be clear on how it was being calculated. Was it based on previous spending or based on the number of COs that may not have representational function? CO UK indicated that the presented recommendation needs to have a breakdown by the number of people, number of people that has representational function that Colonels and Majors don't have and number of units the CO is responsible for;</p> <p>d. MOTION: CO Italy motioned to leave representational expense as it was budgeted last year 2019-2020 and adjust miscellaneous to reach € 3K. Seconded by CO Germany. 3 out of 9 voted for no. Motion was carried; and</p> <p>e. MOTION: CO Germany to task EFWG with looking again at the representational expense program to provide more financial information to the Regional COs, to come back next meeting with better information for a better decision. Seconded by CO CFSU(E). All in favour. Motion carried.</p> <p>3. EUROPEAN FUND PROGRAMS</p> <p>a. At the last EFC, the EFWG was tasked to look at the longer term of the EF Programs and make suggestions for the future knowing that the sales and revenues of the EF are expected to decrease in the future:</p> <p>COA 1: Status Quo, use the unencumbered cash (€100K) and continue to offer the same programs: Pros: Maintain the same level of services expected by members Maximize the EF programs Cons: Less flexibility for emergencies Not solving and delaying immediate issues Uncertainty of future sales from the contributing stores;</p>	<p>Carried Sr Mgr PSP (E)</p> <p>Carried Chair EFWG Sr Mgr PSP (E)</p>
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COA 2: Reduction of the Chalet and Full Flex Program

Pros:

Minimize impact to the members because they have other options such as Airbnb, Expedia, etc.

Solve the financial problem immediately

Less noticed by the members

Cons:

Chalets are safe and in known locations

In general people like the Chalet program and use it. It is sold out almost all the time; and

COA 3: Reduction of all EF programs with a certain percentage

Pros:

Less impact on overall programs, would not have to cut any of the priorities

Burden is shared by all programs

Cons:

Cutting into bones not fat

Does not reflect the EF priorities.

b. EFWG Recommendation:

- (1) During the session the group consensus was to recommend COA 1 if it was feasible i.e., unencumbered cash bank account was projected to remain at €100k at year end and if not feasible COA 2 would be recommended. NPF Acct Mgr and Sr Mgr PSP (E) said that the €100K in unencumbered cash is real at the end of October but will change as expenses are processed: In December, the second payment of the EF grant will be paid out to UFs in the amount is €62.7K. NUF have been slow to process their claims (€ 40K) and we expect them to do so before end of FY. Therefore, COA 1 is not an option; and
- (2) COA 2 is recommended. In Chalet program, there will be a reduction in two properties. One during summer season and one during the winter season. PSP has two chalets at each locations (Italy and Canary Islands), therefore has lower impact. In Full flex program, it was recommended that the amount for 200 accommodation vouchers will be reduced from €250 to €230. With these reductions, EF will have a **total savings of €13,149.35.**

	<p>c. Discussion:</p> <p>(1) CO Germany asking what is considered emergency and what is the data on the Chalet Program. Sr Mgr PSP (E) will share data to the Committee on how popular the Chalet Program is. Sr Mgr PSP (E) gave the current situation of COVID-19 as an example of emergency. Another example would be: In the future, there might be a possibility that EF decides to cancel all travel to Chalets. All of the Chalet contracts are signed 6 months in advance, Formation Europe would need to pay €61K. This would put the EF to a negative financial position. That's why EF needs to have money in the bank for unforeseen emergencies such as these;</p> <p>(2) Sr Mgr PSP (E) and NPF Accounting Mgr will work together and send a copy of the budget on 4 March 2020. Members will vote secretari ally; and</p> <p>(3) A secretarial vote has been made last 6 March 2020. The approved budget can be found on Annex A: EFC Presentation (modified).</p> <p>d. MOTION: CO CFSU(E) motioned to accept the proposed reduction of two chalets and leave the Full flex to € 250 for the next year. Seconded by FCWO. All in favour. Motion carried.</p>	<p>Carried Sr Mgr PSP(E)</p>
<p>5.</p>	<p>NEW BUSINESS</p>	
	<p>1. There are no changes proposed to the EFC priorities. There are small changes in the explanation wording of the priorities:</p> <p>a. Priority #1 – Contributions to Unit Funds and Non-Unit Fund Members</p> <p>Funding is received from two sources:</p> <p>(1) The CANEX/SISIP Dividend is received from CFMWS and is allocated to units based on strength; a portion is reserved in an account for Non-Unit Fund members. (Approx. €75/CAF member/year); and</p> <p>(2) The EF Grant contributes to Unit Funds and Non-Unit Fund members; this is based on an amount allocated</p>	

	<p>per family member. As contributions from the three stores to the EF fluctuate, the amount yearly allocated increase or decrease as required (€100/EF member);</p> <p>b. Priority # 2 - 30 Day Deployment/TD/Course Fund (Spouses)</p> <p>(1) When personnel and/or spouse deploy, their spouses are entitled to claim for wellness items or services such as childcare expenses, dinner out, etc;</p> <p>(2) When CAF personnel attend courses for 30 days or more, their spouses are entitled to claim for wellness items or services such as childcare expenses, dinner out, etc; and</p> <p>(3) This is in direct support to EF members;</p> <p>c. Priority #3 – Representational Funds</p> <p>These funds are provided to COs and to represent the CAF in accordance with the applicable NPP regulations;</p> <p>d. Priority #4 - Chalet Program;</p> <p>This program is performed under contractual arrangements. The EF subsidizes the properties at 40%. Full Flex program provides 200 accommodation vouchers worth €250 per year;</p> <p>e. Priority #5 – Miscellaneous Expense. Funding for small ticket items or unforeseen expenditures that were not budgeted. Ex: DWD at €200/retirement (2 frames);</p> <p>f. Priority #6 – Academic Program. This program provides funds for students graduating from high school and pursuing a post-secondary education in the following fall. Budget is €7000/year; and</p> <p>g. MOTION: NUF Representative motioned to keep priorities as is. Seconded by SCO CDLS (L). All in favour. Motion carried.</p>	Carried Sr Mgr PSP (E)
6.	OPEN DISCUSSION	
	1. Due to the current situation with COVID-19, Sr Mgr PSP(E) asked the Chairperson if there would be any possible changes with the members travelling to Chalets. The Chairperson stated not to worry	

	<p>about it. Any travel cancellations due to the situation could be reimbursed however, it is not clear at this time how this will affect the Chalet program.</p> <p>2. CO NATO IMS rep and CO Germany stated that EFWG Chairperson should formally report to EFC.</p>	
7.	AJOURNMENT	
	<p>1. A motion to adjourn the meeting was made by NUF Representative at 1600 hrs, seconded by CO Germany. All in favour, motion carried.</p> <p>2. The next meeting will take place on the last day of the FECC scheduled for 20-22 October 2020.</p>	Carried Sr Mgr PSP (E)

Annex A EFC Presentation (modified)
Annex B Representational Expenses 3-year view

REVIEWED BY

J. Thibault
Sr Mgr PSP(E)

Date

RECOMMENDED

J.R Murdock, Maj
EFWG Chairperson

Date

APPROVED/NOT APPROVED

D. O. Quinn, BGen
EFC Chairperson

Date

Distribution List

Action

EFWG Chair
EFWG Members

Information (next page)

Information

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