

7331-1-2 (EFC)

July 2020

Distribution List

**RECORD OF DECISIONS-EUROPEAN FUND COMMITTEE
MEETING BY ZOOM/PHONE 25 JUNE 2020**

In Attendance:

Chairperson: Commander Formation Europe BGen D.O. Quinn

Members: CO Germany Col R.A. Pamplin
CO Italy Col D.A. Russel
CO NATO IMS LCol I. Barnes
CO Casteau/South-West LCol S.N.M. Harding
CO CFSU(E) LCol H.L. Staal
SCO CDLS (L) Col A.J. 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 K. Leblond
CO UK Col D.C.D. Hilton
A/D NATEX Mr. Sajid Butt
Sr Manager PSP (E) Mrs. Johanne Thibault
NPF Acct Mgr Mrs. Michelle Joly
Secretary Mrs. Tamara Clarke

Guest: Sr Manager PSP (E) incoming Mr. Mike Taylor

ITEM	DISCUSSION	ACTION
I	OPENING REMARKS	
	1. The Chair called the meeting to order at 1005 hrs. The attendees were welcomed and called one by one to identify themselves. BGen Quinn indicated the meeting is a follow-up to the meeting held 5 May regarding the first half of the Summer Chalet program. There are three important decisions to be made regarding: the second half of the Summer Chalet program, the Winter Chalet program and Store operations.	Info
II	ADOPTION OF PREVIOUS EFC ROD 5 MAY 2020	

	<p>1. The Chair asked the Committee members to review the previous record of decisions, from the meeting held on 17 April 2020, for errors or omissions.</p> <p>2. Item 2 under Unit Fund Bank Account should read \$77,000, not \$77.</p> <p>3. MOTION: NUF Representative motioned to adopt the record of decisions, motioned seconded by SCO CDLS (L). No objections, motion carried.</p>	<p>Sr Mgr PSP (E) corrected.</p> <p>Carried</p>
III	REVIEW OF FINANCIAL END OF YEAR 2019-2020	
	<p>1. The Sr Mgr PSP (E) presented the EF financials at end of FY 2019-2020. A financial statement was not provided due to the lack of sales within the EF stores. EF completed 2019-20 with net income of €66,667 vice net income budgeted of €5911. The outcome was better than expected due to:</p> <ul style="list-style-type: none"> a. Profit sharing higher by €18K; b. CANEX SISIP higher by €12.5K; c. Expenses Rep Fund lower by €12,2K; and d. EF grant not used by € 11,8K. <p>2. EF finished the year in a healthy financial position with an unencumbered cash balance of €141,434K.</p>	Info
IV	BUDGET PROPOSAL 2020-2021	
	<p>1. The Sr Mgr PSP(E) presented budget assumptions, limitations, key facts/deductions, and recommendations of EFWG:</p> <ul style="list-style-type: none"> a. Assumptions: <ul style="list-style-type: none"> i. Stores are open 1 July 2020, noting : <ul style="list-style-type: none"> a. Ramstein opened 22 June; and b. UK: hope to open them 6 July; ii. Store revenues will be 20% lower for July and 10% lower than budgeted for Aug; iii. Budget is provided with all normal EF programs IAW last EFC and standard programs in place; iv. CANEX SISIP grant will remain the same; and v. Claim against CIP for tobacco will be approved. b. Limitations: <ul style="list-style-type: none"> i. €141K Unencumbered cash. c. Key Facts/Deductions: <ul style="list-style-type: none"> i. Track and Trace on tobacco product: cannot legally sell some tobacco products after 20 May 2020 (new law in EU); 	Info

	<ul style="list-style-type: none"> ii. Months with almost no sales of tobacco leave an inventory of €26K of unsold and now illegal products; iii. Claim against CIP, NPP insurance company, is staffed and looks positive (could cost EF €3000 for deductible); iv. CFCF is paying the salary of store employees while stores are closed; and v. Annually, EF is underspent by approx €30K (Rep fund, NUF claims, Full Flex). <p>d. Recommendation of EFWG:</p> <ul style="list-style-type: none"> i. EFWG recommends the budget with changes that will be approved today during EFC 25 June 2020. <p>2. The budget to be amended according to today's decisions and will be forwarded to EFC members for electronic vote.</p>	Sr Mgr PSP
V	BUSINESS ARISING FROM THE LAST EFC MEETING	
	<p>SUMMER CHALET PROGRAM 2020-2021</p> <p>1. The EFWG Chair informed that the EFWG discussed the second half of the Summer Chalet and Winter Chalet program. The recommendations were done before and after lifting of travel restrictions in mind.</p> <p>2. Summer Chalets are located:</p> <ul style="list-style-type: none"> a. Scotland, Edinburgh; b. France, Normandy and Chamonix; c. Hungary, Budapest; d. Spain, Bahia del Mar; e. Croatia, Trojir; and f. Italy, Rome and Tuscany. <p>3. At this time, European countries are open for travel from the EU with current exception of Scotland (has some restrictions). Note: The above information comes from the JAG tool which may not be accurate for CAF travelling with Canadian passports and SOFA stamps and thus members should verify prior to booking.</p> <p>a. Assumptions:</p> <ul style="list-style-type: none"> i. Borders are open 1 Aug in Europe; ii. No CAF travel restrictions within Europe; iii. EF Stores opened : <ul style="list-style-type: none"> a. Ramstein 22 June; and b. UK: possibly 6 July iv. EF Revenues will be significantly reduced. <p>b. Limitations:</p> <ul style="list-style-type: none"> i. Contracts signed for the summer; and 	

coverage for those not able or uncomfortable with travelling due to pandemic.

For those chalet winners of the remainder of the summer program, there is no full flex in lieu.

WINTER CHALET PROGRAM 2020-2021

7. Winter Chalets are located:

- a. Spain, Bahia del mar (South) and Canary Island;
- b. Austria, (North West);
- c. France, Chamonix;
- d. Crete, Greek Island;
- e. Portugal, Madeira Island; and
- f. Germany, Garmish- Partenkirchen.

8. At this time, European countries are open for travel from the EU.

Note: The above information comes from the JAG tool which may not be accurate for CAF travelling with Canadian passports and SOFA stamps and thus members should verify prior to booking.

a. Assumptions:

- i. Borders are open in Europe; and
- ii. No CAF travel restrictions within Europe.

b. Limitations:

- i. Limited revenues; and
- ii. Unknown timeline for a possible second wave of Covid-19

c. Key Facts/Deductions

- i. No contract signed yet, but chalet owners are aware of this meeting and awaiting quick decision. Draw is scheduled for mid-Sep, so contracts must be signed soon;
- ii. EF has credited weeks in April 2021
 - a. Austria: 1 week worth €1100;
 - b. Crete: 6 weeks' worth €5040;
 - c. Madera: 3 weeks' worth €1320; and
 - d. Spain: 2 weeks' worth €2500
- iii. EF finished FY 2019-2020 in a healthy financial position with €141K; and
- iv. Plan to ensure chalets are disinfected after each use;
- v. Rules for the chalet programs can be amended to suit the chosen COA.

d. Four COAs were developed:

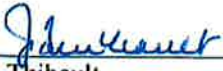
- i. COA 1 – Status Quo €36,515
- ii. COA 2 – Replace 60 Winter Chalet by 60 Full Flex €40,000
- iii. COA 3 – Full Flex only €25,000

	<p>iv. COA 4 – Keep ½ Chalet weeks, ½ Full Flex €14,739</p> <p>e. EFWG recommendation is to replace 60 chalets by 60 Full Flex.</p> <p>9. Discussion of winter chalet season runs from Oct to Apr. Note: COA 1: 160 prizes; COA 2: 160 prizes; COA 3: 100 prizes; and COA 4: 80 prizes.</p> <p>10.</p> <p>a. Vote on COA 1: 3 in favour, 6 against Motion defeated. b. Vote on COA 2: 3 in favour, 6 against Motion defeated. c. Vote on COA 3: 1 in favour, 8 against Motion defeated. d. Vote on COA 4: 4 in favour, 5 against Motion defeated.</p> <p>11. With all EFWG COAs rejected, the Chair opened it up to other COA ideas. Various concerns and options were discussed, including discussion on adding a clause to the contract with owners for coverage of pandemic travel restrictions. Sr PSP Mgr (E) to discuss with CF Legal Advisor and amend the NPP contract accordingly. Chair took an informal poll regarding those in favour of having chalets this winter. The committee was in favour of having some kind of program with chalets for this winter. Therefore discussion continued on how much the Committee was willing to pay for a program and, in this spirit, the European fund budget was discussed regarding the amount to keep as the minimum baseline in the bank.</p> <p>12. Two important conclusions were reached: a. To continue with some form of the winter chalet program; and b. Keep a minimum of €60,0 K in the bank</p> <p>13. EFWG to develop COAs based on above para and send EFC members a secretarial vote.</p> <p>Note: the vote was received before the publication of the ROD. Members voted in favour of keeping all chalets and half of the Full Flex for the winter chalet season 2020-2021</p> <p>STORE OPERATIONS</p> <p>14. The Sr Mgr PSP(E) presented and explained the slides on the stores operations.</p> <p>a. Assumptions: i. All stores are opened 1 July (Ramstein opened 22 June and UK may open 6 July); ii. Almost no sales from April to June; iii. July: sales down 20% from budgeted;</p>	<p>Sr Mgr PSP</p>
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	<p>iv. August: sales down 10% from budgeted; and v. September: back to new normal with Covid restrictions</p> <p>b. Limitations:</p> <ul style="list-style-type: none"> i. The safety measures due to Covid-19 for employees and customers; ii. One customer at the time; iii. Opening hours modified; and iv. On line sales limited by the Point of Sales. <p>c. Key Facts/Deductions</p> <ul style="list-style-type: none"> i. Ramstein has a signed SLA to purchase goods from NATEX. <p>d. Two COAs were developed:</p> <ul style="list-style-type: none"> i. COA 1 – Status Quo; and ii. COA 2 – Status quo plus on-line orders. <p>e. EFWG recommended to continue same operations and to add on line options.</p> <p>15. This option might not be feasible in Ramstein at this time, could possibly be done in the small UK stores. The future is with online orders and we should work towards this.</p> <p>16. Discussion ensure on future online shopping and ways to bring it to fruition. ID and ration cards would have to be presented at pick up of purchase at stores. SLA and NMR directives to be taken into consideration when moving forward. Development of catalogue should contain the products and cost to the customers. Parameters would need to be put in place for how to order and pick-up.</p> <p>17. Those in charge of running of the stores will see what is possible within their purview. No voting for the EFC required, but EFWG brief noted and if any cost implications in the future, will need to be brought back to EFC for consideration.</p>	Sr Mgr PSP
VI	OPEN DISCUSSION	
	<p>1. The Chair acknowledged this was the Johanne Thibault's last meeting. Thank you very much for your stewardship. We will miss you and all your work. Always so well prepared and set Mike up extremely well for success. Sr PSP Mgr (E): Thank you to everybody. It has been a pleasure to live and work in Europe. I enjoyed every day of my four years. Mike Taylor will fill my shoes easily. Welcome Mike.</p>	
VII	AJOURNMENT	

	1. A motion to adjourn the meeting was made by CO CFSU(E) at 1205 hrs, seconded by CO Germany. All in favour, motion carried.	Motion carried
	2. The next EFC meeting to be scheduled.	Sr Mgr PSP

REVIEWED BY


 J. Thibault
 Sr Mgr PSP (E)

9 July 2020
 Date

RECOMMENDED


 J.R. Murdock, Maj
 EFWG Chairperson

9 Jul 20
 Date

~~APPROVED/NOT APPROVED~~


 D. O. Quinn, BGen
 EFC Chairperson

9 Jul 20
 Date

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