

7331-1-2 (EFC)

March 2021

Distribution List

**RECORD OF DECISIONS-EUROPEAN FUND COMMITTEE
MEETING BY MS TEAMS 18 FEBRURY 2021**

In Attendance:

Chair:	Commander Formation Europe	BGen D.O. Quinn
Members:	CO Germany	Col R. Pamplin
	CO Italy	Col D. Russel
	CO NATO IMS	Col Y. Poirier
	CO Casteau/South-West	LCol S. Harding (absent)
		Rep MWO P. Coupal
	CO CFSU(E)	LCol H. Staal
	SCO CDLS (L)	Col A. Lussier
	CO Netherlands/North-East	LCol A. Taylor
	NUF Rep	LCol P. Mackenzie
	FCWO	CWO R. Viel (absent)
Ex-Officio:	EFWG Chairperson	Maj T. Byrd
	COS FE	Cdr E. Kerr
	SCO Brussels (CANMILREP)	Col M. Stalker
	CO UK	Col D.C.D. Hilton (absent)
	A/DNATEX	Mr. Sajid Butt
	Sr Mgr PSP (E)	Mr. Mike Taylor
	NPF Acct Mgr	Ms Michelle Joly
	Secretary	Ms Tamara Clarke

Non-Voting Guests:

Brunssum Unit Fund Chair	LCdr E. Monette
NMR SHAPE Staff Officer	Capt S. Manser

ITEM	DISCUSSION	ACTION
I	OPENING REMARKS	
	1. The EFC Chair welcomed attendees and called the meeting to order at 0930 hrs.	Info
II	ADOPTION OF PREVIOUS EFC ROD - 2 SEP 2020	
	1. The EFC Chair requested acceptance of the Record of Decisions from the EFC 2 Sep 2020.	
	2. Members presented no changes to the minutes.	

	3. MOTION. CO NATO IMS motioned to adopt the record of decisions, seconded by CO Netherlands /NE.	All in favour, motion carried.
III	OLD BUSINESS	
	<p>1. Minutes dated 2 Sep 2020, discussed constitutional issue surrounding the weighting of votes between voting and non-voting EFC members. CO Germany stated as an example, the NUF Rep, who serves on both the EFC and the EFWG, represents the largest single group of members within the EF but only has a single vote. Furthermore, it was emphasized that the CO UK has a CoC responsibility for two stores that generate EF funds, yet is a non-voting ex-officio member. EFC Chair requested that EFWG analyze the composition or formula used to determine who are assigned to vote or sit as a non-voting ex-officio members in the EFC and consider whether the correct composition is in place. Sr Mgr PSP (E) agreed to coord such analysis with EFWG and to report back later in FY 21/22.</p> <p>2. Required EF constitution secretarial changes will occur to reflect the L2 Comptroller Formation Europe replaces Corporate Svcs Officer CFSU(E) as EFWG Chairperson.</p>	<p>Sr Mgr PSP (E)</p> <p>Sr Mgr PSP (E)</p>
IV	REVIEW OF EF FINANCIAL STATEMENTS AS OF 31 JAN 2021	
	<p>1. The NPF Accounting Mgr (NPFAM) presented the estimated financial position of the EF based on the financial statements dated 31 Jan 2021 (EFC PPT presentation 18 Feb 2021).</p> <p>a. <u>General.</u> 31 Jan 2021 EF reported €452,491 unencumbered cash composed of both €314,342 investment cash and €138,149 unencumbered bank cash after liabilities. The three stores inventory is valued at €189,938, assessed to be low but should increase €20K - €30K once stores re-open. Current total assets and investments is at €670,736, total current liabilities €25,607 and EF total worth is €645,129. Currently the EF is in a healthy position, however, this does not include expenses or revenues for Feb and Mar.</p> <p>b. <u>Revenues.</u> Contributions to the EF reported: Ramstein €155,030, slightly higher than what was budgeted, Ruislip at €11,545 and Innsworth €11,299, respectively. The CBA investment interest will be available by 31 Mar, declaring what EF will be receiving. CANEX/SISIP M&W Grant was not issued this year but may be available for FY 21/22. The PSP Chalet revenue is at €10,000 but was expected to be €40,009 before being negatively affected by Covid-19</p>	Info

	<p>cancellations. As of 31 Jan 2021, total revenues were €189,488 compared to €231,159 budgeted.</p> <p>c. <u>Expenses.</u> Representation Fund is at €684, another €2,000 is anticipated by end of FY. EF Grant expense €135,991 with an additional €36,000 yet to be submitted in NUF claim reimbursements by end year. PSP Chalet and Full Flex expense reported at €42,462 with €32,000 outstanding for Full Flex reimbursements by end year. Deployment & Hospital Comfort €1,829. Accounting Fee €48,636, Miscellaneous Expense €1408, with a Net profit/loss stated to be -€48,598 compared to the budgeted loss of -€109,656.</p> <p>d. <u>Retail Operations.</u> (as of 31 Jan 2021) Ramstein reported sales at €1,011,467, gross profit €257,693 (25%), EF contributions €155,010 and net income was 0. Ruislip sales €93,395, gross profit €33,228 (36%), EF contributions €11,548, and net loss was -€5,253 and Innsworth sales €42,007, gross profit €14,776 (35%), EF contributions €11,235, and net loss was -€197. Overall, as of 31 Jan 2021, the retail operations recorded a net loss of -€5,450, attributable to the closures due to COVID 19 restrictions.</p>	
<p>V</p>	<p>NEW BUSINESS</p>	
	<p>1. STORE OPERATION:</p> <p>a. <u>General.</u> The retail stores are a key revenue generator for the EF. This brief will provide an update on the impacts of the pandemic. Stores have had a difficult year due to necessary closures. UK stores closed 13 Mar-6 Jul 2020, 5 Nov-2 Dec 2020, and 6 Jan 2021 to current. Ramstein’s store closed 18 Mar-22 Jun 2020 and 20 Dec 2020-15 Feb 2021. While safety measures have had a negative impact on the bottom line; they have also kept everyone safe. Store hours, whether open or closed, and rules stipulating the number of customers in a store at any one time have been the primary factors negatively affecting income. Furthermore, the new track and trace tobacco regulation in Germany has caused Ramstein to dispose of €26K of unsold products. A compensation request for this loss has been sent to CFMWS HQ Ottawa and the store may be compensated. Despite these limitations to the Ramstein store, it still recorded a boost in sales just before December’s closure, €23,000 in one day.</p> <p>b. <u>Wage Subsidies.</u> Store employees received a wage subsidy from CFMWS due to store closure. Approximately \$54,000 Canadian dollars by the end of Dec 2020 were</p>	<p>Info</p>

allocated to the program which will continue until at least 31 Mar 2021. Net effect is no wage costs to EF during closures. CO Germany expressed thanks to CFMWS for the wage subsidy program. The difficult decision to close the Ramstein store in December was to respect the spirit of the German government regulations and to reduce personal contact and the spread and exposure of the virus. Ramstein is waiting for 7 Mar 2021 government update to see if stores can reopen fully.

- c. Store Innovation. Ramstein began “Click and Collect” sales 15 Feb 2021. Customer orders by email or on-line and picks up product from the store. New to community, word of mouth will spread the new option.
- d. Projected Profit-Sharing Jan-Mar 2021. UK forecasts \$0 euros in Jan and Feb, but forecasts 4-5K in Mar if re-opened. Ramstein states \$0 euros in Jan, predicts 8K in Feb, and 15K in Mar.

2. EFWG RECOMMENDATIONS:

- a. Revisit Representational Funds Allocation. Historically, representational fund allocations have been underspent. This year is no exception, funds are extremely underspent due to Covid restrictions. Last year it was decided to leave amounts allocated in place and to add €3,000 as discretionary funds for FE Comd flexibility. Discussion followed, speculating the lack of spending may be partly due to a lack of understanding about what the fund may be used for. Emphasis focused upon changes to the EF, like new locations and the need for representational activities with local communities (i.e. NATO days). EFC Chair called for locations to monitor their allocations but advised that max expenditures need to respect budgeted limitations as set out in CFMWS regulations. Handovers should include what the Representational Fund is and how it may be expended. For FY 20/21 EFC Chair advised that remaining funds will be returned to the EF unless one of the COs have a claim to submit.
- b. Extensions Deadline NUF Grant/Full Flex:
 - i. General. Deadline for claim reconciliation of Full Flex vouchers won in FY 20/21 and NUF Grants FY 20/21 is 20 Mar 2021. As of Dec 2020, more than 50% of Full Flex passes remained unspent, with €36,000 in passes outstanding and 80% of NUF Grant budget remained unexpended, with €47,000 outstanding. In accordance with the

	<p>established rules, members must remain part of EF to be eligible to make a claim.</p> <p>ii. <u>Full Flex</u>. Normally prize vouchers are valid 1 Apr to mid-Mar of the FY. Vouchers are not transferable, and unclaimed funds are returned to the EF. Changes to this policy would result in lowering the amount of unencumbered cash available at end-year FY 20/21. Due to travel restrictions, Full Flex winners have been unable to spend their allocations. To compensate for COVID restrictions, EFWG recommended an extended deadline for Full-Flex spending from 20 Mar 2021 to 20 Mar 2022.</p> <p>iii. <u>MOTION</u>. CO Casteau/South-West Rep motioned an extension to the submission deadline for Full Flex voucher claims won in FY 20/21, be extended to 20 Mar 2022, motioned seconded by CO Germany.</p> <p>iv. <u>Note Full Flex</u>. Additional discussion ensued regarding how the above motion would alter Full Flex draw regulations, i.e. could a member win an additional Full Flex prize in FY 21/22 before expending their FY 20/21 voucher? Current rules outline if you win in the previous season’s Full Flex draw, you are not eligible for the next Full Flex draw. CO Italy stated that due to the extension of vouchers from FY 20/21, there is a possibility for some members to have two vouchers at the same time, noting current rules are well established. CO Netherlands/North-East tabled a motion that required the Full Flex “extended deadline” voucher be spent before becoming eligible to enter another draw. The motion was not seconded. After much discussion, a different motion was not presented to the floor and therefore eligibility rules remain unchanged. EFC Chair requested the Sr Mgr PSP (E) to provide the data on what Full Flex vouchers have not yet been redeemed and when they were won. A motion, if required, can be tabled, upon receipt of the data and further discussion.</p> <p>v. <u>Non-Unit Fund (NUF) Member Grant</u>. NUF members are not a part of a unit fund due to their geographical locations. NUF members are entitled to the EF Grant and CANEX-SISIP Dividend (when available). The latter was not available for FY 20/21. NUFs are granted one claim per year of</p>	<p>All in favour, motion carried</p>
--	---	---

Sr Mgr PSP (E) stated such budget discussions will occur in the upcoming FY 21/22 Budget Options meeting.

d. UF/NUF Allocations Per Person Discussion:


- i. EFWG believed there was too much uncertainty to increase UF allocations in FY 21/22. It has been discussed in previous meetings that higher allocations have been budgeted in the past. EFC Chair pointed out that UF balances look relatively healthy perhaps due to COVID and its negative impact on ability to conduct activities.
- ii. Sr Mgr PSP (E) will provide a sliding scale budget for the FY 21/22 Budget Options presentation i.e., Unit Fund allocation increased, or decreased percentages reflected.

e. Budget FY21/22 Discussion. Sr Mgr PSP (E) advised EFC of budget FY 21/22 considerations as follows:

- i. Current draft budget included UF grants €100/per EF member, NUF grants at €100/per family member, the CANEX/SISIP Dividend of €55/military member, Regular Rep Fund allocations, and a Full Flex/Chalet program with a sliding scale.
- ii. Store managers were instructed to be conservative in their budget projections for FY 21/22. UK store is projecting €40K profit sharing, Ramstein store €240K. In non-COVID times Ramstein contributes around €350K to EF.
- iii. Other programs recommended for retention are Support to Families program €6,000 and the Academic Program €7,000.
- iv. The UFs are currently working on their local budgets. Upon completion of updated financial statements, Sr Mgr PSP (E) will provide proposed budget options to the EFC members allowing time for review prior to budget meeting second week of Mar.

VI	OPEN DISCUSSION	
	<p>1. <u>NUF Member Rep.</u> LCol P. Mackenzie, NUF Rep for 4.5 years is returning to Ottawa this summer. LCol Mackenzie noted that the NUF member representative is normally linked to his position, therefore filled by his replacement. He recommended that the committee instead take into consideration who might be a good fit, or who can attend EFWG and EFC meetings, as opposed to appointing his replacement. BGen Quinn thanked him for his service as NUF Rep and asked the COs to consider a replacement and solicit volunteers.</p>	Info
VII	AJOURNMENT	
	<p>1. <u>MOTION.</u> A motion to adjourn the meeting was made by CO Germany at 1147 hrs, seconded by CO NATO IMS.</p> <p>2. The next EFC meeting will take place second week of Mar 2021 for budget discussion.</p>	<p>All in favour, motion carried.</p> <p>Sr Mgr PSP (E)</p>

REVIEWED BY



 M. Taylor
 Sr Mgr PSP (E)

9 Mar 2021

 Date

RECOMMENDED


BYRD, Digitally signed by
BYRD, TERRY 183
Date: 2021.03.10
10:30:45 +0100
 TERRY 183

 T. Byrd, Maj
 EFWG Chairperson

10 Mar 21

 Date

~~APPROVED/NOT APPROVED~~



 D.O. Quinn, BGen
 EFC Chair

10 Mar 21

 Date

Distribution List

Action

Sr Mgr PSP (E)
 EFWG Members

Information

CO Brunssum
CO CC NAEWF
CO CFSU(E)
CO Germany
CO Kalkar/Uedem/Wesel
CO Italy
CO Lille
CO Molesworth
CO Naples
CO NATO IMS
CO Netherlands/North-East
CO Norfolk
CO Northwood
CO Norway
CO Oberammergau
CO Poggio-Renatico
CO Ramstein
CO Romania
CO Rome
CO Casteau /South-West
CO Torrejon
CO Turkey
CO UK
SCO Brussels
SCO OSH (E)
SCO CDLS(L)
SCRs
 DComd JFCNP
 Cmdt NDC Rome
 MC DCOS Plans
 SHAPE ACOS J5
SNR Elblag
SNR BDC
SNR Bydgoszcz
SNR Czech Rep
SNR Riga
SNR Sigonella
SNR Szczecin
SNR Tallinn
SNR Vilnius
SNR Milan
PSP Coordinators Europe
PSP Chalet Coordinator
AJAG Europe
CCR Manager