

## REPORT OF THE BUDGET COMMITTEE

The Budget Committee (BC) met on September 14, 2016 to discuss membership, the report of the 2015 annual audit, the current status of the 2016 operational budget, and identify potential updates to the provisional budget.

The BC attendance was as follows:

Members Present: Ms. Dorothy Lowman, Acting-Chair; Ms. Michele Culver, Dr. Dave Hanson, Mr. Herb Pollard, Mr. Phil Anderson, Mr. Pete Hassemer, Ms. Marci Yaremko, and Dr. Steve Freese.

Non-members Present: Mr. David Crabble, Mr. Don Hansen, Mr. Chuck Tracy, Mr. Mike Burner, Dr. Don McIsaac, Ms. Jennifer Ise, and Ms. Patricia Crouse.

### **Call to Order and Approval of Agenda**

Acting Chair Lowman reviewed the current membership of the committee. The BC selected Ms. Dorothy Lowman as Chair and Mr. Phil Anderson as Vice-Chair. After approval of the agenda, Mr. Tracy presented the Executive Director's Budget Report (Agenda Item G.3, Supplemental Attachment 1) as follows.

### **Executive Director's Budget Report**

Mr. Tracy discussed the results of the 2015 financial audit and noted that again the report by our auditors found no material weaknesses, non-compliant materials, or reportable audit findings, and the Council maintained its status as a low-risk auditee. Committee members recognized and expressed their appreciation for the strong staff work that results in the continued very positive audit findings.

Mr. Tracy presented information on the 2016 funding sources and levels. All anticipated funding has been received, including special project funding in full for all projects including Fishery Ecosystem Plan initiatives, groundfish Essential Fish Habitat amendment, trawl catch share review, Sacramento River winter Chinook control rule options, and international travel for highly migratory species staff.

Mr. Tracy presented information on current year expenditures, which indicated they were tracking as expected at this time.

Mr. Tracy provided information identified in COP 9 for September in the budget planning cycle, as well as specific requests from the BC on projected costs of Council meetings and Council Coordination Committee (CCC) attendance. The 2017 draft preliminary budget presented by Mr. Tracy included filling staff vacancies, maintaining core Council obligations, continuation of currently-funded special projects, and an expectation of hosting a meeting of the Scientific Coordination Subcommittee (of the CCC) in 2017.

## **Additional Matters**

Discussion of the preliminary draft 2017 budget as presented included the expectations of status quo management of Council priorities, including the special projects that run through 2017 or 2018. The BC recommended staff use the year-at-a-glance calendar to inform staff and the BC of Council priorities for 2017 budget planning purposes, and to identify potential special project funding needs based on those priorities.

The BC continued its discussion of the usefulness of the CCC Legislative Monitoring contractor, Mr. Dave Whaley. Dr. Hanson reported that the Legislative Committee recommended continuing the contract for the 2017 calendar year. The BC will further consider the LC recommendation and the contract and make recommendations in November under the 2017 provisional budget.

## **BC Recommendations**

1. Task Council staff to prepare a draft provisional 2017 budget for November, anticipating status quo base funding and special project funds already received.
2. Use the most current year-at-a-glance calendar to reflect Council priorities for base and reliable soft funding and for items that may be appropriate candidates for special project funding requests.
3. Consider extension of the CCC/Legislative Monitoring Contract for the 2017 calendar year in the draft provisional budget.
4. Convene the BC for an extended three-hour session in November 2016 to recommend a 2017 provisional budget.

PFMC  
09/22/16