

BUDGET COMMITTEE REPORT

The Budget Committee (BC) met on Wednesday, September 11, 2013 and received the Executive Director's Budget Report. The report covered: (1) a review of the calendar year (CY) 2012 audit report; (2) an update on the current funding and CY 2013 operating budget status through August 31, 2013; and (3) expectations for future funding. The BC attendance was as follows:

Members Present: Mr. Dave Ortmann, Chairman; Dr. Dave Hanson, Ms. Dorothy Lowman, Mr. Dale Myer, and Mr. Dan Wolford

Absent: Ms. Michele Culver, Mr. Mark Helvey, Mr. Frank Lockhart,

Non-members Present: Mr. Kevin Duffy, Ms. Marci Yaremko, Ms. Patricia Crouse, Dr. Donald McIsaac, Mr. Herb Pollard, Mr. Pete Hassemmer, Mr. Chuck Tracy

CY 2012 Audit Report

Dr. McIsaac provided a brief overview of the audit report for CY 2012. The auditor's findings after review of the Council's financial statements were an unmodified approval with no reportable conditions or material weaknesses, which is the most favorable finding the auditors can report.

Additional CY 2013 Funding

Dr. McIsaac updated the BC on new funding received by the Council since the June BC meeting. He reported that the remainder of the anticipated line-item base funding had been received from NMFS and incorporated into the operating budget. He noted receipt of an additional \$50,000 from NMFS Headquarters to support review of the sablefish permit stacking program. He also noted that \$165,000 would be provided by NMFS Headquarters to support trawl rationalization trailing actions in 2014.

CY 2013 Operating Budget and Status of Expenditures

Overall expenditure of the CY 2013 operating budget is proceeding within normal expectations for the first eight months of the year. Staff will closely monitor expenditures to anticipate any future need for spending adjustments.

Preliminary Expectations for Future Funding

Dr. McIsaac reported that there is significant uncertainty about the RFMC funding level for 2014 and beyond, and uncertainty about when we will actually know the funding level. While it is likely that future budgets will be decreasing, it is too early for any meaningful speculation about 2014 funding for regional councils. Dr. McIsaac did note that 2013 funding was about 10 percent below the 2012 funding level. Council staff will provide budget alternatives for 2014 at the November BC meeting, taking into account various funding scenarios.

Budget Committee Recommendation

The BC had no recommendations, but did commend Council staff for the unqualified positive results of the annual audit.

PFMC
09/16/13