

REPORT OF THE BUDGET COMMITTEE

The Budget Committee (BC) met on Thursday, October 31, 2013 with the following in attendance:

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

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

Non-members Present: Mr. Bob Turner, Mr. Herb Pollard, Mr. Phil Anderson, Ms. Gway Kirchner, Ms. Marcie Yaremko, Mr. David Crabbe, Mr. Steve Bodner, Mr. Gerry Richter, Mr. Chris Kubiak, Mr. Rod Moore, Dr. Donald McIsaac, Mr. Chuck Tracy, Ms. Patricia Crouse, Mr. Donald Hansen, and Ms. Carolyn Porter.

After approving the meeting agenda, the BC received the Executive Director's budget report which follows below.

Status of Calendar Year (CY) 2013 Operating Budget and Expenditures

Dr. McIsaac reviewed the CY 2013 budget and expenditures by major category as of September 30, 2013, including a current projection of expected year-end balances. The projection indicates a positive balance at year's end of about 5 percent of the total budget. Dr. McIsaac noted that, any positive year-end balance would be held in reserve for future use, as has been the case in previous years.

Provisional CY 2014 Operating Budget

Dr. McIsaac presented information to the BC indicating considerable uncertainty around the prospect of reasonable funding possibilities for 2014 and the next few years. While fully adequate funding is a possibility, and will be vigorously argued for, the current state of speculation about the Federal budget process outcome is primarily negative, and Dr. McIsaac felt it was prudent at this time to plan for an additional 10 percent reduced funding level, as received in 2013, and consider contingencies for additional reductions, in future years.

Towards a goal of keeping the Council operations relatively stable over the next few years while factoring in a presumption for inflationary expenses and other adjustments during that time, Dr. McIsaac proposed a provisional total operating budget for CY 2014 of a little less than \$4.3 million, along with certain contingent responses in the event that the actual income would be more or less than planned for.

Budget Committee Recommendations

1. Approve a Provisional CY 2014 Operating Budget of \$4,284,554.
 - a. This budget is provisional pending any ear-marked funding, final cost of living and travel adjustments, and any minor adjustments for budgetary considerations arising between now and the end of the Council's fiscal year.

- b. This budget represents a slight decrease from the 2013 budget associated with reductions in travel, supplies, services categories such as office rent and equipment leases, and stipends. However, relative stability with 2013 overall operational capacity could be achieved.
2. Manage Council meetings for no more than five days of Council floor sessions, as a goal, to encourage the process of prioritizing the most important Council tasks.
3. Employ the following contingency responses when the actual funding becomes known:
 - a. If the actual income is within a range of ± 5 percent from that assumed (not counting specific earmarks such as stipend payments), the recommended provisional budget will be updated with known values (earmarks, travel costs, etc.) for use in early 2014 and presented to the BC at the June Council meeting for approval, and the reserve account will be the source or recipient of the difference in funding actually received.
 - b. If actual income is more than 5 percent different than the income assumption, the BC will be convened at the March, April, or June Council meeting depending on when the income information is known, for a discussion of options.

PFMC
11/5/13