

REPORT OF THE BUDGET COMMITTEE

The Budget Committee (BC) met on Tuesday, November 1, 2011 and very briefly on Friday, November 4 to complete their business. The following were in attendance (* indicates those who were present only during the November 1 session):

Members Present: Mr. Dave Ortmann, Chairman; Ms. Michele Culver, Dr. Dave Hanson, Mr. Mark Helvey*, Mr. Frank Lockhart , Ms. Dorothy Lowman, Mr. Dale Myer, and Mr. Dan Wolford

Members Absent: None

Others Present: Dr. John Coon, Ms. Patricia Crouse, Mr. Don Hansen, Dr. Don McIsaac, Ms. Carolyn Porter*, Mr. Steve Williams

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

Status of Calendar Year (CY) 2011 Budget and Expenditures

Dr. McIsaac reviewed the CY 2011 budget and expenditures by major category as of September 30, 2011, including a current projection of expected year-end balances. The projection indicates a positive balance at year's end of about 4 percent of the total budget. Dr. McIsaac noted that, absent objection, any positive balance at year's-end would be held in reserve for future use as has been the case in prior years.

Provisional CY 2012 Operating Budget

Dr. McIsaac presented the BC with an outline of reasonable funding expectations for 2012 and the next few years, discussed the concept of a stable spending plan through time, and suggested, in the face of a great deal of uncertainty, a reduced CY 2012 provisional budget. He noted that the current state of the Federal budget process still does not provide any clear idea of funding for regional councils, and while fully adequate funding will be pursued, it is prudent at this time to plan for reduced funding in future years.

With the aim of keeping the Council budget as stable as possible while factoring in a decrease in funding over the next few years, Dr. McIsaac proposed a provisional total operating budget for CY 2012 of about \$4.2 million, along with certain contingencies in the event that the actual income would be more or less than planned for.

Budget Committee Recommendations

1. Approve a Provisional CY 2012 Operating Budget of \$4,230,314.
 - a. This budget is provisional pending final cost of living and travel adjustments, and any ear-marked funding.
 - b. If planning assumptions hold, this budget is aimed at maintaining a relatively stable annual budget to support status quo operations over the next three years.

- c. This budget represents almost a 12 percent decrease from the 2011 budget with most reductions occurring in the liaison and outside contracts, categories associated with shorter Council meetings, and stipends.
2. Manage Council meetings for less than six full days of Council floor sessions.
 3. Employ the following contingency responses when the actual funding becomes known:
 - a. If the actual funding is slightly greater than assumed, the additional funding would go in reserve for future allocation.
 - b. If the actual funding is slightly less than assumed, the existing reserve would be used to provide for the Provisional CY 2012 Operating Budget.
 - c. If the actual funding is significantly different than assumed, the BC shall meet at the March, April, or June Council meeting to develop budget recommendations.
 - d. The contingency threshold for “significantly different” is approximately \$100,000.

PFMC
11/07/11