

## REPORT OF THE BUDGET COMMITTEE

The Budget Committee (BC) met on Friday, November 2, 2012 with the following in attendance:

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

Members Absent: Ms. Michele Culver

Non-members Present: Dr. Donald McIsaac, Mr. Chuck Tracy, Ms. Patricia Crouse, Mr. Donald Hansen, Mr. Pete Hassemer, Ms. Carolyn Porter, Mr. Steve Williams, Mr. Rod Moore, Ms. Gway Kirchner, Mr. David Crabbe, Mr. Gerry Richter.

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

### **Status of Calendar Year (CY) 2012 Operating Budget and Expenditures**

Dr. McIsaac reviewed the CY 2012 budget and expenditures by major category as of September 30, 2012, including a current projection of expected year-end balances. The projection indicates a positive balance at year's end of about 3 percent of the total budget. Dr. McIsaac noted that, absent objection, any positive year-end balance would be held in reserve for future use.

### **Provisional CY 2013 Operating Budget**

Dr. McIsaac presented information to the BC indicating considerable uncertainty around the prospect of reasonable funding possibilities for 2013 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 reduced funding in future years.

Towards a goal of keeping the Council operations relatively stable over the next few years while factoring in a presumption for decreased funding during that time, Dr. McIsaac proposed a provisional total operating budget for CY 2013 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 2013 Operating Budget of \$4,277,141.
  - 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 modest decrease from the 2012 budget with reductions in personnel costs, outside contracts, categories associated with shorter Council meetings, and stipends. However, relative stability with 2012 overall operational capacity could be achieved

2. Manage Council meetings for no more than five-and-one-half days of Council floor sessions to allow travel home on the last day of the meeting.
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 2013 Operating Budget.
  - c. If the actual funding is significantly different than assumed (5 percent less than 2011), 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 \$150,000, not including any ear-marked funding.

PFMC  
11/7/12