

**Administrative/Budget Committee Report
August 15, 2016**

Leann Bosarge - Chair

The Committee adopted the agenda and minutes of the April 2016 Administrative/Budget Committee meeting in Austin, Texas as written.

Review of Final 2014 No-Cost Extension Expenditures (Tab G, No. 4)

Staff presented a summary of the 2014 no-cost extension budget and expenditures. The no-cost extension ended on June 30, 2016 and we will be releasing \$166K back to NOAA out of the previous 5-year grant (2010-2014). The ability to use these no-cost funds from the previous grant has allowed the Council to save \$691K in our current 5-year grant (2015-2019).

Review of 2016 Expenditures – (Tab G., No. 5a)

The second quarter financial report of the 2016 Administrative award was presented. The Council's expenditures to date were very close to the expected balance at 48%. There was a significant deviance from budget in contractual services. The activities did not change from budgeted activities, but the overall funding decrease combined with the Council approved increase in the state liaison funding in 2015 has left a deficit in this budget category.

Review of Revised Budgets for 2017-2019 – (Tab G, No. 5b)

At the CCC meeting in May, NMFS indicated that annual funding increases will be no greater than 3% over each prior year. The original budget was based on advice to budget 10% increases for 2016-2019 from the 2015 baseline. Due to these funding reductions we revised our projected annual budgets. Following surpluses in 2015 and 2016, we are anticipating to have budget deficits from the end of 2017 through 2019 and may end the 5-year grant with a small cumulative \$108K surplus. This new funding information and budgeting projections leave little flexibility in our budget. These projections include the removal of one of our anticipated new positions and the inclusion of the increase in liaison funding approved by the Council in 2015 that was not in the original budget.

Review and Approval of the Updated Regional Operating Agreement with NMFS – (Tab G, No. 6)

The 2015 NMFS Operational Guidelines call for us to update our Regional Operating Agreement with the NMFS. The purpose of the agreement is to confirm mutual responsibilities of the Gulf Council, South East Regional Office, South East Fisheries Science Center and NOAA General Council in the Southeast region for the development and preparation of interagency fishery management actions. The revised agreement must be submitted to NMFS in September of this year. A recommendation on action by the Committee was withheld until changes from the Southeast Fisheries Science Center could be reviewed in full Council session.

Discussion of SSC Members also being a State Designee – (Tab G, No. 7)

The Committee discussed the implications of allowing an SSC or AP member to also serve as a Council member or designee. Most of the discussion centered on SSC members, and the committee passed the following motion.

By a unanimous vote, the committee recommends, and I so move to change the SOPPs to indicate that members or designees of the Gulf Council cannot simultaneously serve on the SSC.

The Committee requested staff to bring back draft changes to the SOPPs at an upcoming meeting, for final approval and include the same conditions for our advisory panel members.

Consider Making Committee Appointments Effective at Beginning of October Council Meeting – (Tab G, No. 7)

The Council makes Committee assignments each October during Full Council. Since the Council portion of the meeting follows the Committee meetings, new members do not have the opportunity to serve on Committees until the January meeting. The utility of convening the Council prior to Committee meetings in October, in order to make Committee assignments, was discussed. No motion was made, but the Committee was in agreement that staff organize the October 2016 Council and Committee Agenda as suggested.

Consider Merging Some Committees – (Tab G, No. 7)

Staff presented some options and analyses regarding specific Administrative and Management Committees to improve efficiencies. Consequently, the following motions were made.

By a unanimous vote, the committee recommends, and I so move to recommend that the Council merge the Habitat and Artificial Reef Committees into a single Habitat Protection and Restoration Committee.

Additionally,

By a unanimous vote, the committee recommends, and I so move to recommend that the Council divide the current Sustainable Fisheries and Ecosystem Committee, and form a Sustainable Fisheries Committee and an Ecosystem Committee that contains the subject areas of Marine Reserves, Ad Hoc Restoration, and the current Ecosystem Committee.

Review of Administrative Handbook Revisions – (Tab G, No. 9)

Staff has revised several sections of the Administrative Handbook for accuracy, compliance with labor laws, and clarification of existing practices. The following topics were highlighted for discussion and approval.

Section 2, Page 3

The Committee requested staff to revise the verbiage in section 2, page 3 to clarify that the Council should review staffing actions prior to action by the Executive Director. The requested edit was as follows:

“The Council seeks to resolve workplace conflicts in a prompt, impartial, confidential, nondiscriminatory, and constructive manner, and without fear of reprisal. Any issues that arise should be brought to the attention of one’s supervisor. If the supervisor is unable to resolve the situation then the supervisor should consult with the Council’s officers (Executive Director, Deputy Executive Director, and Administrative Officer). The final decision regarding personnel issues rests with the Executive Director, after consulting with the Council Chair, Council Vice-Chair, Personnel Committee Chair, and Personnel Committee Vice-Chair to determine a course of action. If deemed necessary, the Council Chair may convene the Personnel Committee to review the issue.”

The above revision is recommended for review and approval by the Council.

Section 3 - Page 7 – Removal of annual performance bonus and retaining merit bonus

Staff presented an overview of the two types of bonuses currently allowed and suggested retaining the single merit bonus. Staff was requested to provide, at a future Council meeting, a summary of performance and merit raise bonus history for the past 5-years, including the number of staff who received bonuses and the amounts.

By a unanimous vote, the committee recommends, and I so move to accept the language as proposed in the Administrative Handbook, 3.0 Compensation Policies; Section 3.4 Merit Awards.

Section 4 – Page 9 – Leave Cap and Payout at Termination

The edited verbiage in this section would place a cap on annual leave and grandfather in the current maximum leave balances for staff. No final annual cap was agreed on and the Committee requested staff to investigate caps and leave payout policies in each of the states as well as NMFS, and bring this issue back to the committee in October. NOAA General Council also recommended clarification of the verbiage used to define leave payout at termination. It was noted that Texas leaves the final decision for how to handle the separation to the State.

A committee motion was not needed on the following highlighted actions:

Section 4 – Page 12- FMLA accounting

The verbiage is included to define the accounting period for the FMLA timekeeping clock.

Section 5 – Page 14- Insurance

This is to clarify the Life Insurance benefits provided to staff.

Page 16 – Compensation time

Staff will not be allowed to claim compensation time for travel or attendance at professional development activities.

There was no other business to come before the Committee.

Mr. Chairman, this concludes my report.