

**SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL**

**EXECUTIVE COMMITTEE**

**Webinar**

**November 10, 2021**

**TRANSCRIPT**

**Committee Members**

Mel Bell, Chair  
Chester Brewer  
Trish Murphey

Carolyn Belcher, Vice Chair  
Jessica McCawley

**Council Members**

Andy Strelcheck

**Council Staff**

Myra Brouwer  
John Carmichael  
John Hadley  
Cameron Rhodes  
Suz Thomas

Julia Byrd  
Dr. Chip Collier  
Kelly Klasnick  
Dr. Mike Schmidtke  
Christina Wiegand

**Invited Attendees/Observers**

Monica Smit-Brunello

Other Attendees and Invited Participants attached.

The Executive Committee of the South Atlantic Fishery Management Council convened via webinar on November 10, 2021, and was called to order by Chairman Mel Bell.

MR. BELL: Welcome, everyone. This is Mel Bell, Chair of the Council, and I will be chairing this meeting today of the Executive Committee, and, first, what we'll do is just go around and everybody that is here will introduce ourselves, and then who is on the mic and that sort of thing, and so Carolyn.

DR. BELCHER: Carolyn Belcher, Georgia DNR, and Vice Chair.

DR. COLLIER: Chip Collier, South Atlantic staff.

MR. CARMICHAEL: John Carmichael, South Atlantic staff.

MS. MCCAWLEY: Jessica McCawley, Florida rep.

MS. BROUWER: Myra Brouwer, South Atlantic staff.

MR. KLASNICK: Kelly Klasnick, South Atlantic staff.

MS. SMIT-BRUNELLO: Monica Smit-Brunello, NOAA General Counsel.

MR. BREWER: Chester Brewer, Florida recreational rep.

MS. MURPHEY: Trish Murphey with the North Carolina Division of Marine Fisheries.

MR. STRELCHECK: Andy Strelcheck, NOAA Fisheries Regional Administrator.

MR. BELL: Good deal. All right. Welcome to all the virtual people, and so the committee itself is myself, Carolyn, Jessica, Trish, and Chester. The first item we would have is we don't have any minutes to approve, but we would just approve the agenda. Are there any modifications to the agenda desired? I am not seeing any hands, and there are none here, and so the agenda is approved, by consensus. That takes us to our first item on the agenda, which would be review of the budget. Who is going to lead that off?

MR. CARMICHAEL: Kelly is going to run a presentation, and so our process is we go through a review of the budget situation and discuss the funding outlook and what we have planned, and, in the end, we'll be looking for a motion to approve the draft 2022 budget. It's based on the preliminary information that we expect a status quo funding. If that should change, our normal process then is to come back to the council, potentially in March, with an updated version, if that's necessary.

MR. BELL: Okay. Go ahead, Kelly.

MR. KLASNICK: All right. Very good. Thank you. We're going to be looking at Attachment 1a in your briefing materials. You might also want to have 1b kind of handy, which is this graph here, as we're going through the slides, and there might be some need for you just to reference the

1b, but we can jump back and forth as well on the screen. Of course, any questions, just go ahead and put your hand up, for you folks that are virtual, and we'll get you addressed there.

I will start off with just a little recap on 2021 and kind of where things are at, as of the pulling of those materials, which was late October. On 1b, you will see that we were roughly 60 percent expended on the expense side, relative to the budgeted amount. I will also point out, just for reference, that we did revise the 2021 budget downward during 2021, after the initial approval, and that was reflecting principally the travel and lack of travel, and so, at that time, we went through and revised the numbers down a little bit, and so the council originally approved about a \$3.9 million operating budget for 2021.

We revised that down, and so that 60 percent spend total reflects against that revised number, which is reflected on 1b, this first column here labeled "2021 Budget", and so that's where we're coming back to, that \$3.7 number, in those budgeted amounts, and then, when I'm referring to the 60 percent, if you look at the column here of "Expended Year to Date", you will see that these reports were pulled for these materials on 10/21, and then, by category, it's showing you the percent expended, year to date, as of that October 21 timeframe.

You're going to see that most of the numbers are where we would expect them, and, of course, the travel, again, or lack thereof, during 2021, for the most part, is reflected in those smaller expenditure numbers related to what was budgeted, again using a conservative approach to not knowing when we might have jumped back into more in-person meetings, and so we did account for that.

As we always experience, our variable costs are driven primarily, again, by that travel, which is contained in the activities schedule, which we will touch on for 2022, kind of what is planned there a little bit later, and we still had just about 100 percent virtual meetings up to this point. We did have a little bit of travel in October there, but, for the most part, everything has been virtual for all of 2021, and we're seeing that reflected in those expense numbers.

We had started doing some equipment refreshes and some upgrades in 2020, and we continued some of that in 2021, and so you will see that reflected on some of the equipment and supply line items on there, and then I will point out that, typically, and 2021 will be consistent, the remainder of the state liaison contracts are still to be paid, and so that will be a fairly substantial expense that will hit, typically, in January, but it will be charged to the 2021 budget.

Then we also budgeted for a website project, and the way that contract was structured is it was a paid installment on initiation and pay another 50 percent installment upon completion, and so that number is not realized yet, but we're going to see that, and that one could potentially end up actually being reflected in the 2022 budget, and that's really just more of a paperwork recording type of item, and it's just when that actually happens. We budgeted it for 2021, but, depending upon the progress and when things are delivered, we might actually pay that out of 2022, but that's not an issue. It's just a matter of which period we end up reporting that in.

I guess I will just pause there, to see if there's any questions on 2021 expenditures year-to-date, kind of where these categories are sitting. I guess the message, overall, is we're very much on track, and we're under budget really in all categories, and particularly in the travel category, as we would expect, because we haven't been traveling.

MR. BELL: Any questions at this point? I am not hearing any.

MR. KLASNICK: All right. Moving on, we'll talk a little bit about 2022, and, again, it's referring to that Attachment 1b, and you're going to be looking at this column of "2022 Draft Budget". At the high-level number, we're coming in at a \$4.2 million budgeted amount. At this point, we're expecting a flat revenue number, essentially, and we don't have any guidance one way or the other to change that. Congress has put some increases in to some very preliminary type of stuff, but all of that is so far down the line and so subject to change that we're certainly not counting on any of that, and so what that would mean would be, if that holds true, you're looking at roughly a \$3.9 million allocation for 2022.

Seeing a \$4.2 million budget line item here, and you're going to see that this is really a reflection of the meeting schedule that is driving things to be a little bit higher. Now, we have already pointed out that our travel is well under budget for 2021, and so I don't see any reason for concern on behalf of the council.

Even if this budget would hold true, which, traditionally, it hasn't, because, when these activity schedules are put together, it's basically presuming full attendance, every meeting happens as planned, all within 2022, and, historically, that just hasn't been the case, and so I consider this kind of a worst-case number, but, even if it would come to be, or there are some other unexpected expenses, or other things the council might want to accomplish in 2022, by virtue of the carryover funds from the travel that was not expended in 2021, this is not an issue, even if we do hit this number, and if our funding would stay flat, which we don't know that for sure, but that's the guidance that we're operating under.

A few things that I will also point out that were incorporated into these 2022 numbers, we're budgeting for health and benefit cost increases of 10 percent. We don't have anything firm on that yet. The council's open enrollment period is not until March, and so we won't get those numbers just yet, but we don't have anything to cause concern that it's going to be radically out of line, and, if it was, we could address that down the road, and so we've already built that in.

We've built in a 3 percent COLA adjustment. Again, depending on which news reports you're reading as to what or what might not get passed, but the President had proposed some numbers around 3 percent, but that still has to play out through the congressional process, and so we'll just see what happens there, but, for planning purposes, we put in 3 percent on the COLA level, for those that are eligible.

We did see some impacts on travel expenses, or I should say projected travel expenses, just based on per diems in the geographical region that we represent, and those numbers were published in time to get them incorporated into the estimates, and I have just highlighted a few. For South Carolina, the per diem is going up about 11 percent, and so, basically, that per diem is coming out of anybody that travels to a meeting here in South Carolina that is eligible for reimbursement expenses for council business, and those numbers have gone up by 11 percent for South Carolina, about 13 percent for Florida, 5 percent North Carolina, and 4 percent for Georgia.

The hotels pretty much stayed flat in all the states that I checked, but the per diem numbers are definitely up, and I think everybody that's been watching the news is aware of inflationary

pressures that are going on out there, and so we'll see what some of these hotels come back with, as far as when we start booking meeting spaces for 2022, and we'll just kind of see where those come out. We haven't had to do much of that yet, and so I don't have a great feel for how high those numbers may or may not come in, but we've built in some increases into the budget, to try to account for some of those, and we'll adjust those as needed.

If nothing else, I think we've proven that, if we need to move something into a virtual environment, because we're getting into a situation during the budget year, then we've proven that we can be effective operating that way, and so I think that's a nice flexibility to just keep in mind. It doesn't mean you can't have the meeting, but you just might have to change the format a little bit.

The council also approved the addition of stipends for AP chairs, whenever they are reporting to the council, and so not a significant number, but I just pointed that out, that the council did add that last year, and that was incorporated into these 2022 numbers as well.

A couple other items just to highlight for 2022, and I mentioned the website project already, and, again, most of that is expected to -- If it's not expended in 2021, it was accounted for in 2021, but there's already some potential to maybe do a little more, maybe enhance a few other features that we did not have in what I will call kind of a Phase 1 project, and so those are some items that might come to the table that we might want to account for in 2022, and so I built some of that in, and we can adjust that further if we need to as well.

The next item, I will just point out that we've been trying to review various vendor relationships, kind of prioritizing those and working through those, and we have a project going on currently to look at our payroll and our timekeeping, and, if all goes well, we actually should make that changeover in late 2021 here.

From a financial standpoint, I am not expecting any increase of anything, and we're anticipating a slight cost reduction with the new vendor, but the real advantages to this project are going to be process related. It's going to allow for some automated syncing between our accounting system and our payroll system and our general ledger, and even our timekeeping. Right now, it's basically spreadsheet based, and so this would be an online system that will feed in a little bit better, and so we're looking at it as cost neutral to a little bit of a decrease, but really gaining some efficiencies on the administrative side and how these systems talk to each other. It's cutting down on potential errors, through multiple system entry and that type of thing, and so we're hoping to gain more on our process than really on a financial standpoint.

We'll also be taking a look at our IT support and service in 2022. We've been with a vendor for several years, and we're just going to do a general kind of marketplace search, to find out if there is any better options out there, and so we'll be working on that as well, and it may or may not have a budget impact.

The activities schedule, that makes up a big portion of the council expenditures, particularly the ones that we have a little more control over, and so, coming back to that \$4.2 number and why is that coming in a little higher than it might have been in years past, that's really a reflection of a few factors.

There was discussion, and the council wanted to have all of the APs meet on an annual basis, acknowledging that sometimes that might be virtual, and sometimes it might not be, but, for the activities schedule, unless we had a clear decision that it was going to be a virtual meeting already -- When I put those in, I put them in as in-person meetings, and so that's something that the council will have to look at ongoing. Having a budget number higher than we might expect revenue is not a problem this year, and perhaps not even next year, thanks to the savings that have been realized over the last eighteen months, but that's something that we'll have to watch, going forward, and we might have to adjust how those occur, and, again, format based, and not so much that they can't occur.

Then we talked about, while it's great, virtually, to be able to add one-off workshops and various workgroups and different series and things like that, those all do end up hitting the budget in some way, shape, or form, whether it's a competition or attendees or, if they are going to be held in-person, then, of course, all the associated travel and meeting room costs and all of that, and so those were reflected in here as well, and, again, we would just have to watch those annually to see where we're at and how many of those are actually happening as planned and in what kind of format.

Then, of course, being optimistic, we're planning, in 2022, for a return to in-person, where the council wishes them to be in-person, and then, of course, still some virtual meetings that make the most sense to have that way.

Then, as we always do, we'll be asking this committee, at the end of this meeting, to make a motion to approve a draft budget, based on any discussions we have here today, and we'll bring that to the council in December and ask the council to also approve what we would consider a draft working budget, and then, once we get confirmation of final funding amounts for 2022, we would bring that back to the council for approval, and then, of course, we can make adjustments at that time, based on what is actually happening, perhaps, in those first couple of months of the year.

I will say thanks to our folks in the Regional Office and the Grants Office, and the council has already received some FY22 money funding, and it's already been deposited into the account, and so that's great news, and that is always appreciated, that everybody along the chain there was able to make that happen, and so that helps us with planning purposes, particularly for the first few months of 2022 and not having to worry about getting a deposit in there. Then, as we always do, and as we are mandated to do, we will conduct a 2021 audit in 2022, and we'll report that out to the council, as we've done annually.

In your briefing materials, and I don't plan to go through the activities schedule, and it was provided, and certainly, if anybody has questions or discussion, or, John, if you had anything in particular that you wanted to point out in there, but I will just say that we did add additional detail to it and included more of the traditionally kind of one-off type meetings, because I know we had discussed that in 2020, when we were preparing the 2021 budget, and the council had asked for a little bit more of that, and so that was all included in this. You will see most of those are on the last page of the activities schedule, where you're seeing some of the kind of non-recurring types of meetings are in there, and so I will just pause there, Mr. Chair, to see if there's any questions.

MR. BELL: All right. Any questions here at this point? I don't see any here. Chester, do you or Trish have any questions?

MR. BREWER: I don't have any questions.

MS. MURPHEY: No, I'm good.

MR. BELL: Okay. Does anyone else have a question? All right. That was it in detail.

MR. CARMICHAEL: Yes, that was it, and I think, just to reiterate, like Kelly said, the activity schedule has gotten a little more detail in the last few years. There used to be a fairly big just sort of slush entry of other meetings, and we have tried to do a better job of spelling those out, which helps for the planning, and it helps for the budgeting, and then it helps us know kind of how many people we're looking at for different events, and that's where some of the increase is, and some of those are questionable, at this point, what will be remote and what will be in-person and how many people go.

MR. BELL: So everybody recall that, when we're looking at our work schedule, the thing that we go through and put all the amendments on there, and kind of the annual look at it, broken down by meetings, that is getting more and more loaded, and, to make sure that we can process through all of that, we have added additional meetings, some of these one-off meetings and things, and then we've also been able to rely on the virtual technology that we have become pretty proficient with to have meetings, but a meeting is still a meeting, and it does bear some cost associated with it, even if it is virtual.

I think that's just going to be the way -- I don't see the schedule getting lighter any time real soon, and so we just need to be able to adapt like this and have the meetings we need to have to get the work done to keep things on track, and so we're fortunate to be in a good budget situation right now to support that, and, again, pending whatever actually comes out in the real world, once budgets settle at the federal level, hopefully, we'll still be okay, but that's a good summary of where we are right now.

MR. KLASNICK: If you are agreeable, Mr. Chair --

MR. BELL: If someone, other than myself, obviously, would be interested in making this motion. Jessica.

MS. MCCAWLEY: **I move that we approve the draft 2022 operational budget, as presented.**

MR. KLASNICK: We didn't make any modifications, and so I'm going to --

MR. BELL: Yes, we didn't modify anything, and so as presented.

DR. BELCHER: I will second it.

MR. BELL: Carolyn seconds. Any further discussion of that? Any discussion of the motion? Trish or Chester, anything? No hands. Okay. All right. **Any objection to the motion?** Chester.

MR. BREWER: I don't see a line item for the omelet station.

MR. BELL: To the what?

MS. MCCAWLEY: To the omelet station.

MR. BELL: That's a special line item, Chester.

MR. CARMICHAEL: Put that on your travel reimbursement.

MR. BELL: Okay. **With no objections, the motion is approved by consensus.** Thank you for that. Did that take us through --

MR. KLASNICK: Let me bring it back up here for you, just to double-check.

MR. CARMICHAEL: We'll put the workplan up, briefly.

MR. BELL: We'll take a glance at the plan. There's the multicolored workplan.

MR. CARMICHAEL: It has become quite colorful, and so I just wanted to comment. We're kind of aware that our workload is a little heavier than what we would like going into probably March and June of 2022, and we'll probably be looking at full-week meetings in those cases. The good news, really, on this, if you will notice, is there is a lot of As, that are ending streams of yellow boxes through 2022.

I think there's something like eight amendments that we're on track to get approved in 2022, and so that's pretty good, and, if we can keep this up, and, if we can keep those more or less on progress, that's going to create us some significant breathing room, which will be good, because, when you look down below, you see we've got a number of assessments coming in in late 2022 and early 2023, and so we'll be dealing with a number of assessment projects coming on there at that point, but we've got a little window to get some of these other things done that we've been working on, which is good.

This is just a preliminary look at where things stand. We'll be talking about this in quite a bit more detail probably at the December meeting, and we'll make some updates to reflect the latest stock assessment scheduling and progress on the different amendments, and we've been talking here some about how we can potentially streamline the process to change our approach to things like scoping, which might help us condense this window, because we do take a fair amount of time to get amendments done.

Say, for example, if we're dealing with an overfished rebuilding plan, we've got to get it done in two years, and that's a real stretch, and so we're trying to do a little bit more frontloading on it and get that moving a little faster, and so plan on, in December, talking about these issues in a bit more detail.

MR. BELL: Yes, and so I think life itself has forced upon us the -- We always should be, but the necessity to be efficient and look at our processes and make sure that we're trying to get as much efficiency out of this as we can, because we have a tremendous amount of output that needs to



come out of us, and so I think anything we can do to improve efficiency and the processes towards that is a great thing. It's a challenging schedule, but we have a plan, and hopefully nothing major will change in the world. Does anyone have any questions about it, since we've thrown that up there? Okay. No hands. All right. Trish, did you have a question?

MS. MURPHEY: Just to make sure I understand what I am looking at, and the As in yellow, and like the Snowy Grouper Assess Response, December 2022, A, does that mean that is an amendment that is complete? I guess I was just trying to figure out what that means.

MS. BROUWER: Yes, Trish. That would be an amendment that is scheduled to be approved, or recommended for approval, at that meeting.

MS. MURPHEY: Okay. All right. Thanks.

MR. BELL: That's our desire, based on the plan, if we can stick to the plan, again. Chester.

MR. BREWER: This is more in the way of a heads-up, from the standpoint of scheduling and where I think it might be, but I think we're going to see dolphin wahoo and the longline issue heating up pretty good. It has already done so in Florida, with the -- I don't know how much we will be able to accomplish, and one of the problems that I think we have is, and, of course, we have this many, many times, but we don't have really good, hard information on what is happening, or what has changed, what is causing this decline in particularly the larger dolphin off the coast of Florida and then up the coast. I throw it out, and I am not expecting to change the workload or the scheduling of the workload, but I just wanted everybody to be aware that it's going to be a pretty hot issue. Thank you.

MR. BELL: Thanks, Chester. We've noticed that, and, I mean, there's articles floating around and discussion, when we're out and about, and it's obviously an item of interest to our fishermen and all, but, again, everything we -- As you pointed out, some things are keenly driven by data, and you have the data or you don't have the data, but that is, obviously, critical.

Then, overall, it's a balancing act here to try to keep the train running while dealing with emergent issues and things that pop up, but, yes, you're absolutely right, and thanks for pointing that out. Any other questions or thoughts on the different color selection? You all like the colors on there? I like them. This really helps me, and I love this way this is easy to look at, and it's just so much different from years and years ago.

Okay. Well, I guess we're at the point where is there any other business to come before the Executive Committee? Okay. I don't see any hands. Thanks, everybody, for tuning in that's not in the room here. Thanks, Monica and Andy, for being here. We're going to have a closed session, and so this will just be committee members on the line there and council here. Thanks, guys.

MR. CARMICHAEL: Thanks, everyone.

(Whereupon, the meeting went into closed session on November 10, 2021.)

-  
--

**Certified By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Transcribed By  
Amanda Thomas  
December 3, 2021**

# Executive Committee Meeting

## Attendee Report:

Report Generated:

12/03/2021 01:34 PM EST

**Webinar ID**

920-311-115

**Actual Start Date/Time**

11/10/2021 12:32 PM EST

**Duration**

1 hour 19 minutes

## Attendee Details

**Attended**

Yes

**Last Name**

BYRD

**First Name**

01JULIA

Yes

Foss

Kristin

Yes

Hadley

01John

Yes

Murphey

Trish

Yes

Rhodes

01Cameron

Yes

Schmidtke

01Michael

Yes

Smit-Brunello

00Monica

Yes

Strelcheck

00-Andy

Yes

Wiegand

01Christina

Yes

brewer

00chester

Yes

thomas

01suz

No

Klasnick

01Kelly

No

McCawley

00 - Jessica

No

Ramsay

Chloe

No

Reeves

Casey

No

Vara

Mary