

# **SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL**

## **EXECUTIVE FINANCE COMMITTEE**

### **Webinar**

**February 8, 2019**

### **Summary Minutes**

#### **Executive Finance Committee Members**

Jessica McCawley, Chair  
Mel Bell, Vice-Chair  
Chester Brewer  
Doug Haymans  
Steve Poland

#### **Council Members**

Chris Conklin  
Dr. Wilson Laney  
David Whitaker  
Dr. Roy Crabtree  
Tim Griner

#### **Council Staff**

Gregg Waugh  
Myra Brouwer  
Julia Byrd  
John Carmichael  
Dr. Brian Chevront  
Kelly Klasnick

Dr. Chip Collier  
John Hadley  
Roger Pugliese  
Christina Wiegand  
Suzanna Thomas

#### **Observers and Participants**

Other observers and participants attached.

The Executive Finance Committee of the South Atlantic Fishery Management Council convened via webinar, Friday morning, January 8, 2019, and was called to order by Chairman Jessica McCawley.

MS. MCCAWLEY: Thanks, everybody, for joining us today. Our first order of business is Approval of the Agenda. Are there any modifications or changes to this agenda? Hearing none, the agenda stands approved. The next order of business is Approval of the December 2018 Committee Minutes. Are there any changes or additions to the committee minutes from December? Any objection to approval of those minutes? Hearing none, the minutes are approved. All right. I am going to turn it back to you, Kelly and Gregg, to start moving us through the documents.

MR. WAUGH: Thank you, Jessica. Just to orient everybody, in the memo, the cover memo, that was sent out with information, the outline of things in there, I just wanted to touch briefly on that. Kelly and I will go through and explain the details that go into the budget, but, for me, it's helpful to think of two major inputs. One are the fixed costs, which are staff, office-related expenses, state liaison grants, and some contracts. Then variable costs are driven by the activities schedule. That's where we need you all's input. We construct those activities schedules based on the priorities that you give us and then which meetings need to take place in order to achieve that. That helps, at least me, when I'm looking at the budget.

Then what we're asking for, in terms of decisions today, is approval of a draft 2019 calendar year operational budget. We don't know the exact level of our funding yet, as we haven't in past years, but what we've done is approved an operational budget that we live by until we get our final funding numbers, and then you all will approve a budget, a final budget, and that's usually at the June meeting or the September meeting.

These operational budgets generally start out a little high, as Kelly will show you, and then, as we get into the year and know some of our expenditures, we refine the numbers to match what our expected funding level is, and then number two is we want guidance on using an abbreviated budget table that tracks our grant categories in our five-year grant.

The idea is that, when we work on our budgets in the future, and we have an Executive Finance webinar like this, and we'll talk about timing in a minute, we'll go through more details there, but then, for keeping you all briefed at each council meeting, we would use the abbreviated table, and we'll walk you all through that sample table.

Then third is approval of future Executive Finance webinar schedule, and so Jessica and Mel want to approve this operational budget prior to the start of our calendar year, which makes sense, and so what we'll do is back it up so that we get guidance from you all at our September meeting, and we'll have an Executive Finance webinar sometime in late October or early November, so that then, at the December council meeting each year, we can approve this operational budget.

Those are the main items we're asking for. Then, under Other Business, we just want some guidance on the staff attendance at council meetings. I will go over that and give a little background, and this is another area that we can perhaps achieve some efficiency and cost savings. Then we wanted to, finally, brief you on government closure impacts, and I will give a brief overview, and then Brian will cover the fishery management side of the shop, and John will cover

the SEDAR implications. That's a brief overview of what we hope to achieve today, and, unless there are any questions, Kelly will run you through the budget overview. Jessica, did you have any questions, or anyone else?

MS. MCCAWLEY: I just didn't know we were going to be doing the budget via webinar and then following up with an in-person meeting with a shorter table, or an abbreviated table. That was new information to me, unless I had misunderstood something from the past, and this is new information to me.

MR. WAUGH: Well, we had outlined this in the material that we sent out. The idea is just to get into more details here in a working setting and then, at the council meeting, use a more abbreviated table, and we had circulated some emails talking about this approach. It was to describe this process to you all and see if you're comfortable with it and then get your guidance on using that abbreviated budget table, and so no decision has been made yet. We wanted to discuss that with you today and get your guidance on doing that.

MS. MCCAWLEY: Okay.

MR. WAUGH: Any other questions? All right. I will turn it over to Kelly.

MR. KLASNICK: Thank you, Gregg. I am going to bring up the Attachment Number 1 from the briefing book, and you should be seeing that on the left-hand side of your screen, and it's labeled "2019 Budget Overview". The first content slide on that will be a recap of the 2018 budget, kind of to summarize where we ended up on 2018 and how that will drive what we'll be presenting for 2019.

The right-half of your screen, Attachment Number 2, is showing you the 2018 budget summary, and I will just highlight a few items and kind of take a walk down through the budget summary sheet, and then the second page of that attachment will be an illustration of the table that Gregg referenced that would align these more detailed budget items into the categories that match up with the five-year grant submission process, which was also part of the goal of doing some re-work, in that we're going to be entering a new five-year grant cycle in 2020, and we will have to prepare materials for that, and those materials are submitted in the same categories that you're going to see as we move through this Attachment Number 2.

Just a few items, a few highlights, on the 2018 budget. I point out, on the first bullet, that the initial working budget was around \$4.4 million. The final budget came in at right around \$4.2 million, and so, just going back to Gregg's comment that historically there has been a budget worked up, and, of course, before, number one, final funding numbers are known, and, number two, based on anticipated expenses for the budget year, but, as budget is a forecasting and an iterative adjustment type of process as you begin to move through the year and, particularly in our situation, as your funding becomes more clear and your expenses start to become also more clear. Then the budget typically adjusts a bit to reflect any of those changes that you have received.

The budget is made up of these several categories that you're seeing over here on the right-hand side of the screen, and some of those tend to be a bit more stable and a bit more, I will say, predictable on an annual basis, items such as staff comp and the associated benefits with that, and some of the fixed costs, like rent and some of those items, tend to be stable, or at least able to be

budgeted stable, because they are a contractual item, for example, and we know if there is an increase, and then we would budget that in accordingly.

It's really those variable costs that tend to lend themselves to the need for that kind of ongoing adjustment process, and, in our case, the vast majority of those variable costs are really driven by our activities schedules, and, when we refer to activities schedules, and we'll take a look at the 2019 kind of draft activities schedules later on in the meeting, those activities schedules are basically the various meetings and conferences and presentations that staff, council, partners, advisory panel members, SSC members, et cetera, are attending while they are doing the work of the council.

That tends to be the most variable portion of our budget, and also a large portion of our budget, but it's also the most variable portion, as we've already experienced in January of this year. The best-laid plans for several meetings have not happened, and will they continue to happen in 2019? That remains to be seen, and there were some lost costs, certainly, because of cancelling meetings that then may be rescheduled, and so all of these types of variables, like how many people actually attend the meetings, as compared to what is projected, what the travel costs end up being, and all of those are fluid and require us to monitor and make adjustments to the budget as we go throughout the year, and we'll take a look at the 2019 drafts to really illustrate that in more detail.

The next item is just kind of a highlight on the overall summary of the budget as the actual expenses came in, and, from a good news-standpoint, roughly \$100,000 under budget in 2018, and, again, the biggest reason for that are those variable costs, and so budget out for so many meetings and so much participation, and then what actually comes in and comes to fruition tends to drive that number, but certainly that's good news in that respect.

Just to highlight a few items as we take a look at Attachment Number 2, again, labeled "2018 Budget", that you should be seeing on your screen there, and, when you look at those numbers that are on there, a few items just to kind of highlight that I would point out, and it's a little bit of an increase in the HSA/FSA/HRA contribution, and that's based on claims that come in through that part of the benefit program.

SSC travel is a bit higher than what was budgeted, and, again, that just kind of depends on who ends up attending meetings and how they're getting there, and those factors come into play. Then you will see, I think, most of some of those variables are coming in in those topics that historically have been the hardest to predict, just depending upon how things go that particular year.

Then the last item on the slide, and this, again, is coming back to, really, what Gregg was talking about with this summary budget table, is I will point you to the furthest left-hand column of this 2018 budget summary, and you will see the various lettering going down the side of the column, and those are going to equate, if you look back over at the presentation, to each one of the categories as part of the five-year budget process. As we're looking at the P's, those are going to map to personnel, for example, and so council comp and staff comp. Then you're looking at the fringe benefits, your taxes and health and retirement and just on down the line, and so you can kind of see how those are mapping over.

Most, I think, are fairly self-explanatory. When you see contractual, those are items, generally, that we are bound to in some way to a third party to make a payment, and there is some in there

that are the state liaison contracts, for example, that you see at the bottom, but then there's a number of various categories in there as well. We have contracts with providers of web-hosting services, or we're committed to our IT infrastructure and covering those costs, and so things along those lines are items that you might find under some of those contractual items, when you're lumping those together for that consolidated table viewpoint.

As I move to page 2 of Attachment Number 2, then you will see that table put together basically mapping what you all saw up above in the first page into this more concise summary table, again, that comes back and matches those grant processes. Again, I think really the objective is to use this forum and this meeting to cover the more detailed conversations and do this on an annual basis. Then, at each council meeting, still bring the summary table that compiles the information contained in that detailed table and provide the update off of this schedule. We will pause here on 2018 and see if anybody has any questions on the information that was presented.

MR. WAUGH: Again, these are 2018 numbers, final numbers now, and this is here to give you a final report on how we did for 2018, but then what we also wanted from this topic, as it's shown on the agenda, is some guidance on the format, and so Kelly has indicated how those map to the summary table on the back, and, again, what our suggestion is, it's that, when we have sort of a working committee meeting at these webinars, we go through all the details, and then, at each council meeting, for material we're putting in the briefing book and that you're looking at at the council meeting, it's usually just a status report, and so we would use that abbreviated table.

If at any point you all want to see a more detailed breakout, we can do that, and if, for some reason, we get extra funding or something and you all want to revisit the budget in a working-type setting at a council meeting, then we can include these more detailed tables, but we just feel it would be better to track the budget tables from our five-year grant on an ongoing monitoring basis, and, of course, we track this in much greater detail here. Kelly and Suzanna are tracking greater details, and so we can provide even more detailed reports at any point, if that becomes necessary, and so, Jessica, we're just looking for any questions about the final 2018 numbers and then some discussion about using this new format for ongoing monitoring reports, if you will, on the budget status at each meeting.

MS. MCCAWLEY: Thank you. I have questions, but I see that there is hands up, and so I'm going to go to the hands, and then I will follow-up at the end if they don't ask my question.

MR. BREWER: Gregg and Kelly, I do like this format. It's pretty understandable for me, and I certainly am not a budget-type person. I did have a question for 2018. We had talk at the prior council meetings that we were going to, quote, have some rollover money. Is that in fact the case, and, if so, how much?

MR. KLASNICK: Chester, thanks for the question on that. Yes, there is rollover money. It's roughly \$100,000, or a little less than that, from 2018 that I mentioned earlier, but, as we are in a five-year grant cycle, there is an additional rollover that we have that has accumulated over those years, and we're looking at right around \$300,000 that we're rolling over, total, into 2019.

MS. MCCAWLEY: Thanks, Chester.

MR. BELL: It's kind of a similar question to Chester's. I was just trying to find the carryover and also ask -- Are all the numbers finished for 2018, where everything has been expended and it's the final numbers, because sometimes it takes our folks a while to close out the books for the fiscal year, and there will be things that are obligated, but not necessarily expended, and are the books basically closed for 2018? Then I was trying to find that same figure that Chester was asking that Kelly described, and is it one of those numbers at the bottom, based on what I'm assuming is the column under the percentage, marked as a percentage, expended, and so the grand total was 73 percent expended for 2018, and am I reading that correctly?

MR. KLASNICK: You are a little hard to hear.

MR. BELL: I'm sorry.

MR. KLASNICK: That's okay, but I believe I got all of that, and you sound a little bit muffled there, but a couple of things. To answer your question concerning are the books closed, it's not 100 percent, and, as you will see, if you're looking at Attachment Number 2, whenever you see the obligated column, we're showing amounts that we have budgeted to spend in Fiscal Year 2018, but have not actually paid yet, although I will tell you that, just this week, a lot of the paperwork has come in for the state liaison grants, and those payments are, for the most part, happening as we speak.

Checks were mailed out for most of those yesterday, but the key is the numbers are accounted for on the bottom line, basically, and so what I'm looking at here now, if you're looking at the grand totals, if you're taking the total expended column here, and then what is obligated over here on the right, putting those together, that gets you much closer to this budgeted number, less that carryover amount that I had mentioned earlier. Then, as you stated, there is still a few straggler items that will come in that will post, but, for the most part, we've got everything cleaned up for 2018.

MR. BELL: Okay. That's what I was getting at, because I know it takes -- That makes sense.

MR. KLASNICK: All right. Thank you, Mel.

MS. MCCAWLEY: Thanks, Mel, and so I had a couple of questions. When you guys are talking about the format that you are wanting guidance on, where you're going to have this summary, it would -- The summary part would look like all of Attachment 2 and not just the second page of Attachment 2 that is the smaller table, but it would be this entire Attachment 2 that you're talking about coming to each council meeting, and is that right?

MR. WAUGH: No, what we're suggesting is we just use the summary table that's on page 2 of this attachment and not the detailed table that we've used in the past, and it's just that we collapsed it in this summary table. It also brings us a little more in line with what other councils do. Really, it's only the South Atlantic and the Gulf Councils that go into the level of detail that we have in the past in the briefing book, and so our proposal is, on an ongoing basis, to use that summary table that's on page 2 of this attachment. That's what would be in each briefing book, and we would give you a report on where we are with respect to those categories.

MS. MCCAWLEY: Thanks, Gregg, and so then the part that is page 1 of Attachment 2, this is kind of happening in the background, and this is what you're suggesting we would look at on the webinars in between the council meetings, and is that right?

MR. WAUGH: Correct.

MS. MCCAWLEY: Just, for me, I really like the table that's on page 1 of this, and that's helpful to me, and, since we haven't actually done it yet, it's hard for me to say whether the table on page 2 is enough, because, if people ask questions, it seems like you're going to bring up the page 1 of Attachment 2, because I guess I'm wondering how this would play out in the council meeting if someone has a question. Are you just going to answer it on the fly, or are you going to bring up the more detailed table that's on page 1?

MR. WAUGH: We would have the detailed table if anybody wants to break out say the personnel category in the summary table, and we would be able to project this more detailed information and answer any questions using that.

MS. MCCAWLEY: I'm not sure what other folks think, but I like the more detailed table at the top, paired with the summary table at the bottom, and that's helpful for me. I had another question, and I see Chester's hand up, but I had another question first. I see, for example, when we're looking, and I know this is the summary of 2018, but, if you see in the percentage column, which like Mel is suggesting is the percent spent of what we have projected, when we go over in a particular category, how do you guys know which category to make it up from? Are you running a particular amount of the budget that is kind of like the extra pot, or how do you figure out where you're going to take it from if one category goes over?

MR. KLASNICK: Jessica, thanks, and, basically, as part of the ongoing monitoring process of just running the budget on an annual basis, I am, in my role, on a weekly basis, getting updates on where we're at with spending on all of these various categories, and even, of course, much greater detail available, as needed, to track any expenditures, and so, from that part of that process, we're able to really keep a close feel on where is our spending at relative to what we budgeted it, are there any items that seeming to come out of line or unexpected, and then making adjustments as needed, basically, in areas that we have more control over.

For example, if we had some unexpected need come up that was requiring us to schedule some additional meetings in one particular topic, because it was determined by the council that we needed to address something with additional in-person meetings or whatever the case may be, then I'm going to go back to our planning documents that we did in the early part of the year and look at where is best to make those adjustments elsewhere on a budget line item, or more than one budget line item, to account for that.

It's really a matter of that close monitoring throughout the year and being aware of proposed changes and then, at least from a budget standpoint, providing that feedback back to Gregg as to what adjustments that I would suggest, from a budget standpoint, would need to be made to accommodate whatever that maybe new information has raised and brought to light.

MR. WAUGH: We would bring -- Anything that was significant, we would bring to you all for action. If it's a matter of we're going over on staff travel, we would look at some of the ancillary

meetings, and perhaps we can cut that back to save on the amount of travel, and I think, in the grant document, we can move 5 percent. I think, in these categories, these big summary categories, we can move 5 percent of the money from one category to another within the grant.

MS. MCCAWLEY: Thanks. That was helpful, and so then my other question is you said the money comes in a five-year chunk, and then it seems like maybe -- I guess I don't understand how you get the money. Do you get it annually, or do all five years come in the first year, because, within the five-year timeframe, it seems like -- I think this is what you all are saying happened some in the five-year grant that's ending in 2018, is that you essentially are floating some money, maybe an underage from a previous year, that could help you in some of these categories in a current year.

MR. WAUGH: Right, and we -- The five-year grant outlines sort of a ceiling of funding that could be available to us, because they tell us to build in a 5 percent increase each year, or a 10 percent increase each year, but that doesn't have much bearing on what we actually get. We get our funding each year once NMFS gets their budget, and so it comes in an annual amount, and then we track it within that five-year period.

Yes, it's helpful to have some rollover, because that protects you in the start of the next fiscal year, when you're not sure if you're going to get money from NMFS or not, and so we've tried to always have some funding at the start of the year. Now, what they have assured us is that, going into this next five-year grant period, is that they will advance us some portion of our money in January to cover us at the start of that next five-year grant, but I think it's prudent that, if we haven't accomplished all of our work, that we still roll over some money, and we are able to roll over some for work that was not completed.

MR. KLASNICK: Jessica, to put a further kind of point on your question as well, even within each year of the grant cycle, we do not receive the full annual allocation at the beginning of the year. It comes in via NMFS at various intervals, and I'm not exactly sure how all that timing works on some of those, but they come in at various intervals throughout the year. We'll receive notification that additional money has been deposited in our account, through the Treasury, that we can then access for the operational needs, and so we're just constantly monitoring that.

Then, also, to your point on the rollover, not only is that advantageous, just from a fiscal spending in the year that it was incurred, but, yes, it's very helpful, if there is some sort of hiccup on the Treasury end or on a broader funding end, then we're able to continue to operate for some period of time using those funds that we were able to move over, which is authorized in the process, as Gregg stated, as long as you have work that you have been working on that is not yet completed, which we've seen is never a problem.

MR. WAUGH: Just a little more detail there. We get money in our line item in the budget that is for councils and commissions, and that is a portion of our funding, and what helped us this year, with the closure, is NMFS advanced us a good portion of that line item part of our award for this year, and so that helped all the councils weather this government closure.

Then we get funding in various categories from NMFS, and they are termed add-ons, for things like ACLs, regulatory streamlining, NEPA, and various categories, and that's a part where we get some of our SEDAR funding and SSC stipends, and so we get the line item, and then that's set by



Congress, and then we get these add-ons from NMFS. Once they know what their budget is, they figure out how much they're going to spread amongst the councils.

MS. MCCAWLEY: Thanks. That was helpful information and a very thorough description. If you're wanting feedback, and I saw Chester's hand up, and I think it's down now, but I will go back to questions here in a second. I know you're wanting feedback on this format, and so, just me, because I like the details, I like seeing all of Attachment 2 at each meeting. I am fine if you want to include all of Attachment 2 and then just go over the summary table itself that's on page 2, and then, if there is further questions, we could revert back to page 1 of this, but I like seeing it in the format that is on page 1, and so I don't know if other committee members want to weigh-in on the format guidance that staff is requesting.

MR. BREWER: Just like you, I like this detailed analysis better, and, to me at least, it's more understandable. I don't know that we need to go through the detail at every council meeting, but it would probably be great if it was in the briefing book, because it would -- If we go through each line item here, it would take forever. Another thought is, and I know we haven't done the 2019 yet, but certainly, when we do, if you could include, with those tables, or suggested budget items, what was actually expended in 2018, and I'm sure you were probably going to do that anyway.

MS. MCCAWLEY: Thanks, Chester. Does anybody else on the committee -- Mel, I see your hand up.

MR. BELL: Thanks. A little bit of what Chester said, I think, and I see where you're coming from, Jessica, in terms of the details, and I think what we were maybe trying to accomplish was the detail discussion that we're in now and all -- That is sort of what happens in the Executive Finance Committee part, and we're doing that, and, of course, anybody from the council that wants to sit in can sit in as well, and so, maybe to sort of improve efficiency or expedite it when we're actually at the council meeting, the approach would be -- You could kind of leave both in, and you could kind of flip this, to where the first page would be the summary, and then that's what we would present at the council meeting. If you want the details available, that would be on the back page, and you could kind of just flip this attachment, in a way, I guess.

I think the thing is that we have the detailed discussion in the Executive Finance Committee that we're doing now, and then you could basically present the full council, or however we do that at the council meeting, just the more summarized version and then -- It may take a little time, and I like the details somewhere, and it is available, and it would be sort of like on the back page or something, and so you could maybe accomplish it that way.

MS. MCCAWLEY: I see that Steve's hand is up, and so, before I go to Steve, what I think you're saying, Mel, and I think we're all saying the same thing, is that, yes, the summary table is good, and Mel is saying put the summary table first and put page 1, which is the more detailed full-page item, put that as second, and then you're saying that Executive Finance is discussing, if needed, the more detailed version.

I guess the part that is a little bit confusing to me is the whole webinar versus what we're doing in-person at the council meeting itself, and I guess that what I'm saying, and, Mel, you might be saying the same thing, is just having this full table, full-page table, just available, and we don't

have to discuss it, unless there are questions, and I think we're saying just have it there, even if we're outside the webinar process and at the council meeting itself.

MR. BELL: Yes, I think that was kind of what you were getting at, is you like the details of it there, and I'm still -- Since we're kind of doing this webinar thing for the first time, and I'm not sure how this will work out, but I can see where we're spending the time in the weeds in this format, and it saves us time, perhaps, and some efficiency at the council meeting, but you've got the details, and, at the council meeting, the council will be looking at just the summary table, and, if everybody feels good with that, then, bam, we're through it, because the Executive Finance Committee has already done its job looking at the details, and that was what I was thinking.

MS. MCCAWLEY: Right. I guess my concern is it seems like sometimes we might have to have more detailed discussions at the council meeting itself, and I just was wishing that the more detailed document could come to the meetings, so that, if it was needed, then it was there.

MR. POLAND: I was just going to pretty much say the same thing that everyone else was saying, with just fewer words. I mean, I like the -- I like Chester's suggestion of putting the previous year's budget totals in that abbreviated table. Another suggestion that I have is I would like to see the percentages in that table, too. That just helps me assess it a lot quicker when I look at it, but, adding two columns, I realize that very quickly kind of defeats the purpose of an abbreviated table.

MS. MCCAWLEY: Thanks, Steve. I like the percentages on that longer table too, just because it helps me see how we're doing as we move through the year. Are there any other questions or comments from committee members or council members? I don't see any other hands.

MR. WAUGH: Jessica, one question, and we can definitely add the previous year's numbers to the table and add the percentages. Part of what it was trying to do too was in response to some comments that we received from council members who weren't interested in this level of detail. Would it be helpful, maybe, if we included the -- If we sent the detailed table to the Executive Finance Committee members and then, in the briefing book, just had the summary table?

MS. MCCAWLEY: I guess. It's just that, if we start having a discussion at the council meeting itself, it just seems like we're going to end up having to default back to that more detailed table anyway, and, if other council members don't have it, then I don't know how productive the discussion is.

MR. WAUGH: Well, we could project it at that time, and they would have it.

MS. MCCAWLEY: Okay.

MR. WAUGH: Would that approach meet everybody's needs?

MS. MCCAWLEY: It's hard for me to say until we maybe move through one whole test year of this new process. Since I'm on Executive Finance, I would get the bigger table, and it's just hard for me to really help you guys or to really contribute to the discussion without seeing the full-page table, but I'm going to go to Mel.

MR. BELL: We'll still all have this table, the Executive Finance, and maybe just give it a try and see how it goes. If we get a whole lot of questions about details about something, then we'll just -- But give it a shot and see how it goes.

MS. MCCAWLEY: All right. I don't see any more hands raised.

MR. HAYMANS: Why can't you see my hand?

MS. MCCAWLEY: I don't know.

MR. HAYMANS: I have no idea what Mel just said, but I don't see why, Gregg -- **We get a lot of documents in our briefing book that we don't actually use during the council meeting, and I don't see why we can't include the expanded document, but only use the abbreviated document for discussion. Any council member who wants the detail can read the detail in the briefing book and bring questions forward if they want to. If people don't want to read it, they don't have to view it, and so, if we need motions to do that, I am happy to make that motion.** Otherwise, that's my two-cents.

MR. BREWER: Second.

MS. MCCAWLEY: I will certainly take that in form of a motion, and so let me try to repeat the motion. **I think that motion was to provide the full-page table in the briefing book and then only review the smaller table and then reference the one-page table as needed, and I feel like I just butchered that motion, Doug, and then I think I heard a second from Chester.**

MR. HAYMANS: That captures it just fine. Thank you.

MR. BREWER: Jessica, I can tell you that, before you put me on this committee, I didn't care about budgetary items unless it was something that, all of a sudden, it was house-on-fire kind of stuff, like we were worried to death that we were going to be running over budget because of level funding, and then I got interested in it, but, otherwise, as just a regular council member -- I shouldn't say that I don't care, but it's just that I've got a lot of other stuff that I'm going to be looking at and working on, and budget would not be one of them.

MS. MCCAWLEY: Thanks, Chester. Since we're on the webinar, I can't see the motion on the board, but I guess that folks know what we're voting on. Is there any objection from any of the committee members to the motion that Doug made? Once again, the committee members are myself, Mel, Doug Haymans, Steve Poland, and Chester Brewer. **Are there any objections to the motion from Doug that was seconded by Chester? Hearing none, that motion stands approved.**

Gregg and Kelly, I don't know if, on this Number 1, that you got everything that you needed, and so, if you didn't, then please speak up here, or, if the format that we're using for this webinar is not the appropriate format, then certainly speak up.

MR. WAUGH: No, we've got it, and so we'll just rearrange the order and have the summary table first and then the details behind it. In the summary table, we will add the previous year's category total and add the percentages.

MS. MCCAWLEY: That sounds great. I am going to turn it back to you guys to move on to Number 2, the Review the 2019 Activity Schedules.

MR. KLASNICK: All right. Thank you, Jessica. I appreciate it. Moving on here, we're going to take a look at the 2019 budget overview, which is going to be your Attachment Number 5, and so let me bring that up here, and you will see a very similar layout that we just looked at for 2018, just kind of walking you through, again, those summary categories here on the left-hand side.

We did break out the SSC comp in 2019, and that was kind of combined in with their travel number previously, and so, for a bit of clarity, I wanted to break that out, and so it's not a new item, but it's just an item with some additional detail on this schedule, if you're wondering why you see two of the P's on 2018 and three on 2019, and that's the difference there.

Then, of course, those same letters are going to map down below to a summary table, similar to what we just all discussed for 2018, and then, as you move across, of course, the first column is describing the expenses, and you've got the 2019 budgeted number here, and you've got what has been expended as of when this report was produced for the briefing book, some percentages, and then what is kind of known is obligated, and, again, those numbers will change as circumstances dictate throughout the year, some more than others. Some of our contracted items are not likely to change, but some of these more variable costs that we spoke about earlier, like travel, meetings, some of the compensation related to those, those are much more variable and will adjust as the year kind of unfolds.

A few highlights on the presentation. We have an initial working budget of about \$4.5 million, which, if you remember from the slide above here, we had an initial working budget in 2018 of \$4.4 million, and so a little bit of an increase, which we'll talk about where that comes from down below, but not too dramatic, and, also, if you recall, the carryover was a little under \$100,000 from 2018, and, cumulative, it's closer to a \$300,000 number, and so I'm feeling very comfortable with that initial working budget number, even with it being a bit higher, because, again, we're not really looking at each year, necessarily, but we're also looking at a cumulative carryover amount from the five-year grant that is available for us.

A few key updates that are driving some of the changes in the 2019 budget, the first bullet item was as a result of the discussions to return the state liaison grants to the previous level, and what you're seeing with the dollar figure here -- That's not the total figure, but that's the change figure, meaning the increase in the 2019 budget over the 2018 budget as a result of each one of these items. The total on those grants was roughly -- It was \$210,600 in 2018, and so, with the increase, it's back to a \$234,000 level, which yields you that \$23,400 increase.

Another kind of item to highlight is we also, based on guidance from the council, budgeted in for a Mid-Atlantic liaison to attend those meetings, at roughly \$25,000. Again, that amount varies depending upon the length of the meeting and who is going and all of that, and it probably will end up being a bit under that, because I know -- I think they've already had a meeting, and we didn't have anybody at that one, and so that, again, is an example of something that we would adjust throughout the year, as I see things changing.

The next item is also a result of the discussion at the last meeting to return the employer matching contribution back to the 4 percent from the 3.6 percent, and so that has a \$6,500 impact. We've budgeted for a potential healthcare cost increase of 10 percent, and our renewal is in April of each year, and so, within the next month or so, we should have a better feel for that number, but I have been in contact with the folks that we work with on that, and the guidance that we've received is we are still very comfortable at that number at this point, and hopefully lower than that. We are also proposing budgeting for a staff merit and/or cash payouts at 3 percent this year, which would be an increase from the 2 percent that's been most recently used, and that's roughly a \$16,000 impact in 2019 over the 2 percent.

MR. WAUGH: Let me add here that you all, last year, approved 2 percent for this, and our suggestion is bump it up to 3 percent. It doesn't commit you to using that 3 percent level, and we haven't done merits for other than one or two staff for the past two years, and I would like if we can -- If we're in a good budget position at the end of the year, to consider some merit increases, and so what we're suggesting at this stage is merely budgeting at 3 percent, and then you all can decide, later in the year, when we know where we are financially, whether you want to go back to the 2 percent or stay at the 3 percent.

MR. KLASNICK: Thank you, Gregg. Then just kind of a sub-point there is, the overall compensation budget, we're really projecting an increase of a bit less than 1 percent, and that's primarily a result of some personnel changes and some of the cost savings that were achieved through that, and so, even with proposing a budgeted increase of 3 percent on the merit cash payouts and the line item below, still budgeting a 2 percent COLA, and, obviously, it's uncertain at this point what's going to shake out from a federal standpoint, but we do have 2 percent, which is at least the most recent type of guidance that I have been reading, if anything does come through, and it's most likely to be somewhere around that level, but that's always changing, depending upon the headline of the day, and so we'll just see where that comes out.

Then another kind of key driver for us is related to travel and all the expenses associated with that, and so, whenever we do the activities schedules, we incorporate a 2019 per diem for the various regions that we are operating in, which, for the most part, all go up on an annual basis, and then any mileage, and the IRS authorized a fairly substantial increase there, and so we just accounted for that through the activities schedule process.

Just, before I move on to the next slide or take any questions here, again, just coming back over to the 2019 budget, which is going to be this Attachment 5 that you all should see on the right-half of your screen, again, it's a fairly consistent layout that you saw for 2018, and the line items are consistent, and the numbers are adjusted a bit, again, based on what we saw actually happen in 2018, and that's kind of, I think, back to, Jessica, your question from earlier as to how are we going to make adjustments throughout the year.

The first way to try to prepare for that is by trying to make the best adjustments that are possible at the beginning of the year and moving some of that money around into some of those different categories based on what we actually spent in 2018 and also using what we know is planned for 2019, to confirm that and build a budget that way. Then you are seeing things, such as the liaison grants brought back to that higher amount and compensation, including the items that I highlighted in the presentation slide over there.

Then that brings you kind of to that bottom-line number that I mentioned, as currently budgeted out, and then, as you move to the summary table, at this point, it's still the same layout that we had on the 2018, and then you would just see those same numbers getting condensed down into these more summary, I guess I will call them, categories, and, again, that's tying back to the five-year grant, which is ultimately what we're going to have to submit as part of that process, is they're only looking for numbers in these areas down here, and so that's another kind of part of the rationale for bringing this table to light now, because I think it will be helpful as we move into briefing you all on the five-year grant submission process, which we'll get to doing that later in the year, and it will help, because you're going to see these same categories that they're going to be look for us to submit to them for that next funding request. I will pause here as well and turn it back to you, Jessica, to see if anybody has any questions or comments on this.

MR. WAUGH: Jessica, we're not looking to get into the details of the 2019 budget yet. We want to walk you through the activity schedules first, and then we'll come back and go through in detail in the 2019 budget, but we just wanted to see if there were any questions at this stage.

MS. MCCAWLEY: Okay. Thank you, guys. I see a hand up from Doug.

MR. HAYMANS: Well, if we're not going to get into details yet, I will hold my question.

MS. MCCAWLEY: All right. I guess I will turn it back to you, Gregg and Kelly, and I don't see any more hands, so that you all can continue moving through the 2019 budget and activities schedule.

MR. KLASNICK: All right. Thank you. All right. Now, we're going to move over to these other attachments here, and we're going to start off with Attachment 3, and, because of the size of this one, I'm going to kind of move away from the split screen here, so we can all see this a little bit better, if you don't have it there in front of you, and so let's bring that up.

Now what we're looking at is those activities schedules, and we maintain two. One we refer to just kind of as the general activities schedule, which is essentially all of the meeting activity, minus the SEDAR activity, and the plan here was to take you through an example across the top, in a bit more detail, and then just kind of walk down through the schedule and see if there is any comments or feedback at this point, based on what is listed.

We're not, obviously, expecting you all to have any specific comment on maybe a dollar figure at this particular time, although, of course, you are welcome to ask any questions about it, but we're more looking for meeting frequency, things along those lines, if you're not seeing something that you were expecting to see or are seeing too many of something that you weren't expecting to see as well.

Just to kind of give you an idea of how this ends up getting laid out, we can just take a look across the top here, the upcoming meeting in Jekyll Island. You see that we have all the council meetings that are consolidated here at the top of this activities schedule, and, basically, there is some key factors that are going to drive how this is built, the number of travel days, the number of eligible council members for compensation, the eligible number that are going to travel, roughly how many staff are going to go, and then it's just taking the formulas and using per diems for each particular area, and that's a good, solid known cost, and what is not known, of course, is exactly how

everybody is going to travel to get there, and so there is always some variables in all of these numbers as we work through it.

Then, as we move through, and so you've got the anticipated member compensation, travel, staff, and this Other column is just a sum of these items on the right-hand side over here, and so are we having some AP members attend, is there the potential for any SSC comp or travel, what are the meeting rooms going to cost us, and odd-and-ends items that aren't covered under these main categories. That moves back over to Other here, and then you get kind of this total number for each one of the meetings.

Then, really, kind of the key part of the process is -- This is great from a budgeting standpoint, but then you will see this Actual Costs line here, and so, after we conduct the meeting, and, of course, all the bills come in and get paid, then we go back to these schedules, as that occurs, and make those updates. That's when it really starts to start bringing things back into a clearer picture as to where we're actually at on spending for these various meetings as compared to what we budgeted.

Quite frankly, sometimes they're right on, and sometimes they're considerably off, because half the people couldn't make it, or a few more people got late approval, or whatever the case may be, and so it's just an ongoing monitoring and iterative process to keep an eye on this as we're going throughout the year and then make those types of adjustments that Gregg and I were talking about earlier.

That's kind of the methodology, and that methodology is consistent as you go, and some meetings are just easier to budget than others. The council tends to be fairly consistent with what goes on there, within reason, and then some of the other meetings are just a bit more variable, and so, of course, you're looking at past meetings and history, to kind of see how they play out, and then incorporating in the known new factors, such as increased travel costs or any other known changes in the shape or makeup of a committee or a meeting and making adjustments as you can best project on there. What I was planning to do is just kind of just page-down through, and I would say, at this point, I would ask -- We'll just kind of walk down through it, and then, if there are some comments and questions, then we'll go ahead and go over those and answer those for everybody.

MR. WAUGH: This is -- As I said, we have constructed this based on your guidance and your priorities, and so, particularly for those of you who chair a committee, when we get to your section, we're looking for any input you have. Have we missed any meetings? Then if there are any questions you might have about that particular committee, because this drives that variable cost portion of our budget, and, when we get to the end of it, Kelly will show you an example of how the numbers flow right from this activities schedule into our budget.

MS. MCCAWLEY: Sorry to stop you guys, but I see there is already a hand up. Would you mind taking a question from Chester?

MR. KLASNICK: No, not at all.

MR. BREWER: I am looking at the line item thing for ICCAT, and I am wondering why it is that we have an expense there for member travel. I was on ICCAT for ten years, and, if you're on the advisory panel, which I know Anna is, ICCAT reimburses your travel expenses and pays a per

diem, and so I'm wondering why we have an expense shown there. I am assuming that the \$1,900 is for compensation, and it says it's member compensation, and so I'm assuming that Anna is being paid to attend those meetings, commensurate with what she would be paid if she was at like a council meeting or something, but I don't know, and so I had a question about that.

MR. KLASNICK: Thanks, Chester. Yes, you're correct. At any of those meetings, council members that are eligible for compensation would be compensated to attend.

MR. WAUGH: The travel expense though, does NMFS cover travel and the hotel and the per diem? I think part of it, Chester -- I don't think they cover all of it, but we will definitely --

MR. BREWER: I know what they cover. I mean, I can tell you. They pay directly for the hotel room, and you are paid a per diem, and you are reimbursed for your actual travel expense, and so what I'm saying is I don't understand why there is member travel expense item on that.

MR. WAUGH: We will verify that and change that to a zero then, if that's the case, but we'll go back and look at last year too and see what we did last year.

MR. BREWER: Okay. I am not saying that the numbers would be out of line, and they're probably not, but, I mean, I can tell you right now that that is -- By the way, that's not funded through NMFS. That is through a completely separate grant that is actually administered through VMI.

MR. KLASNICK: We will take a look at that, Chester. I mean, I do have some 2018 information here, and I am showing some travel costs under member travel for ICCAT, but I would have to dig into that to find out what those were attributed to.

MR. WAUGH: In this same category, it's not a factor in 2019, but, if you look on the ICCAT International Meeting, our turn comes up in 2020 to send someone to the ICCAT International Meeting, and so, when we're preparing the 2020 budget, we'll have to factor in some costs for that.

MR. BREWER: Right, but, again, maybe for the actual compensation, but, for travel, that is covered. If you are supposed to be there, and they don't take the full delegation to every international meeting, but, if you're invited to be there, and, by the way, that's the only way that you can speak in the room, is if you're a designated delegate, and you don't get to talk, is what I'm saying, unless you are officially on the delegation. If you're officially on the delegation, then your travel expense is completely paid through VMI.

MR. WAUGH: Okay. That's for all AP members?

MR. BREWER: For the meetings that are held in Silver Spring, all of the people that serve on that AP have their travel expenses reimbursed through VMI. For the international meetings, which happen once a year, if you are invited -- They budget for so many people to go, and, if you are invited to be, and you serve on the delegation, then your travel expenses are paid 100 percent plus per diem.

MR. WAUGH: Okay. Perfect. Thank you.



MR. KLASNICK: All right. Thanks, Chester. Just kind of moving down through the schedule here, we have different advisory panels that we're anticipating meeting, and, again, I am not going to go line-item-by-line-item, but I will just kind of pause on each page here and give you a chance to take a look at it. If there's a question, we'll address it, and, of course, we can come back as well, as needed.

MR. WAUGH: Jessica, you can see that we usually budget for two Snapper Grouper AP meetings, and then, this year, we just think we'll need one Dolphin Wahoo AP meeting.

MS. MCCAWLEY: A dumb question. The only time that you have a budget item here would be for an in-person meeting, and so, if a webinar happens, like with Spiny Lobster, where the advisory panel, for example, or Dolphin Wahoo, if we want to meet them a second time and do it via webinar, if we hold a webinar, are there no costs here, or is there a cost only if a council member that's not a state agency rep is on the webinar?

MR. KLASNICK: Jessica, your latter comment is accurate. For the council that is eligible for comp, they are compensated for webinars. Obviously, it would be a much, much lower cost than any of these in-person line items that you're seeing, but there would be a small cost to that, and, actually, I believe, down under Miscellaneous, I think I have something for this webinar listed, the one we're doing today, if I remember correctly.

MS. MCCAWLEY: Thanks. That's helpful.

MR. POLAND: Kelly, I've got a quick question, and it's more for clarification. Staff travel to meetings, local meetings, like in Charleston, what does that cost?

MR. KLASNICK: Depending upon the length of the meeting, if it's a local meeting, they can be provided with typically like a lunch stipend, and then, if it is a meeting that is outside of their normal travel route to and from work, they are eligible for the mileage compensation related to that. That's why, typically, you will see, as you're going through here, staff travel to these local meetings is typically a fairly low number, and that's the majority of what's making that up.

MR. POLAND: Thank you.

MR. KLASNICK: Sure. All right. I'm not seeing any other hands at the moment, and so we'll move on to the next page here. Then you have some of these where you're seeing a line item, for example, under the Golden Crab Committee, and it will say in conjunction with council meeting, as needed, and so that's just really kind of a placeholder to say that -- We're not suggesting that we could never discuss golden crab, but, at that point, there's no plan for a separate AP meeting, for example, and so that's what that line item is talking about.

MR. WAUGH: Or committee. At times, we could have separate committee meetings as well, and, if we were to do a separate committee meeting away from the council meeting in person, then those costs would show up there.

MR. KLASNICK: Just kind of moving down a bit, you see two Habitat APs planned in 2019, and then the rest on here, again, are not anticipating separate meetings at this point. Again, we're not

planning on separate meetings, but you see that I do have a little webinar cost in here for this one, under Executive Finance, and then scoping.

I&E, that has already happened, and we have received most of the bills for that one, and so, again, this report was run in time to get it in the briefing book, but there would be an actual number that would be populated in there as we pay all those bills, and then, again, that helps us keep things on track throughout the year, knowing whether or not we're over or under, depending upon how each meeting went.

We've got potentially a System Management Plan Workshop on this page and the SSC, and a couple of meetings there are anticipated, and then it does get a bit busy here at the end. I will point out a couple of items, as we're kind of getting to the other meetings, and really just kind of for possible planning purposes.

I mean, I've basically left -- What you're looking at down in this left-hand columns is meetings that were projected for 2018, and some occurred and some didn't occur, and these are what I will call definitely the more variable types of meetings, depending upon how the year plays out, and so that's why you're not necessarily seeing dollar figures next to all of these, because we're not necessarily anticipating all of them happening.

The ones that we do feel more confident about, we have put some figures in for budgeting purposes, and I've used some historical information and conversations with Gregg and John and Brian on what they anticipate, to then come up with kind of some budgetary numbers here, so that we are accounting for possible expenditures in these categories, so we're not taken by surprise if we do end up attending a number of these different meetings, but, then again, as the year progresses, this is really an opportunity for, based on council guidance and on things they might like to pick up, if something is going on and we feel we need to have representation there, and we didn't plan for it all the way back in November of 2018 for 2019, but we know about it in March or April, this is an opportunity for us to have some flexibility in what we will or will not have people attending. A few numbers I just put in that we felt a little more confident about, like the Gulf Council liaison and the Mid-Atlantic liaison, and, again, as those meetings come in and we see actual costs, we can make adjustments.

As we get near the bottom, you start to see some of the grand totals and just some carryover items through the spreadsheet, bringing down the line items, and it brings you to the last page, which gives you these kind of total cost numbers. Then, as Gregg indicated a little bit earlier, some of these numbers will start to look familiar as you go back to the main budget for the year, and so, for example, how do we come up with kind of an anticipated member comp number right here, and it's driven by this activities schedule and the anticipated meetings and attendees that we're expecting. Then, when we come back to -- I will just flip on here to the budget table, and you see council comp is the \$174,451, and we come back to that activities schedule, and it's kind of being driven by that number there. As the activities schedule takes shape throughout the year, that's where we have a better feel for how each one of those line items is going to play out.

MR. WAUGH: So, in terms of the variable costs in the budget, the way to address those is not so much trying to change a number in the budget table, but it's to look at the activities schedule and see where we need to adjust if you want to adjust a variable cost number. Fixed costs, we can

work from the budget table. We wanted to make sure that everybody was comfortable with these activities schedules.

As Kelly indicated, there is a separate one for SEDAR, and we account for council member travel to SEDAR in our general budget, but all the rest of the items are covered in the SEDAR, and we weren't going to go through the SEDAR activities schedule, because the SEDAR group handles the priorities and the timing and so forth for that, and we get separate grant money to administer the SEDAR program, and, on that group that makes those decisions, Jessica serves as the Chair, and I serve at the Executive Director in that group, and we'll be meeting in May, at the end of the May CCC meeting that we host, and looking at the whole schedule, and, hopefully at that stage, finalizing the schedule. We would open it up for any questions you all have about the activities schedule and how it interacts with the budget.

MS. MCCAWLEY: Gregg, I had a question about -- There was something that you said right before you explained the SEDAR part of this. I think what you were trying to say is this activities schedule, this Attachment 3, is really the detailed version of the variable costs that ultimately go into the one-page table that we're looking at, and is that what you were trying to say, because you lost me a little bit on that.

MR. WAUGH: Yes, that's correct.

MS. MCCAWLEY: Okay, and so this Attachment 3 is what is happening in the background that Kelly is working on when he's making these adjustments throughout the year, and, when we're at a council meeting and we say, okay, well, we want to meet another AP, then he would be going in here and putting in estimates say for an in-person AP meeting, and then that would allow him to look at how that's going to affect the overall budget, because that's one of our variable costs, and it might be increasing, and is that what you all are telling us?

MR. WAUGH: Yes.

MR. KLASNICK: Yes, exactly.

MS. MCCAWLEY: All right. I am going to go to other folks with questions. Doug, I know you had your hand up earlier.

MR. HAYMANS: Well, Gregg suggested questions on the activities schedule, and so this one is pretty simple. On the meeting costs, council meeting costs, is the reason that staff travel is higher for the Georgia meeting is because the hotel is more expensive?

MR. KLASNICK: I mean, it's going to be based on whatever those per diem rates are, Doug, for that particular area.

MR. HAYMANS: Well, it's not any different than Stuart, and maybe it is from Wilmington, but I was just curious as to why that particular category was higher when it's the same number of days and the same number of people, and it must be the hotel.

MR. KLASNICK: Doug, I would have to look at the formula again, but, basically, the way those numbers are derived is I check the GSA, the government rate, for each area that we'll be going to and what the hotel is authorized to charge us.

MR. HAYMANS: Right.

MR. KLASNICK: Then I use that in that calculation.

MR. HAYMANS: Okay. Thank you. Jessica, after we're finished with the activity questions, I do have a question back on staff comp.

MS. MCCAWLEY: All right. Are there other questions about the activities schedule, which is Attachment 3, and you also have the activities schedule for SEDAR, which is Attachment 4, but we're not going to run through that. I am looking to see if there is hands up, and I don't see other hands up, and so then, Doug, I am going to go back to you, and so this is on the previous item, the review of the 2019 budget, I think.

MR. HAYMANS: Correct. Gregg, I had a question on the budgeted merit and cash payout increase, or proposed increase. The 2 percent previously was based on the FY18 budget, and that 2 percent is of the total staff comp, right, not including FICA and health and blah, blah, blah, correct?

MR. WAUGH: Correct.

MR. HAYMANS: Okay, and so, in 2018, that was roughly \$31,000. We have an increase in staff comp from a million-and-a-half-forty-eight to a million-and-a-half-fifty-nine, and so, bumping it to 3 percent of the 2019 kicks it to \$53,300, or a \$23,000 increase, which is basically 40 percent higher than 2018, and I guess -- You know, I understand it's a less than 1 percent overall budget impact, but it is a 40 percent increase from one year to the next, and I guess my question is we were trying to -- In all the actions that we went through last year, my overall concern was the use of these cash awards and the fact that it minimized -- To me, giving everybody a reward minimized the value of the reward, and I know it's not to the employee, but I guess my question is how are you going to use an additional \$23,000?

MR. WAUGH: Well, a couple of points, Doug. That staff comp figure won't be final. We are making a number of additional changes, and Amber has left, and so I expect that staff comp figure, when we get finished, to be lower, and all we're asking for right now is to, at this stage, budget at 3 percent, and then we'll see where we are as we get towards the end of year and whether you all want to go with the 3 percent or whether you want to drop back to the 2 percent.

We haven't given merit increases for the bulk of the staff for two years, and it would just be good, in my opinion, to reward the staff, if indeed we can, and, right now, we're sitting on a rollover of \$300,000, but, again, it doesn't commit you to anything. It's just, at this stage, setting aside 3 percent, and we'll see where we end up towards the end of the year.

MR. HAYMANS: Okay.

MS. MCCAWLEY: Gregg, at this point in the webinar, I'm not sure exactly what type of action you are looking for from us. We have kind of covered, on the agenda, Number 2 and parts of Number 3, it looks like, and so I'm unclear what action that you are wanting.

MR. WAUGH: Okay, and so, if we look at the agenda, Item 3, I think we have explained and covered the inputs from the activities schedule. If you have any further questions about the staff-related inputs that go into the budget or council-member-related inputs, but I feel we've covered all of that, and we've talked about the new table, and you have given us the guidance there, and so we're down to committee action, where we would like you all to discuss this operational budget and approve us using it as an operational budget for now, with the understanding that, once we get our final grant monies, whether that's in time for the June meeting or the September meeting, then we'll come back to you and ask you to approve the budget more efficiently, if you will, because then we'll know how much money we have.

MS. MCCAWLEY: All right, and so then is the best place to look at this a combination of the table, which is Attachment 5 that Kelly has pulled up on the screen, and then also looking at the PowerPoint presentation Slide 3 that is showing kind of a summary of the changes since 2018? Are those the best two places to look at this?

MR. WAUGH: Yes, I think so.

MS. MCCAWLEY: Okay. Are there questions or comments from council members or direction? Ultimately, and let me try to repeat what you said, Gregg, what you're looking for is this is kind of the early approval of how you budgeted for the coming year, but, since we don't actually have the money, we would need to take final action -- Or we don't have all the money, or I'm not sure that I fully understand, but so we would not take final action on these budget numbers until even the June or September meeting, based on when the money actually arrives?

MR. WAUGH: That's correct. What we've been told thus far is to anticipate level funding, and so this budget, this operational budget, is based on us receiving that level funding, and so we need some guidance to operate on now, and so it would be using this operational budget. Then, once we get our grant monies from NMFS, we will know exactly how much we have for 2019, and then we'll come back to you to approve the budget with our actual grant numbers in it, and we will make suggested adjustments to various categories to bring these numbers down to that amount of money that we get in our grant.

MS. MCCAWLEY: Okay, and that's in June or September, whenever that actually occurs?

MR. WAUGH: Correct.

MS. MCCAWLEY: Okay.

MR. BREWER: Gregg, I had heard rumors that there was the potential for a 12.5 percent increase in funding, and is that still just rumor, or can you give us any further information on that?

MR. WAUGH: My understanding is that's in -- I think it's the Senate version of the bill that would address Commerce, and we're still waiting to see how that shakes out, and so, yes, there could be an increase, and we're keeping our fingers crossed. My only concern with that, Chester, is that

affects the line item portion of the funding we receive, and so it could be that that line item goes up by twelve-point-whatever percent, but, if NMFS gets whacked, then those additional add-on monies may go down, because they've got to figure out how to deal with a cut, if they get a cut. One way they could do that is look and say, well, the councils' line item went up by 12 percent, and so we're going to reduce these various add-ons by 12 percent.

MR. BREWER: Okay. Thank you. Is there anything that we can do -- Well, from what you're telling me, NMFS could very well get whacked, by like 5 or 10 percent, and then that might be the offset to the line item that we get raised.

MR. WAUGH: Correct, and we're in good shape, because we've got Chris Oliver up there, and he's going to look out for the councils, and he got us a little bit of extra money this past year, and he got a million dollars for the councils, and so he's looking out for us, but it just depends on how badly they get cut. If it's minor, I would expect it's not likely that they would try to reduce our add-on portions and incur sort of our wrath, and that being reflected up the chain of command, so to speak, and so we'll just have to see, and that's part of the wait and see.

MR. BREWER: Okay. Thank you. I will call you separately, Gregg, but I would like to talk about that a little bit more.

MR. WAUGH: Okay. That would be fine.

MS. MCCAWLEY: Thanks for that question, and then the answer that you gave about the add-on money and how that might go down, that was helpful, Gregg.

MR. WAUGH: Yes, and, just to elaborate on that a little bit, we've had discussions at the ED level about this, and we talked, a couple of years ago, about trying to work with the commissions and get an increase in our line item amount to a level that the councils could achieve their mission, because we're at risk -- The councils could not continue to operate at the current level if we didn't get those add-on funds, and some of the EDs, some of the councils, are more comfortable right now not working with the commissions and since we have Chris in there to work within the system for those add-on funds. That will be something we'll just have to watch in the future.

MS. MCCAWLEY: Thanks, Gregg. At this point, I think that we need a motion to tentatively approve this budget for 2019, the operational budget for 2019, and is that right, Gregg?

MR. WAUGH: Yes, and I think, if you include "operational" in there, then that will clarify it from June and September, when we approve the actual budget.

MS. MCCAWLEY: Okay, and so is someone on the committee willing to make that motion?

MR. BREWER: **So moved.**

MR. BELL: Second.

MS. MCCAWLEY: All right. So moved by Chester, and then I think it was seconded by Mel. Once again, we are -- **It's essentially a tentative approval, or what we call approval of the operational budget for 2019, and the final approval will come at either the June or September**

**meeting.** That motion was by Chester and seconded by Mel. It's under discussion. **Any objection to that motion? Hearing none, that motion stands approved.** Is there any way that we can take a ten-minute bathroom break and come back?

MR. WAUGH: Yes.

MS. MCCAWLEY: Okay, and so a ten-minute break.

MR. KLASNICK: Is 10:30 okay, Jessica?

MS. MCCAWLEY: That sounds great.

MR. KLASNICK: All right, and so 10:30.

(Whereupon, a recess was taken.)

MS. MCCAWLEY: I think we're on Item Number 4 on the agenda, and I'm going to turn it back to you guys.

MR. WAUGH: Okay. We just had one last slide, sort of to summarize on the budget that Kelly is going to do, and then we'll get right into Number 4. It leads into Number 4.

MR. KLASNICK: Thank you. Some of this we have touched on, but just to finish up the presentation part and make sure we hit all the points here, and we've talked about that what you all have approved for us is an operational budget that we will continue to work under, and then, once we do receive that kind of final grant allocation amounts, we would make any needed adjustments, and we also discussed that, in really moving forward with anticipating a flat funding amount, acknowledging that we have some carryover funds in there to augment that.

I've touched on the next bullet as well, but budgeting, obviously, is an iterative process that requires ongoing monitoring and updates throughout the year, which is what we will continue to do, and then we'll present to you all at each one of the council meetings and, of course, more frequently, if there is a need. Then I would also just point out that we do undergo an external independent audit each year, and we'll be also having one of those done, of course, for the 2018 budget year, and so that is something that we go through as a due diligence process, just to get that independent review of things.

Then, as we talked about, we'll provide those updates at each council meeting, and I referenced the new budget table, which is the summary, and so on Attachment 2, and then, as we've discussed earlier, and based on your guidance, we'll also be providing this first page with the additional detail that we've been discussing and any other modifications about current year to prior year comparison and some percentages as well.

Then we've talked a good bit about 2019 being the last year of the current budget cycle, for the five-year grant I should say, and we don't have a firm timeline on everything yet. I haven't received any guidance, as of yet. In the past, this process has usually really gotten going in the August timeframe, and probably, hopefully, I will have some meeting or some sort of training prior to that, but, of course, we'll reconvene to keep you all engaged in that process.

Then I know Gregg had gone out and solicited feedback from all of our state partners regarding expenses incurred in support of council activities, and our plan is to utilize that feedback and the supporting documentation that you all provided as part of the requested funding levels for that next five-year grant cycle, and that was it on that part, I think, and so that kind of wraps up that 2019 summary.

MR. WAUGH: That leads into the future Executive Finance webinar schedule, and so, as I indicated earlier, what Jessica and Mel want to do is have us approve the operational budget at the December meeting, so that, when we start a new calendar year, we have an operational budget, and that's a much better way of doing business than to operate sort of in the blind for the first couple of months and then approve the operational budget at the March meeting.

To do that, we'll just back up. When the council gives us their priorities for the following year will be in September, and then we would like to schedule a working webinar meeting to go over that on an annual basis in late October or early November, to do basically what we did here today, come up with the next year's, calendar year's, operational budget, so that then that could be approved by the council at the December meeting.

That would be done on an ongoing basis, and it would back things up and get us to where we have an operational budget that we would operate under at the start of the year. Then this year is a little different, because we're preparing our next five-year budget, and we want to work in the state information, and so Kelly and I and Suzanna will be beginning work on that right after the March meeting.

As Kelly indicated, the tentative guidance we've got is they want to see from us a draft five-year report in August and then a final one in September, and we'll see if the government closure has affected that timing or not, but our suggestion was going to be to plan for another Executive Finance webinar in the late July or early August time period to work on the five-year grant and then determine whether you want to bring that to the council, for some guidance from the council, and we haven't really done that in the past.

If you all want to do that, that's certainly your prerogative, but get the input from the Executive Finance Committee in late July or early August, and then that would allow us to submit that draft five-year grant in August. Then, if you want the council to take a look at it in September, they could take a look at it in September. We just wanted to outline those two timelines and see if that was agreeable to you all.

MS. MCCAWLEY: Gregg, I got everything up until the July/August -- So you're suggesting, because of the whole five-year grant, that there would need to be another webinar in July or August that would talk more about the five-year grant, and can you explain more about what is happening in July and August? That's where I got confused.

MR. WAUGH: Okay. The July/August one would be a special one just to deal with preparation of the five-year grant proposal, and so we would focus on that and basically do what we did here today, except it would be laying out our planning for the next five years, and, obviously, it's kind of difficult to look that far out, and so, as it's been explained to me, we've been told to use, for the



year-one budget, our last budget figure in our year-five of our last grant, and then we would increase that by I think 5 or 10 percent a year, and that sort of sets the ceiling.

We would go through all of that detail, and we would show you how we incorporated the state expenses, and my suggestion is that's where we make a pitch to increase the amount of money that goes towards the state liaison grants to more accurately reflect the level of services that the states are providing to the council process, and so, at that July/August webinar, the Executive Finance Committee would approve a draft five-year budget that we would send them to in August, to NMFS in August, if that's when they need to have the draft, and then, if you all want the council to weigh-in on it, the council could weigh-in on it in September.

MS. MCCAWLEY: Okay. I think I got it. I can try to repeat it if you want, but I don't see any other hands up. What you're saying is -- Go ahead.

MR. KLASNICK: Jessica, I saw that Doug had raised his hand.

MS. MCCAWLEY: Go ahead, Doug.

MR. HAYMANS: No, you continue your line if you want, but I was just going to mention that I like the idea of how they had it down, having this together in the fall for the final meeting and going into the new budget with an operational budget. I like this line of thinking, but you continue on your track.

MS. MCCAWLEY: Okay, and so, for some reason, Doug, I can't see your name listed anymore in the webinar, and I don't know why, and so that's why I can't see that you had your hand raised. I see you now. I see you. Okay. I think, if I can repeat this, try to repeat this, it sounds like that the council needs to give priorities for the coming year in September, and then we would have a webinar in October or November to talk about the 2020 operational budget, and then, special this year, because it's the start of the five-year grant, we would do an additional webinar in the July/August time period where we're looking at the five-year grant proposal and we would be working on that. Then, regarding the five-year grant, if the council as a whole wants to see that, they would look at it in September, but also in September, as I mentioned earlier, the priorities just for the coming year, for 2020, and is that right?

MR. WAUGH: Yes, that's correct.

MS. MCCAWLEY: All right. Go ahead, Doug.

MR. HAYMANS: I mean, I pretty much said what I wanted, that I like the setting up for the following year before we get to it. I had another question that came and went, but it will come back in a minute.

MS. MCCAWLEY: Okay. Do any other folks have questions about this particular time new timeframe schedule, and then there will be an added meeting in 2019, because of the start of the five-year grant? Any more questions or comments? Then, while Doug is thinking of that other question --

MR. HAYMANS: It came back to me.

MS. MCCAWLEY: Okay. Go ahead.

MR. HAYMANS: Sorry. Gregg, I know that we submitted to you sort of the Georgia costs, and I know that we're probably the low man on the totem pole, or the small one, but did other states submit similar types of activities to what Georgia did, and will be able to see those, comparatively, soon?

MR. WAUGH: We will start working on that after the March council meeting, and I would be glad to circulate that material to the Executive Finance Committee, so they can start looking at what each state, particularly the state directors, and feel free to modify what you have sent, based on what you see other states have done.

MR. HAYMANS: That's what I was curious about, if we were all basically on the same page.

MS. MCCAWLEY: Okay, Gregg, and so you're going to send those around when you get them, and so has every state submitted? I know that we submitted in Florida.

MR. WAUGH: Yes, I think we've gotten it from every state, but various levels. Once we get through the March meeting, then I will circulate that to the state directors first, so that they can see, and, if they want to modify it and expand on it, feel free to do that.

MS. MCCAWLEY: Okay. That sounds great. I am looking to see if there is any other hands raised. I don't see any at the moment. Gregg, are you wanting a motion that approves this schedule for 2019, which is a combination of items brought to the council meetings and then a couple of webinars throughout the calendar year? Are you wanting a motion to approve that?

MR. WAUGH: I think we can deal with this as far as direction to staff, if that's okay with everybody.

MS. MCCAWLEY: Okay. It's fine by me, and I'm looking to make sure there aren't other hands raised. It doesn't look like it, and so, if you think you have what you need, then I will turn it back to you and Kelly to continue moving through the agenda.

MR. WAUGH: Okay, and what I will do is I will get out a doodle-poll pretty quickly here on those July/early August dates, so that people can block that out. Once we get that one nailed down, then I will do the October/early November, so that we have it on our calendars.

MS. MCCAWLEY: That sounds great, Gregg. Thank you so much.

MR. WAUGH: Okay. Then, under Other Business, again, as indicated on the memo that was sent, we've got two items. One has to deal with staff attendance at council meetings. You know, years ago, the council wanted to have all the staff at a meeting, so they could talk with them and interact with them, and it gave them a chance to talk about their particular committees.

We communicate a lot more now electronically than we had in the past, and some of our staff come to a meeting, and they only have one short report to do, and they can certainly work while they're there, but we may achieve some operational efficiency if staff that don't have to be at a

meeting aren't at a meeting and they can be at the office working and listening to the webinar. If they've got one report to do, then they can give that report via the webinar.

This may be a way to, on two prongs, achieve some more operational efficiency, and, second, some cost savings, but we don't want to deprive council members and staff from having that face-to-face interaction, and so we wanted some guidance from you all on how you thought we could look at doing this in the future. We're already sort of set for the March meeting, for the most part, but what are you all's thoughts? Do you like having all the staff there for the council meeting, or would you be more comfortable just having the staff that have items there and the others can be at the office and certainly available via the webinar?

MR. BREWER: Gregg, I think that you are quite correct that we -- It seems that we communicate electronically now, and I'm not sure that it's a better world for it, but that's what we do, and so I would think that non-essential staff members could stay at the office and work and follow along in their office on the webinar, and, if something comes up, a question comes up, they would be available to answer it.

I would say, however, that, please, please, please, whoever -- Kim does a wonderful job, and I don't know that I could run the AP Selection without her, without her sitting right next to me, and so I would consider her to be an essential person, and she doesn't have to be there for the whole meeting, but I sure would like her there during the committee meeting.

MR. WAUGH: Thanks, Chester, and I think our outreach staff, to my way of thinking, it's important that we have them there at the meeting, because they deal with press, when they show up, and just relaying what transpires, and so your point is well taken.

MS. MCCAWLEY: Thanks, Chester. I had the same concern about doing the public comment portion one evening and just to make sure that we had enough staff there for that, but, if you're going to bring the outreach staff anyway, then that should cover that. Are there more questions or comments from council members? I don't see any other hands raised.

I think it's a good idea, and I think we could certainly try it, and, if it doesn't work, or if we need to bring a couple more council staff to future meetings, and so then, if I understand it correctly, this wouldn't happen at March, Gregg, but this would start happening at June and moving forward after that, and is that right?

MR. WAUGH: Yes, and I think the one exception may be Chip. I think Chip is just giving a report at Full Council, and so he may be one that has expressed an interest in just staying in the office and working, but I will follow-up and find out and let you all know.

MS. MCCAWLEY: Okay. Well, I'm certainly for testing it out and then seeing how it works and then making adjustments as needed, but it sounds like a good idea to me.

MR. HAYMANS: I was just going to ask about Chip. Is that for the March meeting?

MR. WAUGH: I thought so, Doug, but I will have to check and get back to you.

MR. HAYMANS: Yes, because there goes my foursome if he doesn't come for Sunday.

MR. WAUGH: I didn't hear that on the webinar.

MR. HAYMANS: I will just say, being the fiscal conservative, I am in favor of the proposed plan for this coming year, and let's see how it works, and, if we find that we're not having the interactions and communications that we need, we can go back to bringing everybody next year.

MR. WAUGH: Okay. Chip just stuck his head in the door and said, yes, it was March, and so, whatever you were asking about, you will have to look for an adjustment to it.

MR. HAYMANS: Will do. Thanks.

MR. WAUGH: Sure.

MS. MCCAWLEY: All right. Do you have what you need on that item, Gregg?

MR. WAUGH: Yes, ma'am.

MS. MCCAWLEY: All right. Thank you.

MR. WAUGH: The next item is the government closures, and we have periodically kept you all informed, as we sort of had an idea of what was going on, and the newsletter -- My article in the newsletter addresses this a little bit, but Brian has been working with the Regional Office and Center staff, and John has been working with the SEDAR folks, and they are on and will give you a more detailed report from those two sectors. For Brian's material, we did distribute a document, I think it was yesterday, titled "Impact of Federal Shutdown on SAFMC Amendments and Projects as of February 1". Kelly has got that up on the screen, and you all received that, and I'm sure that Brian will sort of walk you through that. Brian, over to you.

DR. CHEUVRONT: Rather, almost ironically, as I put together a first draft of this document, it was in the morning of the same day that they announced that the federal government would be reopening by the following Monday, and so, as soon as I hit the first draft already, I realized that it was going to be out-of-date, and what we have been doing is working with SERO, primarily, to update this document, almost on a daily basis, and, what my plan is, it's to do a final update the week before the council meeting and have a more up-to-date version even then of where we are, because things have really been happening here.

SERO has been back to work for nearly two weeks, and today is the tenth day, and I have to say that they have done an incredible job at being responsive to the council and our needs for the meeting. It was that first day they were back that I was contacted by Rick DeVictor, who then said, okay, what do you all need from us to help you get ready for your council meeting, and I said, I just so happen to have this document that I put together.

They went through it and made a few comments and things, and I have to say that they asked for us our priorities for getting things together, and they have been tremendously responsive to us. They have completed far more than I thought would be possible for them to get done ahead of this meeting. Now, of course, we're up against the potential of yet another shutdown a week from today, and we don't know yet, at this point, whether that's going to happen or not, and so what I'm

telling you today is the assumption that there will not be a shutdown in a week, but, if it is, we will adjust the document and go from there.

What I thought I would like to do is just to run through very quickly and give you all a heads-up on what's happening on each of these amendments and projects that we have got going on, so you can know where the potential delays and things are and know that we're going to have to adjust accordingly, and one thing that I do want to point out is that, while we may have some things ready for the meeting in March, some stuff is just not going to be able to get done in time for the briefing book, and I will try to highlight those, where they're going to happen, but I think, given the unusual circumstances that we're working under right now, just the fact that we're going to have something for you on some of these things is going to be certainly more helpful, even if it comes late, than not to have it at all.

To jump right in, Snapper Grouper Amendment 38, which is blueline tilefish north of Cape Hatteras, the SSC was going to review that blueline tilefish at their January 25 webinar, but that was delayed, or postponed, because of not being able to have the federal participation, and, right now, they are trying to reschedule that SSC meeting, and hopefully it may happen before the March meeting.

The idea is that there are some things that would be really good to have the SSC discuss on their webinar prior to their meeting in April, and that will help them get through some of the materials, but, if they can't get this webinar in prior to the April meeting, and that information can be processed and get into their briefing book, et cetera, et cetera, we could end up with some additional delays, and sometimes, if you can't get something into the SSC in time for their meeting, that's going to result in, in essence, a six-month delay.

Right now, any of the delays we're talking about, we're talking mostly perhaps one meeting, at most, but, like I said, if the SSC is involved and we can't get things to them, it could be the October meeting before the SSC would be able to take something up, and things that the council was planning on seeing in June may not happen then until December, and so that could be some of the issue that we're facing that would be a long-term result of this government shutdown, and that's the case here with blueline tilefish. If the SSC can get their discussions in and get it through the April meeting, then they will be in good shape, and the council will be able to discuss it in June and not have to wait until December.

MR. CARMICHAEL: Brian, can I jump in?

DR. CHEUVRONT: Sure.

MR. CARMICHAEL: The SSC meeting is going to be scheduled well before the April meeting, and it will be February 25.

DR. CHEUVRONT: Okay. I didn't know if we had that yet, and I didn't remember what the cutoff date was, and so it's February 25, and so hopefully that will help us out with some of this timing, and then the council will be able to see blueline tilefish in June, if they choose.

Scrolling on down to Amendment 42, the sea turtle release gear modifications, the plan is still on that the council is going to be able to take final action in March. You're not going to get the

codified text in your briefing book, because it probably isn't going to be ready yet in time, but it will be available, we're suspecting, ahead of the meeting, and, if that happens, there are a few things that are not in the document that SERO and council staff are working on jointly that will -- There are things that, the environment and the economic follow-on documents, the regulatory impact review and the RFA, and those are always written after preferreds are selected, and so there's a little bit that would have to go into that, but we think that the document may be in good enough shape that the council could approve the document, and then the Chair would then approve the addition of those things afterward, but everything that the council is going to need to help them make an informed decision about the document will be ready for them at the March meeting.

Then we go down to Abbreviated Framework 2, and this is vermilion and black sea bass ACL modifications, and they are going to be delayed because of, during the shutdown, the rule package was not able to be worked on, and so that is just delayed due to that moving forward.

Vision Blueprint Regulatory Amendment 26, the recreational amendment, we are getting pretty close to getting this one done, and the council staff edits have been completed, and we're waiting for a couple more reviews, and then the document will be sent in for formal secretarial review, and so we're a little bit late on this one, but it's not real bad.

Amendment 27, the commercial one, it still has some 508 compliance issues that need to be resolved, and 508 compliance is the federal requirements that all documents and things that are posted to the website are handicap accessible, and that has an impact on how documents are written and formatted, and so that is something that is needed to be worked on, but the council staff can't do those edits at this point. We were supposed to have gotten trained on how to do that, but that came and went during the shutdown, and so we're trying to get that training rescheduled for us, and so that's going to have to be completed by SERO staff, and, since that's not something that we are directly involved in with the council staff, the document was sent in for formal review on January 24.

Regulatory Amendment 29, which is the best fishing practices, the council requested a public hearing document for the March meeting, and work is being done to have a document ready for the council. The sections will be populated and the basic analysis will be completed, but they need to be expanded in the next iteration of the document, and so it's not clear to staff, and this is something that the council will need to decide, is, when they see the document in March, will they consider it sufficiently ready to send the document out for public hearings in the spring, and, if that doesn't happen, then it would just get pushed back to June, and the public hearings would occur in the summertime.

Regulatory Amendment 30, red grouper, the council can't do a whole lot of work on Action 1, as planned, at the March meeting, because the SSC webinar prevented additional work from being done, but, since the SSC is going to have it the week before the council meeting, they will be able to begin work on it, but they won't be able to have a document sufficiently ready for the council to work on at the March meeting.

It's likely that the council will be able to take a final vote on Regulatory Amendment 30 at the June 2019 meeting. There is that statutory deadline, but -- If I say something wrong, I think Monica is on this call, and she will jump in, but I think the issue is, as long as the council is making steady progress towards getting this done, and certainly the shutdown wasn't anybody's fault who

is involved in this, that, if we're a little late getting this in, that I don't think anything bad is going to happen to us, but it's looking like we will probably have this ready for the council to approve in June.

Moving on to the wreckfish ITQ review, we were expecting to have a draft final document for the council ready to review at the March meeting, and I was able to work on some issues on there, but this is very much a joint endeavor by SERO and the Science Center as well as council staff, and we had an IPT meeting earlier this week, and we have hammered out some of the final details, but there are some fairly big chunks of writing that still need to be done, particularly the conclusions of all of the analysis, and so I'll be able to give the council an update in March, but we are now expecting that it will be the June meeting when the council has the draft final document together, and then the final approval would be at the September meeting. We are not under a statutory deadline to get this done, and we were under a statutory deadline to get it started, which we met, and so there's not a problem with pushing this back one meeting.

For habitat and ecosystem, the NMFS EBFM implementation plan was not completed as originally scheduled, because of not having the employees available to do the work. However, we're hoping that the work -- The council wasn't expected to deal with this at the March meeting anyway, and the delay is going -- Even though the plan wasn't completed, the idea is that hopefully the plan will get completed in time so that it can be included for the council at the June meeting, and so we're just going to have to wait and see how that plays out, and so we're thinking that it may not have any kind of an impact at this point that we're aware of, but we're keeping an eye on it, in case this plan doesn't get completed.

Then we have the Coral 10/Shrimp 11/Golden Crab 10, and this is that transit and allowable fishing zones amendment that we've been working on. NMFS was preparing some needed maps, based on recent coral surveys, and they weren't completed prior to the shutdown, and so, before the updated maps can be used, they need to be reviewed by the Gulf and the South Atlantic SSCs, and, if that's not possible to have them be ready for review by the SSC in April, it could be December of 2019 then before we could have these maps come to the council, and so, really, that's the next step that needs to happen for this amendment to go on any further, and so, if there's no maps ready that are approved by the SSC in April, it probably is going to be December before the council will be able to continue work on this amendment.

Then there is just a couple of bookkeeping delays for mackerel and cobia. Amendment 31 is just awaiting the final rule publication from SERO and, for Framework 6, and that's the modification to the king mackerel trip limits, that's the proposed rule, and we're waiting for that to be published. Spiny lobster is in the same category, Amendment 13, and that's the Florida management and the gear modification. That is awaiting proposed rule publication by SERO.

Now we get down to dolphin and wahoo, and there is a lot going on with this. The council did a lot of work on Dolphin Wahoo 10 in December, and the IPT wasn't able to meet after the December council meeting, due to the shutdown, and so the IPT did provide some limited comments, through an email-based review, once the shutdown ended, and so there are some data available for analysis, but there's not a whole lot of new analysis that the staff can bring to the council in March that they didn't see in December, but the council can continue the discussion on the actions and alternatives at the March meeting, and particularly focusing in on the ranges of the

alternatives, and so there's work that can be done even though it's not quite as far along as it would be had the shutdown not occurred.

Now, the next item is the bullet and frigate mackerel white paper. Well, the issue that we had when the version that was written that you have went out was that we were waiting for some NOAA GC input to be able to move further, and that has been done, and so we don't expect that there is going to be any effects from the shutdown on this white paper, and so, again, NOAA GC came through on that one for us.

Moving on down to the ABC control rule, the amendment is probably going to end up being delayed, because we were waiting on some guidance from a NMFS working group on phase-in and carryover provisions for ACLs, and it hasn't been provided, and so there's going to be at least a one-month delay on receiving that information, which could push the document development back probably by one council meeting. Scoping was held as planned on January 23 and 24, and the IPT hasn't had a chance to review those scoping comments yet.

Recreational AMs, the IPT has done some work on this, but we missed an IPT meeting that we had scheduled after the December council meeting, and there has been some other significant edits and stuff that were done that we've talked about that we want to try to get some more input from the council on this, but we're moving along. We're just not as far along as we had hoped to be, and, because of our inability to work with all of our federal partners, the amendment is likely to be delayed by one council meeting, and, again, just like the ABC control rule, we did go ahead and have the scoping on January 23 and 24, as planned, and, on both of those amendments, we'll be presenting those scoping comments to you at the March meeting.

The for-hire reporting amendment, we're not really quite sure what's going to happen with the final rule here. Implementation, you will recall, was delayed to 2019, to coincide with the final rule publication with the Gulf's for-hire reporting amendment, and I'm not exactly sure -- John, did you know something more about that?

MR. CARMICHAEL: Well, not specifically. It did come up at the ACCSP meeting, that they've been working with the SEFHIER guys, and ACCSP plans to be on track to have eTRIPS ready to roll for everyone by April. There is some concern with the Gulf's issues and the VMS, and that's still taking longer than anticipated, and so I don't know if the linkage between us and the Gulf is going to ultimately end up being broken or not. Mike Cahall did mention too that the SEFHIER group down there was supposed to be getting with the lawyers and whatnot and maybe trying to figure out what they're going to do with this final rule and stuff in the next few weeks.

DR. CHEUVRONT: Okay. Thanks, John. Also, just to add on to that, our staff won't be doing any additional outreach or training on for-hire reporting until we know when the final rule is going to be published, just because we need to be able to give people the heads-up on when this is going to actually go into effect, and we don't know for sure, and it's not going to be real helpful to the public at this point.

MR. WAUGH: Brian, let me just add that we'll be getting a report at the March meeting, and I think probably NMFS will ask us for some guidance on what the council's thoughts are on waiting until the Gulf is ready to go or whether our preference would be for moving ahead on the Atlantic,



and we have already waited over an entire year, and we had hoped to start in January of this year, and it was pushed back to April.

ACCSP is ready, and our fishermen and the outreach are ready, and we're just waiting on the final rule, and so I think NMFS is going to be looking for some guidance from us, and, if they are, we would hope that the council would argue for moving forward on the Atlantic. The VMS, including the VMS, while it's great for the reporting, it brings a lot of additional baggage, and I'm not sure they really have a good grasp on how long the delay will be in the Gulf, and it would be a shame for us to sit here waiting when all systems are go on the Atlantic side, and we're hoping to use this year for the phase-in, so that full data collection can begin in January of next year.

DR. CHEUVRONT: Okay.

MS. SMIT-BRUNELLO: Gregg and Brian kind of summed it up, but the shutdown put us behind somewhat on many things, including with this amendment and trying to get all the moving pieces done, but we have already -- We have had a meeting, and we're trying to figure this out, to iron this out, and just where is the Gulf's rule and where is the South Atlantic and all that sort of stuff, and so we'll be much better able to discuss that at the March meeting.

DR. CHEUVRONT: Okay. If there aren't any more comments or questions on that, let's move on to Citizen Science. The FISHstory project has been delayed in starting, because we haven't been able to get the federal funds transferred to get that going, and I'm not sure what the timing now is on that, but, as soon as the transfer is able to happen, we'll be able to move right along. There is the ASMFC MOU regarding citizen science that was delayed because of the shutdown, and it's waiting for a NOAA GC review.

As far as advisory panel meetings, the I&E AP met on January 29 and 30, as planned. Other APs aren't yet affected by the shutdown. However, there was some discussion in-house here that the Snapper Grouper AP may not need to meet in the spring if there isn't anything new for them to discuss, and so that will be something that the Snapper Grouper AP will take up, and the Mackerel Cobia AP will -- Whether that's going to occur will be discussed by that committee and the council in March, to see if they need to meet prior to June of 2019. If they do need to meet, it probably will be done via webinar.

As you know now, the SSC was -- That webinar was planned for January 25, and it was postponed, and John said it's now planned for February 25, and so the comment there is -- I was trying to see if we could get it rescheduled, and that rescheduling has been done, and, of course, we're hoping that the government won't shut down again in a week from now, because that could throw another monkey-wrench into this, and that webinar is an important step towards ensuring the SSC has the information that it needs for its April 2019 meeting to provide those ABC recommendations for several species.

Scoping and hearing sessions occurred for the ABC control rule and the recreational AM amendments as planned, and the Snapper Grouper Regulatory 29, the best fishing practices and the powerheads amendment, could occur between March and June if the needed analyses are completed and the council agrees that the document is sufficiently along, and, like I said earlier, otherwise, we'll just have to wait until -- The council will have to wait until the June meeting to make its decision about sending it out for public hearing, and it will go out in the summer of 2019.

The other thing is that, at the December meeting, the council asked SERO if they could get together the information about the length of the 2019 recreational season, and hopefully, at the March 2019 meeting, we can have that discussion, so the information can get out to fishermen earlier than it has in recent years, and SERO is working actively on trying to get this together by the March 2019 meeting, and it's not likely to get into the briefing book. However, we're really hoping that those projections will be available for discussion in March, and that's all I had. I know that was a lot of talk and rambling and stuff, but I was wondering if anybody had any questions that perhaps we could try to answer for you.

MR. WAUGH: Let me just chime in, and Brian touched on this, but the Region has really done a super job getting caught up in materials. In the length of time, you can't expect people to make up that full time that's lost. It's like one-tenth of the calendar year, but they have really done a yeoman's job, and I would hope, at the council meeting, that the council would express their thanks for that outstanding effort, both from NMFS and from NOAA GC. It's really been super since everybody has been back, and it certainly is a challenge to their morale, but the folks we work with have bounced back and have been very productive, and we're very appreciative of that.

DR. MCGOVERN: I have just a couple of things that I would like to -- A couple of things that Brian covered. The proposed rule for Abbreviated Framework 2 and the final rule for CMP 31 for cobia, both of those rules have been at Headquarters since before the shutdown, and I expect that they will publish pretty soon. Then, also, the transfer of funds for the FISHstory, I have worked with Grants, and they did all the paperwork for that, and, as soon as that money is moved over to us, we will move it to the council.

DR. CHEUVRONT: Thanks, Jack.

MR. KLASNICK: Any other questions? I am not seeing any.

MR. WAUGH: Let me mention one other thing too, in terms of Headquarters moving notices. We sent our Federal Register notice for our March council meeting up on February 6, and, yesterday, we got notification that that notice will be placed in public inspection on February 11, and publishing on February 12, and so they're doing, at Headquarters, a super job moving documents through, and we were really surprised to see that move through that quickly, and so we're a go on our March meeting and being able to take official action, regardless of what happens with this next closure.

MR. KLASNICK: Thank you, Brian. On to John.

MR. CARMICHAEL: All right, and so SEDAR will be a little simpler than what we just went through. I will say that the Science Center has done a bang-up job since they got back to work too, in terms of keeping things on track and being able to get projects started back up again pretty quickly with, overall, considering the amount of the shutdown, pretty minimal delays.

Then we hope to have more details on exactly when things will be occurring and things rescheduled by the March meeting, and I'm looking forward to next week and getting with the Science Center and resolving any remaining calendar and scheduling issues that we might have to deal with. Mainly, it's just finding times when workshops can be held within everybody's schedules, as well

as working with the hotels, who have been really generous in terms of things we had to cancel, and SEDAR cancelled a lot. We had a very busy January and February lined up, with workshops and multiple webinars covering Caribbean, Gulf, and South Atlantic assessments, and so it was a busy time, and we're trying to pick up the pieces.

With that, let me get into the details of the South Atlantic assessments, and I will start with the simpler things, and we'll get into a couple of the more complicated ones. First off, we have the greater amberjack and red porgy assessments, which we're just getting underway. Those will shift back probably one to two months, depending on the project, from their original completion dates. The good news there though is these were set to be done this summer and be reviewed by the SSC at their October meeting, and so, presuming everything goes as planned, both of those will be available for the SSC at their meeting this October.

Red porgy might be a little more challenging, because the SSC had requested a workshop, and we're going to have to fit that in with the scheduling. Depending on how our scheduling call goes, I may talk to you guys in March, when we come back, if we have to, to consider whether or not we can squeeze in that workshop, but I will know more about that later.

Then, looking ahead to our 2020 projects, we had tilefish, which I know everyone is interested in, and then snowy grouper, and those are both on track to be delivered as planned, with tilefish in April of 2020 and snowy grouper in October, and so I'm not seeing a rollover effect into our next series of projects, which is great.

There is a king mackerel update that is planned for this year, and it's still on track to be delivered, if not in December of 2019, maybe early 2020, but I think that's going to be pretty well on track as we had planned, and it gets a little more complicated with the yellowtail snapper that FWC is leading, and so it's looking now like we'll probably have about a three-month delay in that workshop. It was scheduled to be the end of the February, and we will need to figure out when we can fit that in, and it may go as far back as late May, and then we'll have to have the FWC staff, the leads on that, figure out what that is going to mean in terms of the final delivery of that project and where maybe some time can be made up, but sometimes you can and sometimes you can't.

Then the last one to highlight is cobia, and so, as you guys know, that's with ASMFC, and the management is transferring over to them, and it's a pretty sizable data workshop, and it was cancelled, and I guess it was mid-January that that was going to be held, and we have some preliminary dates from the Science Center so far, but they're not lining up real great with our hotel availability, and so that's going to probably be the toughest issue that we have to resolve with the Center when we get into the South Atlantic projects, but we're hoping to be able to have that, if not in mid to late March, to maybe be able to have it in early April, and that's kind of where some crossover with that red porgy comes in, and so we may have to prioritize cobia, because it's a bigger, more complicated group and a more challenging hotel situation, and that will give us a little more flexibility on red porgy.

That's the general gist. I would say, overall, considering the length of the shutdown and the condition things were in as we went into it, with a number of data deadlines starting to slip, I think, all in all, we've come out of this pretty good, in most of the South Atlantic, at least, assessment

projects staying largely on track. That wraps it up, and so, if there's any questions, I will be glad to try and answer them.

MR. KLASNICK: Thank you, John. I will take a scan here and see if anybody has any questions. I am not seeing any, and that was the last of the Other Business that Gregg had outlined here. Jessica, I guess I would turn it back over to you, if there's anything else that you all wanted to cover. If not, I think we're good on our end.

MS. MCCAWLEY: Thanks, Kelly, and thanks, Gregg, and thanks, Brian, for the update, and, John, for the update. That was very helpful to hear more about how things are progressing or getting back on track since the shutdown. We are still under Other Business. Is there any other Other Business to come before the Executive Finance Committee? I am scanning through, and I don't see any hands raised. Seeing none, I guess we are good to adjourn, unless, Kelly or Gregg, unless you have any other final announcements.

MR. WAUGH: No, we're good on this end. Thanks to everybody for making time for the webinar.

MS. MCCAWLEY: Thanks, everybody.

(Whereupon, the meeting adjourned on February 8, 2019.)

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Transcribed By:  
Amanda Thomas  
February 11, 2019

# SAFMC Executive Finance Committee Meeting

## Attendee Report:

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## Attendee Details

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