

FINAL
SUMMARY REPORT
EXECUTIVE FINANCE COMMITTEE
SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL
Wilmington, NC
December 2, 2019

The Committee approved minutes from the October 15, 2019 webinar meeting and the agenda. The following topics were addressed:

I. REPORT FROM NOVEMBER 5-7, 2019 CCC MEETING

Gregg Waugh, Executive Director, reviewed the draft report from the meeting focusing on several main areas:

- A. Legislative Work Group** – the CCC approved changes to the working paper: creating an executive summary, adding a new topic for Timing for FMP Revisions, reorganizing topics into 3 categories, adding language to describe impacts on requiring a higher probability of rebuilding, and revising the consensus statement for forage fish.
- B. Modern Fish Act Section 102** – Fishery Management Approaches for Recreational Fisheries. The session highlighted views and approaches about increased flexibility for managing recreational fisheries. At the meeting, Jessica McCawley suggested the Gulf and South Atlantic Councils form a working group to look at flexible management options; the Gulf and South Atlantic representatives at the CCC meeting were in agreement. The Executive Finance Committee discussed this and recommended the SAFMC draft a proposal to address this for the Gulf Council’s review at their January 2020 meeting. The following individuals indicated an interest in serving on the South Atlantic group: Jessica McCawley, Mel Bell, Spud Woodward, Chester Brewer, Chis Conklin, Steve Poland, and Tim Griner.
- C. Committee on Fisheries (COFI)** – the next meeting will be held July 13-17, 2020 in Rome, Italy and Jessica McCawley will represent the CCC.
- D. Management and Budget Update** – NMFS is rolling up the miscellaneous/add-on funds provided to the Councils into the Fisheries Management programs & Services PPA and the Fisheries Data Collections, Surveys & Assessments PPA. This should strengthen the likelihood that these funds will be provided in future years. The Executive Directors will discuss the issue of how to allocate funds within these two line items if they funding level goes up or down and bring a recommendation to the CCC at the May 2020 meeting.
- E. Terms of Reference** – updated to reflect the new meeting schedule, timing for briefing materials, clarifying when public comment will be taken, and the need for 95 days for the CCC to officially comment on documents.
- F. CCC May 27-29, 2020 CCC meeting** – the draft agenda is available and Committee/Council members are invited to provide any input to Jessica, Mel, or John.

II. REPORT FROM OCTOBER 15, 2019 EXECUTIVE FINANCE COMMITTEE MEETING

A. REVIEW 2019 BUDGET YEAR

Kelly Klasnick, Administrative Officer, reviewed the status of year-to-date expenditures for 2019.

B. REVIEW NEW 5-YEAR GRANT (CY 2020-2024)

Gregg Waugh, Executive Director, and Kelly Klasnick, Administrative Officer, updated the committee on the status of the 5-year (2020-2024) grant application and reviewed the cost by year. Based upon guidance received, the 2020 budget is to maintain level funding with the 2019 total, with each subsequent year increasing by up to 10%. We used 10% to give us the largest potential ceiling for funding. Actual funding amounts will be determined by NMFS each year and will differ from the projected amounts shown for years 2021-2024.

The grant application was sent to NMFS on 8/20/19 and has been approved. We included information indicating the estimated cost of support provided by each State. If additional funds become available during the 2020-2024 grant period, consideration will be given to increasing the State liaison grants to offset more of the State-provided support. The grant staff in the region and at headquarters have been very helpful and funds are in the process of being provided to the Council well ahead of January 2020.

In response to a question, it was pointed out that cost for ICCAT and HMS are included. Gregg stated that he estimated the costs shown for South Carolina based on previous activities through the State liaison grant.

C. REVIEW 2020 ACTIVITY SCHEDULES

Gregg Waugh, Executive Director, briefly discussed the activity schedules. The activity schedules have been drafted to reflect Council priorities and this determines Council compensation, meeting related expenses, and travel expenses. The Council approves the Council activity schedule and the SEDAR Steering Committee approves the SEDAR activity schedule. The SEDAR activity schedule is included as information for the Council to use as the South Atlantic Council administers the SEDAR program.

D. REVIEW DRAFT CALENDARY YEAR (CY) JANUARY-DECEMBER 2020 OPERATIONAL BUDGET

Kelly Klasnick, Administrative Officer, and Gregg Waugh, Executive Director, presented a draft Calendar Year (CY; January-December) 2020. There are two major inputs: (1) fixed costs – staff, office-related, state liaison grants, and some contracts; and (2) variable costs – driven by the activity schedules. The activity schedules have been drafted to reflect Council priorities and this determines Council compensation, meeting related expenses, and travel expenses. The Council indicated they want to begin each calendar year with an approved budget. This requires the Council to identify activities for the following year at each September meeting. Council staff then prepared a draft budget that the Executive Finance Committee reviewed and provided guidance in October. The Executive Finance Committee reviewed the draft budget at their December committee meeting. The Committee made no changes to the draft 2020 budget (see motion below).

E. NO-COST EXTENSION

Gregg Waugh, Executive Director, and Kelly Klasnick, Administrative Officer, discussed the no-cost extension to the Council's current 5-year grant (CY2015-2019). Administrative procedures allow the Council to request a no-cost extension for work that was scheduled for completion during the current grant period. This cannot be for new items. The government closure resulted in a significant number of activities being rescheduled. There was considerable concern about the new MRIP numbers and this required additional review by the Council's SSC and discussion by

the Council, all conducted in 2019. In addition, the Council has been working on improved access to regulations by commercial fishermen. The current App provides access to pdf documents which is not as user friendly as the recreational App. The Council has been exploring ways to improve access by commercial fishermen but was not able to complete this work during the current grant. Grant monies are also available for social work and work related to the for-hire electronic reporting amendment. Given these items are a continuation of work under the current grant, they are eligible for the no-cost extension and the Committee approved the no-cost extension (see motion below). The no-cost extension has been approved by NMFS.

III. COUNCIL FOLLOW-UP AND STATUS OF WORK PRIORITIES

Dr. Brian Chevront, Deputy Executive Director for Management, reviewed the table showing the Council amendment activities schedule. The Committee directed staff to include the active amendments document in future briefing books as a way to help remind them of the progress being made on each amendment, even if the Council is not setting priorities at the meeting. Overall, the Committee liked the layout of the spreadsheet and made some suggestions to improve its readability that will be incorporated in future versions.

IV. NMFS DOCUMENTS TO REVIEW

Gregg Waugh, Executive Director, reviewed the three documents out for review: (1) Draft Procedural Directive for Electronic Monitoring Data Retention, (2) Draft Carry-Over and Phase-in, and (3) Modernizing Recreational Fisheries management Act Draft Report. SSC and staff comments were provided. Council members are to provide comments to Gregg Waugh by close of business on Monday, December 9, 2019 and Gregg will work with Jessica to send these comment letters by Friday, December 13, 2019.

Other Business

- A. **Council Award.** In response to a request made at the October 15, 2019 Executive Finance Committee meeting, John Carmichael reviewed award programs of other Councils and the ASMFC. The Committee supported creating a single annual award of excellence to recognize those who have made significant contributions to the Council's management program and regional resources. Staff was directed to prepare a proposal addressing the awards purpose, nomination and review process, and timing of presentation for further discussion in March 2020.
- B. **Request to comment on ASMFC's out of compliance determination on menhaden.** The Committee discussed the request and directed staff to work with Council members to prepare a letter for review during full Council on Thursday. The Committee noted the importance of maintaining the integrity of the inter-state fishery management process, the fact that the NOAA Strategic Plan recommends use of ecosystem-based management principles, and that both the MAFMC and NEFMC are also drafting letters of support.

Motions:

MOTION #1: Approve the draft 2020 operational budget as presented.

Approved by Committee

Approved by Council

MOTION # 2: Approve the no-cost extension as presented.

Approved by Committee

Approved by Council

MOTION # 3: SAFMC develop an annual award of excellence.

Approved by Committee

Approved by Council

MOTION #4: Council send a letter to SOC in support of the actions of ASMFC on menhaden.

Approved by Committee

Approved by Council

Note: Council staff drafts the timing and task motion based on Committee action. If points require clarification, they will be added to the draft motion. The Committee should review this wording carefully to be sure it accurately reflects their intent prior to making the motion.

Timing and Task(s)

MOTION #5. ADOPT THE FOLLOWING TIMING AND TASK(S):

1. Send a letter to the Chris Oliver concerning the ASMFC's out of compliance determination for menhaden by close of business on Thursday, December 5, 2019.
2. Direct staff to include the active amendments document in future briefing books as a way to help remind them of the progress being made on each amendment, even if the Council is not setting priorities at the meeting.
3. Work with the Council chair to send the comment letters to NMFS on the 3 documents by close of business on Friday, December 13, 2019.
4. Council staff will develop a proposal for the South Atlantic/Gulf Council work group to look at flexible management options and bring back to the Committee at the March 2020 Council meeting.
5. Council staff will develop details about an Annual South Atlantic Council Award and bring back to the Committee at the March 2020 Council meeting.

Approved by Council