

Budget Estimates: FY2025 (for approval), FY2026 and FY2027 (for noting)

Agenda item: 7
IPHC-2024-FAC100-07
(D. Wilson & A. Keikkala)



Purpose & Background

- To provide the FAC with the budget estimates for FY2025 (1 October 2024 to 30 September 2025) for recommendation to the Commission (for approval), and for FY2026 and FY2027 (for information) (1 October 2025 to 30 September 2026, & 1 October 2026 to 30 September 2027, respectively).
- In accordance with Regulation 5, para. 3, of the IPHC Financial Regulations (2021) (shown below), the next three (3) fiscal years consist of FY2025, FY2026, and FY2027, noting that we are at the end of the 1st quarter of FY2024.

(Para. 3) “The Executive Director shall prepare and submit to the FAC, Contracting Parties, and Commissioners, no later than 30 days before the FAC meeting, budget estimates for the next three fiscal years.”

FY2025

FY2025 INCOME AND EXPENSES – The IPHC financial budget for FY2025 is proposed at Appendix I.

- Base Contributions (to the IPHC General Fund): The Contributions include a 3.5% increase from FY2023 for both Contracting Parties to **US\$970,606.61** (Canada) and **US\$4,421,652.32** (United States of America).

Other general cost assumptions include increases in operation costs, salaries and wages (5%, based on cost of living and step increases) and health care costs (~12%) (Appendix I).

FY2025

Headquarters Lease and Maintenance (to the IPHC General Fund):

- The headquarters costs to the USA will decrease to **\$458,608.60** in FY2025 in accordance with the new building lease signed in 2023.

FY2025

Deficit payments to the IFC Pension Fund:

- The extra-budgetary deficit payments to the IFC Pension Fund (closed in 2001 to new participants), will increase in FY2025 to **\$150,573** for each Contracting Party. This increase was determined through the updated actuarial report and 10-year amortization of the total deficit which stands at US\$3,011,460.

FY2025

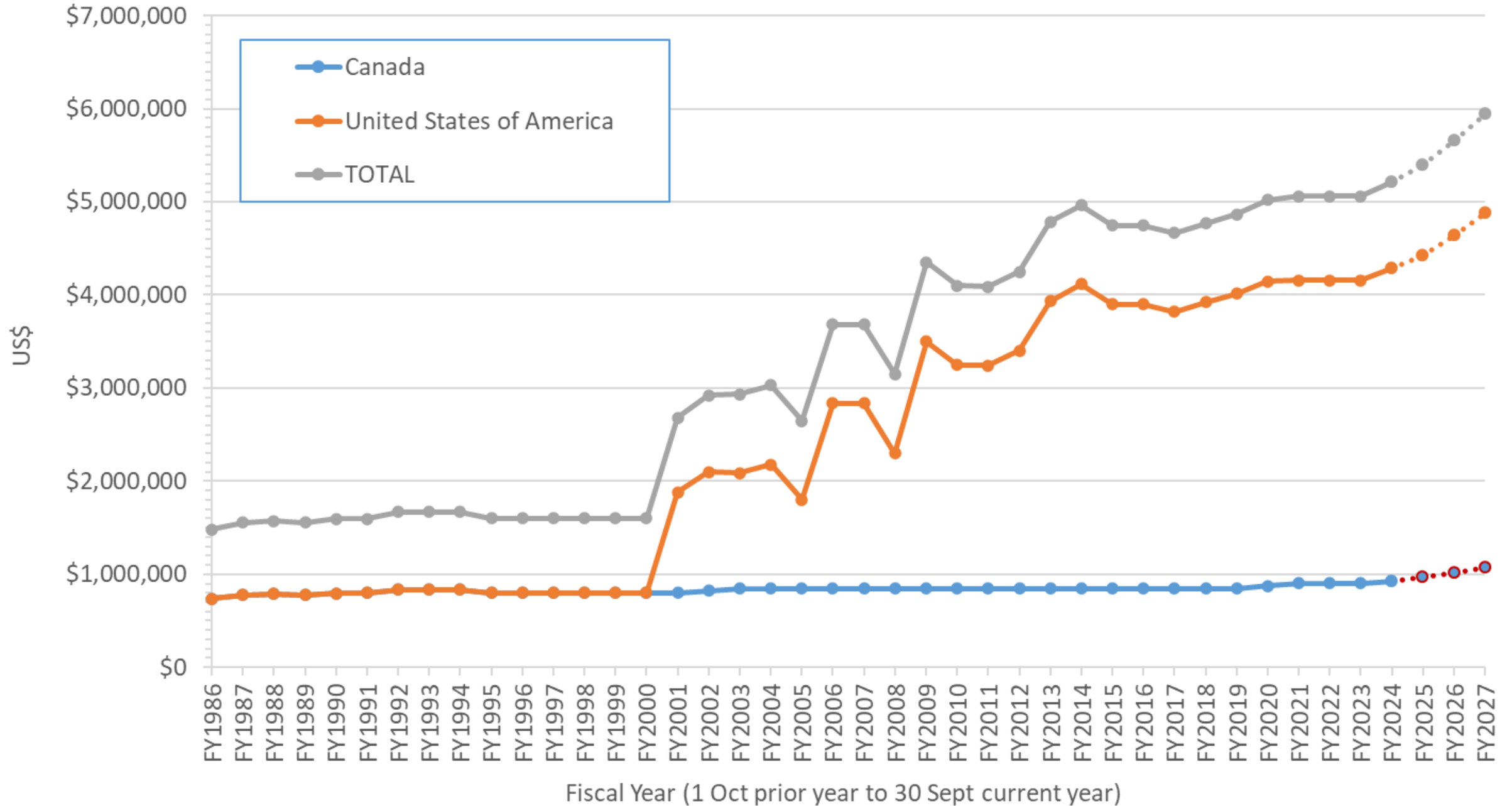
FISS: Income (and expenses) for the IPHC Fishery-Independent Setline Survey (FISS) are tentative as they are based on the design noted at the 99th Session of the IPHC Interim Meeting (IM099) and will likely change substantially prior to the 2025 FISS season.

FY2025 Budget for Approval

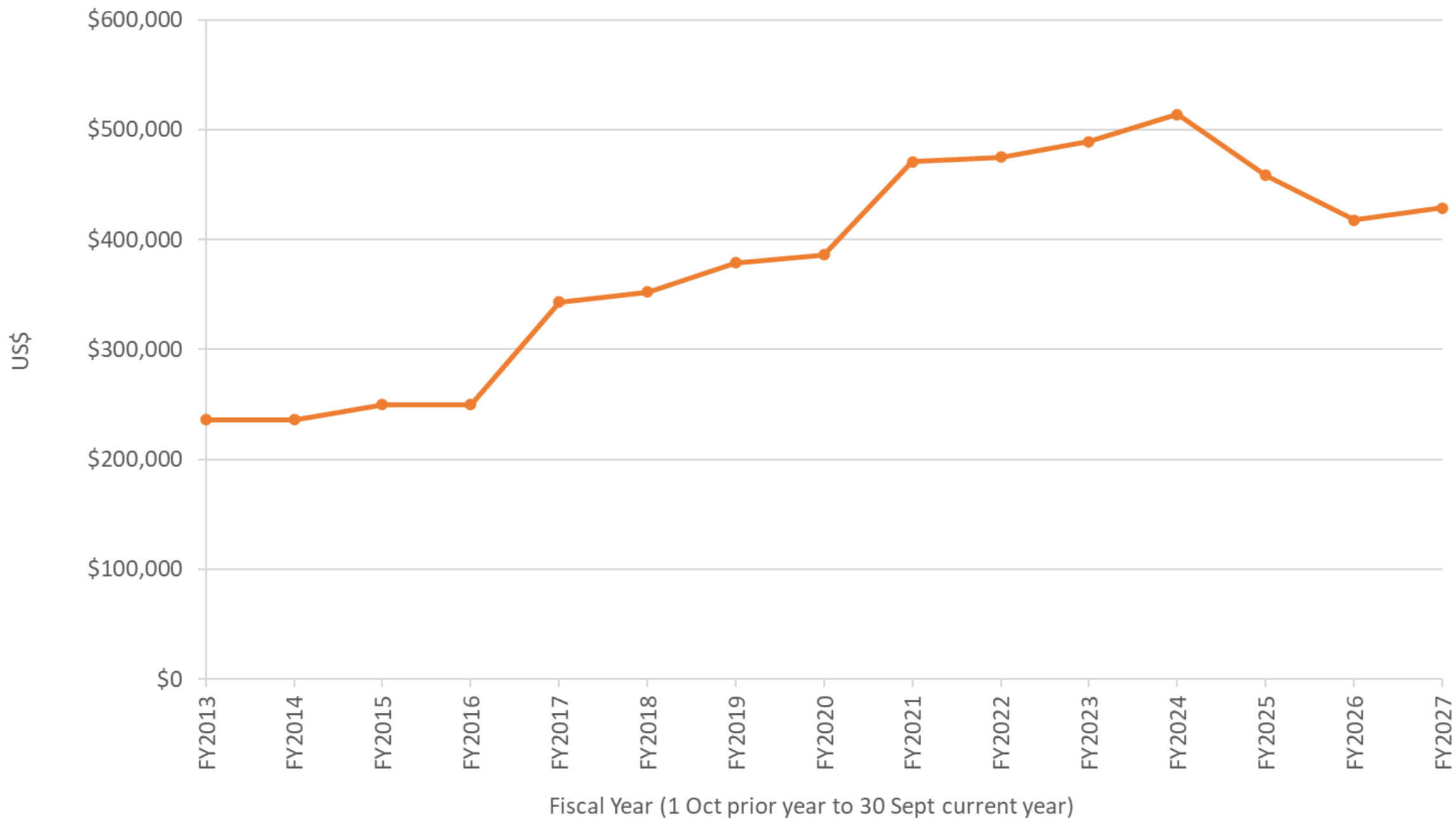
See APPENDIX I

FY2025: Proposed for FAC100		10 - General	20 - Research	30 - Statistics	35 - AK Cost-Recovery	TOTAL (10,20,30)	40 - FISS	TOTAL (All Funds)
Account Number		FY2025	FY2025	FY2025	FY2025	FY2025	FY2025	FY2025
Income								
40000 Contracting Party Contributions								
40000.01 - Canada		\$ -	\$ -	\$ -	\$ -	\$ 970,606.61	\$ -	\$ 970,606.61
40000.02 - United States of America		\$ -	\$ -	\$ -	\$ -	\$ 4,421,652.32	\$ -	\$ 4,421,652.32
	40000 - Contracting Party Contributions	\$ 3,161,820.41	\$ 1,134,240.13	\$ 1,096,198.39	\$ -	\$ 5,392,258.93	\$ -	\$ 5,392,258.93
40055 - Headqartes (Lease and Maintenance)		\$ 458,608.60	\$ -	\$ -	\$ -	\$ 458,608.60	\$ -	\$ 458,608.60
	40055 - Headquarters (Lease & Maintenance)	\$ 458,608.60	\$ -	\$ -	\$ -	\$ 458,608.60	\$ -	\$ 458,608.60
40060 Other Income								
40060.05 - Recoupment leave expenses		\$ 15,452.83	\$ 7,552.95	\$ 19,165.30	\$ 15,452.83	\$ 57,623.90	\$ 7,762.50	\$ 65,386.40
40060.06 - Rent - Dutch Harbor		\$ -	\$ -	\$ -	\$ 5,941.60	\$ 5,941.60	\$ -	\$ 5,941.60
	40060 - Other Income	\$ 15,452.83	\$ 7,552.95	\$ 19,165.30	\$ 21,394.43	\$ 63,565.50	\$ 7,762.50	\$ 71,328.00
40100 Grants, Contracts & Agreements								
40100.01 - 802 - Directed Commercial Catch Sampling of Pacific halibut in Alaska		\$ -	\$ -	\$ -	\$ 999,847.00	\$ 999,847.00	\$ -	\$ 999,847.00
40100.02 - MoU WDFW Rockfish sampling		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,803.00	\$ 37,803.00
40100.07 - Supplementary funding		\$ -	\$ -	\$ -	\$ 63,925.60	\$ 63,925.60	\$ -	\$ 63,925.60
	40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ -	\$ 1,063,772.60	\$ 1,063,772.60	\$ 37,803.00	\$ 1,101,575.60
40200 Interest Income								
40200.01 - Bank Interest		\$ 17,000.00	\$ -	\$ -	\$ -	\$ 17,000.00	\$ -	\$ 17,000.00
	Total 40200 - Interest Income	\$ 17,000.00	\$ -	\$ -	\$ -	\$ 17,000.00	\$ -	\$ 17,000.00
40350 Fish Sales								
40350.01 - Fish Sales - Pacific Halibut		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,468,249.24	\$ 2,468,249.24
40350.02 - Fish Sales - Byproduct		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,645.00	\$ 48,645.00
	40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,516,894.24	\$ 2,516,894.24
	Total Income	\$ 3,652,881.83	\$ 1,141,793.08	\$ 1,115,363.69	\$ 1,063,772.60	\$ 6,973,811.20	\$ 2,562,459.74	\$ 9,536,270.94
Expense								
Personnel Expenses								
	50000 - Salary & Wages	\$ 1,618,065.79	\$ 642,324.62	\$ 784,634.88	\$ 587,860.16	\$ 3,632,885.44	\$ 679,270.50	\$ 4,312,155.94
	50100 - Benefits	\$ 675,303.42	\$ 258,960.98	\$ 275,101.43	\$ 244,000.39	\$ 1,453,366.23	\$ 285,070.53	\$ 1,738,436.76
	50200 - Training & Education	\$ 44,225.00	\$ 19,123.70	\$ 5,847.75	\$ 23,132.98	\$ 92,329.43	\$ 31,050.00	\$ 123,379.43
	50300 - Personnel Related Expenses	\$ 5,122.50	\$ -	\$ 1,532.00	\$ 3,679.55	\$ 10,334.05	\$ 8,280.00	\$ 18,614.05
	Total Personnel Expenses	\$ 2,342,716.71	\$ 920,409.29	\$ 1,067,116.06	\$ 858,673.08	\$ 5,188,915.14	\$ 1,003,671.03	\$ 6,192,586.17
Operational Expenses								
	5000 - Publications	\$ 5,000.00	\$ 7,500.00	\$ 1,609.00	\$ 202.65	\$ 14,311.65	\$ 500.00	\$ 14,811.65
	51100 - Mailing and Shipping	\$ 4,140.00	\$ 7,245.00	\$ 1,811.25	\$ 3,008.66	\$ 16,204.91	\$ 74,002.50	\$ 90,207.41
	51200 - Travel	\$ 102,982.50	\$ 15,343.88	\$ 12,316.50	\$ 40,239.49	\$ 170,882.36	\$ 46,833.75	\$ 217,716.11
	51300 - IPHC Meetings	\$ 201,571.76	\$ -	\$ -	\$ -	\$ 201,571.76	\$ -	\$ 201,571.76
	51400 - Technology	\$ 149,091.54	\$ -	\$ 11,000.00	\$ 4,244.00	\$ 164,335.54	\$ 5,175.00	\$ 169,510.54
	Total Operational Expenses	\$ 462,785.80	\$ 30,088.88	\$ 26,736.75	\$ 47,694.79	\$ 567,306.22	\$ 126,511.25	\$ 693,817.47
Fees and Contract Expenses								
	52000 - Professional Fees	\$ 238,671.00	\$ -	\$ -	\$ 3,377.16	\$ 242,048.16	\$ 4,140.00	\$ 246,188.16
	52100 - Vessel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,500.00	\$ 310,500.00
	52200 - Other Fees and Charges	\$ 41,080.89	\$ -	\$ 1,321.27	\$ 9,737.86	\$ 52,140.02	\$ 32,760.00	\$ 84,900.02
	52300 - Leases and Contracts	\$ 46,123.74	\$ 40,384.67	\$ 4,863.00	\$ 14,100.69	\$ 105,472.10	\$ 1,144,710.00	\$ 1,250,182.10
	54000 - Communications	\$ 36,742.50	\$ -	\$ 3,167.10	\$ -	\$ 39,909.60	\$ 1,656.00	\$ 41,565.60
	Total Fees and Contract Expenses	\$ 362,618.13	\$ 40,384.67	\$ 9,351.37	\$ 27,215.71	\$ 439,569.88	\$ 1,493,766.00	\$ 1,933,335.88
Facilities and Equipment Expenses								
	54000 - Equipment Expense	\$ 3,105.00	\$ -	\$ 5,559.83	\$ 5,324.10	\$ 13,988.93	\$ 15,525.00	\$ 29,513.93
	54000 - Supplies Expense	\$ 43,470.00	\$ 149,875.25	\$ 1,134.88	\$ 6,095.78	\$ 200,575.91	\$ 274,792.50	\$ 475,368.41
	54000 - Maintenance and Utilities	\$ 57,274.31	\$ -	\$ 1,324.80	\$ 899.73	\$ 59,498.84	\$ 1,035.00	\$ 60,533.84
	54000 - Facility Rentals	\$ 432,041.44	\$ 1,035.00	\$ 4,140.00	\$ 33,027.60	\$ 470,244.04	\$ 18,112.50	\$ 488,356.54
	Total Facilities and Equipment Expenses	\$ 535,890.75	\$ 150,910.25	\$ 12,159.51	\$ 44,447.49	\$ 743,407.99	\$ 309,465.00	\$ 1,052,872.99
Other Expenses								
55000 - Budget Contingency		\$ 34,611.97	\$ -	\$ -	\$ -	\$ 34,611.97	\$ -	\$ 34,611.97
55200 - Fund Cost Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55250 - Indirect costs		\$ (85,741.53)	\$ -	\$ -	\$ 85,741.53	\$ -	\$ -	\$ -
	Other Expenses	\$ (51,129.56)	\$ -	\$ -	\$ 85,741.53	\$ 34,611.97	\$ -	\$ 34,611.97
	Total Expense	\$ 3,652,881.83	\$ 1,141,793.08	\$ 1,115,363.69	\$ 1,063,772.60	\$ 6,973,811.20	\$ 2,933,413.28	\$ 9,907,224.48
	Net Income (Loss)	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (370,953.54)	\$ (370,953.54)

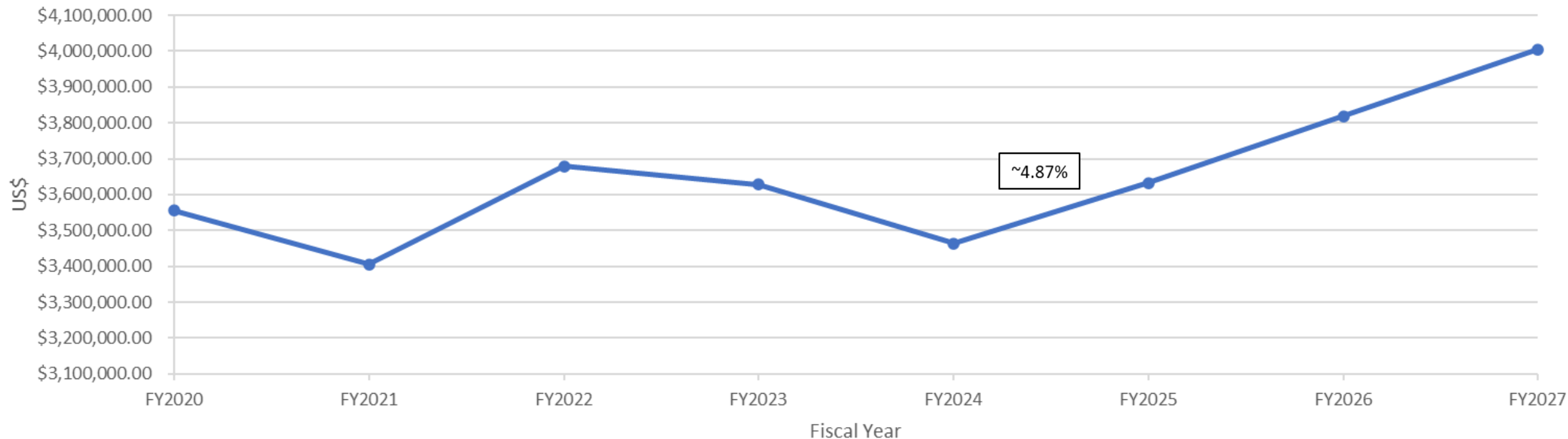
Contracting Party Contributions to the General Fund (FY1986-FY2027)



USA Contributions to the IPHC Secretariat HQ (Lease and Maintenance) (FY2013-FY2027)



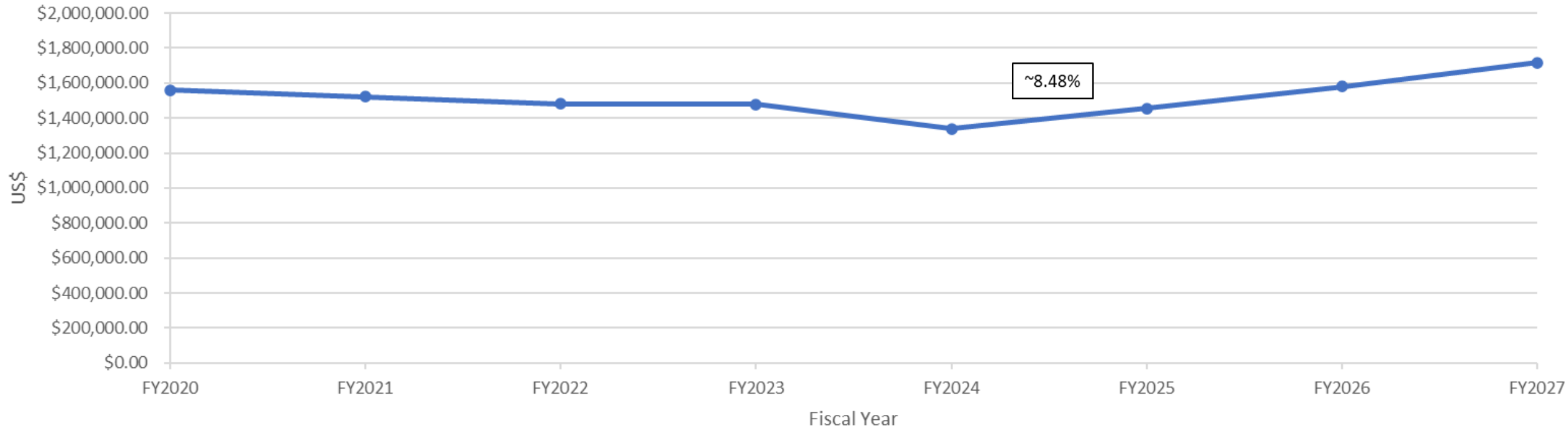
Acc# 50000: Salaries and Wages



Assumptions:

- Maintaining FTE's from FY2024
- 5% annual increase in Seattle-Tacoma pay scale

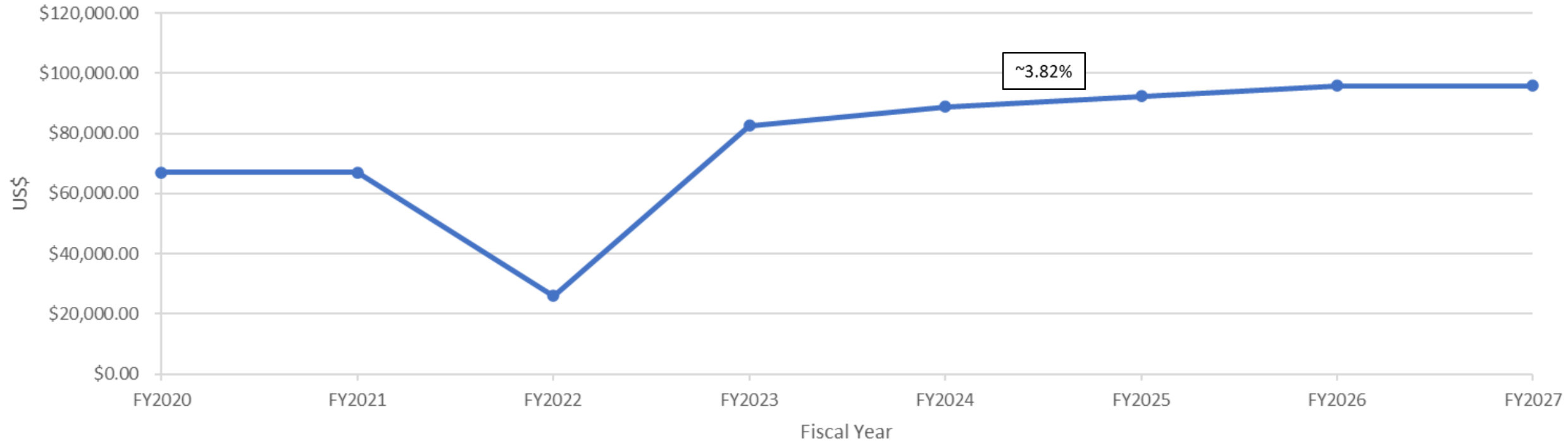
Acc# 50100: Benefits



Assumptions:

- Maintaining FTE's from FY2024
- 12% annual increase in healthcare costs (insurance etc.)
- 5% annual increase in other costs

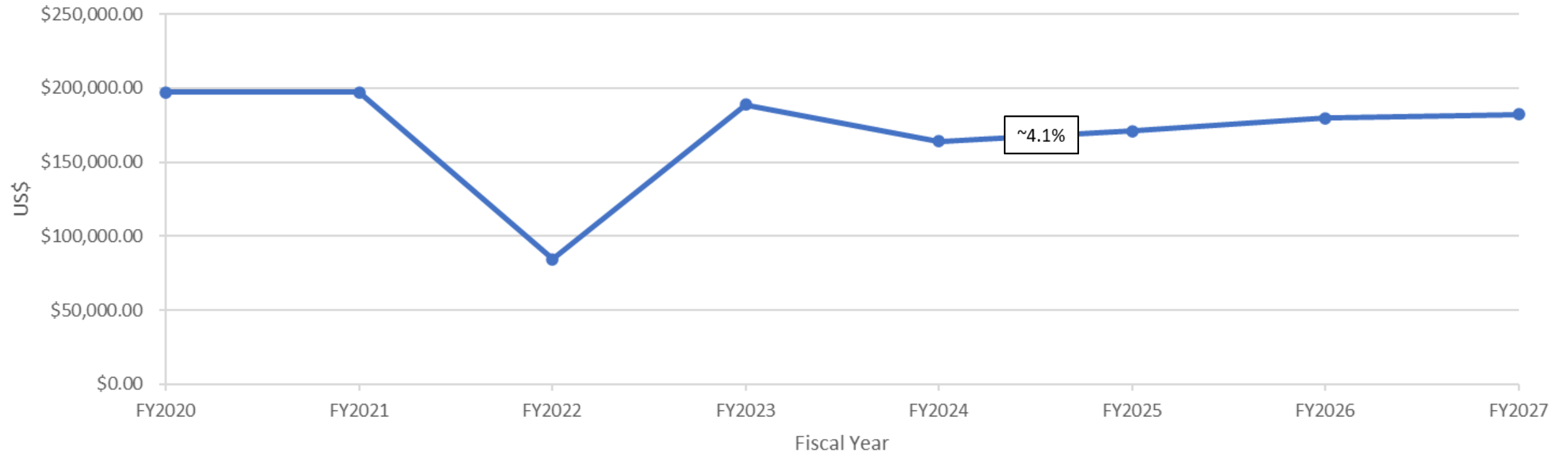
Acc# 50200: Training and Education



Assumptions:

- Nominal increase

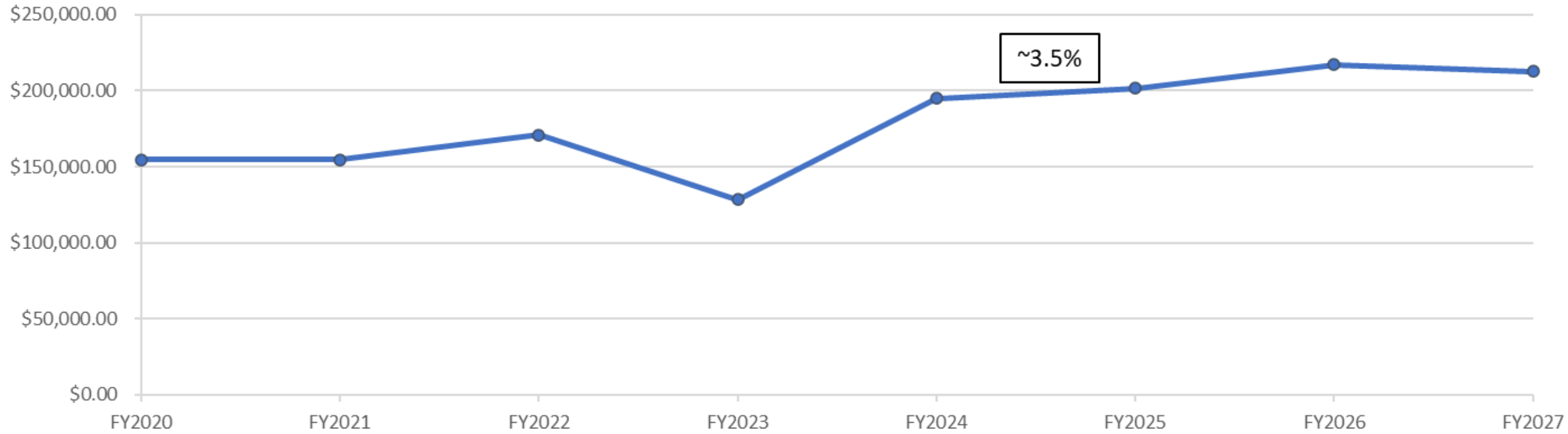
Acc# 51200: Travel



Assumptions:

- Nominal increase

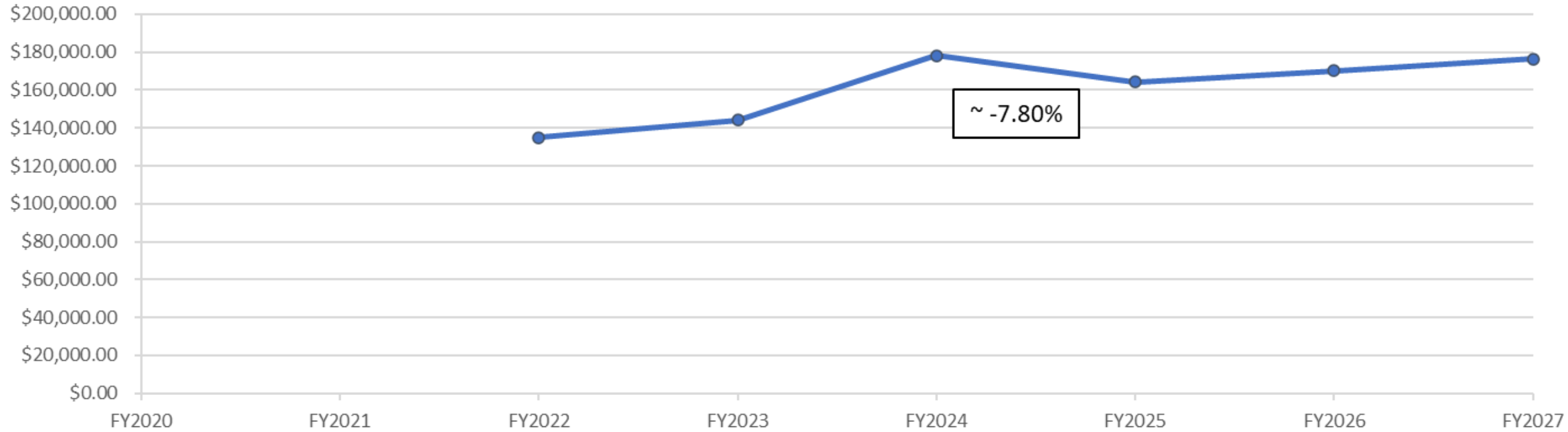
Acc# 51300: IPHC Meetings



Assumptions:

- Nominal increase

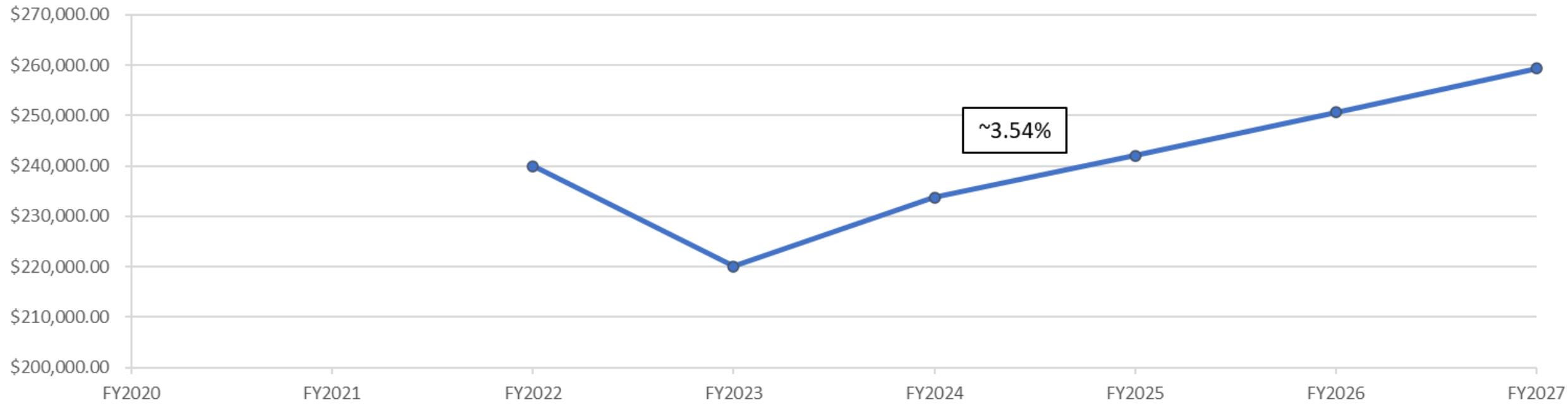
Acc# 51400: Technology



Assumptions:

- Reduced costs in FY2025 due to technology updates throughout COVID and move to replacement schedules.

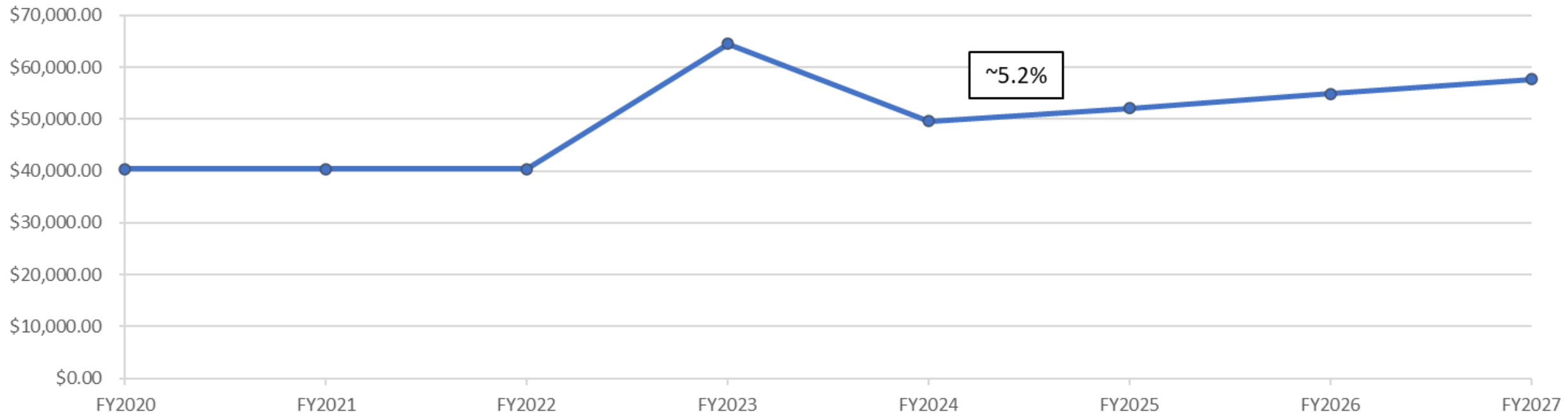
Acc# 52000: Professional Fees



Assumptions:

- Nominal increase

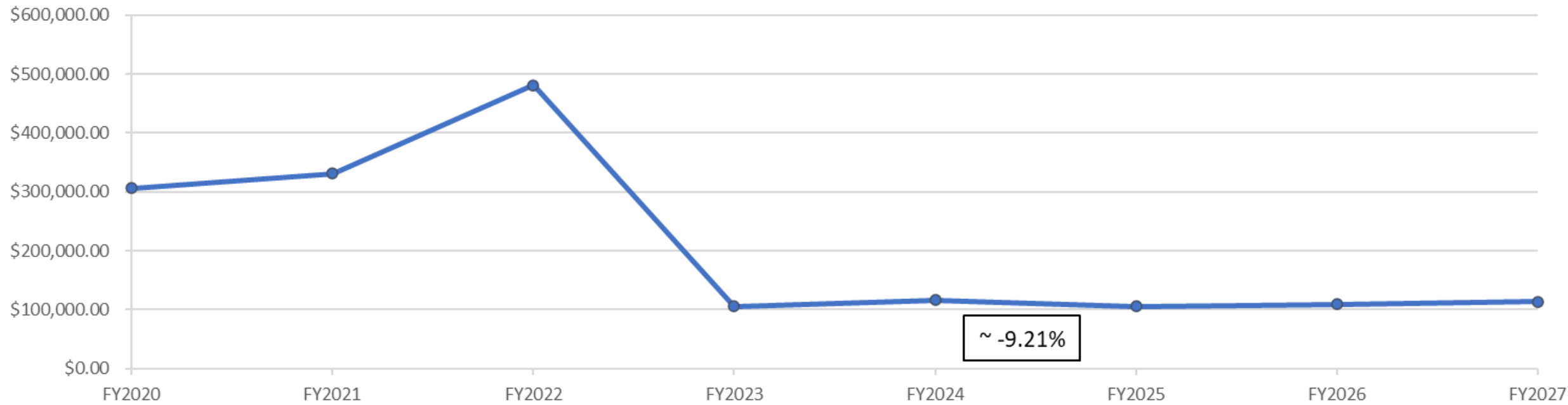
Acc# 52200: Other Fees and Charges



Assumptions:

- Nominal increases in D&O insurance, and General Liability Insurance/Vehicle Insurance

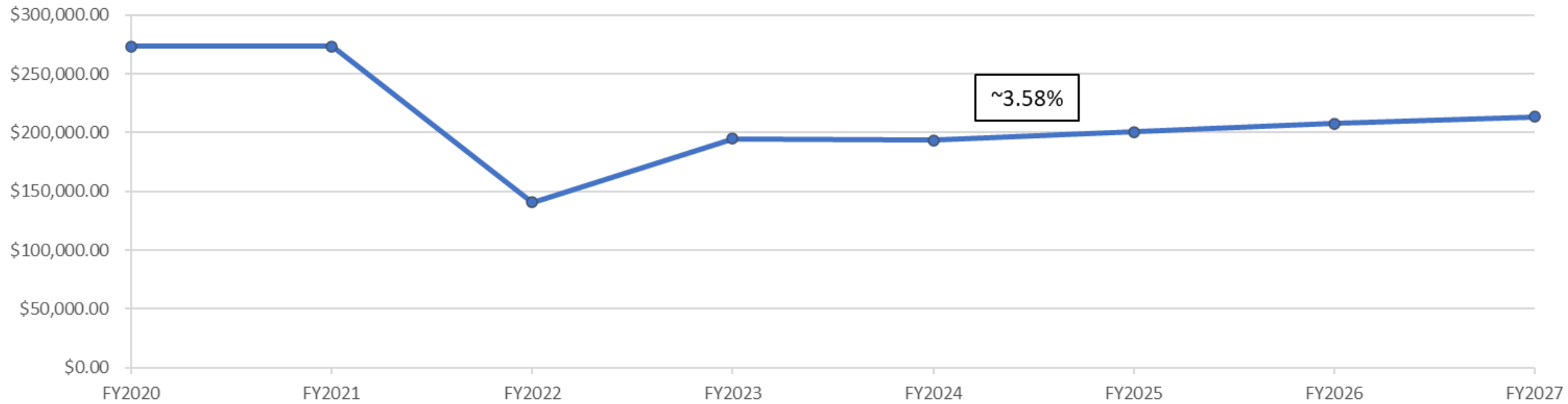
Acc# 52300: Leases and Contracts



Assumptions:

- Declines due to the elimination of field lease contracts, reduced vehicle costs.

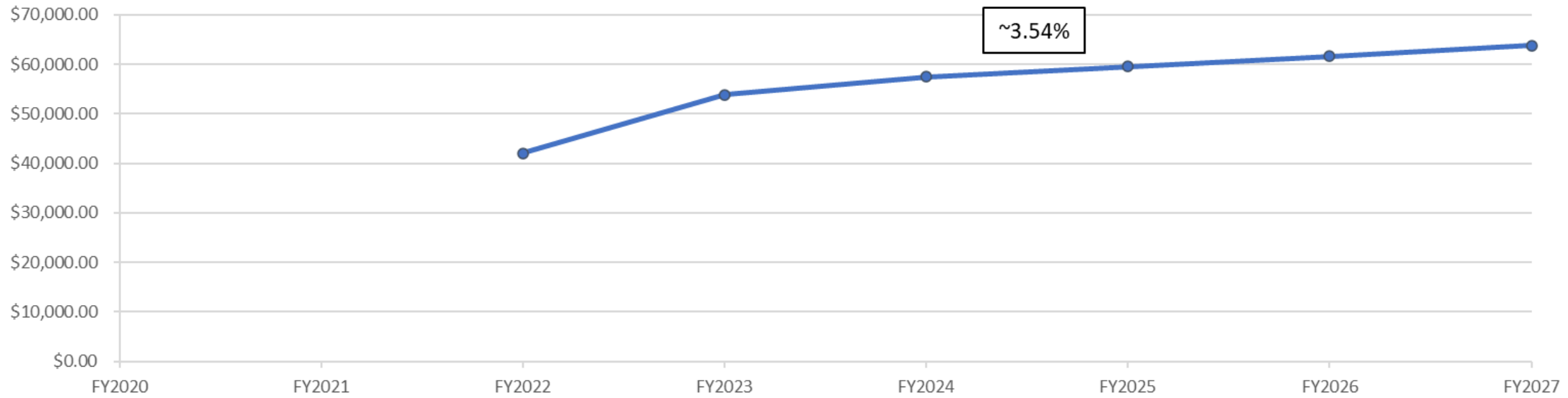
Acc# 53100: Supplies Expense



Assumptions:

- Nominal increases

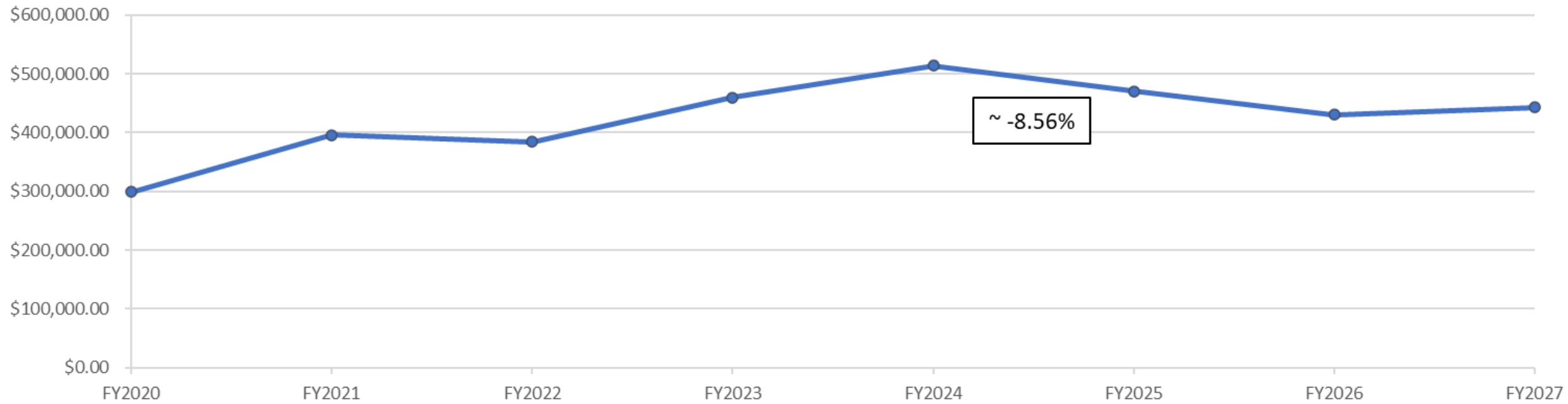
Acc# 53200: Maintenance and Utilities



Assumptions:

- Nominal increases

Acc# 53300: Facility Rentals



Assumptions:

- HQ Lease reduction
- National Archive storage cost reductions

FY2026 and FY2027

FY2026 AND FY2027 INCOME AND EXPENSES – The IPHC provisional budgets for FY2026 and FY2027 (Appendix II) are based on a nominal 5% increase in general contributions for Canada and U.S.A. to cover expected matching increases in operations expenses, cost in salaries (based on cost of living and step increases) and health care costs.

Recommendations

That the FAC:

- 1) NOTE** paper IPHC-2024-FAC100-07 which provided the budget estimates for FY2025 (1 October 2024 to 30 September 2025) for recommendation to the Commission (for approval), and for FY2026 and FY2027 (for information) (1 October 2025 to 30 September 2026, & 1 October 2026 to 30 September 2027, respectively).

Recommendations

That the FAC:

2) RECOMMEND the Commission **ADOPT** the FY2025 budget (1 October 2024 to 30 September 2025) as detailed in Appendix I, including the contributions from the Contracting Parties to the General Fund for FY2025 as follows:

- Canada: Contribution to the General Fund: **US\$970,606.61** (Canada).
- U.S.A.: Contribution to the General Fund: **US\$4,421,652.32** (subject to appropriations).
- U.S.A.: Contribution to the headquarters building lease and maintenance costs: **US\$458,608.60.**

Recommendations

That the FAC:

3) NOTE the optional extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2024 as follows:

- Canada:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan):
US\$150,573
- U.S.A.:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan):
US\$150,573

4) NOTE the tentative budgets for FY2026 and FY2027 (1 October 2025 to 30 September 2026, & 1 October 2026 to 30 September 2027, as detailed in Appendix I and Appendix II, respectively.

INTERNATIONAL PACIFIC
100 years
HALIBUT COMMISSION