

Lessard-Sams Outdoor Heritage Council

MEMO: Regarding Agenda Items #12 & 13 (addendum from Chair and Vice Chair)
DATE: December 10, 2019
SUBJECT: November Forecast Considerations – Prospective ideas for allocation adjustments
FROM: Chair David Hartwell and Vice Chair Ron Schara

Background:

The November 2020 Forecast presents us with a big, but good, surprise. As a result of unexpended funds (turn backs), extra proceeds from the sales tax due to a good economy, interest earnings on our funds exceeding expectations, and a discovery that our original allocation number included a 5% reserve which was already factored into previous numbers, we have additional funds available to us. The adjustments total \$18.2M – a significant sum. So, instead of the \$119M we have allocated, we are now presented with a total of \$137.7M available to us to recommend.

Ron and I have had a chance to discuss this situation. We are in agreement that we should be increasing our recommended appropriation to put the funds to work, rather than waiting to allocate them in the next round of allocation. The question now becomes, how we should best do this?

In conjunction with staff, we wish to suggest two options for consideration by the Council. Our preference is the first, but we felt it important to provide options rather than only one course of action.

We have noticed that our current allocation process does not provide much exchange between us with individual perspectives about specific projects/programs until we have actually provided our individual allocations. At that point we have a chair's proposal, and this means that to advocate increased funding for any project one must take funds away from other projects which then makes it difficult to have those discussions. This is something that Ron and I wish to have the Council revisit before we begin the allocation process in 2020. However, we both feel that these \$18.2 M in unexpected additional funds allow us an opportunity to bring more of our individual perspectives into the mix at this time.

For **Option #1**, we want to suggest taking \$18M and asking each member to propose to the entire Council an allocation of 1/12th of those funds (\$1.5M) added to our existing projects/programs along with their reasoning, but not to exceed the amount requested in the proposal. To keep this from becoming very difficult to manage, we ask that your recommendations be limited to one, two, three or four projects/programs. The Council would then have the opportunity to discuss that recommendation and vote to include that into our recommended appropriation or not. If the Council is not convinced to include a recommendation, the member would then have the opportunity to suggest an alternative.

For **Option #2**, we suggest simply to allocate the extra funds based on a straight percentage so that each project/program receive a boost of about 15.3% to the current recommended allocation. This is a simple way to handle the excess and not without merit in that we have all agreed these projects/programs are worthy of support.

However, in both Ron's and my minds, the second option does not allow us to really take advantage of our individual perspectives about the importance of specific projects or programs. So, we are more in favor of Option #1 than just a percentage allocation of Option #2. But, the ultimate choice on how to handle this is up to the entire Council.