



MEMORANDUM

June 30, 1993

TO: Executive Committee/Finance Committee

FROM: Terry L. Vonker, Executive Director

SUBJECT: Conference Call on Budget Deficit, Work Plan, Retreat

Attached are revised FY 1993 budgets for both GLU Canada and GLU US approved by the Board of Directors at the Annual General Meeting. The US Budget now includes estimates of additional revenue from the ARETS program and Laidlaw for a now estimated total revenue of \$245,800 (I'll explain the \$10,000 estimate of new revenue). This still leaves us \$32,000 in the red in the US with only limited prospects for eliminating the deficit by year end.

I am forced to make the following painful, but necessary recommendation: We must layoff one full time US staff member to make ends meet and we must continue underspending the budget by approximately \$2,000/month to the end of the year. In FY 1992 we were over-staffed by at least one full time staff member for almost the entire year. We ran a \$43,000 deficit as a result and had to sell \$43,000 in assets to cover the red ink. We are facing a \$32,000 deficit in FY 1993, but we do not have \$32,000 in assets to convert. Furthermore, while there is now some assurance that Mott Foundation and Joyce Foundation will fund us, the grant money will not be available until AUGUST.

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"over-staffed" bit w/ long - b/b

The recommended layoff will be viewed by some as being unfair or punitive, but I feel confident that my decision is based on a fair review of the financial and programmatic needs of Great Lakes United. I take no pleasure in the decision. I am recommending that Bruce Kershner be laid off indefinitely beginning July 15, 1993. My reasoning is as follows:

1. Even though Bruce has been a valued employee since October 1987, the decision must be based solely on work force needs and available funding.

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2. Bruce by his own choice is no longer the Editor of the newsletter. Reginald Gilbert was appointed to replace Bruce in April and is now paid out of the Gund Foundation grant. Reg is doing a superb job and is handling the development of other publications as well.

3. Most of the responsibilities of Lake Erie Coordinator are now being handled by Mary Ginnebaugh and by the new Lake Erie Alliance. Gund is not likely to fund the Coordinator in FY 1994. FY 1993?

4. Water diversion and wetlands protection issues can be handled adequately by myself.

5. Sean Enright is now handling a significant share of the public information requests once handled by Bruce. Others can also assist.

6. Sean Enright is the administrator responsible for interns and volunteers and should be able to provide support for those ~~interns~~ who were assigned to Bruce.

7. Without salary support for Bruce under Gund, sufficient General Fund money is not available to support a full time position in issues and research.

I also looked at the possibility of laying off others, including Tony Luppino and Sean Enright. Tony is part time and is almost completely covered by the Great Lakes Protection Fund grant until the end of FY 1993. He is also critical to the functioning of the Labor and Environment Task Force and has done extensive research on potential grantors for the Task Force's several proposals. He also helps produce the Bulletin of Pollution Prevention with Reg Gilbert. Reg is a top notch editor/writer and is highly skilled as a desktop publisher. He knows computers and consistently steers us through the PC morass. Sean is playing a pivotal role in re-establishing GLU's press and public relations image. He has also gained invaluable experience and is critical to the success of future Annual General Meetings. He is my right hand in most of our advocacy efforts, including representing GLU at public hearings. He is also the likely staff person to tap as administrator of the new Laidlaw Mini-grant Program. Michelle, I would not release for any reason. Karen and Mary are essential to GLU administration as Associate Executive Directors and managers of crucial grants.

As I said, I do not take pleasure in ordering layoffs. Many sleepless nights have gone into this decision. But we must put our financial house in order and move forward.

In addition to discussing the budget and layoff, we also need to discuss the retreat and the strategic planning initiative. Dottie will be available for the budget discussion. Karen will be available for the retreat and strategic planning discussion.
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GREAT LAKES UNITED
FISCAL YEAR 1993 U.S. BUDGET

Expenses

Salaries	149,600	
Co-payment Fund	2,800	
Benefits (FICA, Health, @21.6)	32,350	184,750
Audit	2,300	
Accounting	13,000	
Legal	1,000	16,300
Office Space	5,700	5,700
Strategic Plan	15,000	15,000
Computer	2,000	
Copy Machine	5,000	
Postage Meter	600	
Equipment Repair & Maint	2,000	9,600
Telephone	7,000	
Postage	7,000	
Office Supplies	3,500	
Book Purchase	100	
Computer Supplies	750	
Printing	10,000	
Insurance	600	
Memberships	500	29,450
Travel Staff	10,000	
Travel President	1,500	
Travel Board	4,000	15,500
Contingency	1,500	<u>1,500</u>
TOTAL		277,800

Income

Gund Foundation	30,000	Committed
Gund Foundation (LEA)	1,200	Committed
Joyce Foundation (1993)	65,000	Committed
Mott Foundation (1993)	13,333	Committed
G.L. Protection Fund	30,000	Committed
Mott Foundation (1993-94)	35,000	Requested (Pro 1993)
Joyce Foundation (1993-94)	31,250	Requested (Pro 1993)
Laidlaw (Mini-grant Admin)*	5,000	
Donations	5,000	
Organizational Memberships	15,000	
Individual Memberships	7,000	
Interest Income	3,000	
Other Misc. Grants	<u>32,017</u>	
TOTAL	277,800	

*Estimate of administrative costs for new mini-grant program being proposed by Laidlaw to match in the all quarters.
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GREAT LAKES UNITED

FISCAL YEAR 1993 CANADIAN BUDGET

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Contractual Services	30,000	30,000
Accounting	5,000	
Bank Charges	250	
Legal	500	5,750
Office Space	3,000	3,000
Copying	1,500	
Postage	1,000	
Printing	1,000	
Telephone	2,500	
Office Supplies/Equipment	1,000	7,000
Travel Board	3,500	
Travel Vice President	1,000	
Travel Director	2,250	
Travel Executive Director	500	<u>7,250</u>
TOTAL		53,000

Income

Laidlaw Foundation	10,000	Committed
Ministry of Environment*	14,000	Requested
Donations	500	
Organizational Members	3,000	
Individual Members	1,000	
Interest Income	500	
Misc. Contracts	4,000	
Supplemental Grants	<u>20,000</u>	
TOTAL	53,000	

*Administration portion of Trade Project

GREAT LAKES UNITED
FISCAL YEAR 1994 U.S. BUDGET

Expenses

Salaries	145,000	
Co-payment Fund	2,000	
Benefits (15%)	22,000	169,000
Audit	2,500	
Accounting	9,600	
Legal	1,000	13,100
Office Space	6,800	6,800
Strategic Plan Expense	7,500	7,500
Computer	2,000	
Copy Machine	5,000	
Postage Meter	600	
Equipment Repair & Maint.	2,000	9,600
Telephone	7,000	
Postage	7,000	
Office Supplies	3,500	
Book Purchase	100	
Computer Supplies	800	
Insurance	700	
Memberships	500	19,600
Printing	9,000	9,000
Travel Staff	10,000	
Travel President	1,500	
Travel Board	4,000	15,500
Contingency	1,500	<u>1,500</u>
TOTAL		251,600

Income

Gund Foundation (Continuation)	35,000	To be requested
G.L. Protection Fund (Cont'n)	35,000	To be requested
Mott Foundation (94)	40,000	Requested (Pro 1994)
Joyce Foundation (94)**	75,000	Requested (Pro 1994)
Laidlaw Foundation (New)*	10,000	To Be requested
Donations	10,000	
Organizational Memberships	20,000	
Individual Memberships	10,000	
Interest Income	3,000	
Other Misc. Grants	<u>13,600</u>	
TOTAL	251,600	

*Administrative portion of a proposed mini-grant program
 **Anticipated continuation funding for 1994-1995

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GREAT LAKES UNITED

FISCAL YEAR 1994 CANADIAN BUDGET

Expenses

Contractual Services	30,800	30,800
Accounting	2,950	
Bank Charges	250	
Exchange to US	3,500	
Legal	1,000	7,700
Office Space	3,000	3,000
Copying	1,500	
Postage	1,000	
Printing	1,000	
Telephone	2,500	
Office Supplies	1,000	
Equipment	1,000	8,000
Board Travel	4,000	
Travel Vice President	1,500	
Travel Canadian Director	2,500	
Travel Executive Director	1,000	<u>14,000</u>
TOTAL		63,500

Income

Donations	2,000
Organizational Members	4,000
Individual Members	2,000
Interest Income	500
Misc. Contracts	10,000
Supplemental Grants	<u>45,000</u>
TOTAL	63,500

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