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May 5, 2020

DECISION MEMORANDUM

TO: Council members

FROM: Sandra Hirotsu Michael Osborne
Administrative Division Director Business Manager

SUBJECT: Decision to release for public comment the Fiscal Year 2022 and Fiscal Year 2021 Revised Budget

PROPOSED ACTION: Staff recommends the Council approve the release of its draft Fiscal Year 2022 and Fiscal Year 2021 Revised budget for public comment through June 30, 2020.

SIGNIFICANCE: As part of its annual budget development process, the Council provides for a public comment period on its draft budget. The funding necessary for the Council to carry out its activities and responsibilities under the Northwest Power Act is provided by the Bonneville Power Administration based on the Council's adopted budget. Following public comment, the Council adopts its budget in July or August of each fiscal year and forwards the adopted budget to Bonneville for inclusion in its budget transmittal to Congress.

BUDGETARY/ECONOMIC IMPACTS

The proposed Fiscal Year 2021 Revised budget is \$ 11,744,000 and the proposed FY 2022 budget is \$12,042,000. These budgets are both below the calculation of the budget cap based on the forecast of firm power sales as specified in the Northwest Power Act.

BACKGROUND

For the last 20 years the Council's budget has consistently grown at or less than the rate of inflation. In addition, through our ongoing efforts the Council has consistently underspent its budget with all savings reverting to Bonneville. The Council's FY2021 revised budget of \$11,744,000 is lower than the FY2021 budget adopted last year of \$11,893,000. The proposed FY2022 budget of \$12,042,000 is also a reduction from the FY2022 budget projection last year of \$12,133,000. A reduction in travel expenses across the board for central and state offices is the primary driver of the reduced expenditures in FY2021 and FY2022. Reductions made to operating expenses for the central office are less impactful on the overall budget given projections for increased costs of maintaining employee benefits.

ANALYSIS

Interested parties will be given an opportunity to comment on the draft budget. Written comments on the draft budget can be submitted through June 30, 2020. An opportunity for oral comment will be provided at the June 2020 Council meeting. The draft Fiscal Year 2022 budget and Fiscal Year 2021 revisions document will be posted and available for viewing and comment on the Council's website when approved for release by the Council.