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July 13, 2022

DECISION MEMORANDUM

TO: Council members

FROM: Sandra Hirotsu
Administrative Division Director

SUBJECT: Decision to adopt Fiscal Year 2024 and Fiscal Year 2023 Revised budget

PROPOSED ACTION: Staff recommends the Council adopt the Fiscal Year 2024 and Fiscal Year 2023 revised budget as proposed in this memo. Staff also recommends that the Council authorize reprogramming of available Fiscal Year 2022 funds for unanticipated Fiscal Year 2022 costs.

SIGNIFICANCE: 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 a public comment period and consideration of comments received on the draft budget, the Council adopts a final budget in July or August of each fiscal year and forwards the final budget to Bonneville for inclusion in its budget transmittal to Congress.

BUDGETARY/ECONOMIC IMPACTS

The draft budget released for public comment in May proposed a Fiscal Year 2023 revised budget of \$11,850,641 and a Fiscal Year 2024 budget of \$12,217,326. The budgets are below the budget cap set forth in the Northwest Power Act, based on Bonneville's forecast of firm power sales for Fiscal Years 2023 and 2024.

BACKGROUND AND ANALYSIS

Over the last twenty years, the Council's budget has grown at or less than the rate of inflation. And, even with the incremental growth in its budget, the Council has been conservative in its spending and has consistently underspent its adopted budget.

In May 2022, the Council released a draft budget document for a 35-day public comment period including an opportunity to provide oral comments at the Council's June monthly meeting. The Council did not receive any written or oral comments on the draft budgets for FY2023 and FY2024.

STAFF RECOMMENDATION

1. Staff recommends adopting the Fiscal Year 2023 Revised budget of \$11,850,641—a reduction of more than \$340,000 from the budget adopted last year for FY2023.
2. Staff recommends adopting the Fiscal Year 2024 budget of \$12,217,326—a reduction of more than \$233,000 from last year's projection for FY2024.
3. Staff recommends the Council authorize reprogramming of available Fiscal Year 2022 funds for unanticipated Fiscal Year 2022 costs.