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July 5, 2023

DECISION MEMORANDUM

TO: Council members

FROM: Sandra Hirotsu
Administrative Division Director

SUBJECT: Decision to adopt Fiscal Year 2025 and Fiscal Year 2024 Revised budget

PROPOSED ACTION: Staff recommends the Council adopt the Fiscal Year 2025 and Fiscal Year 2024 revised budget as proposed in this memo. Staff also recommends that the Council authorize reprogramming of available Fiscal year 2023 funds for unanticipated Fiscal year 2023 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 2024 revised budget of \$12,206,857 and a Fiscal Year 2025 budget of \$12,725,518.

The Fiscal Year 2024 revised budget is below the limit set in the Northwest Power Act on the amount Bonneville may provide for the Council's operating budget, a limit based

on Bonneville's forecast of firm power sales for Fiscal Year 2024. The Fiscal Year 2025 budget exceeds that limit. The Council anticipates using savings from spending below its budget in Fiscal Year 2022 to cover expenditures above that threshold, which currently stands at \$12,268,242 for Fiscal Year 2025.

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 2023, the Council released a draft budget document for a 43-day public comment period including an opportunity to provide oral comments at the Council's June meeting. The Council did not receive any written or oral comments on the draft budgets for Fiscal Years 2024 and 2025.

STAFF RECOMMENDATION

1. Staff recommends adopting the Fiscal year 2024 Revised budget of \$12,206,857 --a reduction of approximately \$10,000 from the budget adopted last year for Fiscal year 2024.
2. Staff recommends adopting the Fiscal year 2025 budget of \$ 12,725,518--a reduction of approximately \$ 71,000 from last year's projection for Fiscal Year 2025. The Council will utilize savings from previous fiscal years to cover any expenditures in Fiscal Year 2025 above Bonneville's funding limit as set forth in the Power Act.
3. Staff recommends the Council authorize reprogramming of available Fiscal Year 2023 funds for unanticipated Fiscal Year 2023 costs.