

Bill Bradbury
Chair
Oregon

Henry Lorenzen
Oregon

W. Bill Booth
Idaho

James A. Yost
Idaho



Jennifer Anders
Vice Chair
Montana

Pat Smith
Montana

Tom Karier
Washington

Phil Rockefeller
Washington

April 30, 2013

DECISION MEMORANDUM

TO: Council members

FROM: Sharon Ossmann

SUBJECT: Decision to release Fiscal Year 2015 and Fiscal Year 2014 Revised budget

PROPOSED ACTION:

Staff is recommending that the Council approve the release of its draft Fiscal Year 2015 and Fiscal Year 2014 Revised budget for public comment.

SIGNIFICANCE:

As part of its annual budget development process, the Council provides for a 30-60 day public comment period on its draft budget. Interested parties will be given an opportunity to request consultations with staff and submit written comments on the draft budget between May 9, 2013 and June 28, 2012. An opportunity for oral comment will be provided at the June 11-12 Council meeting in Missoula, Montana.

BUDGETARY/ECONOMIC IMPACTS:

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.

BACKGROUND:

In 2011, the Council entered into an agreement with Bonneville to hold the budget at reduced levels for the fiscal years 2013-2015 rate case period. The Fiscal Year 2014 Revised budget is

\$10,565,000, an amount under the level proposed in that agreement. The projected FY2015 budget of \$10,794,000 is \$4,000 under the budget agreement amount. These levels of funding are below the maximum firm sales forecast cap as defined by the Act.

ANALYSIS:

The Council's FY2014 revised budget of \$10,565,000 is \$206,000 higher than the FY2014 budget level adopted last year. This budget reflects an increase of \$282,000 (2.74%) from the FY2013 current operating budget. The increase represents addition of one staff position in the power division to assist with the resource portfolio model, inflationary increases in the cost of personal services and benefits, and anticipated increases in contracting activities.

The proposed FY2015 budget of \$10,794,000 is \$229,000 (2.17%) higher than the revised FY2014 budget. This increase reflects the anticipated increase in personal services and benefits costs, and an anticipated decrease in contracting expenditures.

ALTERNATIVES:

1. Approve the release of the draft budget document for public comment. This is the recommended action.
2. Prepare alternative budget adjustments for Council consideration at the June Council meeting. During the public comment period, the Council will have an opportunity to consider additional adjustments to the budget numbers and narrative sections of the document. Delaying the release of this draft document is not recommended.

ATTACHMENTS:

Tables 1 through 3, Table 14 and Appendix A. The complete Draft Fiscal Year 2015 Budget and Fiscal Year 2014 Revisions document will be forwarded via email later this week and hard copies will be available at the meeting in Boardman.

NORTHWEST POWER AND CONSERVATION COUNCIL

BUDGET/EXPENDITURE SUMMARY

(000's)

	FY12	FY12	FY13	FY13	FY13	FY14	FY14	FY14	FY15	FY16	FY17	FY18	FY19
	Budget	Actual	Budget	Estimate	Budget	Revised	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Expenditures:													
Personal Services*	\$5,432	\$5,091	\$5,411	\$5,325	\$5,507	\$5,629	\$5,829	\$5,977	\$6,127	\$6,249	\$6,374		
Travel	223	228	237	247	248	\$253	261	270	274	280	284		
Contracts	353	412	491	476	383	\$428	358	383	383	368	368		
Other Operating Expenses	<u>1,088</u>	<u>1,109</u>	<u>1,104</u>	<u>1,166</u>	<u>1,107</u>	<u>\$1,118</u>	<u>1,130</u>	<u>1,159</u>	<u>1,165</u>	<u>1,208</u>	<u>1,208</u>		
SUBTOTAL	\$7,096	\$6,840	\$7,243	\$7,214	\$7,245	\$7,428	\$7,578	\$7,789	\$7,949	\$8,105	\$8,234		
State Budgets	3,046	2,796	3,040	3,033	3,114	3,137	3,216	3,305	3,389	3,463	3,547		
TOTAL	<u>\$10,142</u>	<u>\$9,636</u>	<u>\$10,283</u>	<u>\$10,247</u>	<u>\$10,359</u>	<u>\$10,565</u>	<u>\$10,794</u>	<u>\$11,094</u>	<u>\$11,338</u>	<u>\$11,568</u>	<u>\$11,781</u>		

**Northwest Power Planning Council
State Budgets--FY 2015
(000's)**

	Idaho	Montana	Oregon	Washington	Total
PERSONNEL					
Salaries	\$427	\$411	\$443	\$479	\$1,760
Taxes, Insurance & Benefits	200	193	188	203	784
SUBTOTAL	\$627	\$604	\$631	\$682	\$2,544
TRAVEL	81	85	70	75	311
CONTRACTS	30	40	10	20	100
OTHER OPERATING EXPENSES	66	55	73	67	261
TOTAL	\$804	\$784	\$784	\$844	\$3,216

*Includes Council members.

**FY2014 Budget Revisions
(000's)**

	BUDGET	REVISION	CHANGE
Compensation	\$3,798	\$3,829	\$31
Other Payroll Expenses	1,709	1,800	91
Total Compensation/Payroll	\$5,507	\$5,629	\$122
Travel	248	253	5
Contracts	383	428	45
Other Operating Expenses	1,107	1,118	11
Total Travel/Contract/Other	\$1,738	\$1,799	\$61
Idaho	\$790	\$777	(\$13)
Montana	766	\$768	2
Oregon	766	\$766	0
Washington	792	\$826	34
Total States	3,114	3,137	23
TOTAL	\$10,359	10,565	\$206