

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle City Light	Lynn Best (386-4586)	Greg Shiring (386-4085)

1. BILL SUMMARY

Legislation Title: A RESOLUTION establishing a 5-year budget review process and approving the proposed budget framework of the Skagit Environmental Endowment Commission for its fiscal years 2015 through 2018.

Summary and background of the Legislation: This Resolution adjusts the method by which the City of Seattle reviews and approves the annual budget of the Skagit Environmental Endowment Commission (SEEC). Instead of processing a separate resolution each year, the City will review and approve SEEC 5-Year plans and budget frameworks. SEEC is entering the 2nd year of its current 5-Year Plan, and so this resolution also approves the SEEC budget framework for the period April 1, 2015 through March 31, 2019. Actual City of Seattle monetary contributions to the SEEC budget for fiscal years 2015 - 2018 will be subject to Council approval through the annual budget ordinance process.

Background: The Skagit Environmental Endowment Fund was jointly established by Seattle City Light and BC Hydro during the period 1985-89, as a result of the 1984 High Ross Treaty between the US and Canada and an associated Agreement between the City of Seattle and British Columbia. The Endowment Fund is not part of the City of Seattle's annual budget, but City approval is required by the Treaty and Agreement.

The Fund currently is managed by the Canadian Imperial Bank of Commerce to maintain capital and produce revenue. SEEC policy is to preserve the corpus of the fund, considering inflation, and the Commission expends available proceeds from the fund according to a budget developed through its own program needs. To promote efficient program planning and delivery and to enhance accountability, the Commission has moved in recent years to a partnership approach, implemented through a 5-Year Plan. This resolution will support this approach, while maintaining efficient oversight by the City of Seattle.

The Treaty and Agreement require Seattle City Light to supplement the fund by an annual, inflation-adjusted payment, based on a fixed amount of power purchase. In the 2013-14 fiscal year, this payment was \$130,596.51. Seattle City Light's payments for future years are anticipated in the City's annual adopted budgets in the Purchased Power Budget Control Level.

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation does not have direct financial implications.

4. OTHER IMPLICATIONS

- **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

The legislation helps to fulfill Seattle's obligations and secure ongoing benefits under the High Ross Treaty and Agreement. Seattle City Light pays into the fund, as described in the background presented above, and provides staff support to the Commission as needed.

- **Is there financial cost or other impacts of not implementing the legislation?**

The legislation fulfills City obligations under the High Ross Treaty and Agreement and produces no additional cost to the City. Not implementing the legislation could have financial costs relating to the operation of the Skagit Hydroelectric Project, to business practices of SEEC, and to legal relations involving the Treaty and Agreement.

- **Does this legislation affect any departments besides the originating department?**

No

- **Is a public hearing required for this legislation?**

No

- **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

- **Does this legislation affect a piece of property?**

No

- **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

No

- **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

- **Other Issues:**
The Commission continues to operate in a fiscally responsible manner, keeping the City informed of its activities and expenditures, and continues to conduct valuable public programs in collaboration with a number of public and non-profit partners.

List attachments below:

Exhibit 1: Briefing Paper for Skagit Environmental Endowment Commission 2014-2018 Five-year Plan and Budget Framework

Exhibit 2: 2014 Annual Report: Skagit Environmental Endowment Commission