

BES Budget Context & Notes (for PUB November 5, 2019) provided by Jonas Biery, BES

- A few notes on the “preliminary assessment” chart specifically:
 - For the “major changes” column, we identified areas that have a likely increase in FTE and/or an significant shift in non-FTE resources.
 - For the “hot topics” column, we identified areas that we believe PUB may be interested in, per prior conversations – community engagement, CIP, Portland Harbor and the “Other” category (see below).
 - For the “Equity” column, we focused on areas for which changes will result in significant equity improvements. Equity is an important consideration to all program areas, whether there are material changes or not! Program offers with equity marked as “TBD” simply means that we are still determining the scope and scale of changes within those areas – and equity impacts are an ongoing consideration in that discussion.
 - Lastly, we added a row at the bottom for “Other”. There are a handful of likely budgetary changes that will result from the ongoing bureau transition discussion (as noted in the chart). For some of these changes, we have not yet determined in which Program Offer areas those changes best fit for FY2020-21. That determination will be made in the coming weeks.

- A few comments on the BES budget generally:
 - The bureau continues on a path toward rate stability and sustainability over the long-term, and we expect to stay within FY2020-21 rate increase profile of 3.0%, per the Mayor’s Budget Guidance.
 - On Friday, November 1, the bureau’s credit rating was upgraded to AA+/AA by Standard & Poor’s (independent credit rating agency). This affirms the bureau’s financial and management strength, and continues to rank us among the top 5-10% of sewer/stormwater utilities in the US.
 - FY2020-21 budget development remains a work-in-progress at this time. The leadership team is completing FY2020-21 prioritization of changes during the month of November. We will begin technical reviews and updates to narrative elements during December.
 - For FY2020-21 Program Offers will remain essentially the same as the prior year (first year under the new format). However, we will likely modify Program Offer areas for FY2021-22 budget to align with bureau transition work currently underway. That shift will also better align with robust performance metrics (for FY2021-22).
 - We always appreciate the due diligence and input from PUB. We look forward to hearing how PUB would prefer to be engaged through the budget process, and we are happy to provide any additional information that you request!