



Financial Services Audit Committee Communication

Date: January 17, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Water Residential Assistance Program Reallocation Request for Uncommitted FY 2019 Funds

Background: After the completion of each fiscal year, Wayne Metro recommends to the GLWA Board of Directors the reallocation of uncommitted assistance and conservation funds to those member partners that have fully committed its annual budgeted funds, due to the increased need within their community. Included in this memo is the recommended reallocation for the uncommitted FY 2019.

Analysis: On October 18, 2019, the quarterly Water Residential Assistance Program (“WRAP”) report was presented to the GLWA Audit Committee. Included in that report was the budgeted WRAP assistance and conservation allocations to the City of Detroit and the counties served by GLWA for FY 2019 and the FY 2019 committed assistance and conservation funds. Based on the FY 2019 activity in **Table 1** below, there was a total of \$2,013,916 in uncommitted WRAP funds.

Table 1 – WRAP Activity for FY 2019

County/City	FY 2019 WRAP Spending						
	Direct Assistance			Conservation			Total
	Allocated Direct Assistance	Committed Direct Assistance	Uncommitted Direct Assistance	Allocated Conservation	Committed Conservation	Uncommitted Conservation	Total Uncommitted
Wayne County							
City of Detroit	1,405,432	1,405,432	-	327,530	327,530	-	-
Out Wayne	818,952	416,340	402,612	190,853	72,719	118,134	520,746
Total Wayne County	2,224,384	1,821,772	402,612	518,383	400,249	118,134	520,746
Oakland County	866,319	46,996	819,323	201,892	41,438	160,454	979,777
Macomb County	452,003	43,129	408,874	105,337	57,531	47,806	456,680
Genesee County	-	-	-	-	-	-	-
City of Flint	17,202	17,202	-	4,009	4,009	-	-
Washtenaw County	39,783	10,397	29,386	9,271	7,080	2,191	31,578
Lapeer County	11,131	-	11,131	2,594	-	2,594	13,725
Monroe County	6,392	-	6,392	1,490	-	1,490	7,882
St. Clair County	2,862	-	2,862	667	-	667	3,529
Total	3,620,076	1,939,496	1,680,580	843,643	510,307	333,336	2,013,916

Table 2 shows the WRAP cashflow of budgeted and committed funds in total and for each of the participating counties and the City of Detroit as of June 30, 2019. From March 1, 2016 to June 30, 2019, \$16.8 million was budgeted for WRAP bill assistance and conservation assistance and \$13.1 million was utilized by WRAP participants during that time. As of June 30, 2019, the suburban counties still had uncommitted funds (combined assistance and conservation) of over \$2.5 million. The City of Detroit had uncommitted funds of \$794,400 million and the City of Flint had uncommitted funds of \$427,756 due to the reallocation of the uncommitted FY 2018 suburban assistance funds.

Table 2 – Total WRAP Activity March 2, 2016 to June 30, 2019

Table 2

TOTAL Activity March 1, 2016 to June 30, 2019

Row	Sources (Net Revenues)	Detroit	Out-Wayne	Oakland	Macomb	Washtenaw	St. Clair	Lapeer	Monroe	Genesee	City of Flint	Total
1	FY 2016 Assistance Budget Allocation											
2	Bill and Arrearage Assistance	\$ 1,238,736	\$ 748,629	\$ 740,155	\$ 379,764	\$ 35,419	\$ 3,051	\$ 10,080	\$ 5,093	\$ 63,842	\$ -	\$ 3,224,769
3	Home Audit and Repairs	288,022	174,066	172,096	88,300	8,234	709	2,344	1,184	14,500	-	749,457
4	Total FY 2016 Assistance Budget Allocation	\$ 1,526,759	\$ 922,695	\$ 912,251	\$ 468,064	\$ 43,654	\$ 3,760	\$ 12,424	\$ 6,277	\$ 78,342	\$ -	\$ 3,974,226
5	FY 2017 Assistance Budget Allocation											
6	Bill and Arrearage Assistance	\$ 1,278,103	\$ 806,833	\$ 774,825	\$ 400,804	\$ 39,998	\$ 2,431	\$ 10,059	\$ 5,561	\$ -	\$ -	\$ 3,316,615
7	Home Audit and Repairs	297,856	188,029	180,570	93,406	8,855	578	2,344	1,296	-	-	772,934
8	Total FY 2017 Assistance Budget Allocation	\$ 1,575,960	\$ 994,862	\$ 955,395	\$ 494,209	\$ 48,853	\$ 3,009	\$ 12,403	\$ 6,858	\$ -	\$ -	\$ 4,089,549
9	FY 2018 Assistance Budget Allocation											
10	Bill and Arrearage Assistance	\$ 1,303,229	\$ 848,677	\$ 827,662	\$ 429,388	\$ 40,961	\$ 2,604	\$ 9,970	\$ 5,908	\$ 28,679	\$ -	\$ 3,497,078
11	Home Audit and Repairs	303,712	197,780	192,883	100,067	9,546	607	2,323	1,377	6,684	-	814,979
12	Total FY 2018 Assistance Budget Allocation	\$ 1,606,941	\$ 1,046,457	\$ 1,020,545	\$ 529,455	\$ 50,507	\$ 3,211	\$ 12,294	\$ 7,285	\$ 35,363	\$ -	\$ 4,312,057
13	FY 2019 Assistance Budget Allocation											
14	Bill and Arrearage Assistance	\$ 1,405,432	\$ 818,952	\$ 866,319	\$ 452,003	\$ 39,783	\$ 2,862	\$ 11,131	\$ 6,392	\$ -	\$ 17,202	\$ 3,620,075
15	Home Audit and Repairs	327,530	190,853	201,892	105,337	9,771	667	2,594	1,490	-	4,009	843,643
16	Total FY 2019 Assistance Budget Allocation	\$ 1,732,962	\$ 1,009,805	\$ 1,068,211	\$ 557,340	\$ 49,054	\$ 3,529	\$ 13,725	\$ 7,882	\$ -	\$ 21,211	\$ 4,463,718
17	NET FY 2016-2019 Assistance Available	\$ 6,442,621	\$ 3,973,819	\$ 3,956,402	\$ 2,049,068	\$ 190,069	\$ 13,509	\$ 50,846	\$ 28,301	\$ 113,705	\$ 21,211	\$ 16,839,550
18	Reallocation of Uncommitted Funds											
19	Reallocation of Uncommitted Funds from FY 2016 (1)	\$ 1,664,833	\$ (718,353)	\$ (591,163)	\$ (355,316)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Bill and Arrearage Assistance Reallocated to Detroit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Uncommitted FY 2016 Conservation Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Bill and Arrearage Assistance Reallocated to Flint	\$ -	\$ -	\$ -	\$ -	\$ (35,419)	\$ (3,051)	\$ (10,080)	\$ (5,093)	\$ (63,842)	\$ 117,485	\$ -
23	Total Reallocation of Uncommitted Funds from FY 2016	\$ 1,664,833	\$ (718,353)	\$ (591,163)	\$ (355,316)	\$ (35,419)	\$ (3,051)	\$ (10,080)	\$ (5,093)	\$ (63,842)	\$ 117,485	\$ -
24	Reallocation of Uncommitted Funds from FY 2017 (2)	\$ 549,784	\$ (486,355)	\$ (268,078)	\$ (262,634)	\$ (28,401)	\$ (2,431)	\$ (10,059)	\$ (5,561)	\$ -	\$ 307,535	\$ (206,200)
25	FY 2017 Reallocation of Assistance Funds	\$ 237,197	\$ (71,911)	\$ (62,120)	\$ (6,248)	\$ (5,866)	\$ (405)	\$ (1,641)	\$ (907)	\$ -	\$ 118,100	\$ 206,200
26	FY 2017 Reallocation of Conservation Funds	\$ 786,981	\$ (558,266)	\$ (330,198)	\$ (268,882)	\$ (34,267)	\$ (2,836)	\$ (11,700)	\$ (6,468)	\$ -	\$ 425,635	\$ -
27	Total Reallocation of Uncommitted Funds from FY 2017	\$ 438,750	\$ (298,775)	\$ (313,067)	\$ (241,763)	\$ (28,966)	\$ (2,604)	\$ (9,970)	\$ (5,908)	\$ (28,679)	\$ 236,250	\$ (254,732)
28	Future Bill Assistance	\$ 355,650	\$ (96,982)	\$ (116,197)	\$ (59,108)	\$ (9,145)	\$ (607)	\$ (2,323)	\$ (1,377)	\$ (6,684)	\$ 191,505	\$ 254,732
29	FY 2018 Reallocation of Conservation Funds	\$ 794,400	\$ (395,757)	\$ (429,264)	\$ (300,871)	\$ (38,111)	\$ (3,211)	\$ (12,293)	\$ (7,285)	\$ (35,363)	\$ 427,755	\$ -
30	Total Reallocation of Uncommitted Funds from FY 2018 (3)	\$ 3,246,213	\$ (1,672,375)	\$ (1,350,625)	\$ (925,069)	\$ (107,797)	\$ (9,097)	\$ (34,073)	\$ (18,846)	\$ (99,205)	\$ 970,875	\$ -
31	NET FY 2016-2019 Assistance Available	\$ 9,688,834	\$ 2,301,444	\$ 2,605,777	\$ 1,123,999	\$ 82,272	\$ 4,411	\$ 16,772	\$ 9,455	\$ 14,500	\$ 992,086	\$ 16,839,550
32	Uses 3/01/2016 to 6/30/2019											
33	Home Audits and Repair Paid to Date	1,454,318	259,759	221,369	159,776	3,067	-	-	-	-	122,109	2,220,398
34	Bill Assistance and Arrearages Paid to Date	4,247,810	698,962	970,804	311,922	19,735	-	-	-	-	153,083	6,402,318
35	Total Uses 3/01/2016 to 6/30/2019	\$ 5,702,128	\$ 958,721	\$ 1,192,173	\$ 471,698	\$ 22,802	\$ -	\$ -	\$ -	\$ -	\$ 275,192	\$ 8,622,716
36	Less: Committed Funds 3/01/2016 to 6/30/2019											
37	Future Bill Assistance	\$ 1,176,727	\$ 134,477	\$ 36,696	\$ 40,212	\$ 3,006	\$ -	\$ -	\$ -	\$ -	\$ 106,399	\$ 1,497,516
38	Future Arrearage Assistance	2,015,579	484,900	209,878	70,043	14,136	-	-	-	-	182,740	2,977,276
39	Total Committed Funds 3/01/2016 to 6/30/2019	\$ 3,192,306	\$ 619,377	\$ 246,574	\$ 110,255	\$ 17,142	\$ -	\$ -	\$ -	\$ -	\$ 289,138	\$ 4,474,792
40	Total Expenditures/Committed Funds	\$ 8,894,435	\$ 1,578,098	\$ 1,438,747	\$ 581,953	\$ 39,945	\$ -	\$ -	\$ -	\$ -	\$ 564,331	\$ 13,097,508
41	Uncommitted Funds as of 6/30/2019 (line 31 - line 40)	\$ 794,400	\$ 723,345	\$ 1,167,029	\$ 542,046	\$ 42,327	\$ 4,411	\$ 16,772	\$ 9,455	\$ 14,500	\$ 427,756	\$ 3,742,042
42	Summary of Uncommitted Funds 6/30/2019											
43	Uncommitted Conservation	\$ 355,650	\$ 322,077	\$ 347,754	\$ 161,978	\$ 17,829	\$ 1,549	\$ 5,641	\$ 3,063	\$ 14,500	\$ 191,505	\$ 1,421,547
44	Uncommitted Assistance	438,750	401,268	819,275	380,068	24,498	2,862	11,131	6,392	-	236,251	2,320,495
45	Total Uncommitted Funds as of 6/30/2019	\$ 794,400	\$ 723,345	\$ 1,167,029	\$ 542,046	\$ 42,327	\$ 4,411	\$ 16,772	\$ 9,455	\$ 14,500	\$ 427,756	\$ 3,742,042

(1) Based on April 26, 2017 Board of Directors action

(2) Based on August 22, 2018 Board of Directors action

(3) Based on June 26, 2019 Board of Directors action

The GLWA Board has previously authorized the reallocation of uncommitted FY 2016 to FY 2018 WRAP funds to the City of Detroit and the City of Flint. To date, \$3,246,213 has been reallocated to Detroit and \$970,875 to the City of Flint from the other counties within GLWA. As shown in **Table 3**.

Table 3 – Total WRAP Reallocation of Uncommitted Funds FY 2016-2018

Reallocated Funds	Detroit	Flint	Total
FY 2016	\$1,664,833	\$117,485	\$1,782,318
FY 2017	786,981	425,635	1,212,616
FY 2018	794,400	427,755	1,222,155
Total Reallocation	\$3,246,214	\$970,875	\$4,217,089

Wayne Metro Reallocation Recommendations

Based on the demonstrated usage of the WRAP funds since March 1, 2016 and the usage through the end of FY 2019, Wayne Metro is recommending reallocation of currently uncommitted FY 2019 suburban WRAP funds. Attached is Wayne Metro's letter (including referenced documents) dated January 10, 2020 which outlines their recommendations. Below is a summary of the recommendations:

1. **Reallocation of Uncommitted FY 2019 Assistance Funds:** WRAP utilization in FY 2019 for suburban Counties had uncommitted assistance dollars of \$1,680,580. Wayne Metro is recommending the \$1,680,580 be reallocated to Detroit in the Amount of \$690,100, to Flint in the Amount of \$371,562, to Community Outreach to increase program participation in suburban communities in the Amount of \$359,761 with the remaining \$259,157 transferred to conservation funding
2. **Reallocation of Uncommitted FY 2019 Conservation Funds:** In addition to the uncommitted assistance funds, \$333,336 remain from the suburban Counties' allocation of the conservation funds from FY 2019. Wayne Metro is recommending combining the \$259,157 of repurposed FY 2019 assistance funds (noted above) and the \$333,336 of unspent FY 2019 suburban Counties' conservation funds for a total of \$592,493. From the \$592,493, Wayne Metro is recommending the transfer of \$492,493 to the City of Detroit and \$100,000 to the City of Flint as shown in **Table 4**.

Table 4 – Proposed WRAP Reallocation

County/City	Uncommitted	PROPOSED FY 2019 Reallocation			
	Total Uncommitted	Direct Assistance	Conservation	Outreach	Total Reallocation
Wayne County					
City of Detroit	-	690,100	492,493	-	1,182,593
Out Wayne	520,746	-	-	60,961	60,961
Total Wayne County	520,746	690,100	492,493	60,961	1,243,554
Oakland County	979,777	-	-	172,328	172,328
Macomb County	456,680	-	-	98,642	98,642
Genesee County	-	-	-	-	-
City of Flint	-	371,562	100,000	21,749	493,311
Washtenaw County	31,578	-	-	3,947	3,947
Lapeer County	13,725	-	-	1,220	1,220
Monroe County	7,882	-	-	625	625
St. Clair County	3,529	-	-	289	289
Total	2,013,916	1,061,662	592,493	359,761	2,013,916

Budget Impact: None

Proposed Action: The GLWA Audit Committee recommends that the Great Lakes Water Authority Board approve the Wayne Metro recommendation to 1) approve the reallocation of the uncommitted FY 2019 assistance funds of \$1,680,580; \$690,100 to Detroit and \$371,562 to Flint for direct assistance, \$359,761 to Community Outreach to increase program participation in suburban communities and with the remaining \$259,157 transferred to conservation funding 2) approve the reallocation of the uncommitted FY 2019 conservation funds in the amount of \$333,336 together with the \$259,157 transferred funds from FY 2019 uncommitted assistance funds together totaling \$592,493 be reallocated to Detroit in the amount of \$492,493 and to Flint in the amount of \$100,000.