



## Financial Services Audit Committee Communication

### Financial Plan Calendar

#### FY 2019 and 2020 Biennial Budget & Five-Year Financial Planning Cycle

The Great Lakes Water Authority (GLWA) Financial Planning Cycle includes:

1. FY 2019 and 2020 Biennial Budget
2. FY 2019 through FY 2023 Five-Year Financial Plan
3. FY 2019 through FY 2023 Five-Year Capital Improvement Plan
4. FY 2019 Schedule of Revenues and Charges

The schedule below reflects planning for the comprehensive GLWA Financial Plan.

Date	Activity
Friday, September 29, 2017	Internal – Deadline for Cost Center Budget Request
Wednesday, October 11, 2017	GLWA Board Workshop – FY 2019 and 2020 Goals & Objectives and Financial Planning Cycle Update
Friday, December 1, 2017	GLWA and DWSD (City) - Exchange shared services to be provided and related costs (Shared Services Agreement 5.4)
Tuesday, December 12, 2017	Customer Rollout Meeting #1 – Units of Service Update
Friday, December 15, 2017	GLWA Audit Committee Meeting – Revenue Requirement Status Report
Tuesday, December 19, 2017	Customer Rollout Meeting #2 – Water & Sewer Capital Improvement Plan Update
Monday, January 1, 2018	DWSD – Preliminary two-year budget forecast including key assumptions and impact statement due to GLWA (Water and Sewer Services Agreement 5.3)
Friday, January 5, 2018	Special GLWA Audit Committee Meeting – Review of Proposed FY 2019 & FY 2020 Biennial Budget, Five-Year Financial Plan, and Revenue Requirement
Wednesday, January 10, 2018	GLWA Board Workshop – Review of Proposed FY 2019 and 2020 Biennial Budget, Five-Year Financial Plan, and Revenue Requirement

Thursday, January 11, 2018	Customer Rollout Meeting #3 – Proposed FY 2019 Revenue Requirement
Friday, January 19, 2018	GLWA Audit Committee Meeting – Regular Meeting
<b>Wednesday, January 24, 2018</b>	<b>GLWA Board Meeting – Status Report FY 2019 Service Charges, FY 2019 and 2020 Biennial Budget, Five-Year Financial Plan, and Revenue Requirement</b>
<b>Thursday, January 25, 2018</b>	<b>Customer Rollout Meeting #4 – Proposed FY 2019 Service Charges</b>
<b>Friday, January 26, 2018</b>	<b>Publish notice of the hearing by publication in a newspaper of general circulation (B)</b>
<b>Friday, January 26, 2018</b>	<b>Mail Notice to Customers of Public Hearing to be held on February 28, 2018 (minimum 30 days prior to Act 279 Public Hearing) (D)</b>
Thursday, February 1, 2018	DWSD – Current capital improvement plan due to GLWA (Water and Sewer Services Agreement 5.3d(i))
Wednesday, February 28, 2018	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2019 & FY 2020 Biennial Budget <b>(A)</b>
Wednesday, February 28, 2018	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2019–2023 Capital Improvement Plan
Wednesday, February 28, 2018	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2019 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) <b>(C)</b>
Thursday, March 1, 2018	Mail Notice to Customers of Approved Charges
Friday, March 23, 2018	DWSD – Local system adopted biennial budget due to GLWA (Water and Sewer Services Agreement 5.3B)
Tuesday, May 1, 2018	DWSD – Local system provides direction to GLWA on how to apply lease payment (Water and Sewer Services Agreement 4.3)
Sunday, July 1, 2018	GLWA – Effective date of FY 2019 and 2020 Biennial Budget, FY 2019 Schedule of Charges, and FY 2019-2023 Capital Improvement Plan

**(A) thru (D)** - The above schedule is designed to meet applicable statutory and contractual requirements with excerpts shown below.

- A. **Uniform Budgeting and Accounting Act, Act 2 of 1968, Section 141.434**, “Before final passage of a general appropriations act by the legislative body, a public hearing shall be held as required by 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415, and

the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.” (For purposes of Public Act 2, the GLWA Board is the legislative body.)

- B. **Budget Hearings of Local Governments, Act 43 of 1963 (2nd Ex. Sess.), Section 141.412**, “The local unit shall give notice of the hearing by publication in a newspaper of general circulation within the local unit at least 6 days before the hearing.” (For purposes of Public Act 2, the GLWA Board is a local unit.)
- C. **Home Rule City Act, Act 279 of 1909, Section 117.5e**, “Municipal water or sewage system; annual audit; public hearing before proposed rate increase. A municipal water or sewage system established by a city incorporated under this act which serves more than 40% of the population of the state shall: ...(b) Hold at least 1 public hearing at least 120 days before a proposed rate increase is scheduled to take effect. Each hearing shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Notice of the time, date, and place of each hearing shall be given in the manner required by Act No. 267 of the Public Acts of 1976, shall be prominently printed in a daily newspaper of general circulation within the area, and shall be mailed to each city, village, or township served by the system not less than 30 days before each hearing. A final vote by the governing body of the city to implement a proposed rate increase shall not be taken until the hearings provided for in this subdivision are concluded and the results of those hearings are considered by the city's governing body.” (Emphasis added)

It should be noted that the Home Rule City Act does not apply to GLWA. It is relevant to GLWA’s planning cycle, however, as it is referenced in the *Wholesale Customer Model Water Contract* as noted below.

- D. **GLWA Wholesale Customer Model Water Contract Section 7.02** provides: “Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.” (Emphasis added; Act 279 is the Home Rule City Act noted above.)