



Legislation Details (With Text)

File #: 2022-071 **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 2/18/2022 **In control:** Board of Directors

On agenda: 2/23/2022 **Final action:** 2/23/2022

Title: Resolution Adopting the FY 2023 & FY 2024 Biennial Budget

Sponsors: Nicolette Bateson

Indexes: Finance

Code sections:

Attachments: 1. B2 2022-021 Resolution.Legistar-Budget with support, 2. B3 Board Presentation Executive Summary 022322, 3. B4 Proposed Budget One pager 2.23.2022, 4. B5 Bad Debt Expense One Pager 1.19.2022, 5. B6 FY 2023 Charges One Pager Proposed 2.23.2022

Date	Ver.	Action By	Action	Result
2/23/2022	1	Board of Directors	Adopted	Pass

Resolution Adopting the FY 2023 & FY 2024 Biennial Budget

Agenda of: February 23, 2022
Item No.: **2022-071**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: February 23, 2022

RE: **Resolution Adopting the FY 2023 & FY 2024 Biennial Budget**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA):

- 1) **Concludes the Public Hearing related to the FY 2023 and FY 2024 Biennial Budget held on February 23, 2022;**
- 2) **Pending public comment, adopts the attached resolution, 2022-021, adopting the FY 2023 and FY 2024**

Biennial Budget for the GLWA;

- 3) Notes that the GLWA By-Laws Article X, Section 5, requires a super-majority affirmative vote of at least five (5) members of the Board is necessary for the approval of the operating budget; and
- 4) Authorizes the Interim Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the Regional Water and Sewer systems on January 1, 2016 (the “Effective Date”) pursuant to the Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015. Section 5.6 of the Lease Agreements require the Authority to adopt a two-year budget for the Regional Water and Sewer Systems that sets forth budgeted revenues and expenses for each such Fiscal Year.

JUSTIFICATION

The Board has received a proposed Budget for FY 2023 and FY 2024 which was reviewed at Audit Committee meetings on December 17, 2021, January 21, 2022, and February 11, 2022; Board meetings of January 26, 2022 and February 23, 2022; and Member Partner meetings on January 6, 2022, as it relates to the proposed Schedule of Charges, and January 20, 2022.

At the Audit Committee meeting on February 11, 2022, the administration presented a revised budget and charges proposal which achieved the following.

1. \$5.9 million reduction in the FY 2023 Sewer System Revenue Requirements Budget. This results in a sewer system revenue requirement increase of 1.25% rather than 2.5%.
2. The corresponding impact on FY 2023 charges is a reduction from a 3.7% systemwide increase to a 2.4% systemwide increase.

BUDGET IMPACT

This action establishes a budget for FY 2023 and FY 2024.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed the proposed budget and supplemental analysis at the meetings noted above. On February 11, 2022, the Audit Committee unanimously recommended that the Board of Directors adopts the FY 2023 and FY 2024 Biennial Budget and related FY 2023 Schedule of Charges reflecting the revisions presented on February 11, 2022, subject to public

comment at the public hearing to be held on February 23, 2022.