



Legislation Text

File #: 2021-056, **Version:** 1

Resolution Adopting the FY 2022 & FY 2023 Biennial Budget

Agenda of: February 24, 2021, March 10, 2021, March 24, 2021

Item No.: **2021-056**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: February 24, 2021

RE: **Resolution Adopting the FY 2022 & FY 2023 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 2022 and FY 2023 Biennial Budget opened on February 24, 2021 and continued through March 24, 2021;**
- 2) **Pending public comment, adopts the attached resolution, 2021-056 adopting the FY 2022 and FY 2023 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 Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote and authorizes the CEO 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 2022 and FY 2023 which was reviewed at Audit Committee meetings on December 18, 2020, January 15, 2021, and January 22, 2021; Board meetings of January 27, 2021 and February 24, 2021; and Member Partner meetings on January 7, 2021, as it relates to the proposed Schedule of Charges, and January 21, 2021.

At the Public Hearing on February 24, 2021, the Board referred the proposed budget for FY 2022 and FY 2023 to the Audit Committee for its regularly scheduled meeting on February 26, 2021. Special Audit Committee meetings were held on March 8, 2021 and on March 15, 2021 to continue discussion and review of the proposed budget.

A presentation is attached to this board letter related to the proposed budget as a result of the above meetings.

BUDGET IMPACT

This action establishes a budget for FY 2022 and FY 2023.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed the budget and supplemental analysis at the meetings noted above.

On March 15, 2021, by a vote of 2-1, the Audit Committee adopted the following motion: "Director Baker made a motion, supported by Director Brown, to direct Administration to determine the 15 lowest prioritized positions that will total \$1.3 Million to total a total of \$4.5 Million and incorporate the \$4.5 Million in savings for the Audit Committee's recommendation to the full Board on March 24, 2021 and to apply the savings to lower charge increases, water and sewer."