



Legislation Text

File #: 2022-021, Version: 1

PROPOSED FY 2023 AND FY 2024 BIENNIAL BUDGET REQUEST

Agenda of: January 26, 2022

Item No.: **2022-021**

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: January 26, 2022

RE: PROPOSED FY 2023 AND FY 2024 BIENNIAL BUDGET REQUEST

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **receives, files, and refers the proposed FY 2023 and FY 2024 biennial budget and related five-year financial plan to the Audit Committee;** and authorizes the Interim CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The annual financial planning cycle is underway to establish a Proposed FY 2023 and FY 2024 biennial budget and FY 2023 schedule of Charges which are the subject of a public hearing on February 23, 2022. The effective date for the budget and charges is July 1, 2021. The annual cycle includes member partner engagement as well as detailed review by the Audit Committee. Key activities include the following.

Member Partner Charges Rollout Meetings

November 9, 2021 - Capital Improvement Programs (Rollout #1)

November 16, 2021 - Preliminary Units of Service (Rollout #2)

January 6, 2022 - Review of Proposed FY 2023 Charges and Overview of Proposed Budget and Financial Plan (Rollout #3)

January 10 - 14, 2022 - Individual Member Partner meetings (as requested) to support interested member partners in reviewing their specific proposed charges worksheet between rollout meetings #3 and #4 with GLWA staff and consultant

January 20, 2022 - Review of Proposed FY 2023 & FY 2024 Biennial Budget and Financial Plan and Follow Up Charges Question and Answer (Rollout #4)

Audit Committee Meetings

December 17, 2021 - Receive and file Discussion Draft of Proposed FY 2023 & FY 2024 Biennial Budget and Five-Year Financial Plan as well as Ten-Year Forecast through FY 2032 (Budget Review Session #1)

January 21, 2022 - Audit Committee Special Meeting (Budget Review Session #2)

February 11, 2022 - Audit Committee Special Meeting (Budget Review Session #3)

Board of Directors Meetings

January 26, 2022 - Board Briefing - Proposed Budget, Charges, and Financial Plan

February 23, 2022 - Public Hearing on Proposed Budget and Charges; Board adoption follows on or after this date subsequent to Public Hearing

The Audit Committee materials are available at <https://www.glwater.org/financials/> and all Member Partner presentations are located on the member partner outreach portal. The majority of that information from Charges Rollout Meetings are also included in the Audit Committee binders.

JUSTIFICATION

The presentation to the Board will include review of the attached materials.

1. Presentation: Review of Proposed FY 2023 & FY 2024 Biennial Budget and Charges
2. One Pager Series - FY 2023 Budget Analysis - Proposed as of December 17, 2021
3. One Pager Series - FY 2023 Water & Sewer Service Charges - Proposed as of January 15, 2021
4. One Pager Series - Bad Debt Expense - Prepared January 19, 2022

BUDGET IMPACT

This action is a step toward establishment of a new budget with an effective date of July 1, 2022.

COMMITTEE REVIEW

The Audit Committee reviewed this matter at a special meeting on January 21, 2022. In preparation for the continued review of the budget and charges at the February 11, 2022 Audit Committee meeting, the Audit Committee has asked the Administration to provide an analysis which would illustrate the impact of reducing the FY 2023 sewer system revenue requirement budget by \$5.5 million and the related impact on sewer charges.