

**VILLAGE OF LAKE ORION
COUNTY OF OAKLAND
STATE OF MICHIGAN**

RESOLUTION NO. _____

A RESOLUTION ASSESSING A REASONABLE PRO RATA SHARE OF THE FUNDS OF THE LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY FOR THE COST OF HANDLING AND AUDITING THE FUNDS OF THE DDA AGAINST THE FUNDS OF THE AUTHORITY PURSUANT TO MCL 125.4228(2).

WHEREAS, the Michigan Recodified Tax Increment Financing Act, Public Act 57 of 2018, authorizes the Village Council of the Village of Lake Orion to assess a reasonable pro rata share of the funds of the Lake Orion Downtown Development Authority (DDA) for the cost of handling and auditing the funds against the funds of the DDA; and

WHEREAS, the Village Council desires to establish a fair, uniform, and consistent policy for assessing such costs against the funds of the DDA;

NOW, THEREFORE, BE IT RESOLVED that the Village Council for the Village of Lake Orion, pursuant to Section 228(2) of the Michigan Recodified Tax Increment Financing Act, Public Act 57 of 2018, being MCL 125.4228(2), does hereby establish the following policy for the assessment of a reasonable pro rata share of the funds of the Lake Orion Downtown Development Authority for the cost of handling and auditing the funds against the funds of the DDA as follows:

VILLAGE MANAGER: The Village Manager will be available for up to two (2) hours per week for general consultation, budget preparation assistance, and attendance at DDA Board meetings at a cost equal to five percent (5%) of the total personnel cost for the Village Manager (salary and fringe benefits).

VILLAGE CLERK: The Village Clerk's office will provide the same routine clerk services to the DDA up to four (4) hours per week, including attendance at DDA Board meetings and preparation of meeting notices and minutes, as are provided to other departments of the Village generally, except FOIA request management. The Clerk's office will not prepare meeting agendas or provide secretarial, research, special project, or any other administrative tasks that the director or staff of another department are generally expected to perform. The cost for these services is 10% of the total budget of the Village Clerk Department.

VILLAGE TREASURER: The Village Treasurer/Finance office will provide the same routine treasury/finance services to the DDA up to four (4) hours per week as are provided to other departments of the Village generally. The cost for these services is 10% of the total budget of the Village Treasurer Department.

INFORMATION TECHNOLOGY: The Village will provide necessary information technology services, software, and computer server equipment, including maintenance, upgrade, and replacement, as are necessary to perform the administrative services under the contract for the DDA. The cost for these services is 10% of the total budget of the Information Technology Department. Costs for all computer hardware and software unique to the operations of the DDA shall be the responsibility of the DDA.

GENERAL ACTIVITIES: The Village's general support services costs are contained within the General Activities Department of the General Fund, including Village Hall operation, maintenance, and repair costs. The Village will provide Village Hall facilities for DDA Board regular and special meetings as part of these costs in addition to the use of the Village's facilities to house, maintain, and operate those services performed on behalf of the DDA by the Village under this policy. The cost for these services will be 10% of the budget of the General Activities Department of the Village (excluding pension, workers compensation-elected/lifeguards, health insurance-retiree, retiree 115 trust, postage, copier lease, solid waste collection, telephone, election supplies, and dues & miscellaneous). The DDA will be responsible for performing its own copying, printing, telephone, and mailing services at the DDA office.

INSURANCE/BOND, ENGINEERING, AUDIT, AND LEGAL SERVICES: The DDA will be responsible for 100% of all such costs incurred by the DDA. If the DDA requires the Village to invoice for these services, an additional 10% administrative fee will apply to all such costs. The DDA will be responsible for 100% of the cost of regular or special audits or other special financial accounting or reporting services allocable solely to the DDA.

BE IT FURTHER RESOLVED that the Village Manager shall calculate annually the cost assessment of the services to be provided by the Village on behalf of the DDA at the same time that the final budget of the Village is prepared and shall include such assessed charges in the appropriate revenue account of the Village's General Fund budget for approval by the Village Council. Such assessment shall be due and payable on July 1 of each year. The Village Manager shall be responsible for calculating and reporting to the Village Council for

approval any necessary changes in the cost assessment as a result of any considerable change in scope of services to be provided by the Village to the DDA.

BE IT FURTHER RESOLVED that the Village Council does hereby determine that, in accordance with MCL 125.4228(2), the Lake Orion Downtown Development Authority Board of Directors shall establish an appropriate item in its annual budget to cover the costs of the Village to provide the services under this policy and shall remit full payment to the Village not later than July 31 of each year for that fiscal year's services.

BE IT FURTHER RESOLVED, that, based upon the recommendation of the Village Manager, the Village Council does hereby determine that the FY 2025-26 reasonable fee for the handling and auditing of the funds of the Lake Orion Downtown Development Authority shall be \$62,643.

THIS RESOLUTION WAS DULY ADOPTED BY THE LAKE ORION VILLAGE COUNCIL DURING ITS REGULAR MEETING HELD ON _____, 2025.

Sonja Stout
Village Clerk