



MINUTES

VILLAGE COUNCIL CIP ALTERNATE FUNDING COMMITTEE

Tuesday, March 24, 2026

4:00 PM

Village Hall – 21 East Church Street, Lake Orion, MI 48362

(248) 693-8391 ext. 102

1. Call to Order

The March 24, 2026 CIP Alternate Funding Committee was called to order by Council Member Dandalides at 4:00 PM.

2. Roll Call and Determination of Quorum

PRESENT

President Teresa Rutt
Council Member Michael Lamb
Council Member George Dandalides
DPW Director Wesley Sanchez
Village Manager Darwin McClary
Clerk/Treasurer Sonja Stout
Executive Director Matt Gibb

ABSENT

Police Chief Mark Amundson

STAFF PRESENT

Assistant Executive Director Janet Bloom

MOTION made by President Rutt, Seconded by Village Manager McClary to appoint Council Member Dandalides as Chairperson of the Village Council CIP Alternate Funding Committee.

VOTING YEA: Rutt, Lamb, Dandalides, Sanchez, McClary, Stout, Gibb

VOTING NAY: None

ABSENT: Amundson

MOTION: Carried

MOTION made by President Rutt, Seconded by Village Manager McClary to appoint Clerk/Treasurer Stout as the Recording Secretary of the Village Council CIP Alternate Funding Committee.

VOTING YEA: Rutt, Lamb, Dandalides, Sanchez, McClary, Stout, Gibb

VOTING NAY: None

ABSENT: Amundson
MOTION: Carried

3. Call to the Public

None.

4. Other Items

Council Member Dandalides reviewed the committee's purpose, which is to develop recommendations to complete Phases 2 and 3 of the sewer pump station project without further increases to village water and sewer rates. The subcommittee is expected to complete its work and report back at the April 27, 2026, regular council meeting. He also outlined the sanitary sewer project costs, including grant reimbursements and the total amount to be bonded, noting that \$370,534 annually would need to be reduced to avoid rate increases.

Village Manager McClary stated the committee must clearly define the current issue. Based on an average residential usage of 1,500 cubic feet per quarter, as reported by DPW Sanchez, residents would experience less than a \$100 quarterly increase in water and sewer costs.

The committee discussed potential rate increases, the rate model, and strategies to cover the estimated \$600,000 annual bond payment. It was noted that increasing the number of users would help reduce costs, with commercial users having a greater financial impact than residential users due to higher consumption and larger meter sizes.

Executive Director Gibb recommended increasing system users by encouraging development, expediting approvals, and accelerating tap-in fees. He also suggested incentives focused on permitting efficiency and growth.

Discussion also addressed the timing of issuing water and sewer bonds. Village Manager McClary indicated bonds would likely be issued in the fall, with any significant rate increases occurring afterward.

President Rutt emphasized the need for layered strategies to reduce long-term costs. Council Member Lamb suggested using Downtown Development Authority (DDA) funds to offset sanitary sewer expenses. Village Manager McClary clarified that certain funds are restricted to specific uses, such as street-related expenditures, and while excess General Fund monies could be used, it would be a one-time allocation with no additional funding available for other projects. He also noted that avoiding all future rate increases is not sustainable.

The committee reviewed various bonding options and reaffirmed that the phased approach was intended to mitigate costs through grant funding. Council Member Lamb discussed the potential reduction of the DDA district and funding, while President Rutt expressed concern about significant long-term impacts. Additional discussion included the potential use of the 75/25 Resolution to offset General Fund costs and support the Water and Sewer Fund, including eligible expenditures under that framework.

Council Member Dandalides requested clearer financial projections, suggesting simplified formats such as charts to improve understanding of cost estimates.

5. Adjournment

MOTION made by Executive Director Gibb, Seconded by DPW Director Sanchez to adjourn the March 24, 2026, Village Council CIP Alternate Funding Committee meeting.

VOTING YEA: Rutt, Lamb, Dandalides, Sanchez, McClary, Stout, Gibb

VOTING NAY: None

ABSENT: Amundson

MOTION: Carried

The March 24, 2026, Village Council CIP Alternate Funding Committee meeting adjourned at 5:13 PM.

George Dandalides
Chairperson

Sonja Stout
Clerk/Treasurer
Recording Secretary

Date Approved: as presented March 26, 2026