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## COUNCIL ACTION SUMMARY SHEET

**MEETING DATE:** March 9, 2026

**TOPIC:** Goal 2, Management of the CIP, Objective 2.2 Investigate Alternative Funding Strategies – eliminate funding and operational redundancies and establish new revenue sources or cost reductions

**PREPARED BY:** George Dandalides

**BACKGROUND BRIEF:** During the goal setting working sessions held January 26, 2026, and February 9, 2026, council established Goal 2, Management of the CIP, Objective 2.2 Investigate Alternative Funding Strategies – eliminate funding and operational redundancies and establish new revenue sources or cost reductions.

The village is currently facing substantial financial needs for infrastructure and the current CIP places significant burden on village residents through increased water/sewer rates, significant additional bond debt, and special assessments. Both Village Council and Village Administration have an obligation to look at all opportunities to lessen that burden on our residents, and this goal was established as a step to identify and execute some of those opportunities.

As a first step, council and administration should work together toward a target of completing Phases 2 and 3 of the sewer pump station project with no additional increases in water/sewer rates. I believe this can be accomplished with a combination of funding alternatives including:

- Fiscal year budget reductions utilizing funds to offset future bond debt
  - Charter revision to eliminate compensation to village council for meeting attendance.
  - Operate the cemeteries at cost neutral vs. operating at a loss - \$70,000 cost in current year budget
  - Lifeguards at Green's Park - \$35,470 in the current year budget
  - Redundant cost/expenditures between the village and the DDA – Office location, support staff, maintenance and repairs
  - Serious look at the cost of employee healthcare – are we competitive? \$310,000 in the current year budget
  - Village contributions to staff retirement plans currently at 10-25% of base salary annually with no required employee contribution.
  - Inconsistencies in reimbursement for staff use of personal vehicles for village business – range for actual mileage reimbursement to \$8,300 annual stipend in the current budget year.

- Revenue generation
  - Paid parking in the village
- Leveraging our investments
  - Leverage the interest earned in the Oakland County Investment Pool – interest earned in calendar year was \$151,962 (4% return on \$3.5 million principal)
  - We are currently carrying an average balance of \$5 million in our village checking account, with roughly \$500,000 debits and offsetting credits monthly. This account is earning 0.05%. Could we consider carrying a lower balance (perhaps \$1.5 million) in this low yield account by moving \$3.5 million to the Oakland County Investment Pool earning 4%. This could generate another \$150,000 annually to offset future bond debt.
- A critical look at DDA funding
  - The village and the DDA will ultimately need to work together to insure the DDA District is “right- sized” to adequately meet the needs of both the village and the DDA. We need to ask the question “is our current situation sustainable”?

Working through the details will require some very difficult discussions, however, they are necessary to address the financial situation of the village. My proposal is to form a council subcommittee to include up to three council members, the village staff, and representation from the DDA to fully investigate alternative funding strategies, with recommendations from that subcommittee taken back to both council and the DDA board for approval and execution. ***Again, the goal is to develop a plan of alternative funding sources to complete Phases 2 and 3 of the sewer pump stations with no further increases in water/sewer rates.***

**SUMMARY OF PREVIOUS COUNCIL ACTION:** During the goal setting working sessions held January 26, 2026, and February 9, 2026, council established Goal 2, Management of the CIP, Objective 2.2 Investigate Alternative Funding Strategies – eliminate funding and operational redundancies and establish new revenue sources or cost reductions. No further action has been taken.

**FINANCIAL IMPACT:** The intention of this action is to identify and implement alternative funding opportunities for completion of Phases 2 and 3 of the sewer pump station project without additional water/sewer rate increases. This will potentially have significant impact on the village budget, the DDA budget, and the village CIP. Any recommendations made by the subcommittee would be brought before the council for discussion and approval.

**RECOMMENDED MOTION:** To form a subcommittee consisting of three council members, the Village Manager, the Clerk/Treasurer, other members of the village staff (at the Manager’s recommendation), and a representative from the DDA (at the recommendation of the DDA Board) to investigate alternative funding sources for the completion of Phases 2 and 3 of the sewer pump station project. Areas to investigate to include (but not limited to) budget reductions, revenue generation, leveraging village investments, and DDA funding. The goal of the subcommittee is to identify recommendations sufficient to complete Phases 2 and 3 of the sewer pump station project without further increases in the village water/sewer rates. Target timing for the subcommittee to complete their work and report back to the full council at the April 27, 2026 regular council meeting.

**RECOMMENDED MOTION:** To appoint council members \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ to the Sewer Pump Station Phases 2 and 3 alternative funding source subcommittee.