

Sonja Stout

From: Darwin McClary
Sent: Friday, March 6, 2026 4:53 PM
To: Sonja Stout
Subject: FW: Formal Request to Revise the Funding Model and Grant Allocation for the 2026 Street Improvement Program

From: [REDACTED]
Sent: Friday, March 6, 2026 4:06 PM
To: villageadmin@lakeorion.us; Darwin McClary <mcclaryd@lakeorion.org>; Michael Lamb <lambm@lakeorion.org>; Teresa Rutt <rutt@lakeorion.org>; Stan Ford <fords@lakeorion.org>; George Dandalides <dandalidesg@lakeorion.org>; Nancy Moshier <moshiern@lakeorion.org>
Subject: Formal Request to Revise the Funding Model and Grant Allocation for the 2026 Street Improvement Program

Dear Village Council Members and Village Manager,

I am submitting this formal written communication with the request that it be included in the official meeting minutes and entered into the public record for the upcoming Village Council meeting regarding the 2026 Street Improvement Program.

I am writing to formally request a reconsideration of the Special Assessment District (SAD) funding model for the 2026 Street Improvement Program. Specifically, I am asking the Village to increase its contribution for local streets to a 50/50 split and to adjust how the \$250,000 TEDF Category B grant is applied to ensure equitable relief for residents.

The current proposal places an unsustainable financial burden on households already strained by historic utility costs. Please consider the following points as a basis for this requested change:

1. Proof of Inequitable Grant Application Based on the project cost estimates provided in the February 23, 2026, Council Agenda Packet, there is clear evidence that the \$250,000 TEDF grant is being used to offset the Village's own 25% obligation rather than providing direct relief to the residents' 75% share.

- **The Calculation:** The total project cost is estimated at approximately \$605,000. By applying the \$250,000 grant to the "Gross Total" before calculating the 75/25 split, the Village is only responsible for 25% of the *remaining* \$355,000 (roughly \$88,750).
- **The Discrepancy:** If the Village were paying 25% of the actual project value (\$605,000), its contribution would be approximately \$151,250.
- **The Result:** The current accounting method allows the Village to use state grant money to reduce its own liability by over \$60,000, while residents are still expected to shoulder 75% of the remaining balance. This grant should be applied to the residents' portion first, or at the very least, applied to the total cost *after* the split is determined to ensure both parties benefit equally.

2. Inconsistency with Major Street Funding As noted in the November 10, 2025, Special Meeting Minutes, the \$58,000 PAMP Treatment Program A for major streets (including Elizabeth and Broadway) utilizes a 50/50

split. Local streets like North Shore Road and Flint Street serve the broader community and should not be subject to a 75%–90% assessment when major thoroughfares receive higher levels of Village support.

3. The Compounding Financial Burden This assessment comes at a time when residents are already facing:

- **Historic Utility Hikes:** A 66.4% increase in sanitary sewer rates and a 22.1% increase in water rates as of 2025.
- **Debt Surcharges:** An existing \$50 per quarter surcharge to service the \$3.65 million bond for the pump station and previous water main projects.

4. Alignment with Strategic Objective 2.1 During the February 9, 2026, Strategic Planning session, this Council adopted Objective 2.1 to "Analyze 75/25 Infrastructure Funding" by June 30, 2026. Proceeding with the current 75/25 model before this promised analysis is complete is premature and contradicts the Council's stated goal of exploring fairer funding strategies.

I urge the Council to adopt a 50/50 funding model for all streets in the 2026 program and to re-evaluate the grant allocation to ensure that "taxpayer relief" actually reaches the taxpayers.

Thank you for your consideration and for ensuring this statement is included in the permanent public record.

Sincerely,

Matt Szadyr