



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: May 12, 2025

TOPIC Approval of DDA Proposed FY 2025-26 Budget

BACKGROUND BRIEF:

Pursuant to Section 228(1) of the Michigan Recodified Tax Increment Financing Act, being MCL 125.4228(1), the DDA Board of Directors is submitting the DDA Proposed FY 2025-26 Budget for consideration for approval by the Village Council.

The Village Council does not adopt the DDA Budget, as authority for final adoption of the DDA Budget lay with the DDA Board of Directors. Under state law, the Village Council must approve the DDA budget prior to the DDA Board adopting the budget. The Village Manager is recommending that Council return the DDA Budget unapproved to the DDA Board for additional consideration due to the fact that the DDA Budget appropriation for the Village's administrative services to handle and audit DDA funds does not reflect the proper amount of the assessed costs for the Village to handle and audit the funds of the DDA. Attached is the email correspondence from the Village Manager to the DDA Executive Director. The cost for FY 2025-26 has decreased from the current year by almost \$3,000 due to a reduction in cost for information technology services.

The Village Manager also recommends that the Village Council not approve the budget as presented due to the fact that the DDA Board did not submit a budget for the DDA Public Infrastructure Fund – Fund 403.

Attached is the proposed budget submitted by the DDA Board of Directors.

SUMMARY OF PREVIOUS COUNCIL ACTION:

None

FINANCIAL IMPACT:

Please refer to the attached proposed FY 2025-26 DDA Budget.

RECOMMENDED MOTION:

To return as unapproved the proposed FY 2025-26 Lake Orion Downtown Development Authority Budget to the DDA Board of Directors for: (1) correction of the necessary appropriation of \$80,702 for

the assessment of the costs of the Village for the handling and auditing of the DDA funds pursuant to Section 228(2) of the Michigan Recodified Tax Increment Financing Act, being MCL 125.4228(2); and (2) for correction of the budget to include the necessary appropriations for Fund 403 – DDA Public Infrastructure Fund; and to direct that the DDA Board of Directors resubmit the budget to the Village Council for further consideration.