

Sonja Stout

From: Sonja Stout
Sent: Tuesday, March 17, 2026 9:00 PM
To: Sonja Stout
Subject: FW: Alternative Infrastructure Funding and Fiscal Accountability

From: matt szadyr <[REDACTED]>
Sent: Friday, March 13, 2026 2:44 PM
To: Teresa Rutt <rutt@lakeorion.org>; Stan Ford <fords@lakeorion.org>; Michael Lamb <lambm@lakeorion.org>; Nancy Moshier <moshiern@lakeorion.org>; George Dandalides <dandalidesg@lakeorion.org>; Alex Comparoni, Jr. <acomparoni@lakeorion.org>; Eric Papacek <papaceke@lakeorion.org>
Subject: Alternative Infrastructure Funding and Fiscal Accountability

Dear Village Council Members,
After the last meeting on 03/09/2026

I am writing to formally submit recommendations regarding the funding of our upcoming pump station upgrades and water main replacements. While I recognize that these infrastructure projects are critical to our community, the current reliance on increasing property taxes and water rates is becoming unsustainable for many residents.

After reviewing the recent Village Council agendas, the 6-Year Capital Improvement Plan (CIP), and the 2025–2026 Budget, I urge the Council to review the following areas where immediate savings or reallocations could be realized:

1. Deferral of Non-Critical "Quality of Life" Projects (~\$170,000 savings) The current budget allocates significant capital toward projects that are not essential life-safety infrastructure. I recommend a 24-month deferral of the following:

- **Children's Park Bridge Replacement (\$100,000):** This project should be delayed to prioritize the stabilization of the Water Fund.
- **Atwater Park Basketball Court (\$70,000):** Given the cost overruns from the original \$40,000 estimate, these General Fund reserves should be protected for emergency utility needs.

2. DDA Bond Fund and Tax Capture Reform The Downtown Development Authority (DDA) is currently holding over **\$2.5 million** in its Bond Fund for the Lumber Yard project. Under **MCL 125.4201**, "public facilities"—which the DDA is legally empowered to improve—explicitly include water and sewer lines.

- **Legal Reallocation:** Since the Village has pledged its **full faith and credit** to these bonds, the Council has the standing to request an amendment to the DDA Development Plan. I propose prioritizing the replacement of aging water mains within the district as a foundational requirement for the Lumber Yard PUD.
- **Promotional Spending:** A temporary reduction in the DDA's **\$86,112 "Promotion and Events" budget** would provide immediate liquidity for utility repairs.

3. DPW Equipment Deferral and Special Events The Capital Improvement Plan frequently includes a "wish list" of new vehicles and specialized lawn or snow equipment.

- **Equipment Lifecycle Extension:** I propose a "deferral strategy" for non-essential DPW equipment. Extending the life of current vehicles and specialized machinery by just one more year could free up six-figure sums that could be redirected to the Water Fund.
- **Event Labor Costs:** We should evaluate the DPW labor costs associated with special events to ensure the Water/Sewer funds are not indirectly subsidizing non-utility activities.

4. Professional Services and Efficiency Savings

- **Consultant Fees:** Pausing non-essential ordinance changes would reduce hourly bills from planning firms and the Village Attorney.
- **"In-House" Transitioning:** While I support bringing building inspections in-house to stop the drain of third-party payments, these savings must be explicitly earmarked for the infrastructure deficit.

5. Implementation of a "Dig Once" Efficiency Policy The 2026 Street Improvement Program provides a unique opportunity for cost-sharing. By replacing high-priority water mains simultaneously with road reconstruction, the Village can eliminate redundant costs for mobilization and repaving. I request a **Utility Coordination Audit** to show projected savings before any further rate hikes are considered.

6. Pursuit of Principal Forgiveness Grants The Village should aggressively pursue Michigan's **Drinking Water State Revolving Fund (DWSRF)** for principal forgiveness. Leveraging state and federal dollars should be our primary strategy for high-cost items like pump stations.

In conclusion, I propose that the Council adopt a **"Capital Deferral Filter"** for the 2026-2027 fiscal year: any project that is not related to Public Safety or Critical Utilities should be pushed back until our infrastructure is stabilized.

Thank You
Matt Szadyr



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