



MINUTES

VILLAGE COUNCIL CIP ALTERNATE FUNDING COMMITTEE

Tuesday, March 31, 2026

11:00 AM

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

(248) 693-8391 ext. 102

1. Call to Order

The March 31, 2026 CIP Alternate Funding Committee was called to order by Council Member Dandalides at 11:00 AM.

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 (11:02 PM)

ABSENT

Police Chief Mark Amundson

3. Call to the Public

None.

4. Approval of Minutes

A. Approval of Minutes March 26, 2026

MOTION made by Village Manager McClary, Seconded by Council Member Dandalides to approve the Village Council CIP Alternate Funding Committee meeting minutes from March 26, 2026.

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

VOTING NAY: None

ABSENT: Amundson, Gibb

MOTION: Carried

5. **Other Items**

A. Review Village Manager proposal on funding discussion from March 26th meeting

Council Member Dandalides asked the Village Manager to provide an overview of the memorandum distributed at the meeting. Village Manager McClary reviewed the memo recommending supplemental funding for the Sanitary Sewer Pump Station project. He highlighted the use of \$1.75 million in grant reimbursement from Phase 1 and noted that four additional grant applications have been submitted; however, the status and funding amounts will not be known until the fall. He also recommended utilizing up to \$960,000 from the water and sewer reserves. Based on this approach, the Village would issue approximately \$8,126,000 in revenue bonds. He stated that following these recommendations would result in a sewer rate increase of \$98.62 quarterly or \$32.87 monthly. Village Manager McClary advised against using General Fund monies, stating it would use tax dollars to fund a utility operation and reduce funds available for future capital improvement needs. He also noted that the DDA Public Infrastructure Fund could potentially contribute to sewer improvements within the DDA District.

Council Member Lamb stated that he reviewed the TIF Plan and did not see language specifically referencing water and sewer projects. He indicated that if the Village were to utilize the DDA Public Infrastructure Fund, the plan may need to be amended. He stated he requested DDA Executive Director Gibb provide the legal analysis indicating that the TIF Plan could be used for water and sewer projects.

MOTION made by DDA Executive Director Gibb, Seconded by Council Member Dandalides to have the DDA provide an attorney-authored opinion supporting the memorandum of its Director to the Village Manager within 14 days.

Council Member Lamb stated that he preferred to receive an opinion from the Village Attorney. DDA Executive Director Gibb stated that the DDA is part of the Village, and Village Manager McClary stated that he trusts the opinion of the DDA attorney.

VOTING YEA: Rutt, Dandalides, Sanchez, McClary, Stout, Lamb, Gibb
VOTING NAY: None
ABSENT: Amundson
MOTION: Carried

MOTION made by Council Member Lamb, Seconded by Council Member Dandalides to have the Village Attorney review the TIF Plan to determine whether it is appropriate to use DDA funds for water and sewer projects.

Council Member Lamb stated that the DDA attorney does not represent the Village of Lake Orion or its legal interests. Council Member Dandalides supported the request. Village Manager McClary stated that he trusts the opinion of Bob Davis, the DDA attorney, and noted that if any concerns arise from that opinion, the matter could then be referred to the Village Attorney. He

added that if the opinion supports the intended use, seeking an additional legal review could be unnecessary.

VOTING YEA: Lamb
VOTING NAY: Rutt, Dandalides, Sanchez, McClary, Stout, Gibb
ABSENT: Amundson
MOTION: Failed

Council Member Dandalides discussed the possibility of using General Fund monies, stating that this is what taxpayers would prefer. Village Manager McClary reiterated his concerns about using General Fund resources, noting that while Council has the authority to allocate those funds, he does not recommend doing so due to potential impacts on future capital improvement needs. He also commented that if the long-term objective were to dissolve the Village, those funds would not be available in the future.

Council Member Lamb, Village Manager McClary, and DPW Director Sanchez discussed future rate increases, including the need to account for depreciation and maintain regular rate adjustments to support system sustainability.

MOTION made by Council Member Dandalides, Seconded by President Rutt to recommend to Village Council the proposal presented by the Village Manager dated March 31, 2026, which includes utilizing \$960,000 from the water and sewer fund reserves and \$1.75 million in grant reimbursement, with the corresponding anticipated water and sewer rate adjustments outlined in the memo and a recommended bond issuance of \$8,126,000.

VOTING YEA: Rutt, Dandalides, Sanchez, McClary, Stout, Gibb
VOTING NAY: Lamb
ABSENT: Amundson
MOTION: Carried

B. Discussion of additional funding strategies for the residual shortfall from "A" to achieve the goal of completing Phases 2 & 3 of the pump station project with zero increase in water/sewer rates

Council Member Dandalides presented a Capital Improvement Plan (CIP) outline he prepared in Excel format illustrating how projects relate to the 75/25 funding split within the DDA district.

Council Member Lamb stated that the CIP Plan cannot bind future councils and therefore may not serve as a long-term funding solution. President Rutt noted that the 75/25 split was established by resolution and would remain in effect unless a future council formally revokes it. Council Member Dandalides responded that the agreement specifies projects are to be selected annually and does not indicate that the funding split is subject to renegotiation each year. President Rutt stated that project selection and related decisions ultimately rest with the full Council.

Further discussion occurred regarding what types of projects are permitted under the TIF Plan and whether amendments to the plan may be necessary.

C. Next steps

Council Member Dandalides noted that two recommendations had come out of the committee and asked whether members were satisfied with the outcomes. Village Manager McClary stated that the committee completed significant work and acknowledged that discussions were, at times, contentious. Clerk/Treasurer Stout commented that until additional information is available regarding grant awards and funding amounts, it is difficult to determine the next steps. Village Manager McClary stated that the projections discussed represent a worst-case scenario.

6. Call to the Public

7. Adjournment

MOTION made by President Rutt, Seconded by Clerk/Treasurer Stout to adjourn the March 31, 2026 Village Council CIP Alternate Funding Committee meeting.

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

VOTING NAY: None

ABSENT: Amundson

MOTION: Carried

The March 31, 2026, Village Council CIP Alternate Funding Committee meeting adjourned at 12:09 PM.

George Dandalides
Chairperson

Sonja Stout
Clerk/Treasurer
Recording Secretary

Date Approved: as presented