

City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: November 24, 2025
RE: Study Session

Headlee Results

The voters have spoken, and the Headlee Override Proposal was not approved. As the Council is aware, City operations will need to change in order to balance the budget for FY 26-27 and future years. City Staff has internally created a rough draft of the FY 26-27 General Fund budget, which:

- Adjust tax revenues for anticipated inflation adjustments
- Eliminates any PA 33 Revenues
- Eliminates sidewalk assessment revenues
- Reflects the decrease in State Shared Revenue
- Freezes administrative employee pay
- Increases PD pay based on union agreement
- Adjustments for anticipated increased insurance costs
- Eliminates all potential capital purchases
- Increases Fire/Dispatch Costs

With these draft modifications, it is anticipated that the City will need to cut \$200-\$250,000 worth of expenses. This does not factor in the NEED for some capital items to be purchased in order to operate the City, or adding funds to the fund balance. For example, the City will be due to purchase an LVPD patrol vehicle to replace the aging fleet. If included in the budget, an additional ~\$75K would need to be cut. Options for the City to consider are noted below. Additional options can and may be discussed throughout the budget process. If the Council has any additional ideas they want staff to examine, please share.

- Cancellation of the Southfield Public Library Contract - ~\$190,000
 - NOTE: There are ~1,000 active LV library cards in the Southfield Library system.
 - No requirement in the City Charter or state law requires a municipality to provide library services to its residents.
 - A prompt was sent to our Library contact to see if the City would cancel the contract if the Library would be open to allowing individual LV residents to purchase their own membership. This will be a discussion at an upcoming Library Board meeting.
 - **The current contract with the Library is 46 years old, and the cancellation clause requires at least a 1-year notice for cancellation. The City will need to act fast and see if Southfield is amenable to early contract termination.**
- Modify the City's SOCRRA contract and eliminate chipping services - \$70,000
 - NOTE: This would be for our current contract that is set to expire at the end of FY 27. Over the next year, the SOCRRA board will be determining how to move forward with all SOCRRA refuse contracts, and if the City decides to change our refuse operations, that would carry over into the new contract, or our refuse contract may need to change further, such as moving to a "Cart Only" model. Cart Only means that the contractor will not pick up any garbage/recycling that does not fit in the designated cans.
 - Eliminating chipping service would require that any yard waste residents want picked up fit in a designated yard waste can or yard waste bags.

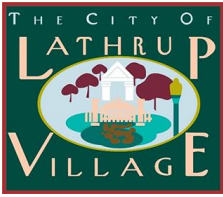
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Bruce Kantor
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- Our current chipping agreement via SOCRRRA is with Fontenot Landscape Services LLC. The agreement covers the majority of SOCRRRA communities and is under review from SOCRRRA legal counsel to see if the contract can be modified to remove Lathrup Village.
- Not backfilling of one (1) Full-Time LVPD Patrol Position - ~\$95-120,000
 - NOTE: As of this memo, the City will soon have two (2) open patrol positions due to retirements/promotions. To save funding now, PD Administration has been directed not to backfill one of the open positions and transition to a schedule that would leave numerous shifts throughout the year to have only one (1) dedicated patrol officer.
 - In the event additional offers need to be relieved of duty for budget purposes, the union CBA requires that all Part-Time PD employees be terminated before an employed full-time employee.
- Outsourcing the Police Department – TBD
 - As noted in previous meetings, City Administration will not begin exploring this option until given formal direction during a City Council Regular Meeting.
- Move City Hall to Part-Time Operations - ~\$310,000 savings to the GF
 - This would involve moving all non-police positions to part-time (20 hours per week) and limiting the hours that City Hall is open throughout the week. This will also save funding in other City funds, as numerous salaries are split amongst City funds.
 - This would require the hiring of all new non-PD staff.
- Elimination of the Parks/Recreation & Tree Committees - ~\$25,000
 - No requirement in the City Charter or state law requires a municipality to provide these services. As funding for excess programming (grant matches) will be extremely limited, it will need to be determined if non-essential City activities warrant funding.

Potential Revenue Options:

- Implement Public Act 33 – TBD
 - The option for the City Council to enact Public Act 33 again is on the table. However, during the FY 26 approval process, it was discussed among the Council that they would not necessarily feel comfortable going against the voters' wishes.
- Propose a Headlee Override, Public Safety Millage, or another ballot initiative at a future election.

Other Options:

- Seek annexation from the City of Southfield
 - This would be a complex process and likely take multiple years to complete. It would require resolutions from both cities filing a joint petition with the state boundary commission, which would have to approve the consolidation, and voters in either City could challenge this decision with a referendum petition. If the boundary commission approves (with no or a failed referendum), a new Charter would have to be drafted and approved by the voters in each City.

Study Session Recordings

The Council has started discussions regarding the recording of Study Sessions, and the purpose of this item is to continue that discussion. If the Council wishes to proceed with recording the sessions, the City will need to determine in which manner to record the meetings and how to fund the additional recordings.

If the City were to utilize the service of LVTV to record the sessions in the Meeting Place, with the same quality (video/audio) presently, it is anticipated that it would cost ~\$6,500 extra per fiscal year. Another option could include

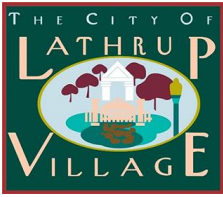
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utilizing an existing City cell phone and purchasing \$100-200 worth of accessories (tripod/microphone) and recording sessions that way; however, it is anticipated that the quality (video/audio) would be diminished. These would not be live videos; they would be recorded and uploaded to the City's YouTube Channel in the following days.

Study session recordings were a prompt on the Michigan Manager Listserv recently, and the limited results showed that the majority of communities do not record these types of meetings for similar reasons as the Council has previously discussed, notably that discussion is more open and active when a camera is not recording.

Responding Communities

Record Study/Work Sessions: Shoreline

Do Not Record Work Sessions: Hastings, Coldwater, Caledonia Township, Plainfield Township, Farmington Hills, Ann Arbor, Spring Lake Township

Children's & Community Garden

As most of the Council is aware, the current volunteers who manage the Children's & Community Gardens have decided to step away from their volunteer roles at the end of this calendar year. With that, the City needs to decide what to do with these two aspects of Municipal Park, as City funding is limited for maintenance/programming purposes.

Community Promotion

During the recent Parks & Recreation Committee meeting, the notion was raised that there is no coordination between all the committees/organizations that help promote Lathrup Village or a clear vision for promoting the City.

The purpose of this discussion is to see if there are any ideas for coordinating the promotion between all committees, community organizations, and the Council. P&R presented the idea of scheduling a joint meeting (with a facilitator) to coordinate these efforts.

Regular Meeting Agenda Items

This is a holding item to discuss any general questions the Council may have on items on the regular meeting agenda.

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