



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: April 6, 2026
RE: Study Session

Council Rules of Order & Procedure – Video/Audio Recording

Councilmember Sousanis requested this topic for the Council to discuss Section 25 – Video/Audio recording during a public meeting under the approved Council Rules of Order & Procedure. At the previous Study Session, Councilmember Sousanis stated he would provide recommendations for this policy, and those recommendations are included in this packet.

City Administrator Evaluation

During the last Study Session, it was requested that the Council submit their template feedback to the City Administrator to compile into an updated draft evaluation. Included in your packet is what was created based on the feedback. Council can continue providing feedback or finalize the evaluation form and begin that process.

DRAFT Budget Review

Enclosed in your packet is the DRAFT FY 26-27 budget for your initial review and reedback. As requested, the General Fund includes multiple options, from no PA 33 to a recommendation of 1.5 mill PA 33. Below are snapshots of notes on how services would change for each budget.

The propose of this item is to get initial feedback on the budget and begin to narrow down which direction the Council would like to pursure for the next fiscal year. Budget reviews will continue over the next few meetings with the tentative Public Hearing for the budget/PA 33, and potential adopting of the budget, scheduled for May 18.

General Fund

NO PA 33

- Suspend annual \$50,000 RHFV (retiree health funding vehicle) contribution to MERS
- Administrative salaries frozen
- Removal of all Council Memberships/Training
- Scaled back Staff Memberships/Training
- Not backfilling 1 full-time patrol position
- Elimination of all part-time PD patrol positions
- Removal of chipping services
- Scaled back Parks & Recreation Funding
- No capital purchases

0.5 PA 33

- Suspend annual \$50,000 RHFV (retiree health funding vehicle) contribution to MERS
- Administrative salaries frozen
- Not backfilling 1 full-time patrol position
- Removal of chipping services
- Scaled back Parks & Recreation Funding
- No capital purchases

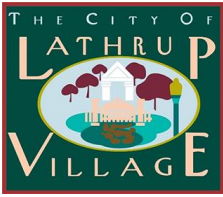
Bruce Kantor
Mayor

Kelly Garrett
Mayor Pro-Tem

Jalen Jennings
Council Member

Jason Hammond
Council Member

John Sousanis
Council Member



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1.0 PA 33

- Suspend annual \$50,000 RHFV (retiree health funding vehicle) contribution to MERS
- 2.7% COLA increase for Administrative Staff (mirrors assessment increases)
- Not backfilling 1 full-time patrol position
- Removal of chipping services
- Purchase one (1) capital item – new PD Patrol vehicle

1.5 PA 33

- Scale back annual RHFV (retiree health funding vehicle contribution to MERS to \$25,000
- Removal of Chipping Services
- 2.7% COLA increase for Administrative Staff (mirrors assessment increases)
- Not backfilling 1 full-time patrol position
- Purchase two capital item/project
 - New PD Patrol vehicle
 - City Hall Elevator – State of Michigan Safety & ADA Compliance Upgrades

Major & Local Roads

No major changes within the two primary funds. We anticipate a slight uptick in ACT 51 revenue, and the only project we are planning for the next fiscal year is crack-sealing of roads, specifically those completed with the 2021 bond project.

As for the Road Millage Bond Fund, if the Council enacts PA 33, due to the fund balance within this fund, staff recommends reducing the Road Millage from 3.9307 to 2.9307 to offset a portion of the PA 33 millage. There is an adequate fund balance to cover the remaining bond payment (after 2.9307 mills) for one to two years.

Water & Sewer Funds

These funds are still being finalized as we await completion of the Michigan Rural Water Association rate study and Evergreen Farmington Sanitary District's (EFSD) rates for the upcoming year. However, we do have some information that will impact this budget.

Water

The major project planned for FY 27 is pending State funding being released, as it is for the Southfield Road water main north of 696. This is the funding that has been in a legal battle with the state legislature over the past few months.

We are expecting a 7.5% increase in water purchasing cost from SOCWA (includes the GLWA increase) + a new flat fee for SOCWA capital. Additional factors are causing the City to increase the rates to the residents even further, these include:

- The need to cover the additional bond expenses not covered by the \$10.70 montly surcharge
- University/Academy School is going offline for the next 4-5 years, reducing water revenue
- The need to replenish cash reserves in the W/S Fund as they have been reduced by grant funding matches and to plan for future proejcts

With all this, we are anticipating a recommendation of a 12.5% increase for water rates.

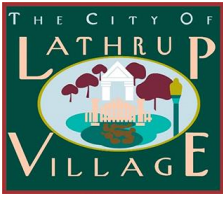
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Sewer

No major projects are planned for FY 27 within the sewer fund (there may be carryover expenses for the approved CIPP project if not fully completed in June). We are expecting at least a 8% increase in sewer rates from EFSD, but they will not have finalized rates until the end of April 2026. Additionally, EFSD has insured new bonds for work within the district, and Lathrup Village is required to cover a portion of those bonds. This new expense and factoring in the removal of University School from sewer revenue, we are anticipating a recommendation for a 15% increase in sewer rates in the coming year.

Capital Improvement Plan

Enclosed for your review is the draft Capital Improvement Plan (CIP). This document outlines the City’s proposed capital projects and infrastructure investments over the next several years and is intended to guide long-term planning and budgeting decisions. While it is understood that it is not financially possible to act on every CIP item, the document serves as a guide for planning purposes. Please review the draft and provide any feedback or suggested revisions so staff can incorporate your input before final consideration.

The CIP was recommended for approval by the Planning Commission during its March 17, 2026, meeting, with the intention of formal approval consideration during the May 18 City Council meeting.

DDA Cost Share

Enclosed for your review is a DDA-approved cost-share agreement. The agreement outlines the proposed framework for sharing costs associated with eligible projects and initiatives that support downtown development and community improvements. Please review the document and provide any comments or feedback before formal consideration. This will be under formal Council consideration for approval during the April 20 City Council meeting.

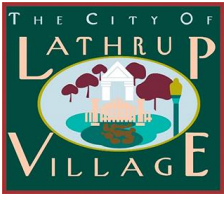
Lathrup Services – Request for Adjustment to Schedule of Fees

The City’s Department of Public Services (DPS) provider, Lathrup Services LLC, has not had an adjustment to its Master Agreement since 2023, when it received a 3% fee increase. Due to inflationary pressures since 2020 (the latest full agreement on file), Lathrup Services does not believe it can provide the City with adequate services under the current fee schedule, specifically as it is unable to attract qualified talent to fill open positions (ex: CDL Drivers). Enclosed in your packet is a letter from Lathrup Services outlining its request.

If the yearly rate from 2020 were adjusted for inflation, the cost would be \$504,326 (~26% increase). Lathrup Services is requesting a 10% increase over their current fees. A breakdown of that potential budget impact is noted in the chart below.

Fund	Current		Requested		Percentage
	Monthly Amount	Annual Amount	Monthly Amount	Annual Amount	
General	10,750.74	129,008.85	11,825.81	141,909.73	31%
Major	5,550.43	66,605.14	6,105.47	73,265.66	16%
Local	5,550.43	66,605.14	6,105.47	73,265.66	16%
Water	6,236.94	74,843.25	6,860.63	82,327.58	18%
Sewer	6,236.94	74,843.25	6,860.63	82,327.58	18%
TOTAL	34,325.47	411,905.64	37,758.02	453,096.20	

Bruce Kantor Mayor	Kelly Garrett Mayor Pro-Tem	Jalen Jennings Council Member	Jason Hammond Council Member	John Sousanis Council Member
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If this service were to come back “in-house,” the City would be looking at the need to hire 5-6 employees for an estimated cost (wages + benefits) of ~\$450,000 - \$550,000 plus expenses currently covered by Lathrup Services (ex: gasoline, equipment/vehicle maintenance, employee licensing/training).

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