



City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
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TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: August 18, 2025
RE: 2007 General Obligation Bond Payment Acceleration

Background Brief: The City issued General Obligation – Limited Tax Bonds in 2007 to front the cost of water/sewer infrastructure projects. Enclosed in your packet is the bond amortization schedule that the Finance Department received from the Bank of New York Mellon (BNY) in April 2024. In the fall of 2024, BNY invoiced the City for a principal and interest payment, which was not reflected on the amortization schedule. When the City requested a corrected amortization schedule, BNY was unable to provide it. The City has now been invoiced for another principal payment, even though it is not reflected on the amortization schedule.

Currently, the City owes \$75,000 in principal and \$3,562.50 in interest due before 10/1/2025.
We also owe an interest payment of \$1,781.25 before 4/1/2026.
We owe a final principal payment of \$75,000 and a final interest payment of \$1,781.25 before 10/1/2026.

Based on the healthy fund balance in the (water/sewer) enterprise fund and staff's current issues with BNY, we are requesting to pay off the bond in its entirety, which would accelerate the final principal payment, save \$3,562.50 in interest, and save administrative time processing the remaining payments.

Previous Action: N/A

Economic Impact: Total FY 25-26 enterprise fund impact of \$154,062.50 (\$150,000 principal, \$3,562.50 interest, and \$500 redemption fee), in lieu of \$80,343.75 in FY 25-26 and \$76,781.25 in FY 26-27.

Recommendation: I recommend approving the payment acceleration.

Recommended Motion:

Moved by Council Member _____ seconded by Council Member _____
to approve the 2007 General Obligation – Limited Tax Bond payment acceleration and allow staff to file all necessary paperwork to redeem and close this bond.

Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Jason Hammond
Council Member

Maria Mannarino
Council Member