

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: January 5, 2026
RE: Study Session

CIP Bond Millage Reduction & FY 26-27 PA 33

In 2021, the residents approved, and the City issued Capital Improvement Bonds for City infrastructure projects. With this approval came a dedicated millage rate of 3.9307 to pay the debt (principal + interest). Over the past couple of years, the dedicated millage has collected more taxes than is due. This has resulted in a fund balance in the CIP account, projected to be ~\$250,000 by the end of Fiscal Year 2025-2026.

Based on this information, staff projects that the City Council could reduce the CIP millage by 0.5 (down to 3.4307) and utilize the dedicated CIP fund balance and still meet the debt obligations until the bond is closed in 2031.

Year	Payment	Millage Rate	Taxes Generated	Difference	Fund Balance	-
	(Principal + Interest)					
2022	541,667	3.9307	563,865	22,198	0	actual*
2023	558,750	3.9307	591,291	32,541	0	actual*
2024	576,750	3.9307	633,036	56,286	74,367	actual
2025	588,000	3.9307	676,812	88,812	167,428	actual
2026	602,750	3.9307	688,845	86,095	253,523	projected
2027	620,750	3.4307	601,221	-19,529	233,995	forecasted
2028	631,750	3.4307	601,221	-30,529	203,466	forecasted
2029	651,000	3.4307	601,221	-49,779	153,687	forecasted
2030	668,000	3.4307	601,221	-66,779	86,908	forecasted
2031	687,750	3.4307	601,221	-86,529	380	forecasted

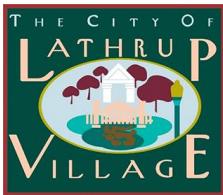
*While Taxes Collected were greater than the payment, the City incurred costs associated with the issuance of the bond (ex: attorney fees, engineering) that were paid for via the initial fund balance.

If the City Council did not wish to lower the millage and we proceeded as is, based on collection projections, staff believes the CIP bond could be fully paid off in 2030 (one (1) year early), saving ~\$32,000 in interest payments.

How does this relate to PA 33?

Over the past couple of meetings, we have been discussing some potential major cuts to City services based on the failed Headlee Override. Based on these meetings, items such as outsourcing the Police Department are off the table, and there is hesitation about cancelling library services. In other words, there are only a couple of larger items for consideration before contemplating additional layoffs, while trying to nickel/dime our way to tens of thousands in savings, as there is still a projected minimum of \$200-\$250,000 deficit in FY 26-27 (before purchasing necessary capital items). The cancellation of chipping services (~\$70,000) and not backfilling one (1) FT Patrol Position (~\$95-\$120,000) are still on the table.

While those two items would get the City nearly where it needs to be, more still needs to be done.



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Staff would like to start the discussion about implementing PA 33 for FY 26-27. We would recommend a 1 mill PA 33 (projecting \$175,000 in revenue), along with the reduction of 0.5 mills for the CIP Bond millage.

This recommendation would result in a **NET 1.5-mill reduction** to what the property owners paid in FY 25-26.

Tax	Annual Statutory Millage Rate	Fiscal Year 2024 – 2025	Fiscal Year 2025 – 2026	Recommended 2026 – 2027
LV – General Operating	20.0000	17.3001	17.3001	17.3001*
Refuse	3.0000	2.5948	2.5948	2.5948*
Road Millage	3.9307	3.9307	3.9307	3.4307
LV – DDA	2.0000	1.8823	1.8823	1.8823
Public Act 33		-	2.0000	1.0000
TOTAL (w/o DDA)		23.8256	25.8286	24.3256

*Subject to potential Headlee Rollbacks.

This recommendation would get the City through an additional Fiscal Year with some service reduction and allow for additional discussions for the future of the City, including the potential of seeking dedicated millages for specific services (which leads into the next Study Session topic).

Library Millage

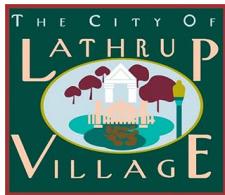
Based on the input from the past couple of discussions, the appetite for fully canceling the Southfield Library contract appears inclusive. Even if cancellation was approved, the contract calls for a 1-year notice effective July 1, meaning the City would be on the hook to pay for library services until July 1, 2027 (unless Southfield allowed for early termination). There has also been verbal public support for the library at recent meetings.

All this considered, the purpose of this discussion is to determine the Council's appetite for turning this decision over to the voters and placing a dedicated library millage on the November 2026 ballot. As the process for placing a millage on the ballot takes time, the Council will need to decide in the relatively near future.

Library Service Research Update

At the Council's request, I have inquired to our neighbors in Birmingham, Berkley, Beverly Hills, Pleasant Ridge, and Huntington Woods to see if they are open to contracting with LV or would have the ability to offer one-off memberships. Below is the information I have currently received.

- **Beverly Hills** – contracts with the City of Birmingham. At one point in time (City Manager believes during the mid-90s), a library services millage was approved for 1 mill. The contract with the library states that they receive an annual payment (paid quarterly) equal to whatever amount the millage generates, which accounts for Headlee rollbacks. The millage has been renewed several times since then, with the most recent being in 2020. The millage rate is currently 0.7731, which generates about \$645,000 a year.
- **Pleasant Ridge** – contracts with Huntington Woods. It costs them ~\$50,000 annually (inflation-adjusted). Their contract has been in place for 20+ years. The PR City Manager highly doubts they would have been given that price today. PR has a voted-upon library millage that covers its costs for this service, which is renewed every 5 years. It's written into the contract that if the millage vote fails, library service for PR is canceled immediately.
- **Berkley** – no longer sells individual cards for library access.
 - **Has offered to take Lathrup Village via contract. They are proposing offering library services for an annual cost of \$95,000 per year, with a 3% annual increase.**



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- **Berkley could take the City under contract as of July 1, 2026**
- **Troy** – Public Library offers individuals the ability to purchase library cards for \$200 per year. Purchasing a card allows an individual to receive full privileges at the Troy Public Library and the rest of the Suburban Library Cooperative Libraries.
- **Southfield** – The Library Board started its discussion about the City's request at the November Board meeting. They are gathering more information about both questions. Our Library contact will share more information when they have it.
- **Ferndale** – LV residents can obtain a non-resident card for \$100 per year. It gives cardholders the same rights as Ferndale residents, including access to their library of things, hotspots, and video game collections.
- **Royal Oak** – LV residents can obtain a non-resident card for \$125 per year.
 - **Total equitable fees to take LV on as a client: ~\$294,000**
 - **To calculate fees, Royal Oak uses its revenue and divides it by its service population. Then they would multiply that by the LV service population minus the penal fines/state aid they would receive.**
- **Birmingham** – does not sell library cards or memberships. Patrons who wish to use Birmingham services must be registered users with an in-network library (Troy cardholders or a Library Network member) or a resident, employee, or property owner in our service area of Birmingham, Beverly Hills, Bloomfield Hills, or Bingham Farms.
 - Birmingham works with three neighboring communities that contract for library services. Residents in these communities are essentially paying an annual fee through their property taxes to use library services; they are not represented on the library board, and they have no claim to the building or its contents should the community withdraw from the contract.
 - Historically, they have set individual rates for each community based on negotiations with the Village or City councils. Here's a preview of their per capita funding for each community and a comparison for the Lathrup Village population to give you a range of costs that they would be comfortable negotiating for library services here:

	Population	Annual Taxes Collected	Per Person
Beverly Hills	10,584	\$ 621,870	\$ 58.76
Bloomfield Hills (City)	4,460	\$ 358,600	\$ 80.40
Bingham Farms	1,124	\$ 136,930	\$ 121.82
Birmingham	21,813	\$ 4,654,595	\$ 213.39
Lathrup Village	4,088	\$ 240,210.88	\$ 58.76
		\$ 328,675.20	\$ 80.40
		\$ 498,000.16	\$ 121.82
		\$ 872,338.32	\$ 213.39

Communications & Engagement Committee

During the December 15, 2025, Regular City Council Meeting, the Council created a new "Communications & Engagement Committee." The purpose of this discussion is to determine the Council's expectations for this committee, so that when we begin soliciting applications, candidates, and the Council can be on the same page.

A ROUGH DRAFT of a simple City Communications Plan is included as a project that the new committee could spearhead.