



Memorandum

Office of the Village Manager

TO: Honorable President Narsh and Village Council
FROM: Darwin D. P. McClary, Village Manager
DATE: March 27, 2023

RE: VILLAGE MANAGER'S REPORT

FY 2023-24 BUDGET PREPARATION

Village council is expected to schedule budget work sessions for the week of April 11 to review the Village Manager's Proposed FY 2023-24 Budget. Council will be receiving the proposed budget at your April 10 regular meeting in accordance with village charter requirements.

ROAD COMMISSION EASEMENT ON CEMETERY PROPERTY

At your March 13 meeting, council approved a request from the Road Commission for Oakland County (RCOC) for an easement across the southeast section of East Lawn Cemetery adjacent to Orion Road as part of the Orion/Conklin/Stoney Creek intersection improvement project subject to payment of \$10,164 in fair compensation plus additional compensation for the replacement of trees. We are requesting \$2,800 in additional compensation for the tree replacement. The road commission has contacted my office, as well as the Village Attorney, on several occasions expressing displeasure with the village's decision to require compensation for the trees. Administration's position is that the matter will need to return to the council for further consideration if RCOC does not agree to council's conditions. I will keep council updated on this matter.

DELINQUENT UTILITY BILLS

It has come to my attention that administration has not been complying with village code for at least the past several years in the handling of delinquent utility bills, and, more specifically, the levying of penalties and interest for delinquencies and shutting off water to customers with extended delinquent bills. As a result of this lack of enforcement, as of the last billing in February, the village currently has more than \$155,000 in unpaid water and sewer charges. Administration will begin complying with the strict provisions of village code commencing with the July 2023 utility billing cycle and will be providing notice to the public in April regarding Administration's intent, including placing a message on the April bills. A review and possible revision of the code may be needed prior to July 1 to reflect the current desires and priorities of the village council in collecting utility charges. The purpose of the penalties and interest and shut-off provisions is to

promote timely payment of utility bills. I have also directed village administrative staff to inform the public of the several regional and statewide water bill assistance programs available for those struggling to pay their water bills. Information on the programs is available through the Oakland County Water Resource Commissioner's web site at <https://www.oakgov.com/water/affordability/Pages/default.aspx>.

Attached are the relevant sections of village code pertaining to utility bills and delinquent payments.

SPECIAL ASSESSMENT POLICY FOR PUBLIC IMPROVEMENTS

In the January 23, 2023, Village Manager's Report, I presented a draft special assessment policy for council's information and review. Establishing a formal policy for the utilization of special assessments for public improvements is crucial if the village is to be able to reasonably address the financial burden associated with the millions of dollars of public improvements needed within the community and to prepare a comprehensive capital improvement plan. I have not received any comments from council members on the draft policy and will be presenting it again at council's April 10 regular meeting for consideration. The draft policy is attached.

RECONFIGURATION OF LAKE STREET FOR STARBOARD RESIDENTIAL DEVELOPMENT

As part of the Mocerri Starboard residential development project, a portion of Lake Street will need to be reconfigured and reconstructed. The developer is seeking an agreement to do so. The agreement is being reviewed by administration and legal counsel and will be presented to council for consideration at the appropriate time.

ELECTION DROP BOX AT VILLAGE HALL

Orion Township Clerk Penny Shults has requested permission to place an election ballot drop box at village hall for election purposes. I am working with the township on the location and configuration. Once we have worked out details, I will be submitting the plan to village council for approval of the placement of the drop box.

2023 WATER AND SEWER RATES STUDY

Michigan Rural Water Association (MRWA) and Public Works Director Sanchez have completed the draft model of the water and sewer rates study, and I am reviewing the work for accuracy and completeness. Once my review is complete, we will schedule a time for Joe Vandommelon from MRWA to provide council with a presentation on the results of the rates study. Council and administration will use the information from the study to determine the necessary water and sewer rates for FY 2023-24 and beyond.

WEB SITE REDESIGN PROJECT

I met with CivicPlus on March 16 to review the redesign of the web site in accordance with the subscription upgrade recently approved by council. CivicPlus is completing a preliminary redesign. We are anticipating the go-live date for the new web site to be May 1.

FINANCE DIRECTOR/TREASURER RECRUITMENT

We received three applications for the Finance Director/Treasurer position. Interviews have been scheduled for March 29. Deputy Finance Director/Treasurer Cherie Hedrick, Village Clerk Galeczka, and I will conduct the interviews and make a final selection. Pre-employment background checks, reference checks, and physical examination will then be completed, and confirmation of the Village Manager's appointment will be presented to council in accordance with village charter requirements.

PARK AVENUE RETAINING WALL REPAIR PROJECT

Village Engineer Thurber is still working on the final design plans and cost estimates for the Park Avenue retaining wall project. I was hoping to be able to present the information at council's March 27 regular meeting, but Engineer Thurber is not able to attend the meeting. Target date for presentation of the retaining wall design plans and cost estimate is now April 10.

ELECTRONIC AGENDA PACKETS

I would like council approval to transition back to electronic agenda packets beginning July 1 for all boards and commissions. Our current copier is not equipped to handle the large volume of copying and collating that is necessary to continue printing hard copy packets, and the copier frequently breaks down in the middle of print jobs. Furthermore, printing hard copy packets is costly and not environmentally friendly. Alternatively, we will need to consider leasing a much more robust copier when the current lease expires. We can discuss this in more detail during the budget work sessions.

WATER AND SEWER RATES COMMITTEE

The committee met on March 8 and requested additional background information to be able to continue its discussions.

IMPORTANT DATES

- March 28 2023 – Parks and Recreation Advisory Committee meeting
- April 3, 2023 – Planning Commission regular meeting
- April 6, 2023 – Board of Zoning Appeals regular meeting
- April 10, 2023 – Village Council regular meeting

§ 53.08 WATER RATES, BILLING AND LIEN UPON PREMISES RATES.

(A) A minimum quarterly ready to serve charge shall be established by resolution of the Village Council at a regular meeting after a public hearing.

(B) For all water used during any quarterly period, a water usage charge for each 100 cubic feet or fraction thereof shall be established by resolution of the Village Council at a regular meeting after a public hearing.

(C) Unmetered customers shall pay a charge per quarter as established by resolution of the Village Council at a regular meeting after a public hearing.

(D) There is hereby imposed upon Orion Township an annual charge per hydrant as established by resolution of the Village Council for standby water usage; billing to be made on or about January 1 of each year using a hydrant count as of December 31 of the previous calendar year. Except as otherwise provided in this chapter, rates for special supply or for temporary supply for any purpose shall be fixed by the Village Manager.

(E) In the event that a property owner fails to install a water meter pursuant to this chapter, the village shall cause the same to be built in a meter pit or other acceptable chamber with the cost of labor, materials, and construction billed to the water customer on the next ensuing quarterly bill and collected in the same manner as other water bills.

(F) *Billing.*

(1) For the purpose of making and collecting charges for water used by consumers, the calendar year shall be subdivided into quarterly periods to be established by the Village Manager, and statements shall be rendered quarterly and shall be due and payable on or before 30 days after the expiration of each quarterly period; provided, however, that for the purpose of establishing the commencement of any quarterly period, the first of any subsequent billing may be made for less than or greater than a quarter period. The due date of such charges shall be stated upon the billing therefore, and the same shall be paid on or before the due date stated therein.

(2) *Delinquent charges.* If any charges for water supply services are not paid on or before the due date then a penalty of 10% shall be added thereto. In the event that the charges for any such services furnished to any premises shall not be paid within 90 days after the due date thereof, then the village shall assess an automatic \$250 fine in addition to the ten percent penalty. In addition thereto, in the event the same is not paid within the 90-day period, all services furnished by the water supply system may be discontinued. Services so discontinued shall not be restored until all sums then due and owing, including penalties, are paid, plus a shut-off and a turn-on charge. A penalty of 10% shall be added to and become part of any charge that is not paid before the same becomes delinquent.

(G) *Lien upon premises.*

(1) Such charges shall constitute a lien upon the respective properties served and if any charge is not paid before it becomes delinquent it may be recovered by the village in an action of assumpsit against the owner of the property served as well as any tenant supplied with such water, or such charges may be certified to the Village Treasurer by the Village Council and assessed against the property on the next village tax roll, in which event such charge shall be collected and returned in the same manner as other village taxes are collected and returned; provided that any charge shall not be so certified which has not been delinquent for a period of at least 6 months, in addition to any other remedy provided in this chapter or by law, if such charges for water consumed shall not be paid within 30 days after the same shall become delinquent, the Village Manager shall have the authority to shut off the supply of water to any such premises, provided:

(a) Notice is provided by first class mail to the property owner(s) according to village records affording the owner(s) an administrative hearing before the Village Manager prior to the water being

shut off; and

(b) Notice of the administrative hearing is provided to any occupant(s) of the property by posting notice of the same at the premises.

(2) After the hearing, the village may shut off and sever such water connection. In such event, such connection shall not thereafter be re-connected until all such water charges and penalties shall be fully paid, together with a shut-off charge of \$100 and a turn-on charge of \$250 as established by resolution of the Village Council at a regular meeting after public hearing.

(Ord. 18.04, passed 10-23-78; Am. Ord. 18.05, passed 4-11-83; Am. Ord. 18.09, passed 11-23-92; Am. Ord. 18.10, passed 1-11-93; Am. Ord. 18.11, passed 9-13-93; Am. Ord. 18.12, passed 8-8-94; Am. Ord. 18.13, passed 3-13-95; Am. Ord. 18.17, passed 5-28-96; Am. Ord. 18.21, passed 6-14-99; Am. Ord. 18.22, passed 5-22-00; Am. Ord. 18.23, passed 5-29-01; Am. Ord. 18.24, passed 6-25-02; Am. Ord. 18.25, passed 8-14-06; Am. Ord. 18.27, passed 11-9-15; Am. Ord. 18.28, passed 8-28-17)

§ 51.31 BILLING; DUE DATE; LATE PENALTY.

No free service shall be furnished by the system to the village or to any person, firm or corporation, public or private, or to any public agency or instrumentality. Charges for services furnished by the village to any premises shall be billed quarterly on such dates as the Village Manager on an area basis, may from time to time, determine. Such charges shall become due at such times, not exceeding 30 days after established billing dates and if such charges are not paid on or before such due date, then a penalty of 10% shall be added thereto.

(Ord. 23.01, passed 9-28-70)

§ 51.32 CHARGES TO BE A LIEN.

All charges for lateral benefit fee, capital charge and charges for sewage disposal furnished by the village to any premises shall be a lien thereon, and if any charge is not paid before it becomes delinquent, such charge may be certified to the Village Treasurer by the Village Council and assessed against the property on the next village tax roll, in which event such charge shall be collected and returned in the same manner as other village taxes are collected and returned; provided that any charge shall not be so certified which has not been delinquent for a period of at least 30 days.

(Ord. 23.01, passed 9-28-70; Am. Ord. 23.28, passed 5-22-95)



ADMINISTRATIVE DIRECTIVE

DIRECTIVE NO:	DATE APPROVED BY COUNCIL:
ISSUED BY:	ISSUE DATE:
REVISION DATES:	
RESCINDS/REPLACES:	
CATEGORY: Finance and Treasury	
SUBJECT: Special Assessments	

LEGAL AUTHORITY CITATION

This administrative directive is issued by the Village Manager pursuant to the following legal authority:

- Village Charter – Sec. 3.12 – Duties of administrative officers; performing such duties as are provided for such officers by state law, this Charter, the village ordinances, and the administrative directives of the Village Manager
- Village Charter – Chapter 12 – Assessments; general power relative to special assessments; procedure in providing for special assessments; disposition of excessive special assessments; additional assessments; correction of invalid special assessments; lien and collection of special assessments; special assessment accounts; contested assessments; additional procedure may be provided by ordinance; and failure to mail notice
- Village Council Resolution No. 2023-_____

PURPOSE

The purpose of this directive is to establish fair, uniform, and consistent regulations governing the utilization of special assessment districts and calculation of assessments for street, sidewalk, storm sewer, drainage, seawall, and retaining wall capital improvement projects.

POLICY

Since the greatest benefits of most public improvements accrue to the owners of property along abutting those improvements, a portion of the costs of these improvements are borne by the benefiting property owners in many municipalities. The Village of Lake Orion, like many other municipalities, has very limited resources to cover the cost of public improvements and does not receive an adequate level of funding through general property taxes, State of Michigan Act 51 funding, grants, or other funding sources to bear the cost of constructing, resurfacing, or reconstructing municipal streets; constructing or repairing sidewalks; constructing and repairing

storm sewers and drains; or constructing, reconstructing, and repairing seawalls or retaining walls abutting municipal streets. For this reason, the Village of Lake Orion hereby relies upon the special assessment approach to finance such improvements in accordance with this policy.

1. **New Street.** A new street involves the construction of a street that previously did not exist that meets the current engineering standards adopted by the village. Property owners within a special assessment district (SAD) to fund a new street will be assessed for 100% of the costs eligible under Chapter 12 of the village charter for the construction of the new street, and required utilities, including storm sewers, sanitary sewers, and/or water mains.
2. **Street Improvement.** A street improvement includes any repair or enhancement to an existing street, such as resurfacing, reconstruction, storm sewers, and curb and gutter. All work will meet current engineering standards adopted by the village.
 - a. Major Streets. Property owners within the SAD will be assessed for 50% of all street improvements. The village will pay 100% of the cost for sanitary sewer and/or water main repair, upgrade, or replacement for existing mains. Property owners will be assessed 100% of the cost for sanitary sewer and/or water mains that do not exist at the time of construction.
 - b. Local Streets. Property owners within the SAD will be assessed for 75% of all street improvements. The village will pay 100% of the cost for sanitary sewer and/or water main repair, upgrade, or replacement for existing mains. Property owners will be assessed 100% of the cost for sanitary sewer and/or water mains that do not exist at the time of construction.
 - c. Dead-End Streets. Property owners within the SAD will be assessed for 90% of all street improvements. The village will pay 100% of the cost for sanitary sewer and/or water main repair, upgrade, or replacement of existing mains. Property owners will be assessed 100% of the cost for sanitary sewer and/or water mains that do not exist at the time of construction.
3. **Drainage Improvements.** When drainage improvements to alleviate flooding of properties or existing streets are necessary at times other than when streets are improved, the property owners within the SAD will be assessed for 100% of the cost of such drainage improvements based upon each property's contribution to the total stormwater runoff as determined by the village engineer.
4. **Driveway Approaches.** The property owners within the SAD will be assessed for 100% of the cost of driveway approaches installed as part of a street improvement project.
5. **Sidewalks.** The village will pay 100% of the cost of installation of standard width sidewalks in accordance with adopted engineering standards for those sidewalks that did not previously exist on, both, major and local streets. Property owners within the SAD will be assessed for 100% of the cost of replacement sidewalks.

6. **Seawalls and Retaining Walls.** When it is necessary for the health, safety, and welfare of persons or property to install seawalls or retaining walls along municipal rights-of-way, property owners within the SAD will be assessed 100% of the cost of such improvements.
7. **Calculation of Assessments.** The following methods will be used in determination the calculations of special assessments governed by this policy:
 - a. Grant Funding. Grant funding committed to an improvement project will be deducted from the total cost of the project, thereby benefiting both the property owners within the SAD and the village.
 - b. Corner Lots. A residential property owner within a street improvement project SAD owning a corner lot will be assessed one-half of the normal assessment for each side of the property abutting a street being improved. The village will bear the cost for the remaining one-half of the normal assessment.
 - c. Term of Special Assessments and Installment Payments. The term of special assessments varies by type of project. The special assessments payments may be spread over more than one year. The terms and installment payments for special assessment will comply with Section 12.5 of the village charter.
8. **Private Improvements Within Rights-of-Way.** Where private improvements, such as fencing, lamps, irrigation systems, ornamental or monument mailboxes, landscaping, or other private improvements, have been placed within the public right-of-way, the village will give notice to the property owner to remove the private improvement. If not removed by the property owner, the village will remove the private improvement at the property owner's cost, and the village will not be responsible for replacing the improvement.