

May 13, 2026 Special Meeting

I attended the special meeting on May 13th during which City Council discussed funding options for the new Activities Center. They started off by stating the assumptions they were using to come up with their proposal/model.

Assumptions:

- \$35MM cost to construct a 40,000 SF facility (which is about 20,000 SF less than the current Costick Center), plus \$ \$2MM A&E cost, for a total of \$37MM
- Need to have the financing set soon to keep A&E on track
- Goal is to maintain AAA bond rating for the city
- Will need to hire a construction manager
- Financing model will include:
 - fundraising/donations/grants/bonds (includes an \$850k grant from Slotkin/Haley)
 - transfer from general fund
 - millage increase (assumes millage on November 2026 ballot AND taxpayers approve it)

Update from Finance Director, Tom Strobola:

We have consistently maintained the fund balance; have over-performed over budget. This has been due to three main reasons:

1. An \$11MM one-time input from COVID relief dollars
2. Inflationary impact - increased housing prices has meant increased property taxes, which has equaled approximately 5% growth over the last 4-5 years
3. Have invested in very safe investments (budgeted \$1MM in investment income and have achieved \$4MM)

These items have resulted in an addition to the general fund of approximately \$20MM. This has been the main reason we have maintained a AAA bond rating to-date. In order to maintain the AAA rating going forward, we need to maintain at least 33% of the general fund expenditures, which is currently \$95.2MM; therefore, we need to maintain approximately \$33MM in the general fund.

The Hawk has been running at about a \$5-6 annual deficit and the expectation is that it will continue to run at least a \$4MM annual deficit. Special Services is expected to run a \$4MM deficit/year. The general fund has been running about \$1.5MM deficit/year.

In order to maintain at least 33% in the general fund balance, they proposed a millage increase and a 5-7% across-the-board expense cut (which they admitted would basically be cutting people). As of June 30, 2026 the general fund balance is expected to exceed 73% of the general fund expenditures. They project this percentage will decrease to 33% over the next 3 years.

Proposals:

1. Move \$17MM from the general fund and put a millage increase of 0.6997 (which added to the current rate of 0.4483 would total 1.148) on the November 2026 ballot. This would increase taxes for the average homeowner by about \$90.
2. Move \$23MM from the general fund and put a millage increase of 0.5517 (which added to the current rate of 0.4483 would total 1.0) on the November 2026 ballot.

Each 0.1 increase in the millage generates about \$500k in revenue.

What was blatantly missing in any of the numbers was the sale of the current Costick Center; which they indicated they intend to do, with Rose having first dibs. They also would not provide the value of the current Costick Center when Councilman Bridges asked for that information, saying it was not for public consumption. Councilman Bridges also expressed his hesitancy to put a millage increase on the

November 2026 ballot; he would prefer to see if other measures would get us to the same place as a 2026 millage increase. Councilwoman Knoll had a strong opinion to put a millage increase on the November 2026 ballot; her reasoning was that it was better to ask for the funding at the beginning of the project and not look like it was an after thought by waiting a year or two (thereby decreasing the chancing of a millage increase passing). The City Attorney stated that he would draft ballot language to be submitted to the Attorney General for approval. Apparently, such language needs to be submitted by June 12th. It would be non-binding, but would act as a placeholder if Council decides to move forward with a millage increase in 2026.

There was no consensus as to how to move forward by the time the meeting was adjourned. There will be another Special Meeting at 6pm on June 1.

May 14, 2026 Ad Hoc Advisory Committee Meeting

At this meeting, Mayor Rich introduced Gene Carroll from Newman/Smith Architecture. Mr. Carroll mentioned several projects they have worked on, including the Livonia Recreation Center. I did not get the impression that they have specialized in senior facilities specifically; more just overall recreation/community centers. Mr. Carroll:

- confirmed they are considering a 40,000 SF facility
- advised getting a construction manager on board early
- said they use an aquatic specialist to design/construct the pool
- stated they use Joel Schultz, an expert on meals on wheels
- indicated that they are ready to start ASAP
- Responded to a question from Marcia asking if current Costick Center staff would be included in planning meetings that yes, as far as he was concerned, they would be included
- set out the following timeline:
 - 2-3 months - site evaluation/facility concepts
 - 1-2 months - master plan/future amenities
 - 8-9 months - schematic design/design development/construction documents
 - +/- 18 months - construction administration

Tom Strobola/Karen Mondora laid out their vision for financing the new Activity Center: