

May 6, 2026

Council Members,

I wanted to provide a comprehensive update on our 2026 budget as we continue working through the numbers.

We have filled out our L-4029 millage request report to the County Board of Commissioners. We will be reviewing it on Monday May 11th and voting on it on May 18th. There is both good news and some challenges to be aware of.

On the positive side, our taxable value increased from \$107,257,406 in 2025 to \$111,795,256 in 2026. This growth is encouraging and reflects continued investment in the Village.

However, due to the Headlee rollback, our millage rates have been reduced:

- Operating millage decreased from 8.0006 to 7.8414.
- Highway millage decreased from 3.9675 to 3.8885.

As a result:

- Operating tax revenue increased modestly from \$856,928 (2025) to an estimated \$876,662 (2026)
- Highway revenue increased from \$426,270 (2025) to \$434,719 (2026)

While revenues are up slightly, **it is important to note that not all revenue sources are guaranteed. We are anticipating:**

- A reduction in State Revenue Sharing
- Continued decline in liquor tax revenues statewide
- No marijuana tax revenue until at least the following fiscal year

On the expenditure side, I am currently focusing on the General Fund and will be finalizing the Police and DPW budgets on Monday with Kim and Tabatha.

As it stands:

- Police Department budget: \$771,990.12
- DPW has made meaningful reductions, including:
 - Building & Grounds (101-265): \$12,903
 - DPW Operations (101-441): \$239,006
 - Parks (101-751): reduced by \$10,570.

Dustin has done a solid job identifying cuts while maintaining core services.

Combining the Police and DPW budgets within the 101 General Fund, we are currently at \$1,021,695. This figure does not yet include administrative costs, including the Office, Treasurer, Clerk, Village Council, Planning Commission, Attorney Fee's, Master Plan update and Village President.

It is clear that we are approaching a crossroads. While taxable value has increased, structural limitations such as the Headlee rollback and uncertainty in key revenue sources are limiting our ability to keep pace with rising costs. At the same time, our current expenditure levels—particularly within the General Fund—are outpacing sustainable revenue growth. This leaves us with difficult but necessary decisions regarding spending priorities, service levels, and long-term financial stability.

In addition, I recognize that there may be a request to place a Public Safety millage on the ballot in November. While that discussion may be forthcoming, it is important to keep several factors in mind: a millage in the range of 6 to 8 mills represents a significant ask of our residents, there would be at least a one-year delay before any

revenue is realized, and given the current economic climate in Michigan, voter approval is uncertain. As such, this potential option does not address our immediate budget challenges and should not be relied upon as a short-term solution.

We must make decisions based on the resources we know we have today.

I want to be direct regarding my position: I will not support a millage increase, nor will I support a budget that is not balanced. These are responsibilities we owe to our residents.

At the same time, I continue to ask for solutions to address the gap, and we have not yet identified a clear path forward. As one member of a seven-member council, I cannot solve this alone.

It is important to remember that we serve as the legislative authority of the Village. That authority is held collectively—not individually—and with it comes our fiduciary responsibility to manage public funds responsibly.

Each of us understands the challenges in front of us. The difficult part now is making the decisions necessary to move forward in a way that reflects those responsibilities.

I look forward to working together to identify solutions and finalize a balanced, responsible budget.

Jeff Buerman
Village President