

REGULAR COUNCIL MEETING MINUTES - MONDAY, OCTOBER 18, 1999 - PAGE 1

Present: President Craig; Members: Buterbaugh, Downey, Kennedy, Stearn and Walsh

Absent: Lison

Also Present: Village Manager, Hanlin
Assistant to the Manager, Pasieka
Village Clerk, Marshall
Village Attorney, Ryan
Director of Public Safety, Woodard
Building Official, Byrwa

President Craig called the meeting to order at 7:45 p.m. in the Village municipal building at 18500 W. Thirteen Mile Road.

APPROVE MINUTES OF A SPECIAL JOINT COUNCIL/FINANCE MEETING HELD ON THURSDAY, SEPTEMBER 30, 1999

Buterbaugh added a statement to the first paragraph under "Discussion of Funding Alternatives...", to read: "Buterbaugh read a change to the cover memo dated 9/30/99 which stated that in the fourth paragraph the 0.25 mills should be changed to 0.50 mills."

MOTION by Stearn, supported by Kennedy, that the minutes of a Special Joint Council/Finance Committee meeting held on September 30, 1999 be approved as amended.

Motion passes unanimously.

APPROVE MINUTES OF A REGULAR COUNCIL MEETING HELD ON MONDAY, OCTOBER 4, 1999

On page 13, last paragraph, line two, change "Cargill Salt" to read "Detroit Salt" and add "at Comerica Bank" to the end of the sentence.

On page 10, third paragraph, fourth sentence was changed to read: "One member voiced a suggestion that Council should send a message to the State Legislature that it does not agree with the differentiation involving minors."

On page 5, paragraph beginning "Walsh is in favor of requiring a masonry wall....", second sentence, change word "absorb" to "abate".

MOTION by Buterbaugh, supported by Kennedy, that the minutes of a Regular Council meeting held on Monday, October 4, 1999 be approved as amended.

Motion passes unanimously.

PUBLIC COMMENTS ON ITEMS NOT ON THE PUBLISHED AGENDA

Kathleen Berwick of 31381 Kennoway Court stated that she sent a letter to the Council President regarding the failure of the refuse collectors to recycle material into the compost truck. She has observed them emptying compostable material into the general rubbish truck and would like this problem addressed by the Village.

Hanlin thanked Ms. Berwick for taking the time to write a letter on this issue. The quality of service is monitored by logging complaints from residents. Administration has quarterly meetings with representatives from the company to advise them of any problems. This is not the only complaint received on this particular issue. Hanlin will take this up directly with the representative from Great Lakes Waste.

Berwick questioned the availability of compost at Beverly Park. Hanlin will look into this and advise Berwick.

Hanlin has requested Mr. Amarjit Chawney, developer of Turnberry Woods to present a brief update of his 8.7 acre cluster condominium development east of Lahser Road.

Amarjit Chawney stated that he is a resident of Beverly Hills who lives on Longbow Court. He is developing property on Lahser Road just south of 14 Mile Road. The land development was completed earlier this year with the exception of the berm and trees which was delayed until October and just finished today. Three of the 11 lots have been sold. The strategy is to sell the lots to individual buyers or to builders. The first house has been constructed. Chawney commented that the number of speculation houses that can be built is limited because the selling price of the houses is in excess of \$600,000.

Chawney explained that the slow progress of the house under construction is due to the industry wide difficulty with finding contractors and obtaining materials. He commented on the superior construction and design of his houses. Chawney addressed questions from Council members. It was noted that an existing house on the property will be demolished this week.

PROCLAMATION RECOGNIZING THE RETIREMENT OF LT. ROGER ST. JEAN

Buterbaugh read the following proclamation honoring Lt. Roger St. Jean for his dedicated service during his career with the Village of Beverly Hills.

PROCLAMATION

WHEREAS, Roger St. Jean was appointed to the position of Public Safety Officer on April 14, 1969 and completed programs in both police and fire academy training; and

WHEREAS, Roger St. Jean was assigned to the Oakland County Narcotics Enforcement Team (NET) in 1978 and was appointed as a PSO-Investigator in 1980 working in the Detective Bureau of the Public Safety Department through March of 1993; and

WHEREAS, Roger St. Jean has received two Police Medals of Honor, one Certificate of Merit, four Unit Citations, and five Safe Driving Awards; and

WHEREAS, Roger St. Jean achieved promotions within the Public Safety Department to Corporal on October 4, 1987 and to Lieutenant on March 17, 1993; and

WHEREAS, Roger St. Jean has announced his retirement from the Department of Public Safety effective October 24, 1999 and has taken a position with the Oakland County Sheriff's Department;

NOW, THEREFORE, BE IT RESOLVED that the Beverly Hills Village Council hereby recognizes the outstanding achievements of Roger St. Jean during his 30-years of service to the Village of Beverly Hills; and

BE IT FURTHER RESOLVED that the Beverly Hills Village Council, on behalf of the residents and staff of the Village, express a heart-felt "thank you" for the dedication that Roger St. Jean has shown during his career with the Village of Beverly Hills.

It was with great pleasure that Buterbaugh presented a framed copy of the proclamation to Lt. St. Jean and wished him the best of luck. St. Jean thanked Council for this recognition of his 30-year career with Beverly Hills. He credited his achievements to the men and women he works with in the Department.

RESOLVED by Buterbaugh, supported by Walsh, to adopt the above proclamation.

Roll Call Vote:

Resolution passes unanimously.

WINTER FAMILY FUN DAY AWARD RECEIVED FROM THE MICHIGAN MUNICIPAL LEAGUE

Buterbaugh attended the Michigan Municipal League Annual convention last week in Grand Rapids where he represented the Village Council and carried the Village of Beverly Hills flag. Buterbaugh announced that the Village of Beverly Hills won first prize for its Winter Family Fun Day in a MML competition for achievement in the area of improving life for youths and families. He read the description of the Winter Family Fun Day event:

The Village of Beverly Hills realized that during the winter months it offered no program or activity for residents that helped to strengthen the sense of community. The Parks and Recreation Board decided to offer a winter family fun day to draw residents into the Park. The one day January event includes sledding, snow shoeing, ice skating, nature walks, and snow painting activities. Hot chocolate and cookies are served and a warm fire is maintained in the pavilion. A professional ice sculptor is on hand to demonstrate skills. The event is designed simply to offer a social, wholesome, fun-filled, outdoor family activity for residents.

Buterbaugh gave credit to Stan Pasioka for preparing the application that helped the Village win the award and to staff member Dawn Hickey for designing a poster. Resident Ann Woodman is

responsible for coming up with the idea and organizing the first Winter Family Fun Day. Parks and Recreation Board member Andrea Brink administered the event last year.

Buterbaugh called Ann Woodman up to the lectern and displayed a plaque presented to the Village from the MML for an award in recognition of outstanding commitment of local officials and employees to improve the quality of life for the citizens in the community. He presented Woodman with the first place ribbon and thanked her on behalf of the Village for her interest and involvement in the Village's parks.

Woodman stated that the Winter Fun Day is a group effort and a great example of the teamwork that there is in the Village. People can always be recruited for fun activities in the park. She thanked Council for the recognition.

The Michigan Municipal League has published its hundred year biography. Buterbaugh presented a copy to the Village Manager for the Village archives.

PRESENTATION OF JUNE 30, 1999 AUDIT

Stearn noted that the Village made a change in its auditing firm this year, and the annual audit was performed by Plante & Moran. He commended Finance Director Wiszowaty for his part in making this a good transition. The auditors find the Village records to be in very good condition and give much of that credit to Bob Wiszowaty.

The Council received copies of the financial report as of June 30, 1999 and a letter of comments and recommendations. Plante & Moran has expressed a clean opinion on the general purpose financial statements indicating that the financial statements are fairly stated in accordance with generally accepted accounting principles.

Joe Heffernan and Blake Roe from Plante & Moran used a series of graphs displayed on the overhead projector to summarize major financial activities of the Village. The first graph illustrates revenue trends in the General Fund within the last three years. Property taxes are the main revenue source of the Village. Growth over the past three years is mainly due to growth in the tax base. It was noted that the Village should expect an increase in revenue sharing funds this year of close to eight percent.

It was indicated that the graph showing expenditure trends in the General Fund is typical for most communities of the Village's size with regard to the percent of expenditures spent on public safety, public works, and general government categories. The trend is that costs are being maintained on an inflationary increase which means expenditures are being kept under control.

The auditors evaluate that the fund balance for the General Fund is a healthy fund balance equating to about 30 percent of Village expenditures. The fund balance provides extra money for unexpected occurrences or to relieve the burden on the regular tax base caused by growth in expenditures.

The auditors commented on the Water and Sewer Fund Operations. The graph illustrates a trend that the Village is slightly increasing its working capital as it goes forward. The last page of the handout is a summary of all Village funds and respective revenues or receipts.

Heffernan stated that the overview of the financial statements demonstrates that the Village is in very good financial health. Village department heads appear to be doing a good job of keeping expenditures within budget.

Heffernan reviewed the letter of comments and recommendations. The general condition of the financial records were found to be in excellent shape.

The Village has done an excellent job of starting to fund its retiree health care, which is a significant liability. Legislation has been passed through the State Senate that would allow the Village to invest these funds along with its pension funds. Retiree health care is a long term liability, and the right way to fund it is with long term investing. The legislation will be going to the House soon.

Administrative suggestions were offered with respect to the road funds. The auditors indicated that it may be appropriate to consider recalculating the charges being assessed to the street funds to make sure that the General Fund is recouping all charges that are appropriate. The Village is also encouraged to evaluate the potential use of Major Street Act 51 money as it relates to maintenance of local streets. A change in legislation allows 100% of the money received from the State's Transportation Fund by a local unit's Major Street Fund to be transferred to the Local Street Fund. Prior to this, only 25 percent of the money received designated as major street fund could be designated to the local street fund.

Heffernan explained changes that took place in state shared revenue due to a new three-part formula. Changes in the millage rate will no longer have an impact on state shared revenue. There will be an 8% increase in state shared revenue to local units of government for the budget year that began on October 2, 1999.

Plante & Moran has suggested three items in the area of cash management that the Village may want to consider. Cash management comments include a recommendation on investments to further diversify the Village's portfolio for governmental funds. Suggestions were made to investigate the possibility of implementing a direct deposit system for Village payroll and to consider a lock box arrangement with local banks for high volume types of receipts.

Heffernan outlined several observations and suggestions for the Village's consideration with respect to internal controls. The letter mentions cost effective ways to improve internal controls in terms of segregation of duties, restrictive endorsements of checks, and accounts receivable reconciliations. Heffernan addressed a major change in financial statement reporting that will be required by the Government Accounting Standards Board (GASB) beginning on July 1, 2002. It will cause communities to adopt a full accrual basis of accounting which is what the private sector does now. The thinking is that the current set of standards do a very good job of showing accountability, but the total economic picture is needed. The point of the full accrual statement is to answer the question

of the Village's total economic health and whether the tax payers have really paid for the full cost of the services that have been rendered. The full cost includes things that will get paid 20-30 years from now.

Plante & Moran will be conducting seminars to educate its clients on this new model for financial reporting. The auditors will be talking much more about this in a year or two from now in terms of how Village officials and staff will understand the financial statements, and what kinds of internal things need to be done different in order to issue these new financial statements.

Questions from Council were addressed by Heffernan. Stearn thanked the Finance Committee for its review of the audit report at its last meeting.

Craig expressed the view that Plante & Moran has done a splendid job of the audit report this year. He thanked Wiszowaty and his staff for their work. Buterbaugh commended Heffernan and Roe on the audit and on their presentation.

PRESENTATION OF FIVE YEAR CAPITAL PLAN

Craig reviewed that the process of arriving at a long term strategic plan for capital improvements to the Village was initiated by Council two years ago. The finance department and administration prepared recommendations that were reviewed at two joint meetings between Council and the Finance Committee in the last couple of months. Hanlin will present an overview of the five year capital improvement plan. The findings and implications of the document reveal that the Village has a cash shortfall to facilitate this plan. Council will discuss whether to accept or adopt the plan.

Hanlin stated that the five year capital improvement plan is a result of many months of collaborative effort involving the Finance Committee, Village Council, and administration. Since May of this year the Finance Committee has met independently three times and twice jointly with Council to devise a comprehensive needs list for the Village. Many items were considered and either accepted or omitted during the course of those meetings. Those that made the short list were assigned a ranking of "A" critical need, "B" important need, or "C" general need. Only "A" needs were funded at a high level. Although the cost figures in some cases are educated guesses, there is agreement that this plan is an accurate statement of the required improvements for the Village.

A chart was displayed on the overhead projector that summarizes the needs and suggested funding levels for each program.

Roads and ditches - Ditches have historically been maintained on an as needed basis. Beginning in 2000, \$20,000 a year is dedicated to the improvement of the ditches throughout the Village. The plan would ensure that the Village's ditch system, which is an important part of the drainage system, is in proper working order well into the future.

The \$290,000 assigned to roads in fiscal year 2001-02 includes \$70,000 for preliminary engineering to reconstruct 13 Mile Road from Southfield to Greenfield and \$150,000 for the reconstruction of 14 Mile Road from Southfield to Greenfield. \$50,000 has been assigned as the Village's local match

when the County proceeds with the reconstruction of Southfield Road. The \$400,000 in the final year of the plan (2004-05) will be needed for the full replacement of 14 Mile Road within Village limits.

Bridges - Evergreen bridge is in dire need of repair. The Village has made application to the State's critical bridge program for the funding of this repair. This plan covers the cost of this improvement if the Village does not receive grant funds. All other bridges in the Village are in a good state of repair.

Water mains - The Village has 65 miles of water mains. Forty percent of these mains are 70+ years old. There are about 26 miles of water mains that need replacement at a cost of about \$530,000 a mile. The number of main breaks is on the rise with the average main break costing \$2,500 to repair. Hanlin indicated that \$500,000 a year is a conservative amount to assign to this need but will make a significant impact on the problem.

Parks - The park master plan calls for capital improvements in the amount of \$801,000. At this point, only \$10,000 per year has been assigned to these projects.

Public Safety - The plan designates \$39,000 in the current year for payment due on the fire truck that will be delivered soon (\$24,000) and the reserve for fire truck replacement (\$15,000). Thereafter, \$24,000 a year is designated for future payments on the new fire truck. It is planned in 2000 to increase the reserve to \$60,000 a year toward the eventual replacement of the next oldest fire truck in the fleet.

Administration - Council is waiting for the result of a Plante & Moran computer study. The plan designates \$20,000 each year for the upgrade of technology in Village Hall. There is little doubt that this allocation will be needed to keep up with the technology required to properly serve the Village residents.

Hanlin concluded that many people have spent many hours compiling this plan and believe that it will allow the Village of Beverly Hills to remain a high quality community well into the 21st Century.

Craig emphasized that this plan will maintain existing services at the current level. It represents a prudent plan for replacement of deteriorating infrastructure. There are no new roads or sidewalks considered in this capital plan, and the park allocation will serve to maintain the existing park. This is our best estimate on a comprehensive plan over the next five years for what is needed to maintain the Village.

Council members thanked the Finance Committee and administration for the work they put into preparing the five year capital improvement plan.

Buterbaugh questioned why there is no reference in this plan to sewer and road repairs that will be undertaken through the 2 mill dedicated millage and the one mill allocated to the roads from the general fund. Craig responded that the plan displayed by Hanlin does not include dedicated millage

projects. It outlines future needs required to maintain the current service level in the Village. Buterbaugh thinks that a capital improvement plan should be prepared and presented to the public as a whole, incorporating dedicated millage issues.

Council discussed the capital improvements included in the plan and the funding proposal. The items contained in the plan represent a consensus of the most critical items that have to be funded over the next five years. It was agreed that Council would have to work toward implementing a plan to maintain the services and quality of life in the Village. Council noted that there are important items that are not contained in the plan such as safety paths on major roads and a "fill in the gap" sidewalk program. Park improvements are not included.

Stearn expressed the view that Beverly Park needs more than what is listed in the capital improvement plan. He thinks Council should take a long term look at the park and do more with respect to recreation in the community.

Council questioned differences in the figures for the sewer system rehabilitation projects indicated in the five year capital improvement plan compared to the infrastructure summary included in the five year financial forecast. The five year capital plan appears to include items outside of five years that are not shown as such. The sewer rehabilitation plan adopted by the Village is a 12-year project that will be funded with a 2-mill dedicated millage. It was suggested that the dedicated millage projects for the forecast period should be included in the capital projects document. Footnotes should specify which sewer projects have been addressed by the dedicated millage and one mill transfer to the local roads.

After lengthy discussion, it was the sense of Council that a unified document should be prepared that combines the total five year capital needs of the Village with the five year financial forecast to include the infrastructure summary for the forecast period. Buterbaugh volunteered to work with Wiszowaty, Hanlin and Spallasso on the document.

Questions and comments from Dorothy Pfeifer of 160 Charrington Court about the timing of projects and figures included in the capital plan were addressed by Council. Pfeifer expressed the view that the plan should be more specific in outlining the needs of the Village. Pfeifer does not think the Council is at a point where it can say that this is what is needed.

Hanlin stated that the infrastructure projects listed and support information was compiled by members of administration based on Spallasso's understanding of each individual situation with particular roads, sewers and water mains. She emphasized that it is a dynamic document that is expected to change continually.

Sharon Tischler of 21415 Virmar Court commented on problems with ditches in the Village and the need for an ongoing ditching program. She questioned the use of sidewalks by residents of the Village.

MOTION by Walsh, supported by Buterbaugh, to table further consideration of the Five Year Capital Improvement Plan until the next meeting to enable Buterbaugh with the assistance of Wiszowaty, Hanlin and Spallasso combine the five year capital improvement plan with the five year financial forecast.

Motion passes unanimously.

APPROVAL OF BILLS

MOTION by Stearn, supported by Kennedy, that the bills recapped as of Monday, October 18, 1999 be approved for payment in the following amounts:

\$192,416.03	General Fund
11,880.54	Major Road Fund
8,965.55	Local Road Fund
219,132.40	Dedicated Millage
71,659.47	Water/Sewer Operation Fund
9,277.75	Trust & Agency Fund

Questions from Council and the public were addressed by administration.

Motion passes unanimously.

LIAISON'S REPORTS

Downey stated that there was one item on the agenda of the special Zoning Board of Appeals meeting tonight. The case involved a variance from the Zoning Ordinance that was determined after the issuance of a permit by the Village and start of construction, which places the Board in a difficult situation.

Stearn announced that there will be a meeting of the Parks and Recreation Board in the Village municipal building on Thursday, October 21 at 7:30 pm. There was a special meeting of the Parks and Recreation Board last week at which time it was decided to hold off paving the parking lot until engineering studies are completed and more information is available.

Stearn reminded everyone that the Halloween Hoot will take place in Beverly Park on Sunday, October 24.

Craig remarked that volunteers are needed to top and gut pumpkins in the park from 10-12 am so that the children can carve them from 12-2 pm. Children return to Beverly Park from 6-8 pm to walk down the pathway and receive candy. There will be refreshments and fun in the pavilion. Halloween Hoot sweatshirts are available for purchase at the Village office.

Stearn suggested that it would be helpful to divide the bills so that the public safety liaison would review public safety department bills and the finance liaison would review the other bills.

Kennedy reported that the Planning Board met last week to review various text amendments to the Zoning Ordinance. Kennedy reminded administration to ask the planning consultant to prepare an estimate on four Planning Board priority items that were not included in this year's budget.

The Birmingham Community Coalition held its yearly summit last week. Hanlin, Woodard and Pasieka were in attendance which made a good showing for the Village of Beverly Hills. There were various sectors involved in this inspiring program which demonstrate that it is a community effort.

MANAGER'S REPORT

Downey asked the Manager to follow up on pursuing a Sustainable Community Grant which would benefit the east side of the Village.

PUBLIC COMMENTS

Dorothy Pfeifer of 160 Charrington Court has requested and received a breakdown of administration spending for the last five years. The finance director sat down with her to review the figures which show a 10 percent increase in the Village's administrative budget this year over last year. Pfeifer realizes that she is not privy to all the information and explanations. She asserted that Council will have to convince the public that it is being fiscally responsible in order to raise future revenues.

Sharon Tischler of 21415 Virmar Court commented on the annual festivities that take place at the Albanian Church on 13 Mile Road on Labor Day weekend and the large amount of traffic the event generates on the interior streets. She recalled that the Church officials informed the Village during site plan review of its plans to expand the facility that it would shuttle people to the parking lot at Groves High School if parking exceeded the capacity on the site. Tischler asked that the parking situation be reviewed next year prior to this event.

COUNCIL COMMENTS

Kennedy addressed comments made by Dorothy Pfeifer regarding last year's administrative costs. Kennedy commented favorably on the Plante & Moran letter of comments and recommendations and anticipates a response from administration on some of these suggestions.

Kennedy announced that the fifth grade students at Greenfield School demonstrated the highest skill level on the MEAP test within the Birmingham public school district. The Village should be extremely proud of the teaching. She encouraged Greenfield School to keep up the good work.

Kennedy informed everyone that Borders will be donating a percentage of book sales to the Birmingham Area Senior Coordinating Council between Friday, October 22 and Sunday, October 24.

Downey referred to the report prepared on administrative spending in response to a citizen's request for information. He distributed copies of a chart he prepared to illustrate some of these figures. Downey maintains that charts can simplify financial reports and benefit Council and members of the community. He would appreciate that this method of reporting be implemented as much as possible.

Downey reminded members of Council that it is important that they continue to recruit people to participate on Village boards and committees.

Downey has mentioned previously that his company is willing to donate a Local Area Network to the Village. There has been some concern about the competitiveness of that equipment. If the Village does not decide to accept this equipment this week, the opportunity will be lost.

Buterbaugh stated that credit for the Michigan Municipal League recognition and award for the Village's Winter Family Fun Day is due in large part to the efforts of Elaine Kennedy who encouraged the Village to enter the competition.

The Birmingham Youth Assistance organization is hosting a breakfast meeting on Thursday, October 21. Buterbaugh is unable to attend but suggested that the Village be represented at this meeting. A member of administration will attend.

Craig stated that Council members have received a SEMCOG regional update material. There is a grant available for public safety programs to address potential safety problems on sidewalks. Craig suggested that administration apply for these grant funds since the Village is attempting to raise money to construct a separate pedestrian entrance to Beverly Park for safety purposes.

Craig commented on feedback he received regarding his negative vote on the Bed Bath & Beyond proposal for Southfield Road. He clarified that he voted "no" strictly because the motion did not require a masonry wall. Council has the authority to allow an exception to the ordinance requirement for a masonry wall between business and residential zoned property. The property in question along with the Beverly Hills Club are the largest commercial parcels in the Village. He questioned why the Village would make an exception to the wall requirement on a site that will have the biggest parking lot with the most traffic.

MOTION by Kennedy, supported by Walsh, to adjourn at 10:05 pm for 15 minutes and reconvene for a study session to discuss possible ballot language for the upcoming election.

Motion passes unanimously.

The meeting reconvened at 10:20 pm. Craig commented that he would suggest tabling discussion of ballot language until the revised five year capital project plan is completed and all members of Council are present.

MOTION by Buterbaugh, supported by Walsh, to table discussion of ballot language.

Motion passes unanimously.

MOTION by Kennedy, supported by Stearn, that the meeting be adjourned at 10:22 pm.

Motion passes unanimously.

Andrew Craig
Council President

Ellen E. Marshall
Village Clerk