

Present: President Stearn; President Pro-Tem Pfeifer; Members: Domzal, Downey, Munguia and Walsh

Absent: Craig

Administration: Village Manager, Murphy

Stearn called the meeting to order at 6:30 p.m. in the conference room of the Public Safety Building at 18600 W. Thirteen Mile Road. The purpose of this meeting is for a Council work session. Murphy outlined the proposed agenda items:

- Personnel Committee's recommendation on committee structure
- Action Plan (short-term and immediate issues facing the Village)
- Possible Charter Amendment issues
- Planning issues
- Next steps/how do we get there from here
- Update on Manager's goals, implementation strategies

Personnel Committee recommendations

Stearn reviewed recommendations made by the Personnel Committee at its October 15, 2001 meeting on the topic of Council liaisons to Village boards and committees. It was recommended that one contact person be assigned to each of the boards and committees without a requirement for mandatory attendance. An integral part of this process is that someone from administration would be assigned to each board or committee with the responsibility of delivering messages from that body and bringing issues to Council.

Stearn feels that there are extensive commitments placed on Council people and that the benefits of having a Council person at each board or committee meeting are questionable. The Personnel Committee discussed eliminating liaisons for the reason that they are not serving their purpose, which is to be a link between the boards and Council. It was recommended that an administrative person serve as that link. Stearn remarked that he has discussed the idea of a contact person with most of the board chair people, and they have no problem with the concept.

Council discussed what the role of the liaison should be and what is expected of a liaison by board and committee members. Communication and a means of delivering the message from the boards to Council is the major issue.

Murphy recalled that it was agreed at the August work session that administration has the primary responsibility to communicate board action to Council. He thinks that there has been improvement in that area.

There was a consensus that it is administration's responsibility to communicate between Council and Village boards and committees and agreement that attending board meetings should not be mandatory for Council liaisons. No other changes were made with respect to liaison positions.

Stearn indicated that the Personnel Committee made a recommendation that Council eliminate the Infrastructure Committee.

Council members agreed that infrastructure issues should be addressed by the Council as the whole at this time unless issues arise that warrant review by a committee. It was noted that the Infrastructure Committee studied alternate routes for the Acacia Interceptor Relief sewer and reviewed priorities for the road repair program and water main replacement program. Major infrastructure projects that have been initiated and are now being implemented. It was suggested that an individual be appointed from Council to be an infrastructure representative.

Motion by Walsh to eliminate the Infrastructure Committee and replace it with a Council liaison with the understanding that consideration will be given to reappointing an infrastructure committee at the request of administration if issues arise that warrant study by a committee.

Motion passed unanimously.

Another recommendation from the Personnel Committee is to eliminate the Traffic Safety Committee. Council concurred that there is no need for this committee at present. The Traffic Safety Committee has not met in several years.

Motion by Domzal to eliminate the Traffic Safety Committee.

Motion passed unanimously.

The Personnel Committee has discussed problems with the current practice used for reappointments to boards and committees. A recommendation was made at its October meeting that the Personnel Committee be authorized by Council to make recommendations on all reappointments to Village boards and committees and that, as a tool for that process, administration produce an attendance report as of December 31 every year to be shared in its entirety with the Personnel Committee and in part with the chairperson of each board or committee.

Council discussed the reappointment process.

Motion by Stearn to direct the Personnel Committee to make recommendations on all reappointments to the full Council and, as a tool for that process, administration will produce an attendance report every year on a date decided by administration to be shared with the Personnel Committee, chairperson of boards and committees, and members seeking reappointment.

Motion passed unanimously.

The issue of whether the Finance Committee should continue as an advisory board to Council was raised at the last Personnel Committee meeting. It was agreed that this should be a topic of discussion for the Council as a whole.

There was a discussion regarding whether it is beneficial to have a Finance Committee to advise Council on financial issues facing the community considering the strong financial background of

Village Manager Murphy. Council members discussed what they would like to see from the Finance Committee. It was decided that Domzal and Murphy will meet with the chair of the Finance Committee to discuss the structure of that group.

A recess was called at 7:50 p.m. The meeting reconvened at 8:00 p.m.

Action Plan

Council members were asked to complete a worksheet in December that would assist the Village Manager in preparing an action plan for short term and immediate issues facing Beverly Hills. Murphy separated the responses into eight categories: infrastructure, millage, sidewalks/pathways, parks, operations/personnel, relationships with other organizations, Charter and Ordinance Issues, and Village Council related matters. He presented an overview of these action plan topics and how they interrelate.

The Village has infrastructure needs with respect to necessary sewer repairs, road work, and water main improvements. The Five Year Capital Improvement Plan shows that the sewer repair program, particularly with respect to the Acacia Interceptor sewer, is reasonably covered. Taking the sewer program out beyond five years for the life of the dedicated millage shows a shortfall of about \$200,000. Murphy suggests that this shortfall may not materialize for a few reasons. The route of the Acacia Interceptor sewer was shortened after the project cost was estimated, and the figures do not include the interest that the millage money is earning while being accumulated for the project. In addition, the cost estimates from Hubbell, Roth & Clark may be conservative.

Murphy commented that increased charges are expected from the Evergreen-Farmington Sewage Disposal System, and there will be other sewer related expenses in the future. The Village should be in satisfactory shape with sewer repairs over the next five years.

Road Fund balances will be used to meet Major and Local road needs. The Village will be able to maintain the aggressive schedule set up for road repairs and still have a reasonable fund balance into the fifth year of the Capital Plan.

Murphy stated that the Village will likely fall short on financing for necessary water main work. A report prepared by Spallasso on critical water main improvements identifies an annual need of about \$500,000 a year, or \$2.8 million over five years, to replace water mains that need immediate attention. The Village allocated \$500,000 for water main work last year, which will bring that amount down to \$2.3 million. Water bill revenue raises approximately \$113,000 a year to be used for water main repair. Excess money in the Water Fund balance will be captured for water main work in the coming year.

The Village is not going to be able to raise water rates to make up the difference between the \$113,000 annual revenue and the \$500,000 needed annually for water main improvements. There are two routes that Murphy would like Council to consider. A millage request could be considered to capture the money needed to take care of immediate water main issues. Another option is bonding.

A \$2 million bond issue at today's rates would cost the Village about \$160,000 a year. The difference between the \$113,000 collected by the Village and \$160,000 could be made up from the Village's General Fund to cover a 20 year bond issue for immediate water main improvements. Murphy noted that consideration will have to be given to financing of future water main improvements.

There has been discussion about going out for a future millage proposal for general operations and/or infrastructure needs. It is Murphy's suggestion to overlook a millage for general operations at this time. The budget is tight with respect to general operations, but he is comfortable that the Village will be okay in the next five years with proposed changes in operations and staffing.

Murphy will recommend going to the voters in 2003 with a proposal to affirm the Village's 11 mill cap, which has been scaled back by the Headlee Amendment. Affirming the 11 mills uncaps the Village's Headlee requirement and allows the Village to use its 11 mill cap. This ballot proposal would be in conjunction with a proposal asking the citizens to update the Village Charter. Murphy recommends that Council establish a Charter Advisory Committee consisting of three Council members to begin working on revisions to the Village Charter.

Murphy reviewed the status of the CMI grant related improvements at Beverly Park. The Village has gone out for bids and is about ready to break ground. The Parks and Recreation Board will be working on prioritizing improvements for Beverly Park to be funded with park millage money. The 0.25 mill will not cover the cost of everything proposed for Beverly Park. There will be continued discussion on park improvements. When the park millage expires, consideration may be given to going back to the voters for a re-establishing that millage.

Council discussed affirmation of the 11 mill cap. The current allowable millage rate is 10.1 mills due to the restrictions of the Headlee Amendment. Another topic of discussion was the possibility of asking voters to approve 1 mill for 10 years for infrastructure needs. An additional mill would generate about \$500,000 a year, which would address the aging water main issue. The possibility of a pathways millage request was mentioned. There was a question about the use of interfund loans for immediate infrastructure needs.

Stearn remarked that sewers will be an issue in five to seven years when the sewer repair program calls for local improvements. It has been estimated that the program is underfunded by \$2 million, which may warrant consideration of extending the dedicated millage.

There was discussion on whether to consider a 10 year bond issue that would allow the Village to address immediate water main repairs and forestall going to the community for four to five years to fund water main improvements. It is a philosophical question to be addressed by Council.

There are no reserves in the Water Main Fund and \$2 million is needed to do immediate water main repairs. The Village can bond without approval of the voters if it has the income to cover the annual bond payments and if the Village does not increase its millage for a bond. The Village

raises \$113,000 annually through water bills; \$50,000 can be transferred from the General Fund to the Water Fund to cover the difference to pay the \$160,000 annual bond cost.

Council asked the Finance Committee to look at costs and issues related to bonding and interfund loan issues for water main improvement needs and provide Council with a breakdown of differences and options.

Murphy recommends that Council establish a committee to review the Charter and consider revisions to issues such as council meeting structure, financial matters including reaffirming the 11 mill cap, and possible election issues. Council agreed to form a Charter Review Committee after the March election.

Council commented favorably on the draft of the Five Year Capital Improvement Plan.

Domzal stated that he is a strong proponent of establishing a Community Foundation for Beverly Hills. The purpose of a community foundation is to provide a vehicle by which people can donate money on a tax free basis for community projects that are not funded through the budget. It would be appropriate to use this type of foundation as a funding source on an ongoing basis for non-profit organizations rendering services within the community.

The Finance Committee has been asked by Council to take a further look at this concept. Because they have not yet addressed the issue, Domzal has asked Murphy to do this. Domzal has talked to a couple of foundation directors in southeastern Michigan about doing something with them. There are several options that he thinks should be briefly studied and presented in a memo to Council.

Stearn brought up the January 7, 2002 Council discussion of the Evergreen Road portion of the Village Pathways Plan. He voted against adopting the Evergreen Road portion of the Pathways Plan that was presented to Council by the Village Planning Board. Stearn is not satisfied with the plan as written but would like to arrive at a way to include Evergreen Road into the pathway plan. Domzal commented that he sensed a willingness among some Council members to consider alternate types of materials to determine if there is an acceptable alternate that would justify putting Evergreen Road back into the plan.

Suggestions were made by Council members on how to proceed with consideration of an Evergreen Road pathway that would have a minimal environmental impact on the area. It was proposed that Spallasso report on the issue, including alternate materials for a pathway along Evergreen Road. It was pointed out that Evergreen Road would not be a high priority in terms of pathway construction in the Village, which would allow Council an opportunity to revisit this issue. There was concern expressed that future Councils may not come back to the issue on the basis that this Council voted not to include Evergreen Road in the approved plan.

There was no consensus on further action with respect to the Evergreen Road portion of the Pathways Plan. **It was agreed that the major concern of those who were dissenting was with safety.**

In response to an inquiry, Murphy stated that bids will be opened on January 23 for grant related park improvements. The Parks and Recreation Board will be working in February through March on a prioritization schedule and implementation plan for projects to be funded by the park millage money. Recommendations will be forwarded to Council for its consideration. The original wish list compiled by the Parks and Recreation Board for park master plan projects exceeds the millage money that will be collected. There will be a better understanding of how to proceed when there is a prioritization schedule and cost estimates prepared.

A Council public hearing on the 14 Mile Road Corridor Plan is scheduled for its next regular Council meeting of Tuesday, January 22. It was noted that a letter was received from a concerned resident accompanied by a petition signed by residents opposed to adopting a corridor plan for the area of 14 Mile Road between Southfield and Pierce.

The 14 Mile Road Corridor study addresses redevelopment issues in that area and recommends a future land use plan. If Council adopts the plan, the next step will be to draft Zoning Ordinance language for a Overlay Zoning district for a specific area.

The comment was made that people have an idea of what they would like to see in terms of redevelopment of that area. The problem is how to transition from what exists now to a more dense residential development without discouraging people from investing in their current homes.

The issue of library service was raised. Domzal has suggested appointing a committee to take a look at long term options for serving the community's library needs. There was limited interest among Council members in this undertaking.

It was noted that Pfeifer was a member of a citizen's ad hoc committee involved in a comprehensive study of the library issue a number of years ago. Pfeifer offered to prepare a written report on the topic for Council.

Stearn brought up the issue of Village Attorney Tom Ryan alternating attendance at Beverly Hills Council meetings with attorney Dan O'Brien. Council members felt that O'Brien does not have the required experience in municipal matters to represent the Village at Council meetings. Some members would like the presence of an attorney at all Council meetings, while others thought that issues requiring the advice of an attorney could be referred to Ryan for an opinion. Murphy was asked to inform Ryan that Council has concerns about the current arrangement.

Stearn outlined a recent problem the Village encountered with planning consultant firm Birchler Arroyo involving billing for the pathways study. The Village has taken some of the blame for going over the budgeted amount for the project. A system has been implemented whereby every project will have a work plan and a specific budget that comes before Council.

The contract with Birchler Arroyo has expired. Council discussed its level of satisfaction with the work of Birchler Arroyo and whether to retain the firm. Council will review its contract for planning services and its contract with Plante & Moran for auditing service in May.

Stearn asked if Council wants to meet in late January as it did last year for a philosophical discussion on the budget. It was the sense of Council that it would review the budget document prepared by the Manager prior to the first budget session.

Domzal stated that he would like to discuss improving efficiencies at Council meetings by means of a consent agenda. He commented favorably on the job Murphy is doing in terms of leadership and directing Council in areas that could improve the efficiency of Council and government.

Stearn asked if Council wanted to go forward with a proposal for a community wide strategic plan. Murphy outlined the concept and how it would assist in providing community input on topics such as implementation of the Pathways Plan and the 14 Mile Road Corridor Plan.

The entire Village would be involved in a community-wide strategic planning effort. Members of the community are asked what they like and do not like about the Village and where they envision Beverly Hills 15 years from now. It is a tool used to set up a five year strategic plan for the community. Council would ultimately ask the community to ratify the document. It was agreed that this will be a future agenda item.

Motion by Domzal to adjourn the meeting at 9:52 p.m.

Motion passed unanimously.

Todd Stearn
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary