

Present: President Downey; President Pro-Tem Domzal; Members: Lison, Mooney, Pfeifer and Stearn

Absent: Woodrow

Also Present: Village Manager, Murphy

Downey called the meeting to order at 5:45 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

The purpose of this session is to obtain a consensus on issues and policy matters that Council would like to address during the next year and decide which items take precedence. Downey stated that the budget prepared by the Manager contains policies associated with budget figures. The proposed budget should reflect Council's priorities and what it wants to achieve.

Council will meet with the Finance Committee at 7:00 p.m. tonight to review the 2002-03 budget. Changes to the budget to reflect agreed upon policy can be made at that time. Another budget session is scheduled for Monday, April 22 at 6:00 p.m.

Murphy introduced a topic raised at a preliminary budget session held in late February to review the first draft of the budget and narratives. He has compiled information on bonding for the water main replacement program or using Drinking Water Revolving Fund (DWRF) monies if feasible. The DWRF is a program available through the State of Michigan to borrow money from the State over a 20-year period at a 2.5 percent interest rate.

Murphy presented numbers he compiled for a 10 year bond issue for \$3 million at a 4.1% rate. He compared the cost of an estimated \$2.8 million water main replacement program implemented by allocating \$500,000 a year over the next number of years versus a bond issue.

A \$3 million bond issue for 10 years would result in an average annual payment of \$365,000. Murphy considered the Water and Sewer Fund from a cash basis and not from an accrual basis of accounting, backing out depreciation and the transfer from the General Fund balance, which results in an approximate \$378,000 on an annual basis for use for the bond payment out of the Water and Sewer Fund fund balance. The Village would not be using its cash reserves to accomplish the main replacement project over six and one-half years.

Murphy thinks that the total project can be done over one or two seasons without having to increase millage or further increase the water and sewer fees. A bond issue can be initiated by Council resolution. He thinks it is something that Council should explore.

There are four miles of deteriorated water mains that have been identified as needing attention. The water main replacement program will reduce the \$95,000 spent annually for water main repairs. The Village will then need a maintenance program. Thought should be given to funding for future water main replacement.

Downey understands that it is being proposed that the net present value of bonding the project versus the “pay as you go” method can be more efficient because the Water and Sewer Fund is paying for it. His concern is that there needs to be significant analysis and communication on this topic before there is a change from the “pay as you go” policy. Murphy mentioned that the Village has bonded out for the public safety building and the combined sewer overflow project.

Council asked Murphy to prepare a net present value report that supports this action for the May 6 Council meeting. Domzal asked for a water rate analysis report.

Murphy will not change the recommended budget based on this bonding conversation. The budget includes a \$500,000 allocation for the water main replacement program. The budget can be amended if Council approves a bond issue.

Pfeifer added the development of a snow emergency ordinance to the list of Council priority issues.

Domzal commented that community or town hall meetings was a suggested priority topic. Murphy explained that he proposes initiating a community-wide strategic plan whereby Council goes out to the community and asks residents what they think the priorities of the Village should be - what do they like, what don't they like, and where do they envision Beverly Hills 15 years from now. The feedback is tested through focus groups and then through a survey.

There were members of Council who thought that only a small number of citizens would get involved in this type of town hall meeting. It was suggested that citizen participation is generally issue related.

Stearn proposed adding three items to the Council priorities: 1) sidewalk maintenance program; 2) retirement fund study and retiree health care study; 3) possibility of a central business district.

Domzal would like to investigate the use of a community foundation in the Village. Murphy remarked that is a budgeted item that administration is working on. Council will receive information shortly on the differences between a community foundation and a civic foundation.

Council discussed the maintenance of the Village's building stock. The possibility of rental property inspection and licensing of rental properties was a topic of conversation. It was suggested that the existing codes should be enforced with respect to rental property and owner occupied units as well.

Council requested administration to work with Village Attorney Ryan to draft a proposed rental property inspection ordinance.

MOTION by Mooney, seconded by Pfeifer, to direct administration to draft a rental property inspection ordinance within 60 days.

Motion passed unanimously.

Pfeifer stated that Council has talked about establishing a committee to review the Charter and determine which sections need updating. She volunteered to work on this and noted that former Council member Andy Craig was also interested in assisting with this project.

Council discussed procedures for forming a charter review committee. This will be an agenda item for the next regular Council meeting.

MOTION by Domzal, seconded by Lison, that Pfeifer and Craig meet to discuss possible candidates for appointment to a Charter revision committee and present recommendations to Council on how to proceed with the formation of the committee.

Motion passed unanimously.

Council discussed the consent agenda format initiated this year for Council meetings. There was clarification of the order of items and agreement on changes suggested by members of Council.

Lison asked administration to furnish Council with current operating guidelines for board and committee appointments. He would like discussion of this item at a future meeting.

Downey concluded that Council has developed a list of topics that it would like to address. He will circulate the list to Council members for further prioritization. The selected items will be placed on upcoming Council meeting agendas for consideration. New items can be added at any time.

MOTION by Lison, seconded by Domzal, to recess at 7:00 p.m.

Motion passed unanimously.

The Council reconvened at 7:08 p.m. in a joint meeting with the Village Finance Committee to review the 2002-03 budget (see joint meeting minutes).

**Doyle Downey**  
**Council President**

**Susan Bernard**  
**Recording Secretary**

**Ellen E. Marshall**  
**Village Clerk**