

Present: Council President Downey; President Pro-Tem Woodrow; Members: Domzal, McCleary, Mooney, Pfeifer and Schmitt

Absent: None

Also Present: Village Manager, Murphy
Director of Public Safety, Woodard
Village Building Official, Byrwa

President Downey called the meeting to order at 5:39 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

ADDITIONS TO AGENDA/APPROVE AGENDA

MOTION by Schmitt, seconded by Pfeifer, to amend the agenda to add an item to discuss the Charter Amendment impact statement drafted for the Villager newsletter.

Motion carried.

DISCUSS CHARTER AMENDMENT STATEMENT

Schmitt suggested a revision to the draft Charter Amendment impact statement to be mailed to all residents via the Villager newsletter. He thinks that Council should go on record stating that existing limitations on Village expenditures without prior Council approval will continue until Council adopts an ordinance as outlined in the proposed Charter Amendment. This statement could be added to the Charter Amendment information sheet.

Motion by Schmitt, seconded by Woodrow.

Resolved that administration's limitation on Village expenditures without prior Council approval will continue at the existing spending limit currently in effect until an appropriate ordinance is adopted by Council as outlined in the proposed Charter Amendment.

Roll Call Vote:

Motion carried (6 – 0).

Council discussed the draft statement and suggested a couple of changes that will be incorporated into a revised document.

Domzal entered the meeting at 5:50 p.m.

BUDGET STUDY SESSION

Review and Consider Five Year Capital Improvement Plan

Murphy presented the updated Five Year Capital Improvement Plan for 2003/04 to 2008/09 and addressed questions and comments from Council. The document highlights proposed revenues and expenditures for capital improvements in the Major and Local Road Funds, Water and Sewer Fund, General Fund, and dedicated millage for the Acacia Interceptor and Beverly Park. The plan also includes a review of fiscal year 2003/04 projects. There was discussion of programs included in the plan, timing, funding sources, and recommendations from administration.

Murphy remarked that the capital improvement program update can be viewed as a planning tool. Administration intends to work from this document in preparing next year's budget unless Council redirects staff to look at different issues relative to the upcoming budget preparations. Any changes occurring in the budget will be reflected in the five-year plan. Murphy requests Council feedback and ultimately adoption of a five year capital improvement plan.

Council discussed potential shortfalls that may occur at some point in the next five years as evidenced in the five year revenue and expense report. There is concern that there may not be adequate funding available for general operations in future budgets.

It was clarified that the recently established Council subcommittee is not looking at the larger issue of decreasing fund balances in future years or the question of funding general operations. The subcommittee is considering how the Village can operate in 2004/05 given the reductions in state shared revenue.

Motion by Pfeifer, seconded by Schmitt.

Resolved to approve and file the Five Year Capital Improvement Program for 2003/04 to 2008/09.

Questions from the audience were addressed by Murphy.

Roll Call Vote:

Motion carried (7 – 0).

Review and file Five Year Revenue and Expense Report

Council is in receipt of five year projected revenues and expenditures reports for the General Fund, Major and Local Road Funds, and Water and Sewer Operating Fund. The report is designed to anticipate where the Village will be five years into the future. Council members expressed concern with how to address the decreasing General Fund balance.

Murphy reviewed that Council has discussed the possibility of conducting a management audit of the organization in order to explore all options in terms of cost efficiencies. This would entail retaining an outside party to analyze how and where the Village is spending its money and whether there are efficiencies to be made in the organization. Council has proposed conducting a management audit in the next fiscal year at the conclusion of the community wide strategic planning process. The study would take a look at what services people want and what services are provided. It would establish whether the Village is performing at its optimum or if there are other ways to do business without reducing the level of services that the community expects.

Murphy related that there is an opportunity to proceed with a management audit of the Public Safety Department with funds available due to a vacant sergeant position and the impending retirement of the Deputy Director. These command positions are not being filled pending a review of the command structure. Director Woodard and Murphy request that Council authorize an operational and efficiency study for the Department that would take a look at command staffing and officer scheduling.

Questions from Council were answered by Woodard and Murphy. It is Murphy's recommendation that the balance of the organizational management audit be done following the completion of the Village's strategic plan.

Motion by Domzal, seconded by McCleary, to authorize administration to request proposals for an organizational management audit of the Beverly Hills Public Safety Department for Council consideration.

Motion carried.

Murphy will request proposals from several firms that conduct this type of study. Council will review the proposals received for this management audit.

Council discussed items that will effect the budget next year including an anticipated increase in the cost of water from the City of Detroit. Downey requested Council consideration of a more aggressive stance on permit fees. He would like tree replacement in rights-of-ways to become a priority on the basis that trees are a major asset to the community.

At the last Council meeting, Domzal suggested that administration present a brief presentation on the Acacia Interceptor program due to recent public interest in the agreement between Beverly Hills and Birmingham to administer and build the sewer and the cost apportionment of the program. Murphy stated that a comprehensive presentation will be given by Spallasso and Hubbell, Roth & Clark at the Tuesday, February 3 Council meeting.

Don MacDonald of 31208 Foxboro Way expressed concern that budget amendments acted upon by Council at its last meeting in response to cuts in State shared revenue will not reduce operating expenses in the Village. He understands the challenge before Council as it enters into the 2004/05 budget sessions. Council will have to explore reductions in the Village's operating costs while considering how to retain services at a level residents want.

Bunker Kelly of 21526 Corsaut commented that it appears that Council's recent budget amendments balance the budget by raising fees and taking money out of savings. With regard to the management audit, Kelly expressed the view that the Village has capable administrators who could recommend efficiencies in lieu of spending money on an outside company.

Motion by McCleary, seconded by Mooney, to adjourn the meeting at 7:40 p.m.

Motion carried.

Doyle Downey
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary