

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

Absent: Mooney and Schmitt

Also Present: Village Manager, Murphy
Public Services Director, Spallasso
Director of Public Safety, Woodard
Building Official, Byrwa
Finance Director, Wiszowaty
Council Elect members, Koss and Taylor

President Downey called the meeting to order at 5:42 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

Council is meeting for a budget study session to review the first draft of the 2004/05 budget and receive presentations from department heads Dave Byrwa, Karl Woodard, Renzo Spallasso, and Bob Wiszowaty.

Murphy distributed a worksheet that demonstrates interesting trends over the last ten years. The Village voted in 1995 to raise the Charter millage cap to 11 mills, which took effect in FY 1996/1997. The maximum allowed millage began to decrease as a result of the Headlee Amendment and Proposal A. Murphy pointed out that the Village millage levied for the next four years was lower than the maximum allowed millage under Headlee. The maximum allowed millage was charged in 2001. At that time, State Shared Revenue (SSR) reached close to its highest level of \$1,070,000. State Shared Revenue has decreased each year since 2001.

The General Fund Balance in 1995 was 21.66% of the total budget when the Village asked the voters for a Charter cap increase. It grew to a maximum of 32% in 2001. Murphy noted that 2001 is a significant date for the reason that the Village reached its maximum allowable millage for collection, began to experience a decrease in State Shared Revenue, and started seeing a decrease in its fund balance. The General Fund Balance has gone from 32% of expenditures to a projected 21.4% by the end of next fiscal year, which is back to where it was in 1995. The \$825,000 SRS projected for 2005 is back to 1993 numbers.

There was discussion of the SRS projected for the next fiscal year. Murphy explained why State Shared Revenue will drop even though some State legislators have indicated that the plan is to hold the line for this coming year.

Building Official Dave Byrwa presented a review of the Village Building Department including its function, staffing, activities, and proposed budget for the 2004/05 fiscal year. He discussed the building permit and ordinance enforcement services at some length. Byrwa reported that the department has seen an increase in construction throughout the Village in the last year generating a \$27,297 increase in revenues.

A part-time ordinance enforcement officer was hired in July of 2003 to investigate complaints and take action on ordinance violations. This has enabled the Village to take a proactive

approach to ordinance enforcement and address complaints on a same-day basis. Byrwa distributed a current statistic sheet on ordinance enforcement activities.

The Building Department provides technical and administrative support to the Planning Board and the Zoning Board of Appeals. It offers assistance to residents, businesses and contractors with questions on zoning, construction codes and ordinances.

Byrwa outlined the 2003 accomplishments of the Building Department, goals of the Department, and its 2004/05 objectives. The total Building and Planning Department 2004/05 budget shows a 0.29% decrease from the previous year.

Byrwa responded to questions from Council members on several topics with particular interest expressed in the areas of property inspection and code enforcement. In answer to an inquiry, Murphy stated that the monthly planning consultant bills have been lower since the Village retained the firm of Langworthy Strader LeBlanc and Associates. Council members expressed an interest in reviewing the Planning Board priorities and work program for the upcoming fiscal year.

Council members were focused on more efficient ways to do business and finding ways to cut costs from the budgets of all departments.

A brief recess was called at 6:52 p.m.. The meeting resumed at 7:00 p.m.

Director of Public Safety Karl Woodard presented highlights from the Public Safety Department narrative budget that will be submitted as part of the 2004/05 budget document. A department overview includes the department organization, staffing levels, and job functions and duties that officers and staff perform on a daily basis.

Woodard discussed key goals that the department consistently keeps in mind. One of its goals is to provide retention programs that will help to keep personnel in Beverly Hills. The department is committed to developing a physical fitness program. It strives to stay up to date on police and fire equipment. Patrol visibility is a goal. General overtime control is sought. Woodard answered questions from Council on how he attempts to achieve maximum efficiency from personnel. It was noted that an efficiency study of the department will be an item for Council consideration at its next meeting.

In terms of performance, Woodard outlined the previous year's accomplishments, a number of which are due to Council action because they involve the purchase of capital items. He listed proposed equipment purchases. Woodard related that a PSO was trained as a certified personal trainer and this individual now has the ability, on a voluntary basis, to give officers personal fitness and nutrition tips. A consolidated dispatch service was considered carefully and rejected in 2003. Woodard noted that the department will consider opportunities to share services as they may develop. Two officers have been trained as fire prevention inspectors and are updating the fire inspection records in the Village. These officers have inspected most of the buildings in the Village and Township, which has resulted in increased safety in a number of commercial

buildings. Woodard stated that the first enforcement year of the new alarm ordinance saw approximately a 7.5% reduction in false alarms.

Proposed goals for the next fiscal year include continued review of department organization and staffing. The department will benefit from a County-wide 800 MHz radio system whereby all police and fire agencies in the County will receive new radios. Communication between departments will improve. A department open house is planned for next fall during Fire Prevention Week in October. A department training meeting will be scheduled. There are plans to upgrade the department weight room. Woodard will continue efforts to obtain grant funds to assist in acquiring supplemental equipment.

Woodard highlighted several line items in the proposed 2004/05 Public Safety Department budget. It was noted that 85-90% of the public safety budget is contract based. Woodard remarked that he has trimmed expenses in the last few years to reflect actual numbers to the point where there is not much left to reduce in terms of budget line items.

Woodard and Murphy answered questions from Council relative to overtime costs, retiree health care costs, possibility of a volunteer fire department or police reserves, and reimbursement of officer overtime from the courts with respect to alcohol and drug related offenses. Council was focused on how to do more with less. Council requested an updated General Fund staffing chart for Village employees.

Public Services Director Renzo Spallasso gave a presentation on the Public Services Department, which includes public works, engineering, local and major roads, and the water and sewer department. Public Service items include rubbish collection and disposal, Christmas tree chipping, street light maintenance, public islands, landscaping and maintenance, Rouge River maintenance, Gypsy Moth control, parks and recreation related items, and engineering.

Spallasso reviewed some of the accomplishments in 2003 in the area of public services. The Stafford Road drainage improvement special assessment district was created. Over 300 ash trees have been identified and removed in Beverly Park. The department completed the design, and construction has begun on the Acacia Relief Sewer, which is one of the biggest projects that the Village has undertaken.

Performance objectives for 2004/05 include completing capital improvement projects including the Acacia Drain and Stafford drainage improvements. Efforts will be made to engage a qualified environmentalist through grant money to maintain the Douglas-Evans and Hidden Rivers nature preserves from an ecological standpoint. Spallasso stated that he proposes to conduct a comprehensive traffic volume study to update a study done in 1996. It is anticipated that the study will be prepared in house with assistance from the County's Traffic Improvement Association. New street lights will be installed at 13 Mile and Evergreen to provide safety for students in the dark hours of the morning and evening. Groves High School parent and student groups will pay for half the cost of the installation of three street lights. The reduction in the Public Services Budget is 0.47% overall.

The \$600 cost last year to have a pay phone in Beverly Park was mentioned. This will be an expense that will be revisited as part of the park pavilion remodeling project.

Spallasso reviewed local road improvement projects that have been accomplished in 2003/04 including the resurfacing of 4.4 miles of streets in the Village. The Coryell Estates paving and drainage improvement project has been completed with the help of a \$214,000 grant.

Goals for 2004/05 include continuing ditch and swale improvements. It is anticipated to complete the repair and resurfacing of at least 2.5 miles of local roads with the proposed budget. A street inventory will be done in the next several weeks at which time a list of road segments to be resurfaced will be finalized. Routine maintenance of the local and major roads will continue.

Downey brought up the subject of encouraging residents to take over island maintenance in their neighborhoods. It was stated that helping the Village to cut expenses will involve volunteerism. Murphy and Spallasso were in support of talking to homeowner associations about an “adopt an island” program. This will be a topic for an upcoming Villager newsletter. Village Council was also urged to seek volunteers.

Renzo reported that the Village continues to maintain its major roads at a level that meets State standards. The Village repaired and resurfaced 3.5 miles of major roads in 2003/04 and made ditch improvements. Money continues to be set aside for the Village’s share of the 13 Mile Road resurfacing program with the City of Southfield. Due to the status of federal funding, the Village may have to use the funds set aside to resurface 13 Mile Road in two or three years.

Objectives for 2004/05 include implementation of ditch and swale work based on an established priority list. The department will continue to repair and resurface major roads. The Village has been able to accelerate the resurfacing program to the point where program goals have been met. With the adoption of the proposed budget, the Village should be in good shape at the end of the construction season.

Spallasso stated that management of the Water and Sewer Fund generally takes about 60% of his time and attention. That figure is closer to 80% currently because of the ongoing projects. Project plans have been submitted to the State in 2003/04 as part of application to receive Drinking Water Revolving Funds for construction of replacement water mains in the Village. Spallasso expects to receive a communication shortly that the loan and plans are approved. Construction plans have been submitted to SOCWA, and the DEQ has approved the plans. Spallasso anticipates going out for bids in April for the water main replacement project that will take a couple of years to complete. There will be construction in the Village this summer of water mains and the Acacia Relief Drain. The Acacia Relief sewer project has been progressing well and is close to being on schedule. Residents are being kept informed.

A key goal for the Water and Sewer Department for 2004/05 is implementation of the water main replacement program. The department plans to continue implementation of current sewer improvement programs other than the Acacia Drain. Consideration will be given to doing preliminary engineering for local improvements that will have to be undertaken upon completion

of the Acacia relief drain. Spallasso stated that there will be upcoming programs related to the Village's Storm Water Prevention Initiative (SWPPI) submitted to the State.

Spallasso distributed a memo on the results of the study conducted by HRC on the feasibility of dredging the Mill Pond in the area of Riverside Park. It was reviewed that the Village submitted a Storm Water Pollution Prevention Initiative (SWPPI) to the State in 2001 with one of the items included being a commitment to perform this study. When the state issued its National Pollutant Discharge Elimination Systems (NPDES) permit to the Village, the study was included as one of the requirements.

The results of the study show that there is between a one to five feet of sludge in the pond, and it will cost about \$900,000 to \$1 million to remove it. There is a possibility of obtaining grant funds through the Rouge Program Office, but the program is ending soon due to diminishing federal money. The grant would require a 50% match from the Village. Assuming that grant dollars are available and approval is received, the matching amount could be made available by utilizing a portion of the water and sewer fund balance.

It is probable that no grant money will be made available from the federal government in the foreseeable future. Council authorization that administration prepare and submit a grant application for dredging Mill Pond will be an agenda item for the next Council meeting. In response to a question, Murphy stated that Council can reconsider how to proceed if the grant is not received.

Spallasso concluded that his goal has consistently been to go after as much grant money as possible to initiate capital projects and to watch those projects as closely as possible.

A recess was called at 8:56 p.m. The meeting reconvened at 9:05 p.m.

Finance Director Bob Wiszowaty presented an overview of the Finance Department operation including staffing and projects the department has been involved with in the last year. The Retiree Health Care Fund is now in an investment account similar to the Public Safety pension fund. By June 30, 2004 the fund will be worth approximately \$1 million.

During the past fiscal year, Village staff has been educated and trained in how to operate under a financial statement reporting change required by the Governmental Accounting Standards Board (GASB). The audit cost will decrease in the next fiscal year as a result of the preparation work done this year. The audit and internal controls are in good shape.

The Water Department now offers residents the option of having their water bills automatically deducted from their checking or savings accounts. Wiszowaty noted that only about 6% of water customers are using this service. The Finance Department recommended to Council a change in the Village's depository service which has resulted in no fees for three years. Revenue and expense reports are received by Council members on a monthly basis. The five year capital improvement plan was revised and presented to Council this past fiscal year and will be done every year into the future.

The Finance Department is looking forward to continuing an efficient operation next year. Wiszowaty will provide the Council with an update and explanation of the various Village funds.

The Finance Department budget will be increasing in the next fiscal year by 5.53%. The increase is primarily due to an employee's spouse receiving health insurance. Union employees will receive a 3.25% salary increase and non-union employees will receive 3%.

Wiszowaty reviewed the General Administration budget which reflects an overall decrease in costs for the most part due to the decrease in the next year's audit cost. He noted that all incidental costs in terms of personnel are charged to individual department budgets, which clarifies the cost of doing business for each department.

The cost of the Village's contract with Baldwin Public Library will increase by \$11,000 next year to \$493,279. The annual cost of the contract to the Village is 1.077 mills, as reduced by Headlee. Council discussed the cost of the contract for library service with Baldwin Library and whether it should continue. New Council members will be provided with a copy of a study conducted by an ad hoc committee on library options.

Wiszowaty commented on the anticipated General Fund revenue for the 2004/05 fiscal year. The CPI will increase by 2.3% next year which will bring the taxable value up to an estimated \$505,000,000. The real taxable value numbers will be available from the County in mid April. There may be some additions and losses as a result of Board of Review adjustments.

The property tax collection figure is estimated at \$4,506,000, which is \$101,000 more than the Village collected in the previous fiscal year. State Revenue Sharing (SRS) will be down 5.84% with \$825,000 anticipated in the next fiscal year. Other revenue changes include an increased charge for service from the Water and Sewer Operating Fund from \$150,000 to \$183,000. This came about as a result of a study that determined the direct cost of staff time spent working on that fund. The Engineering Charges from Other Funds line item in the amount of \$41,000 has been eliminated from the current operating budget at the direction of the auditor. Interest from investments decreased another \$20,000 from \$70,000 to \$50,000.

General Fund Revenues will decrease by 1.15%. The current budget anticipates transferring approximately \$230,000 from the fund balance into the operating budget. This will result in the fund balance level reducing to 21.4% of the total operating budget. The budget for 2004/05 represents a 0.37% increase over last year not including fund balance transfers.

Murphy presented an overview of the Council and Manager/Clerk department budgets. He informed Council that it can adopt a resolution between September and December of this year to continue to run its own elections provided those elections take place in September of odd numbered years. The options are to put everyone up for election in the same year or go to four year Council terms. Murphy supports the Village running its own elections in lieu of having the Township conduct Village elections in November of even numbered years at which time the Village ballot would be included at the end of a gubernatorial or presidential election ballot.

Village Attorney fees were a topic of discussion. The Charter states that the Village Attorney reports to Council. There was a consensus to direct the Personnel Committee to conduct an evaluation of the Village Attorney.

Changes in the Community Action Program budget reflect previous discussions by Council. The proposed budget will reflect a 10% reduction in contributions to the Birmingham Youth Assistance organization, Birmingham Community Coalition, and the Birmingham Fireworks display. The General Fund budget for the Birmingham Area Seniors Coordinating Council (BASCC) will be zero because the community credit and municipal credit dollars have increased by 38%, which allows BASCC to receive the same amount from the Village this fiscal year without any of it having to come from the General Fund.

The Special Events line item was reduced by 42%. There is a new line item for Halloween Hoot expenses and a line item for Hoot revenue. Murphy stated that the Halloween Hoot brought in \$9,000 in donations to the community last year.

Pfeifer suggested that \$2,000 be added to the Village Calendar line item to improve the paper stock so that it does not act as carbon paper.

The Strategic Plan line item in the amount of \$10,000 was discussed. Murphy explained that the implementation group may have research expenses as it attempts to implement the plan such as a management audit of Village operations and/or follow up data/survey collection. It was agreed to reduce this line item to \$5,000 and add money to the calendar budget to improve the paper quality.

Domzal suggested that the budget subcommittee established by Council meet to explore alternatives and arrive at recommendations to bring back to the full Council at another study session. A new member of the subcommittee will be appointed at the March 15 meeting to replace Phil Schmitt. A subcommittee meeting will be scheduled shortly thereafter.

The meeting was adjourned at 10:13 p.m.

Doyle Downey
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary