

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

Absent: None

Also Present: Village Manager, Murphy
Public Works Director, Spallasso
Finance Director, Wiszowaty
Public Safety Director, Woodard
Village Attorney, Ryan

President Domzal called the meeting to order at 7:30 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road. Boy Scout Chris Jordan from Troop 1024 led the audience in reciting the Pledge of Allegiance.

ADDITIONS TO AGENDA/APPROVE AGENDA

Motion by McCleary, seconded by Pfeifer, to add item e. to the business agenda, “Village Garden Club Request to use Beverly Park for Plant Sale”.

Motion carried.

Motion by Pfeifer, seconded by Woodrow, to approve the agenda as amended.

Motion carried.

PUBLIC COMMENTS

Concerns were raised at the last Council meeting regarding the use of the Groves High School football field by a woman’s professional league soccer team. Public Safety Director Woodard reported that, in addition to meeting with Groves High School staff members, Public Safety Department personnel made contact with the team ownership of the Detroit Demolition and assisted with mitigation of some of the complaints voiced by an area resident. Woodard believes that the GHS staff has taken measures to address the noise level at the field and will continue to monitor the public address system. Other complaints were discussed with school officials. The question of whether Groves High School should contract its field to professional and league teams is a matter that could be taken up by concerned residents at a School Board meeting.

Domzal addressed another item raised at the last Council meeting. Resident Norm Downey submitted a document to Council containing a number of questions regarding funding of the water main improvement program through a State Drinking Water Revolving Fund low interest loan. Renzo Spallasso and Brian Murphy have prepared a comprehensive report entitled “Report on the Drinking Water Revolving Fund”, which provides background on the water main replacement program, funding alternatives, and technical details with respect to construction plans. Copies of the report are available to the public.

Lyle Russell of 32201 Rosevear was present on behalf of a group of about 35 residents who are affected by the Acacia Drain project. He asked for Council assistance in addressing common concerns regarding private property damage resulting from this construction project. A retaining wall built on his property last year was cracked due to pounding and vibration from the drain work. Russell related some of the damage reported by other residents as well as damage to

Rosevear. Flooding of the ravine has raised concerns about West Nile Virus and the health of trees in that area. Area residents are asking Council for assistance in addressing issues surrounding claims of damages, repairs, and access to project timetables in order to determine how long this project is going to impact the neighborhood.

Domzal responded that Council and administration realized that this would be a difficult project, and Spallasso has made an effort to communicate the scope of the construction and restoration work to affected property owners. Administration is in receipt of a communication from Russell dated March 30, 2004 outlining a number of issues. Spallasso indicated that he will react to an updated list of residents' concerns when he receives the document from Russell.

Harold Milinsky of 32467 Evergreen Road commented that residents can keep informed about Village events by watching Council meetings on the cable channel 15. Milinsky expressed disagreement with the creation and makeup of the Strategic Planning Development Committee and with the community-wide survey mailed to residents. The survey indicates that spending money and budgetary concerns are a high priority of Village residents. Milinsky urged the current Council to live within its means and not spend money on investigations and surveys.

Mark Melendy of 16905 Kinross Avenue stated that he was present at the last meeting to discuss how a parking situation generated by Our Lady Queen of Martyrs parishioners impacts area residents. He reported that the SBC restoration project in his neighborhood is about half completed. Melendy hopes that action by the Village to post signs prohibiting parking during church services will alleviate parking problems in the neighborhood.

Soter Art Liberty of 20850 W. 13 Mile Road commended Kim Holland for her work on the survey distributed by the Strategic Planning Development Committee. Liberty commented on the survey results in terms of the priorities identified by Village residents. He questioned the need for establishing an implementation committee.

Domzal read a letter from David Hinman, committee chairman for Boy Scout Troop 1024, announcing that Andrew Janssen Doherty has completed the requirements for Eagle Scout and was presented with the award at the Court of Honor held on April 28. The letter outlines the accomplishments of this young man. Domzal remarked that it is great to have youth like this within the community.

PUBLIC HEARING TO REVIEW AND CONFIRM 2003 ASSESSMENT ROLLS FOR DUST CONTROL AND OTHER MISCELLANEOUS ASSESSMENTS

A public hearing is required to review and confirm the unpaid assessments and billings to be added to the tax roll in the categories of dust control, water and sewer charges, Southfield Road maintenance, Sunnyslope/Norwood water main, Kennoway water main, Hummel paving, Coryell paving, and Stafford Drain improvements. Council is in receipt of a copy of the subject charges and amounts.

Domzal opened the public hearing at 7:57 p.m. on the 2003 Assessment Rolls for miscellaneous assessments. No one wished to be heard; therefore the public hearing was closed at 7:58 p.m.

PUBLIC HEARING ON PROPOSED 2004/2005 GENERAL FUND, MAJOR & LOCAL ROADS, DRUG LAW ENFORCEMENT AND WATER & SEWER OPERATING FUND BUDGETS

Pfeifer stated that Council and administration have been working on preparation of this budget for a number of weeks. She asked Village Manager Murphy to present the budget and address questions from the public. Domzal declared the public hearing open at 8:00 p.m.

Murphy presented the proposed fiscal year 2004/2005 budget for Council's review and consideration. The budget balances expenditures with available revenue as required by the Uniform Budgeting Act. The proposed budget represents an operating millage of 8.7571 mils, a capital improvement millage of 0.8758 mils, and the combined dedicated millage of 1.9959 mils. The operating and capital millage is at the Charter maximum of 11 mills as reduced by the Headlee Amendment and Proposal A. The Headlee Amendment does not affect the CSO Debt millage of 0.7971, as an outstanding debt is associated with the millage.

The proposed General Fund budget, not including the fund balance allocation, represents a 0.91% increase over the previous fiscal year's budget. Property tax revenues are expected to increase by 2.72%. The improvement in property tax revenue is neutralized against the continued loss in statutory State shared revenue and the reduction in expected interest earnings. Total expenses are increasing by 3.22%, requiring a contribution from the fund balance in the amount of \$231,430.

Murphy referred to a chart showing that most expenses are being kept at or below the rate of inflation. Two areas that show significant increases are Public Safety and capital purchases within the General Fund. An actuarial report of the Public Safety Retirement System demonstrates that the Village will need to make a contribution to the Pension Fund from the General Fund in the amount of about \$89,000. The increase in the capital purchases line item is related to local matching funds required as part of obtaining a grant for improvements to the municipal building parking lot.

The proposed budget is the fourth consecutive budget using the General Operating Fund Balance to fund proposed capital improvement projects and balance revenues with expenses. The Village does have an adopted policy maintaining a minimum Fund Balance of 20% of General Fund operating expenditures, as a recommended and generally accepted practice. The budget assumes a \$231,430 contribution from the Fund Balance, reducing the balance to 20.57% of expenses.

Murphy presented a background of the Village's financial picture since the passage of Proposal A. The charter-limited 11-mill property tax levy is reduced by an inflation index each year when the total gain in property tax valuations exceed the rate of inflation. The charter-limited rate has been rolling back each year since 1995. Because the Village was collecting a millage rate below the maximum, the Village did not realize any reduction in its revenue stream until 2001. This is when the Headlee rollback reduced the maximum allowable millage rate below the previously collected millage rate. Since then, the actual millage rate has decreased by 5.7%. That same year the State of Michigan began to experience a recession that has negatively impacted state shared revenues. State shared revenue has decreased 24.4% since 2001 to a level not seen since 1994.

Revenues have increased less than 1% per year since 2001 while the average rate of inflation during that period was 2.7%. The Village has needed to use its fund balance to match revenues with expenses. Since reaching a 32.0% fund balance in 2001, the Village's fund balance has decreased annually to a projected 20.57% this fiscal year.

Murphy stated that the Village continues to deliver efficient and effective services notwithstanding the capped millage and the decrease in State shared revenue. Since 2001, Council has directed administration to gain greater efficiencies in the Village's operational activities while continuing to fund needed capital and infrastructure improvements. Staffing alternatives for the dispatch operations have been studied and a review of operational efficiencies for the Public Safety Department is currently in process. The Village's front office staff has been reduced by 19% through layoff and restructuring of duties. Changes have also been made to help offset increasing insurance costs. Murphy remarked that the Village has remained committed to infrastructure improvements. Over \$500,000 was transferred from the General Fund to the road funds in the past three years to advance asphalt road resurfacing and concrete replacement projects.

The Village will see an 8% increase in water consumption rates and sewer rates from the City of Detroit and the Oakland County Drain Commission. The Village will need to pass on increased operation costs directly to its users in the form of an 8% increase in rates, which will go into effect on August 1, 2004 and first appear on the September billings.

Murphy highlighted several significant projects and efforts planned for the coming year including the Water Main Replacement project, Acacia Drain project, Major and Local Street Repairs, Roadside Drainage improvements, Beverly Park improvements, and the Community-Wide Strategic Plan.

Murphy thanked Village Council, Village department heads and staff, particularly Finance Director Robert Wiszowaty and Village Clerk Ellen Marshall for their help in putting this budget together. In closing, Murphy stated that the primary function of a local government is to protect the health, safety, and welfare of its citizens. We are also charged to preserve the quality of life residents have grown to expect. The Village's financial picture is challenging, and we will have to embrace the charge of balancing the preferred, collective expectations of the residents with further limited financial resources.

Domzal thanked Murphy and staff for presenting an excellent budget document. He asked for public comments on the proposed budget.

Bunker Kelly of 21526 Corsaut Lane suggested that the Village should adapt to its fiscal constraints rather than continuing to attribute its financial situation to the Headlee Amendment, Proposal A, and State cutbacks. Kelly challenged the statement that the proposed budget reflects a 19% payroll decrease. He proposed Council consideration of further budget cuts in the areas of memberships and dues, calendar and newsletter, special events, strategic input committee, and Mayor's dinner. He questioned whether an amount continues to be set aside for sidewalk maintenance and was informed that there continues to be \$35,000 budgeted for that item.

Domzal responded that Council has held a number of budget sessions at which time it has considered individual line items as well as policy issues raised by Mr. Kelly. Murphy addressed questions and comments voiced by Kelly and offered to go over the particulars with him.

Murphy reiterated that Proposal A and State budget cutbacks have compelled communities to rethink their finances. His discussion of these budgetary influences was intended to make the public aware that the Village's financial picture is not that good and that there will be tough decisions ahead for the Council and the community.

Bob Walsh of 20655 Smallwood Court remarked on the pattern throughout the country of increasing retirement expenses. He commented on the \$35,000 a year budgeted for sidewalk repair and replacement. Council passed an ordinance last year whereby the Village assumed all responsibility for repair and replacement of over 50 miles of sidewalk within the community. Walsh contends that the \$35,000 budgeted amount will not be adequate when sidewalks begin to deteriorate.

Questions on the ‘supervisor’ line item in the road funds and about identification of trees affected with the emerald ash borer disease were addressed by Murphy. Walsh asked if the Village will continue to contribute one mill to the Road Fund from the general operating millage. Murphy indicated that the budget continues a contribution to the Road Fund as rolled back by Headlee.

John Mooney of 19111 Devonshire suggested that there has been a concerted effort by an individual who spoke earlier to offer unfounded criticism of this Council and administration. Mooney believes that Beverly Hills is one of the most fiscally responsible communities in southeastern Michigan. This community has put money aside for some time in anticipation of difficult times. He does not believe that anyone on Council or in administration would conceive of wasting taxpayers’ money. Accusations made to this affect are unfounded and lack substance and intellectual investigation. Mooney listed accomplishments of this Council and its predecessors. Mooney is in favor of every citizen coming forward and expressing their views, but he believes that this community is pleased with the efforts of Council. He implored Council members to carry on in the tradition of the very fiscally conservative council that has existed in this Village for many years.

Domzal stated that all views are heard by Council, but he asked that public comments not extend into personal issues.

Soter Art Liberty of 20850 W. 13 Mile Road commented that people have the right to state their opinions and voice objections against spending on specific items.

Mark Melendy of 16905 Kinross Avenue asked if the Village is pursuing any recourse with respect the 8% increase in water and sewer rates from the Detroit Water and Sewer Department (DWSD). Domzal responded that Council adopted a resolution in support of the Southeastern Oakland County Water Authority (SOCWA) initiative to ask the DWSD to be subjected to a review of its charges and how rates are established. The Village has joined the Oakland County Drain Commissioner’s effort to look into the possibility of alternate sources of water on a long-term basis. There is political pressure being placed on the City of Detroit and the DWSD.

There were no further comments on the budget; the public hearing was closed at 9:05 p.m.

CONSENT AGENDA

Motion by Pfeifer, seconded by Woodrow, to approve the consent agenda as follows:

- a. Review and consider minutes of a special Council meeting held on April 20, 2004.
- b. Review and consider minutes of a regular Council meeting held on April 20, 2004.
- c. Review and file bills recapped as of Monday, May 3, 2004.
- d. Review and confirm 2003 Assessment Rolls for dust control and other miscellaneous assessments.

Roll Call Vote:

Motion carried (7 – 0).

BUSINESS AGENDA

REVIEW AND CONSIDER ADOPTION OF THE 2004/2005 FISCAL YEAR VILLAGE OF BEVERLY HILLS BUDGET

Motion by Pfeifer, seconded by Woodrow, to adopt the following resolution.

RESOLUTION TO ADOPT THE 2004/2005 FISCAL YEAR VILLAGE OF BEVERLY HILLS BUDGET

The Village Council of Beverly Hills conducted a public hearing on the proposed 2004/2005 Fiscal Year Budget on May 4, 2004 and public comments have been heard and considered, therefore, be it resolved that the 2004/2005 Fiscal Year Budget for the General Fund, Major Road Fund, Local Streets Fund, Drug Law Enforcement, Retiree Health Care, Vacation Reserve, Sick Leave Reserve and Water and Sewer Operating Fund in the following amounts be hereby adopted:

FUND NAME	REVENUES	APPROPRIATIONS
General Fund	\$6,226,036.00	\$6,226,036.00
Major Road Fund	\$541,259.00	\$541,259.00
Local Streets Fund	\$840,571.00	\$840,571.00
Drug Law Enforcement	\$7,800.00	\$7,800.00
Retiree Health Care	\$397,612.00	\$350,058.00
Vacation Reserve	\$1,200.00	\$00.00
Sick Leave Reserve	\$1,200.00	\$00.00
Water & Sewer Operating	\$3,310,440.00	\$3,310,440.00

Council members commented on the excellent work by administration and staff on the budget.

Downey stated that the Village of Beverly Hills and every other community in the State is facing budget difficulties. The State Legislature has reduced revenues in an effort to streamline government. Downey gave credit to Village administration and staff for effectively reducing government spending and becoming more efficient. He affirmed that there is a commitment by Council to revisit and streamline this budget throughout the year. All services will be scrutinized, and there will be serious discussions in the coming years.

Koss concurred that the community is facing difficult times and citizens will have to be educated on the financial situation in preparation for making important decisions.

Pfeifer commented that this is a lean budget. She recognized and thanked Village staff for its efforts in terms of seeking grants, which is not reflected in the budget. Pfeifer expressed concern with personnel cuts considering that the Village government is a service organization. She commented on the increasing costs for health insurance.

Woodrow commented that the Village has been able to reduce spending and implement efficiencies without having to cut or reduce the quality of service to residents. If the financial picture does not improve in the next couple of years, the Village will either have to increase revenue or consider cuts in services provided.

Domzal stated that the Village has two primary sources of revenue – property tax revenue and state revenue sharing, both of which have been substantially reduced through action by the State of Michigan. Beverly Hills has lost \$225,000 of revenue from the state revenue sharing. The Village will need to pull together to make difficult choices with respect to the library contract, trash collection, road repair, and other services. These items should be considered in a thoughtful manner including strategic planning efforts, budget finance committee review, and voter issues. Domzal thinks that the proposed budget is a well thought out document. Council will consider further reductions in the budget through amendments during the coming fiscal year.

Roll Call Vote:
Motion carried (7 – 0).

**REVIEW AND CONSIDER APPROPRIATING FUNDS FOR 2004/2005 FISCAL YEAR
VILLAGE OF BEVERLY HILLS BUDGET**

Motion by Pfeifer, seconded by McCleary, to adopt the following resolution.

**RESOLUTION
TO APPROPRIATE FUNDS FOR THE 2004/2005
BEVERLY HILLS BUDGET**

The Village Council of Beverly Hills has adopted its annual budget for its fiscal year beginning July 1, 2004 in accordance with State law and the Village Charter, and

The Village Council is also required to adopt an appropriations act to provide the authority to incur obligations and expend public funds.

THEREFORE, BE IT RESOLVED, that the adopted budget for the fiscal year beginning July 1, 2004 and ending June 30, 2005 shall establish the approved appropriation levels for the said fiscal year.

BE IT FURTHER RESOLVED that the Village Council does hereby authorize the Village Manager to execute transfers between appropriations provided that each transfer be approved by the Village Council prior to its execution.

BE IT FURTHER RESOLVED that the Village Council retains authority to amend the Village budget and this appropriations act at such times when deviations from the projected revenues and authorized expenditure levels become necessary and the amount of the deviations becomes known.

Roll Call Vote:
Motion carried (7 – 0).

**REVIEW AND CONSIDER ADOPTION OF THE 2004 VILLAGE OF BEVERLY HILLS
MILLAGE RATE**

Motion by Pfeifer, seconded by McCleary, to adopt the following resolution.

**RESOLUTION
TO ADOPT THE 2004 VILLAGE OF BEVERLY HILLS BASE TAX RATE
PLUS ADDITIONAL MILLAGE TO RETIRE DEBT**

The Village Council on May 4, 2004 adopted the 2004/2005 Village Budget, and

The Village Council must adopt a millage rate to be spread on the Village tax roll for 2004, and

Public Act 5 of 1982 does not apply to levying for Debt Service, and

REGULAR COUNCIL MEETING MINUTES – MAY 4, 2004 – PAGE 8

The proposed 9.6329 mills for operating purposes for the General Fund and the Local Streets Fund do not exceed the 11.00 mills maximum approved by the voters at the March 13, 1995 election.

THEREFORE, BE IT RESOLVED THAT the Village Council does hereby approve the total 2004 millage rate for the Village at 12.4259 mills and the 12.4259 millage rate is to be spread as follows:

General Fund	8.7571 mills
Road Fund	0.8758 mills
CSO Debt.....	0.7971 mills
Dedicated Millage.....	1.7646 mills
Park Dedicated Millage	0.2313 mills
Total Millage Rate.....	12.4259 mills

Roll Call Vote:
Motion carried (7 – 0).

REVIEW AND CONSIDER RESOLUTIONS TO ADOPT 2004/2005 RATE SCHEDULE FOR WATER CONSUMPTION AND SEWER DISPOSAL

McCleary stated that the water and sewer rates proposed for the 2004/05 fiscal year represent an 8.0% increase, which is directly related to the increase in charges that the Village of Beverly Hills receives from the City of Detroit Water and Sewerage Department.

The schedule establishing the water and sewer rates provides for a phased increase with the first increase becoming effective with all bills mailed after September 1. The second phase will apply to bills mailed after October 1, and the third phase of the increase will apply to bills mailed after November 1. The reason for this is to assure that the rates charged coincide with the time the water is used. The total water, sewer rates and debt service charges for bills mailed after September 1, 2004 will be \$49.73/1000 cubic feet; \$51.02/1000 cubic feet effective for bills mailed after October 1, 2004, and \$52.31/1000 cubic feet effective for all bills mailed after November 1, 2004.

Motion by McCleary, seconded by Downey, to adopt resolutions establishing 2004/2005 rate schedule for water consumption and sewer disposal.

Roll Call Vote:
Motion carried (7 – 0).

The resolutions in their entirety are available for review at the Village offices.

BEVERLY HILLS GARDEN CLUB REQUEST FOR WAIVER OF SALES RESTRICTIONS IN THE PARK FOR PLANT SALE

MOTION by McCleary, seconded by Downey, that the Beverly Hills Garden Club be granted a waiver for sales in the Beverly Park pavilion for its Annual Plant Sale on Saturday, May 15, 2004 from 8 a.m. to 1 p.m.

Motion passed (7 – 0).

REPORTS

MANAGER

The Beverly Park clean-up is scheduled for Saturday, May 8 at 10:00 a.m. Murphy updated Council on two Eagle Scout projects at Beverly Park. Blake Pynnonen completed his project on

Saturday, May 1 by transplanting 60 pine trees from the park nursery to the southern edge of the park. They were planted in two staggered rows along the existing Huntley fence.

Ross Clark also completed his project on Saturday, May 1 by planting 500 seedlings to re-establish the nursery at Beverly Park. Resident Dr. Ed Missavage donated the trees to the Village at a cost of nearly \$500. The seedlings are about 12” high.

Murphy reported that the Village was successful in receiving \$3,000 from the DTE Tree Planting Grant Program to help towards reforestation efforts in Beverly Park. There is a match on behalf of the Village.

In response to a question from Council, Murphy related that the Public Safety Department management study is in progress with a report due in June.

COUNCIL

Taylor commented that it is a joy to drive or walk through the Village and experience the pride of ownership evident in the neighborhoods. The Zoning Board of Appeals will meet on Monday, May 10 at 7:30 p.m. The Southfield Township Board will meet on Tuesday, May 11 at 8:00 p.m.

McCleary thanked everyone involved for the great Beverly Hills Little League opening day on Sunday, May 2. He reported that the subcommittee looking at a Village tree planting program met on Saturday, May 1 and will submit a proposal for review by the Parks and Recreation Board. The May meeting of the Parks and Recreation was moved up a week to Thursday, May 13. McCleary commented favorably on the Village informational calendar.

Downey stated that the Retirement Board is meeting on a monthly basis with a consultant to review the investment strategy of the Public Safety Department Retirement System. Suggested changes in the investment portfolio will be recommended for implementation in the near future.

Downey participated with the Lions Club in a clean up of Lahser Road last week. He thanked the Lions Club for the work they do in the community. Downey encouraged people to take part in a driving tour of the Rouge River watershed scheduled for May 15.

Downey mentioned the wealth of information that is available through the Village’s membership in the Michigan Municipal League. He directed interested parties to view the organization’s web site (www.mml.org).

Koss encouraged residents to view Council meetings on cable television. The Council meeting agenda can be accessed on the Village’s web site. The Strategic Planning Development Committee will meet on Tuesday, May 11 at 7:00 p.m. at Groves High School. Printed copies of the power point presentation of the village-wide survey results are available at the municipal office.

Pfeifer reported that a committee of the Birmingham Area Cable Board is looking at the possibility of webcasting municipal meetings. Meetings would be indexed so that viewers could watch topics of interest to them. Pfeifer mentioned that the Cable Board is taking action to begin a campaign to encourage cable subscribers and local governments to express their concerns about rate increases.

REGULAR COUNCIL MEETING MINUTES – MAY 4, 2004 – PAGE 10

The “BASCC in the Glow” fundraiser was successful, and everyone had a good time. Pfeifer commented that a member of the Birmingham School Board spoke at the annual membership meeting of the Birmingham Area Seniors Coordinating Council. The School District’s budget has been severely impacted by State revenue cutbacks.

Pfeifer attended the last Strategic Planning Development Committee meeting. She congratulated all committee members for their hard work and productivity. In addition to surveys being sent to individual households, members conducted surveys of businesses, service providers, and schools in the community.

Woodrow stated that the Planning Board will be completing its 14 Mile Road corridor plan and will forward it to Council within a month. Woodrow remarked that he read an article recently stating that only 2% of the communities in the United States have a choice of cable operators.

Domzal proposed setting a special Council meeting next week to consider authorizing funds for engineering studies related to a water problem on Riverside. A Council planning session will also be scheduled. Murphy will poll Council members to establish meeting dates.

Motion by Pfeifer, seconded by McCleary, to adjourn the meeting at 9:53 p.m.

Motion passed.

Dave Domzal
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary