

Present: Council President Domzal; Members: Downey, Koss, McCleary, Pfeifer and Taylor

Absent: Woodrow

Also Present: Village Manager, Spallasso
Assistant to the Manager, Pasioka
Director of Public Safety, 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. Domzal remarked that today marks the 63rd anniversary of the attack on Pearl Harbor. The Pledge of Allegiance was recited by those in attendance.

ADDITIONS TO AGENDA/APPROVE AGENDA

Motion by Pfeifer, second by Koss, to approve the agenda as published.

Motion passed (6 – 0).

CONSENT AGENDA

Motion by Pfeifer, second by McCleary, to approve the consent agenda as follows:

- a. Review and consider minutes of a regular Council meeting held on November 16, 2004
- b. Review and file bills recapped as of Monday, November 29, 2004.

Motion passed (6 - 0).

BUSINESS AGENDA

REVIEW AND CONSIDER SUBCOMMITTEE'S RECOMMENDATION TO FILL VACANCY ON CABLE BOARD

Pfeifer reported that a subcommittee of Downey, Koss and herself met earlier this evening to review the application of Maryann Verdi-Hus to fill a vacancy on the Birmingham Area Cable Board. Verdi-Hus currently serves on the Village's Zoning Board of Appeals and on the Beautification Committee. Pfeifer has verified that neither the Village ordinances nor its Charter prohibit Verdi-Hus from holding these positions concurrently. It was the recommendation of the subcommittee to appoint Maryann Verdi-Hus to the Cable Board.

Motion by Pfeifer, second by Downey, to appoint Maryann Verdi-Hus to the Birmingham Area Cable Board for a term to expire on June 30, 2006.

Downey commented that he thinks Verdi-Hus will be an excellent representative of the Village on the Cable Board. However, he encouraged broader participation of residents on Village boards and committees.

Domzal remarked that it is unusual to have an individual serve on a couple Village boards but that Council appreciates Verdi-Hus stepping forward to fill this vacant position on the Cable Board.

Motion passed (6 – 0).

REFER SITE PLAN AND SPECIAL APPROVAL REQUEST FOR EXPANSION OF CONSUMERS ENERGY BUILDING LOCATED AT 30319 LAHSER ROAD TO THE PLANNING BOARD FOR REVIEW, RECOMMENDATION AND PUBLIC HEARING

There is a request before the Village from Consumers Energy for modification of its existing control building and for various site improvements to property located at 30319 Lahser Road. The Village Ordinance states that any additions or increases in non-single family residential use requires site plan review and special approval.

Motion by Downey, second by McCleary, to refer the request of Consumers Energy for special approval and site plan review for modifications to their property at 30319 Lahser Road to the Planning Board for review and recommendation.

Motion passed (6 – 0).

REVIEW AND CONSIDER PURCHASE OF SIMUNITIONS TRAINING MATERIALS

The Department of Public Safety is proposing to purchase a Simunitions Training package to enhance the training experience of its patrol officers. Simunitions equipment allows officers to engage in training scenarios normally involving deadly force decision making while armed with weapons mechanically altered to fire marking rounds. The goal of this program is to achieve better trained officers in the area of weapons use.

The Village's risk insurance carrier, Michigan Municipal Risk Management Authority (MMRMA) offers the availability of matching grant monies for projects that can act to reduce the Department's potential civil liability. MMRMA has awarded a grant of 50% of costs for this proposal.

The Department budget contains funds for this purchase in the account for Police Training. The MMRMA match estimated at \$2,492.50 will be credited back to this account upon its receipt. The Simunition equipment requested is supplied in Michigan only by CMP Distributors of Detroit, a regular vendor of police weapons and ammunition to the Department.

Motion by Koss, second by Downey, that the Village of Beverly Hills Council approve the purchase of Simunitions Training Equipment in an amount not to exceed \$4,985. CMP Distributors of Detroit will provide safety equipment, weapon conversion kits, and ammunition at a cost of \$4,025. A video camera will be procured from a separate vendor at a cost not to exceed \$960. Funds are available for these purchases in Account #101-345-959.00 Criminal Justice Training.

Questions from Council were addressed by Director Woodard. He related that the Beverly Hills Public Safety Department has had the use of similar training equipment purchased by neighboring departments and has participated in combined exercises with Bloomfield Township, Southfield and Birmingham police departments. Woodard suggested that it is appropriate for Beverly Hills to purchase equipment at this time in lieu of borrowing the systems from other departments. The design of this particular system is based on a hand gun model that is most similar to the duty weapon carried by Beverly Hills officers, which makes this system most realistic and adaptive to the officers.

Roll Call Vote:
Motion passed (6 – 0).

REVIEW AND CONSIDER AMENDED ADMINISTRATIVE CONSENT ORDER REGARDING EVERGREEN FARMINGTON SEWERAGE DISPOSAL SYSTEM

In 1988, the State Department of Natural Resources, now the Department of Environmental Quality (DEQ), issued an Abatement Order to the Village of Beverly Hills that specified corrective action to the sanitary sewer system to be performed and completed by the year 2015. A number of projects have been undertaken by the Village in the last 14 years: man hole rehabilitation, 13 Mile Road relief sewer, rehabilitation of two existing pump stations and constructing a third one, Rutland area sewer relining, sump pump disconnection and storm sewer collection system, Acacia Park Retention Treatment Basin, as well as participating in regional projects with other communities.

Unfortunately, data based on permanent meters shows that the Village system is still contributing additional flow to the interceptor thus exceeding the Town Outlet Capacity (TOC). The Village is allowed 8.69 cubic feet per second (cfs) of flow. Due to Infiltration/Inflow (I & I), the flow exceeds the 8.69 cfs, therefore contributing to sanitary sewer overflows (SSOs) within the Evergreen Farmington Sewage Disposal System (EFSDS). This is a violation of state and federal laws.

In February of 2003, the State issued a draft Administrative Consent Order (ACO) to the Oakland County Drain Commissioner (OCDC) and to a number of EFSDS communities including the Village of Beverly Hills. With the OCDC taking the lead in this effort, Village negotiations with the MDEQ on a number of issues resulted in revisions to the ACO primarily in the technical portion of the Beverly Hills ACO.

At this time, the initial expense Beverly Hills is committed to incur is the metering of the system to determine where the infiltration and inflow is coming from and the extent of corrective action required. This will cost approximately \$52,000. Spallasso has applied for a grant with the Rouge Program Office (RPO) for this expense and received correspondence confirming approval that they will cover approximately 40% of the cost. Costs to address short term and long term corrective action are not known at this time. The Village attorney and consulting engineering firm Hubbell, Roth & Clark have reviewed the documents.

Motion by McCleary, second by Taylor, that the Village of Beverly Hills Council authorize Village Manager Renzo Spallasso to execute Administrative Consent Order

ACO-SW-05-002 issued from the Michigan Department of Environmental Quality to the Village of Beverly Hills.

Comments and questions from Council were addressed by Spallasso. Spallasso indicated that he will submit a short term plan to the State by January 1, 2005. The Administrative Consent Order is available for public review at the Village offices.

Roll Call Vote:
Motion passed (6 – 0).

DISCUSSION ITEM - PRESENTATION BY PUBLIC SAFETY RETIREMENT BOARD CHAIRMAN REGARDING PENSION FUND

Downey introduced Don O’Connell, chairperson of the Public Safety Retirement Board. Don O’Connell, resident of 20900 Smallwood, remarked that tonight’s presentation will bring Council and the public up to date on the status of the Public Safety Officers’ Retirement System and recent activity of the Retirement Board.

The Retirement Board is vested with the authority to administer, manage, and operate the Retirement System. O’Connell presented background on the establishment of the Retirement System and its Board of Trustees consisting of Public Safety Department representatives Lt. Eric Ottney and Officer Howard Shock, Council members Dave Domzal and Doyle Downey, and himself as chairperson and citizen member. The goal of the Retirement Board is to assure that there are adequate assets available in the retirement trust to finance retirement benefits to be provided under the Retirement System for the Beverly Hills Public Safety Officers.

O’Connell mentioned the professionals who advise the Pension Board in terms of managing the investment portfolio. Comerica Bank serves as the custodian for the funds; Asset Strategies is the investment consultant to the Board; the Village’s actuarial firm is Gabriel, Roeder, Smith & Company; the Board’s attorney is Keller Thoma. There is a diverse group of money managers, including Tom Mudie of Munder Capital Management, who has been with the Board for more than 25 years. The Pension Board team includes the Village Manager, Director of Public Safety, and Finance Director. The current value of the Retirement System is \$13.5 million. O’Connell provided statistics on the members of the Retirement Plan.

O’Connell introduced George Vitta, President of Asset Strategies, who gave a comprehensive presentation of the Retirement Plan and its management that included an explanation of the yearly actuarial evaluation of the fund, the actuary’s recommended contributions to the retirement system, historical and future funding requirements, and progressive steps taken by the Trustees. Vitta noted that the recommended contribution for 2004 is less than the historical contribution levels from 1990 through 1996.

Recognizing the need to be good stewards of the retirement trust and acknowledging the challenge of managing growing liabilities amidst turbulent capital markets for stocks and bonds, the Trustees sought independent investment advice, which led to the hiring of Asset Strategies a year ago. A twelve month plan was established to take a close look at what is driving the growth and liabilities of the plan and to understand the assumptions that lead to the

liability valuation as well as the risk of future contributions. The goal was to develop an investment program that would provide a level of growth and income with a prudent amount of investment risk in order to maintain the overall funded level of the retirement system and at the same time keep any future contribution risk to a minimum. The Retirement Board has done great work meeting 14 times in the last year.

A formal asset allocation study took account of the liability picture and the assumptions and expectations of the actuary and developed a formal game plan for better diversifying the investments of the fund as well as reducing the overall investment expense being incurred. These strategies are being implemented through new investment management organizations in addition to Munder.

At the start of 2005, the Village will have a retirement fund that is well diversified and has a much greater probability of achieving a 7% assumed rate of return on a more consistent basis over the years. Vitta stated that there is a formal process for monitoring progress toward that objective. The Pension Board receives a formal report every quarter, which not only looks at each individual portfolio and the manager's contribution to the total fund's success, but analyzes the overall fund results. Those results are benchmarked versus similar governmental retirement funds. Another important part of the process is to evaluate capital market opportunities and risks.

O'Connell concluded that the goal of the Retirement Board is to maximize the return on investments in order to minimize the funding requirements of the Village. There is a very good chance of doing that as a result of the steps taken by the Pension Board over the last year. Council is aware that the actuaries have recommended a \$89,000 contribution from the Village to the Retirement System this year. It is anticipated that the 2005/06 contribution will be similar, but will not be confirmed until the annual actuarial report is received.

Questions from Council were addressed by Vitta and O'Connell. Domzal thanked Don O'Connell and George Vitta for their leadership and guidance and thanked all the Trustees for their time and effort on behalf of the Village.

REPORTS – MANAGER

The next meeting of the Strategic Planning Development Committee is scheduled for 7:00 p.m. on Tuesday, December 14 in the Village Council chamber. It is expected to be the final meeting of the SPDC as it wraps up the final draft of the Strategic Plan.

The Village Woman's Club of Beverly Hills will be at the Village offices on Saturday, December 11th and again on Saturday, December 18th from 10:00 a.m. until 2:00 p.m. for their annual luminaria sale.

As a reminder, the last day of yard waste pick-up/leaf season is Thursday, December 9th. If residents have yard waste after that date, they are encouraged to hold on to it until next April when curbside collection begins again or take it to the Troy transfer station located on Coolidge across from Meijers.

Residents should expect to see the Village calendar arrive in their mailboxes very soon. The Villager newsletter will be in the mail within the next few days.

PUBLIC COMMENTS

Ralph Lohrengal of 18346 Beverly Road read a letter addressed to the Council President regarding what he believes to be Council's acceptance of a misrepresentation from the former Village Manager with respect to increasing water and sewer rates.

Norm Downey of 23042 Nottingham Drive expressed concern with the lack of straightforward information from Council on water and sewer bills. He commended Council member Koss on her apology at the last Council meeting for her minor role in giving residents incorrect information on water and sewer rates. Downey asked Council to reinstate the former Finance Committee and authorize it to review all Village finances except those reviewed by the Pension Board. He believes that this committee would result in acceleration of balancing expenses with income.

N. Downey noted that there was a traffic accident at the Southfield and Beverly intersection last week when a vehicle ran a red light. He asked Public Safety to keep up its strict surveillance of that area.

Domzal mentioned that Norm Downey and another resident spent about an hour this week with Village staff members looking through records and reviewing information on sewer and water rates. The Village continues to provide information to residents regarding charges to the taxpayers.

COUNCIL COMMENTS

Taylor asked everyone to be mindful of residents or their relatives who are serving overseas in Iraq and Afghanistan and in other troubled areas of the world during the holidays.

The Southfield Township Board will meet on Tuesday, December 14 in the Township Hall at 8:00 p.m. The Village Zoning Board of Appeals will meet on Monday, December 13 in the Council chamber at 7:30 p.m.

McCleary announced that the Parks and Recreation Board will meet next Thursday, December 16 at 7:00 p.m. in the Village municipal building.

Downey thanked the Birmingham School Board for its recent action in response to residents living in the area of Groves High School. He also noted the efforts of Ms. Koss in assisting with the resolution of that situation.

Downey thanked the Retirement Board for its efforts in the last year. He commended the Lions Club for their assistance to many people who need help. The Woman's Club will hold their luminaria sale on the next two Saturdays in the Village municipal building.

Downey stated that Council will meet in closed session following the completion of tonight's agenda to discuss its evaluation of the Village Manager. He suggested that Council identify its

goals and objectives for the management of the Village and outline an organizational structure on that basis.

Koss stated that the Strategic Planning Development Committee will meet next Tuesday, December 14 at 7:00 p.m. in the Village offices. This will be the final meeting of the SPDC. The group will complete its work on the strategic plan and present it to Council by the end of December or the beginning of January. Koss wished everyone a happy and safe holiday.

Pfeifer thanked Maryann Verdi-Hus for volunteering to fill the vacancy on the Cable Board. The next meeting of the Cable Board will be on Wednesday, December 15 at 7:45 a.m. in the Council chamber.

Domzal informed the public of items that Council will take up in January. These include discussion of the Village Manager position and the administrative structure of the Village, terms of office and staggering of Council terms, and review of the Strategic Plan. Domzal suggested setting a Council study session date for January 11.

Domzal gave kudos to the state legislative team for its responsiveness in the last year. They are very accessible and interested in Beverly Hills issues.

Motion by Pfeifer, second by McCleary, to go into closed session at 8:57 p.m. to discuss personnel matters, specifically the evaluation of the Village manager.

Roll Call Vote:
Motion passed (6 – 0).

The meeting returned to open session at 10:07 p.m.

Motion by McCleary, second by Koss, to adjourn the meeting at 10:07 p.m.

Motion passed (6 – 0).

Dave Domzal
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary