

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

Absent: None

Also Present: Village Manager, Spallasso
Village Clerk, Marshall
Finance Director, Wiszowaty
Assistant to the Manager, Pasieka
Building Official, Byrwa
Director of Public Safety, Woodrow

President Domzal called the meeting to order at 7:04 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road. The Pledge of Allegiance was recited by those in attendance.

ADDITIONS TO AGENDA/APPROVE AGENDA

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

Motion passed (7 – 0).

PLANNING BOARD PROJECTS

President Domzal turned the chair over to President Pro-Tem Woodrow, Council liaison to the Planning Board.

Council is in receipt of a 2005 Master Plan Update Proposal from Village planning consultants Langworthy Strader LeBlanc & Associates. Planning Board Chair David Jensen stated that the Planning Board has considered its objectives for the next year and arrived at a list of priority project ideas. The most effective and efficient approach to explore these issues would be to incorporate the elements into one master plan update as a comprehensive document as opposed to being a series of separate studies and documents. The Planning Board has been working with LSL to prepare a work plan and cost proposal that would incorporate priority projects that the Board would like to study into a comprehensive review and update of the Village Master Plan.

Planning consultant Caryn Wenzara referred to the March 3, 2005 proposal from LSL regarding the 2005 master plan update. The proposal outlines steps in developing a work plan that includes scope of information, number of meetings, deliverable products, number of drafts, and adoption procedures. The proposal includes itemized options that Council can select items from the list. The following items have been determined to be Planning Board goals that are appropriate issues to be addressed in a master plan update.

- Updating demographic information to reflect 2000 US Census results
- Reflecting changes in land uses and community facilities
- Considering the perceived steady increase in traffic volumes on Village streets

- Ensuring viable and attractive neighborhoods to maintain high occupancy levels and strong, competitive housing stock in all areas of the Village
- Ensuring adequate public involvement in the community planning process
- Exploring the development and redevelopment potential of the Southfield Road corridor
- The Strategic Planning Committee and Strategic Plan for the Village

The Planning Board's project ideas have been organized into a work plan that includes input from the Board, staff, Council and members of the community. All of the tasks would not be accomplished within a year's time but would most likely be spread over two fiscal years. Wenzara reviewed the work plan outlining each element and optional tasks.

Wenzara explained that recent changes to the Municipal Planning Act adopted in January of 2002 require the Village to reevaluate its master plan once every five years. The Planning Board is required to forward its proposed master plan to Council, which will authorize a 95-day review period. The Village Council must authorize dissemination of its proposed master plan to surrounding municipalities, county agencies, and other applicable groups. Ideas would be collected throughout the 95 days after which time there is another public hearing and opportunity for comment. The document may be edited and refined based on the input received. The Planning Board then adopts the plan and refers it to the Village Council for consideration and adoption.

Council questions on the master plan update proposal were addressed by the planning consultant, Jensen, and Finance Director Wiszowaty. Funding of the master plan work program was discussed. It was noted that the fee for the base plan is approximately \$15,000 without the optional studies. There was \$5,000 approved last year for the master plan project. The Village will be able to budget approximately \$4,500 from Community Development Block Grant funds in 2005/06 to offset planning consultant fees.

There was concern expressed by members with regard to coordinating the master plan work program with the strategic plan implementation process. It was mentioned that Council will meet with the Strategic Planning Development Committee on March 19 to discuss priorities and implementation of key issues.

Koss suggested that the data that is applicable to the Planning Board work program would be forwarded to the Board for consideration in its master plan update. A member of the Strategic Planning group involved in that data collection may volunteer to participate in a Planning Board meeting when that topic is discussed. Woodrow added that he views the master plan as a necessary step in implementing some of the key issues identified by the strategic planning group. The master plan update logically follows the strategic planning process.

Council discussed the work program and optional tasks. It was the sense of Council to hold off on authorizing any of the optional tasks outlined in the work program. Further Council clarification and direction will be required on these studies for the reason that there may be

divergent opinions as to what is to be accomplished in terms of lot coverage issues and a Southfield Road corridor plan.

Wenzara stated that the master plan is intended to be a vision for the future that includes strategies on how to achieve that vision through the future land use plan, circulation plan, facilities planning, etc. The new plan will update information, analyze data, provide a vision and how to achieve it. She added that a community should have a solid plan on which to justify any case law amendments or code amendments. The master plan should be used as a tool that is linked to certain Zoning Board of Appeals decisions, site plan review, and special land uses. The master plan should assist with decisions made by the Village Council, Planning Board, and Zoning Board of Appeals.

Brad Strader, managing partner from LSL Planning, commented that he is a member of the Strategic Planning Development Committee. He remarked that state law was changed giving the governing body the authority to adopt a community master plan so that the plan will have more weight. Council has the authority to set forth some of its policies. Strader emphasized that the Village needs a master plan on which to form the basis for its zoning decisions. It is an investment for the future. In response to the comment that Beverly Hills is 98% developed, Strader stated that a master plan for a developed community is important because every decision on a land split or redevelopment proposal that is made will receive intense scrutiny.

Strader related that Beverly Hills used to be able to complete a core part of its Master Plan and then conduct a study in the next year or two that would result in a sub-area plan. The new adoption process required by state law takes more time, effort and money. If the Village is thinking of proceeding with major studies in the next two or three years, it is more efficient to incorporate them into the base master plan.

Comments and questions from the following members of the public were addressed by the planning consultant, Council, and administration.

Joe Wilberding	14 Mile and Evergreen
Gladys Walsh	20655 Smallwood
Bunker Kelly	21526 Corsaut Lane
Sharon Tischler	21415 Virmar Court
Frank Worrell	32123 Bellvine Trail

Domzal summarized that Council will consider funding the base master plan update in the next fiscal year as part of the budget process. Wiszowaty indicated that there is money available in the current operating budget (planning and engineering consultant) for this expense. Council is in agreement that there is a need to discuss policy issues related to the optional tasks before a decision is made on whether to approve funding for those studies. Members of Council will be meeting to discuss the strategic plan for the Village. Council should be in a position to provide further direction on the master plan optional studies within the next 30-60 days.

Motion by Domzal, second by Downey, that Council authorize the Planning Board to commence with an update of the Village Master Plan, specifically the base plan with a cap of \$10,000 in this fiscal year, with any optional tasks requiring Council authorization. The motion is pending review of Village legal counsel.

Roll Call Vote:

Pfeifer	- yes
Taylor	- yes
Woodrow	- yes
Domzal	- yes
Downey	- yes
Koss	- yes
McCleary	- no

Motion passed (6 – 1).

Council recessed for five minutes and reconvened at 8:15 p.m. President Domzal resumed the chair.

BUDGET STUDY SESSION

Domzal stated that a budget overview session was held on February 15, 2005 at which time Council reviewed five-year revenue and expenditure projections and the five year capital improvement program. Before Council for consideration this evening is a more detailed presentation of the 2005/06 budget by department. Spallasso reviewed the General Fund Assumptions for the proposed budget.

Revenues

- Property tax revenue will increase by 3% annually. One mill (as reduced by Headlee) will be transferred to the Local Street Fund.
- State Revenue Sharing will remain unchanged from last year.

Expenses

- Personnel levels will be reduced in the Public Safety Department by one officer with the change to a 12-hour shift.
- Salaries and wages will increase by 3.25% annually.
- Health insurance for active employees will increase by 12% based on current estimates.
- Retiree health care will increase by 12% annually.
- Other fringe benefits will increase by 5%.
- MERS retirement contribution will increase per actuarial study.
- Rubbish Collection will increase 4% annually with disposal increases estimated at 5% annually.
- Library contribution will remain at 1.077 mill levels using a Headlee reduction fraction of 1.0.

Spallasso anticipates no increase in the water and sewer rates this year. Increases in fees for water and sewage treatment from the Detroit Water and Sewer Department will be absorbed by the Village. Questions from Council on the assumptions were addressed by Spallasso. The 2005/06 budget as presented reflects an increase in revenues of 0.25% and increased expenditures by 3.51 percent.

Finance Director Wiszowaty presented background on the intent of Proposal A since its adoption in 1994 and the actual effect of Proposal A on limiting property tax increases and Village revenues. Beverly Hills revenue has two primary components which are property taxes and state revenue sharing.

The Charter-limited 11 mill property tax levy is reduced by an inflation index each year when the total gain in property tax valuations exceeds the rate of inflation. The Charter-limited millage rate has been rolling back each year since 1995. The 11 mill property tax levy is reduced to 9.6330 mills in the 2004/2005 fiscal year. This means that 1 mill is actually .8757 mills. The Village also has a difference in taxable value vs state equalized value of \$188,357,047 or 36%. In addition, the State of Michigan began to experience a recession in 2001, and state revenue sharing has steadily decreased from \$1,088,000 in 2000 to \$818,000 in the 2005 budget.

Wiszowaty's summary of what has happened with the Village's two biggest revenue items emphasized that every other community in the state will be having similar or worse problems. He referred to a recent study by Plante & Moran written at the request of the Michigan Municipal League (MML) that analyzes Michigan's municipal finance structure using specific data from a sample of local governments from across the state. The analysis is part of MML's effort to demonstrate the structural financial problems facing local communities. The findings indicate that every local government projects revenue shortfalls and the use of critical amounts of their General Fund fund balance by 2007.

During the past four fiscal years, money has been budgeted from the Village's fund balance to balance the General Operating budget. The Village has money in reserve to transfer funds from the General Fund fund balance to balance the budget in 2005/06. Council will decide whether to transfer \$202,000 from the fund balance or consider other alternatives.

Wiszowaty related that the Village fund balance is in good shape for the current fiscal year due to unanticipated revenue. Franchise fees came in higher than expected. Renzo Spallasso has assumed the position of Village manager in addition to his duties as Public Services Director on a temporary basis, which has resulted in a cost savings to the Village. The General Fund fund balance was projected to drop by \$150,000 from the beginning of the fiscal year; the reduction is expected to be approximately \$50,000 by the end of the fiscal year.

Wiszowaty reviewed Village expenses by department focusing on line items that show a significant change from the current year's budget. Director of Public Safety Woodard highlighted Public Safety Department draft budget figures. Building Official Byrwa

reviewed the Building and Planning Department budget. Questions and comments from Council were addressed throughout the presentation. Council explored possible cost savings in each department.

Administration was asked to provide Council with supporting material for several budget line items. Spallasso will prepare a list of Village service providers and contracts noting their terms and expiration dates. This information will be submitted to Council for review.

Council scrutinized community action programs budgeted for the next fiscal year. The suggestion was made to implement a tax advantage mechanism for individuals to give money to worthwhile organizations and provide them with a funding source other than public funds. Domzal suggested that the Village explore instituting a civic foundation.

The budget document will be modified to incorporate suggestions proposed by Council. Council will meet at 6:30 p.m. prior to the regular Council meeting of Tuesday, March 15 to review the Local and Major Road Funds and the Water and Sewer Fund budgets.

The following residents offered comments and questions on the proposed budget, which were addressed by Council and administration: Larry Needham, Pam Rijnovean, Frank Worrell, Gladys Walsh, Bob Walsh, Bunker Kelly, Art Liberty and Jim Calder.

Motion by Taylor, second by Koss, to adjourn the meeting at 11:13 p.m.

Motion passed.

Dave Domzal
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary