

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

Absent: None

Also Present: Village Manager, Spallasso
Assistant to the Manager, Pasioka
Village Clerk, Marshall
Director of Public Safety, Woodard
Village Attorney, Ryan
Building Official, Byrwa

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. 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 (7 – 0).

Domzal introduced Oakland County Commissioner Marcia Gershenson representing District 17. Gershenson stated that she is always available to listen to the Village Council if it thinks the County can be of assistance on an issue. She highlighted events going on at the County. Oakland County is in the process of choosing five pilot cities for the Wireless Oakland project, and she is thrilled that Beverly Hills is in the running.

Gershenson described Groves High School students' participation in the County's 25th Youth in Government Day. The County's Business and Economic Development office will be holding several seminars for small business owners in May. She encouraged small business owners to contact her or the County to learn about these seminars and loans available for small businesses. Gershenson encouraged citizens to contact her with concerns that involve the County.

PUBLIC HEARING TO REVIEW AND CONFIRM 2004 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. Notice of the assessments was published in the Village's newspaper of record.

Domzal opened the public hearing at 7:36 p.m. on the 2004 Assessment Rolls for miscellaneous assessments.

Gladys Walsh of 20655 Smallwood Court commented that the consent agenda for tonight's meeting lists an item to review and confirm the special assessments to be added to the 2005 tax roll. She questioned what bearing public comments would have on the assessment roll as prepared for approval. Domzal responded that items can be removed from the consent agenda if there are issues raised by the public or Council members.

No one else wished to be heard; therefore, the public hearing was closed at 7:38 p.m.

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 April 19, 2005.
- b. Review and file bills recapped as of Monday, May 2, 2005.
- c. Review and confirm 2004 Assessment Rolls for dust control and other miscellaneous assessments.

Roll Call Vote:

Motion passed (7 – 0).

PUBLIC HEARING ON PROPOSED 2005/2006 GENERAL FUND, MAJOR & LOCAL ROADS, DRUG LAW ENFORCEMENT, AND WATER & SEWER OPERATING FUND BUDGETS

Village Manager Spallasso stated that the proposed 2005/06 budget was prepared and presented to Council on April 4, 2005 for review. Since that time, several changes have been made and distributed to Council in revised budget sheets. The proposed budget balances expenditures with available revenue as required by the Uniform Budgeting Act. The budget addresses current needs and provides services to the Village residents.

This is the fifth consecutive budget that necessitates using the General Operating Fund Balance to balance revenues with expenditures. The budget anticipates a \$307,160 contribution from the fund balance, which will reduce the fund balance to 19.26% of expenses. The proposed budget represents a total millage rate of 11.8256, a 0.6 mil reduction from the current year's rate. Water and sewer rates will not be adjusted this year. The Village will absorb the increased charges received from the City of Detroit Water and Sewerage Department. Spallasso thanked Council and Village department heads for their help in preparing this budget.

Finance Director Bob Wiszowaty delivered a power point presentation that provided background on the Village's financial situation and communicated specific data, comparisons, and budget figures for the General Fund and Special Funds of the Village. Wiszowaty stated that the Village's General Fund Revenue comes from three primary sources – property taxes, state revenue sharing, and charges for services. Another revenue source that the Village has used for the past five years is a contribution from the Fund Balance.

Wiszowaty provided a comprehensive explanation of the interaction of the Headlee Amendment, the passage of Proposal A in 1994, and changes to the General Property Tax Act that result in limiting property tax revenue in the Village. The effect of Michigan legislation

has been to penalize communities that have substantial market growth in existing property values by rolling back their millage rates. Wiszowaty commented that there has been discussion about the legislature acting to fix the financing model for local government. A chart was displayed to demonstrate the reduction of State Revenue Sharing from the year 2000. The budgeted amount for 2005 is \$818,365, which is back to the level received in 1993.

Wiszowaty summarized the 2005/06 General Fund revenue. The Village has received 2005/06 numbers from Oakland County relative to taxable value and SEV for the Village. There is a 38% variance between the Village's SEV and its taxable value. 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 millage rate as reduced by Headlee for 2005/06 is 9.4768 mils or a reduction from the previous year of 0.1561 mils. The 9.4768 mils will be split between General Operations (8.6153 mils) and the Local Road Fund (0.8615 mils).

The CSO Debt millage is dropping from 0.7971 in 2004/05 to 0.3853 in 2005/06 due to County refinancing of the Village's CSO debt. The dedicated millage for infrastructure improvements for 2005/06 will be 1.7360 mils. The park dedicated millage, which was approved at 0.25 mils for five years, will be reduced to 0.2275 mils for 2005/06. The total millage rate for 2005/06 has dropped from 12.4259 this year to 11.8256 mils.

General Fund expenditures were reviewed by percentage of the budget. The total budget is \$6,526,187, an increase of \$324,151 from the previous year. Wiszowaty noted that the Village of Beverly Hills is a service oriented organization with \$194,288 or 59% of the increase going for salaries, fringe benefits, and retiree health care. Public Safety Retirement contribution increased by \$113,750.

Wiszowaty provided background information to support his presentation of the Special Revenue Fund budgets including the Major Road Fund, Local Street Fund, Drug Law Enforcement Fund, Retiree Health Care Fund, Vacation Reserve Fund, and Sick Pay Fund.

The Water & Sewer Operating Fund budget for 2005/06 is \$3,609,939 for expenditures and revenues. The budget will be balanced using \$162,308 from the Water & Sewer Fund Balance. It is projected that this fund balance will be at 40% of expenses at the end of the fiscal year. Wiszowaty described the DEQ model that was used by the Village to set water rates. Water and sewer rates will not increase this year. The split between water, sewer and debt service will change.

Wiszowaty concluded his presentation by thanking Council for its review of the budget and Village department heads for assisting in the budget process. He also thanked residents who attended study sessions and contacted the Village office via phone calls and emails offering comments and suggestions on the budget. All input was considered in preparing the 2005/06 budget.

Domzal declared the public hearing open on the proposed 2005/06 budget at 8:06 p.m.

Robert Walsh of 20655 Smallwood Court remarked that \$307,000 is proposed to be transferred from the General Operating Fund Balance to balance revenues with expenses in this budget, which drops the fund balance to a little over 19% of operating expenditures. He commented that the Village should have been looking seriously at expenses over the last year to prevent this hit from the fund balance. Walsh has seen projections for a \$500,000 contribution from the fund balance next year. He believes that there should be a long, hard look at what the Village has in place, and changes should be made. Walsh made several suggestions for cutting expenses from next year's budget.

Pamela Rijnovean of 32420 Evergreen stated that she does not think that Council has listened to the comments from residents regarding the budget. She offered a number of suggestions for cutting expenses.

Bunker Kelly of 21526 Corsaut Lane expressed concern that Beverly Hills is going into its fifth year of projected deficit spending and questioned the way the Village is managed. He does not think that Council should give excuses to the public citing the Headlee Amendment and cuts in State revenue sharing. Changes have to be made to the budget to lower expenses.

Norm Downey of 23042 Nottingham Drive stated that he sent Council members a letter including suggestions for reducing expenditures, but nothing happened. He had questions on budget figures and how they compare with the Village audit, which were addressed by Wiszowaty.

No one else wished to be heard; therefore, the public hearing was closed at 8:22 p.m.

Council members commented on the proposed budget and the difficult financial times facing the Village. The point was underscored that it has been a struggle to maintain the current level of services without raising taxes due to continuous increases in costs received by the Village along with reductions in revenue. The Village has been streamlining and making cuts in staffing for a few years.

Council concurred that Village administration has done a commendable job on the budget under the circumstances. This Council and future councils have a hard road ahead of them and will have difficult decisions to make in the future months. The comment was made that the only way to keep from transferring money from the fund balance is to cut services or raise taxes. Combining services with other communities is another option to explore.

Questions from Downey on the fund balance, property tax revenue, and budget projections were addressed by Wiszowaty.

Domzal thanked staff for a great job on the budget and commented favorably on its format. He suggested that Council spend some time reviewing the goals and objectives of the various departments.

Domzal agreed with comments from the public that the Village has to look at structural issues such as health care costs for employees and retirees as well as pension funds before the next

budget is prepared. These are difficult issues that must be addressed. There is a need to take a look at the combined sewer overflow (CSO) costs. An update from Village consulting engineering firm of Hubbell Roth & Clark on the Acacia Relief Sewer project should be reviewed.

Domzal expressed the view that the Village should not reduce capital expenditures on items like roads on the basis that Beverly Hills needs to remain a community that attracts new residents who will add to the tax base. The community also needs to look at redevelopment in order to generate new tax revenue. Innovative financing programs that promote redevelopment should be explored. Domzal suggested that creative ways be developed to get people together to start talking about these issues.

REVIEW AND CONSIDER ADOPTION OF THE 2005/2006 FISCAL YEAR VILLAGE OF BEVERLY HILLS BUDGET

Motion by Pfeifer, second by Downey, to adopt the following resolution.

**RESOLUTION
TO ADOPT THE 2005/2006 FISCAL YEAR
VILLAGE OF BEVERLY HILLS BUDGET**

The Village Council of Beverly Hills conducted a public hearing on the proposed 2005/2006 Fiscal Year Budget on May 3, 2005 and public comments have been heard and considered, therefore, be it resolved that the 2005/2006 Fiscal Year Budget for the General Fund, Major Road Fund, Local Streets Fund, Drug Law Enforcement, Retiree Health Care, Vacation Reserve, Sick Leave and Water and Sewer Operating Fund in the following amounts be hereby adopted:

FUND NAME	REVENUES	APPROPRIATIONS
General Fund	\$6,526,187.00	\$6,526,187.00
Major Road Fund	\$448,472.00	\$448,472.00
Local Streets Fund	\$889,981.00	\$889,981.00
Drug Law Enforcement	\$2,100.00	\$2,100.00
Retiree Health Care	\$466,272.00	\$423,563.00
Vacation Reserve	\$1,200.00	\$00.00
Sick Leave Reserve	\$1,200.00	\$00.00
Water & Sewer Operating	\$3,609,939.00	\$3,609,939.00

Additional comments on the proposed budget focusing on ways to contain costs were forthcoming from residents Bob Walsh, Norm Downey, Bunker Kelly and Gladys Walsh.

- Roll Call Vote:
- Koss - yes
 - McCleary - yes
 - Pfeifer - yes
 - Taylor - no

Woodrow - yes
Domzal - yes
Downey - yes

Motion passed (6 – 1).

REVIEW AND CONSIDER APPROPRIATING FUNDS FOR 2005/2006 FISCAL YEAR VILLAGE OF BEVERLY HILLS BUDGET

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

**RESOLUTION
TO APPROPRIATE FUNDS FOR THE 2005/2006
BEVERLY HILLS BUDGET**

The Village Council of Beverly Hills has adopted its annual budget for its fiscal year beginning July 1, 2005 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, 2005 and ending June 30, 2006 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:
McCleary - yes
Pfeifer - yes
Taylor - no
Woodrow - yes
Domzal - yes
Downey - yes
Koss - yes

Motion passed (6 – 1).

REVIEW AND CONSIDER ADOPTION OF THE 2005 VILLAGE OF BEVERLY HILLS MILLAGE RATE

Motion by Pfeifer, second by Downey, to adopt the following resolution.

RESOLUTION

TO ADOPT THE 2005 VILLAGE OF BEVERLY HILLS BASE TAX RATE PLUS ADDITIONAL MILLAGE TO RETIRE DEBT

The Village Council on May 3, 2005 adopted the 2005/2006 Village Budget, and

The Village Council must adopt a millage rate to be spread on the Village tax roll for 2005, and

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

The proposed 9.4768 mils for operating purposes for the General Fund and the Local Streets Fund do not exceed the 11.00 mils maximum approved by the voters at the March 13, 1995 election.

THEREFORE, BE IT RESOLVED THAT the Village Council does hereby approve the total 2005 millage rate for the Village at 11.8256 mils and the 11.8256 millage rate is to be spread as follows:

General Fund.....	8.6153 mils
Road Fund.....	0.8615 mils
CSO Debt.....	0.3853 mils
Dedicated Millage.....	1.7360 mils
Park Dedicated Millage.....	0.2275 mils
Total Millage Rate	11.8256 mils

The Village calendar shows that the total millage paid by Village residents including colleges, school districts, etc. is 41.6 mils for 2004. Domzal noted that 30 cents of the total tax dollar goes to the Village of Beverly Hills.

Bunker Kelly mentioned that Village residents are also paying a Township of Southfield millage of 0.55 mils.

- Roll Call Vote:
- Pfeifer - yes
 - Taylor - no
 - Woodrow - yes
 - Domzal - yes
 - Downey - yes
 - Koss - yes
 - McCleary - yes

Motion passed (6 – 1).

REVIEW AND CONSIDER RESOLUTION TO ADOPT 2005/2006 RATE SCHEDULE FOR WATER CONSUMPTION AND SEWAGE DISPOSAL

McCleary stated that there is no increase proposed for the 2005/2006 water and sewer rates. Increased charges received by the Village of Beverly Hills from the City of Detroit Water and Sewerage Department will be absorbed by the Village this year.

Each premises within the Village connected to the water and/or sanitary sewer system shall pay a consumption charge based upon the amount of water used as shown by the water meter installed in each premises as follows:

Water Consumption	\$ 15.37 per 1000 cu ft
Sanitary Sewer O.M. & R	30.51 per 1000 cu ft
Sanitary Sewer Debt Service	<u>6.43</u> per 1000 cu ft
Total	\$ 52.31

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

Norm Downey asked about an increase in the sanitary sewer debt service charge. Wiszowaty responded that the increase in the debt service is a result of additional issues and debts such as the John Garfield Drain, North Arm Drain, and the Drinking Water Revolving Fund.

Bunker Kelly commented that the water and sewer rates were raised excessively last year, so residents have been pre-paying for a year.

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

The resolution in its entirety containing the rate schedule is available for review at the Village office.

PUBLIC COMMENTS

Bob Walsh of 20655 Smallwood Court questioned how much money the Village is spending on updating the master plan for the current fiscal year ending June 30, 2005. He was informed that \$10,000 was budgeted for this work program.

Walsh provided background on litigation initiated by Bloomfield Township relative to erecting cell towers on Birmingham School District property. The Village joined Bloomfield Township in that lawsuit. He believes that the case went to the State Supreme Court and that the school district lost the case. Walsh questioned the current status of that cell tower.

Ryan responded that the litigation involved cell towers proposed for Berkshire School. The school erected lighting poles with the intention of placing antennas on the poles. The antennas were not installed.

Bunker Kelly of 21526 conveyed information regarding the master plan update and related costs obtained through research by the Beverly Hills Citizens Forum Committee of past meeting minutes of the Planning Board and Council.

Kelly asked that Council respond to questions that residents ask during the public comment portions of Council meetings.

Greg Burry of 32742 Pierce understands that the General Fund balance is projected to be reduced to zero in three years. Burry commented on the need for a Finance Committee to study the Village's financial situation. Council has recognized this need and has authorized him to prepare a recommendation on the formation of a finance committee.

REPORTS – MANAGER

Spallasso reported that the water main replacement project is continuing on schedule with approximately 20,000 feet of pipe installed to date. He thanked the property owners who live along those segments for their patience during the construction.

A pre-construction meeting was held today with M.L. Schoenherr, the contractor for the pavilion renovation project. People who have rented the pavilion through June will be notified of the construction, and their fee will be refunded. The Village will assess the progress in June to determine if further rentals will need to be canceled.

The Village is in the process of securing the help of a student to be a part-time park ranger from Memorial Day to Labor Day. There will be a lot going on in Beverly Park particularly with the pavilion construction.

Spallasso has discussed the Memorial Day event in Beverly Park with the pavilion contractor. The contractor will concentrate the equipment and materials near the pavilion and will fence the area. People can still enjoy the rest of the park.

Beverly Park Clean Up is scheduled for Saturday, May 14 beginning at 10 a.m. Volunteers are always needed.

In answer to an inquiry, Spallasso stated that code enforcement officer Dan Gosselin has reported back to work today after a medical leave.

Downey asked for an update on election ballot language. Ryan responded that he discussed the ballot language regarding terms of office with the assistant state attorney general in charge of municipal affairs and elections. Ryan will have something before Council for consideration at the second meeting in May.

COUNCIL

Woodrow commented on an article he read today on the budget deficit problems in the City of Detroit.

Pfeifer concurred that Council needs to do serious work on next year's budget. She compared the Village's millage rate and budget with that of the City of Birmingham.

Pfeifer reported that the Birmingham Area Cable Board is continuing its search for an Executive Director. The Board is investigating the possibility of providing web streaming service for its member communities.

Koss thanked everyone who attended the joint Council and Strategic Planning Development Committee meeting on April 25. It was a productive meeting due to the good group of residents who have volunteered to continue to assist Council with the implementation of a strategic plan for the Village.

Koss informed residents that Director of Public Safety Woodard will give a presentation on a proposed agreement for joint dispatch services with Birmingham at the May 17 Council meeting.

Downey stated that the Lions Club is sponsoring the Memorial Day Fun Run on the morning of May 30.

Downey attended a subdivision meeting for the neighborhood just south of 13 Mile Road in Southfield as part of other activities. It was reported at that meeting that citizens in the area should be on the alert for someone in a black van posing as a water department employee trying to access homes.

McCleary commented that Beverly Park will remain open during the time of pavilion renovations. McCleary asked residents to place their trash on the curb the night before their trash pick up day and not before.

Taylor announced that the Zoning Board of Appeals will meet on Monday, May 9 at 7:30 p.m.

Domzal commented that there will be a follow up meeting of the Strategic Planning Committee and Council in June.

Domzal mentioned that Council had discussed placing a question on the September ballot that will establish a new spending authorization/public bid limit. He would like to have this language come before Council for consideration. Council had agreed that the ballot question should include a dollar amount rather than a percentage of budget.

Motion by Pfeifer, second by Taylor, to adjourn the meeting at 9:41 p.m.
Motion passed.

Dave Domzal
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary