

Present: President Taylor; President Pro-Tem Walsh; Members: Koss, Pfeifer, Rijnovean and Woodrow

Absent: Burry

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

President Taylor called the regular Council meeting to order at 7:30 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road. Boy Scouts from Troop 1029 came forward and led the audience in the Pledge of Allegiance.

ADDITIONS TO AGENDA/APPROVE AGENDA

Rijnovean asked that the consent agenda item to review bills be moved to business agenda item d.

Motion by Rijnovean, second by Koss, to approve the agenda as amended.

Motion passed (6 – 0).

PUBLIC COMMENTS ON ITEMS NOT ON THE PUBLISHED AGENDA

Sharon Tischler of 21415 Virmar Court reported that cable television subscribers were having a difficult time hearing members of Council speak at the last Beverly Hills Council meeting on municipal channel 15. Taylor responded that technicians have addressed and corrected the problem with the audio reception.

Tischler commented on a traffic problem experienced last week as a result of a downed power line on Thirteen Mile Road in the morning. Traffic was allowed to travel west down Thirteen Mile Road until it was diverted and forced to turn onto River's Edge Court or Vernon Drive. She thinks that the traffic should have been diverted on Thirteen Mile at Evergreen or at Lahser Roads rather than onto residential streets.

Southfield Township Clerk Tischler reported that she received notice in today's mail from the County Clerk's office that, based on information received from the Secretary of State, the deadline for filing petitions for the November Council election will be May 16 at 4 p.m. It was assumed that the deadline to be placed on the November ballot for a Village Council seat would be in mid-August. Tischler stated that the secretary of State's office added a caveat to the information that it would pursue legislation to move the filing date to August. Anyone interested can obtain petitions from the Village Clerk or from Tischler.

Pfeifer remarked that imposing a filing deadline of May for a November election sounds as if an error has been made. She will also follow up on this with the Attorney General's office.

The following Boy Scouts from Troop 1029 stated their names and indicated that they are working on their communications merit badge: Drake Turner, Vikram Mandelia, James Crowley, and Edward Macurowski. Vikram Mandelia and Edward Macurowski stated that, as part of their Eagle Scout requirements, they will be writing a letter to the editor of the Detroit Free Press and to Channel 4 voicing their concern about the possible closing of the Detroit Zoo.

Norm Downey of 23042 Nottingham Drive urged Council to make certain that the labor contracts currently being negotiated with Public Safety unions are fair to the Village and to the officers. He made comparisons between Beverly Hills and Birmingham officers in terms of salary and benefits.

CONSENT AGENDA

Motion by Pfeifer, second by Rijnovean, to approve the Consent Agenda as follows:
Review and consider minutes of a regular Council meeting held on February 7, 2006.

Motion passed (6 – 0).

BUSINESS AGENDA

PUBLIC HEARING TO REVIEW AND CONFIRM 2005 SPECIAL ASSESSMENT ROLL FOR THE SOUTHFIELD ROAD BUSINESS ASSESSMENT DISTRICT

Taylor declared the public hearing open at 7:47 p.m. No one wished to be heard; therefore, the public hearing was closed at 7:48 p.m.

REVIEW AND CONFIRM 2005 SPECIAL ASSESSMENT ROLL FOR THE SOUTHFIELD ROAD BUSINESS ASSESSMENT DISTRICT

The Village maintains the public right-of-way along the Southfield Road business district and assesses the cost of landscape maintenance and water for the sprinkling system to the property owners on the west side of Southfield Road.

Motion by Walsh, second by Woodrow, that the 2005 maintenance cost for the Southfield Road Business District was \$3,467.20, and; the 2005 water cost for the sprinkling system for the Southfield Road Business District was \$3,505.06; therefore, be it resolved that the Village of Beverly Hills Council confirms the Village Business District Assessment Roll for Southfield Road maintenance for the 2005 season in the amount of \$6,972.26 as follows:

Beverly Hills Club	\$ 1,405.99
Bed, Bath & Beyond	549.57
Beverly Hills Grill	223.59
Petix	402.38
Emile's	730.37
Taco Bell	475.60
31333 Building	571.50
Beverly Venture	1,413.63
Market Fresh	1,199.63

Rijnovean observed that the assessment roll does not include an administrative fee, which is a standard business practice. There is staff work involved in preparing the bids and contract as well as collecting assessments. Spallasso remarked that previous councils have not directed the Village to charge an administrative fee. It is a council decision.

Koss recalled a discussion by the previous council last year relative to charging administrative costs as part of the business district assessment roll. She suggested that the minutes be researched to determine if a decision was made to add an administrative charge effective this year. Spallasso stated that he will look into this and adjust the charges if Council action was taken to add an administrative fee to the assessment roll.

Roll Call Vote:

Motion passed (6 – 0).

REVIEW AND CONSIDER ESTABLISHING A CIVIC FOUNDATION

Taylor introduced former Council member Dave Domzal, who will give a presentation on establishing a civic foundation in the Village of Beverly Hills.

Domzal remarked that the topic of public giving in Beverly Hills comes up every year during the budget process when Council hears presentations from worthy non-profit groups. The issue he would like to address is one of encouraging residents to further participate financially through donations in the community. When people give money, they are being asked to invest in a cause or institution. People care enough to donate their money for something that will benefit the public. Domzal thinks that there are untapped resources within the community that could be utilized or developed.

Domzal proposed that the Village consider establishing a formal program to encourage people to provide donations for community benefit as well as taking some burden off the general fund. By creating a community fund, the village could fund “nice to have” projects that might not otherwise receive funding in these budgetary times. Domzal mentioned the Beverly Park improvements as an example of a successful fund raising program.

One of the challenges in coming up with a program is to find something that does not take money away from existing programs. To the extent that residents want to contribute money to the park and earmark donations towards park purposes, that should be encouraged. The goal is not to pull away from any group or activity that is being funded with public funds but rather to increase those funds.

In addition to donating money for specific items, donated funds could be made available for a program that has been identified or it could be a non-profit group that is providing services. This issue came up from time to time when he was a member of Council. There are limitations on funding non-profit private entities with government funds. There is a provision in the state constitution saying that government entities such as Beverly Hills cannot give money away. Government entities can provide direct grants to non-profit corporations as long as there is a public benefit to the community and a written contract between parties.

Those are the restrictions that have been established with respect to limitations on municipal funding for private, non-profit groups.

Domzal outlined the options available to Beverly Hills if it wants to establish a means whereby residents can donate money for programs. The options are 1) create a Civic Fund, 2) create a Community Foundation, or 3) create a Civic Foundation. Domzal discussed the pros and cons of each option.

A Civic Fund is what Beverly Hills is currently doing. The Village accepts donations and allocates those funds for a specific cause. Federal tax deductions are available to donors, but the donation does not qualify for state tax credit. Domzal has observed that not a great deal of money is raised in terms of revenue available for public benefit. There is some staff time involved in maintaining a civic fund. This method may deter residents from giving if it is viewed as part of the Village revenue. Domzal considers the biggest drawback to a civic fund to be that there is not a dedicated group of people who raise money.

Domzal described a Community Foundation as an endowment fund. The goal is to have a large amount of money and operate from interest on investments. The State of Michigan has deemed Community Foundations to be worthy of substantial public support. Once established, a Community Foundation will fund activities for many years. It represents the best long-term solution. Donors can claim both a federal tax deduction as well as a state tax credit. Disadvantages include the fact that it takes a substantial amount of money to establish a trust fund; the Village's only option is to associate with an established foundation (e.g. Southeastern Michigan, City of Southfield) and lose some local control, and: there are regulated administrative requirements and costs.

Another option is to create a Civic Foundation. The Village would create a new non-profit corporation under Michigan law with its own board of directors. There would be minimal administrative costs to the Village and minimal staff time required. A group of enthusiastic volunteers from the Village would focus its efforts on fundraising. Donors are not eligible for state tax credit, but are eligible for federal tax deduction. A Civic Foundation needs to be set up as a non-profit corporation and qualified as a 501(c) (3) entity with an independent board of directors. Domzal remarked that it is easy to establish a non-profit corporation but it takes six to nine months to qualify a company as a 501(c) (3) entity.

Domzal recommended that the Village take steps toward creating a Civic Foundation and staff it with a board comprised of ex-officio members and members of the public. IRS codes state that the board of directors cannot be controlled by a governmental entity. His suggestion would be to create a seven person board with at least two Council members represented on the foundation board and an ex-officio member from the Parks and Recreation Board.

Domzal volunteered to set up the Civic Foundation and file for 501(c) (3) status at no cost to the Village. He suggested having the organization available and phasing it in at the appropriate time after the Village becomes a 501(c) (3). During the time it takes to qualify as a charitable organization, he suggests making more use of the Village's Civic Fund. The people who would be serving as directors of the Civic Foundation could proceed with fund

raising activities. Finally, Domzal stated that Beverly Hills could assess the need for a Community Foundation in the future, depending on the level of financial support.

Domzal thinks that Beverly Hills is a great place, and it is our obligation as residents and Council to continue to improve the quality of life and provide the niceties that are difficult to provide. He suggests that some of the programs outlined could go a long way towards doing that.

Taylor reiterated that Dave Domzal is volunteering to spend time on this project if Council decides to move in that direction. This topic was discussed about a month ago and is now before Council for further consideration. Domzal has provided a great deal of information today. Council will discuss what they have heard and decide how to proceed.

Domzal remarked that he would be happy to spend time assisting with this endeavor, but he would like a solid consensus of support from Council in terms of moving forward.

Questions from Council were addressed by Domzal. He was asked to comment on the chain of responsibility. Domzal stated that the board of directors is an independent body in terms of making funding decisions. He would suggest that at least two Council members serve on the board. The board of directors would be closely coordinated with Council to make sure that it remains consistent with the policies that Council has established.

The board would typically be appointed by the incorporating body. Domzal anticipates that there would be a selection process similar to the practice Council follows when it staffs boards or committees. Once it is appointed, the board would have meetings and elections. The bylaws of the board would establish the length of terms and restrictions as to who could serve on the board. He has copies of sample bylaws.

Domzal stated that the Village can transfer money donated to the civic fund into a civic foundation once it is formed. The tax benefits are the same.

Domzal suggested that, in addition to accepting donations targeted for specific things, the civic foundation should encourage people to provide general contributions. He thinks that the key is to find people who are really excited about doing this kind of thing.

In response to a question, Domzal stated that the goal of a civic foundation is generally to give away what it brings in within a given year other than an operating reserve for expenses incurred. It does not accumulate money and collect interest off investments like a community foundation. He noted that civic foundations seem to be targeted towards certain programs. The board of directors would probably provide opportunities for community organizations to approach them with funding requests.

Walsh stated that she would need to know whether Council has the support of Village residents before proceeding with a civic foundation. She expressed concern about the makeup of the board, citing the need to have a diverse segment of the population represented.

Janet Mooney of 19111 Devonshire had questions on the start up fees and whether the board of directors would be the people doing the fund raising. Domzal responded that forms would have to be filed each year with the State of Michigan for a 501(c)(3) organization at a nominal fee. His experience has been that non-profits are hands-on organizations and the board of directors are in it to do the work. That is what he would envision for Beverly Hills.

Sharon Tischler of 21415 Virmar Court commented that there are startup costs for making this happen in terms of filing fees. Domzal responded that typical costs involved with filing a 501(c)(3) are \$500-\$1,000.

Jill Sickles thanked Domzal for his presentation. As much as she would like to see a foundation put into place, she thinks the Village should acquire more input from residents on the idea if it cannot offer individuals or businesses a state tax credit.

Taylor summarized that it seems to be the sense of Council to give further consideration to establishing a Civic Foundation. Koss suggested that Council postpone action on this matter. Rijnovean questioned the possibility of establishing a charitable fund raising committee as a trial before filing for 501(c)(3) organization status. Other members of Council thought that it would be premature to take any action tonight before further investigation.

Motion by Taylor, second by Pfeifer, to receive and file Dave Domzal's report on Public Giving in Beverly Hills.

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

REVIEW AND FILE BILLS RECAPPED AS OF MONDAY, FEBRUARY 20, 2006

Rijnovean had a question on the Storm Water Discharge Permit invoice for \$3,230, which was addressed by Spallasso.

Motion by Rijnovean, second by Pfeifer, to accept the bills recapped as of Monday, February 20, 2006.

Motion passed (6 – 0).

PUBLIC COMMENTS

President Taylor passed the gavel to President Pro-Tem Walsh so he could speak as a member of the public. Taylor announced his candidacy for County Commissioner representing District 17 and asked for favorable consideration by the voters. Taylor reclaimed the chair.

REPORTS – MANAGER

Spallasso reported that a Council budget study session will be held on Monday, February 27 at 6:00 p.m. in the Council chamber. The Finance Committee will meet on Tuesday, February 28 at 7:00 p.m. The Retirement Board will be meeting in the Public Safety Building conference room on Tuesday, February 28 at 7:30 p.m.

According to the consultant for the parking lot project, the Village should be ready to go out for bids in a couple of weeks.

Planning consultant interviews will be held at the municipal building on Friday, February 24 beginning at 8:00 a.m. Three firms will make a presentation and answer questions from a committee consisting of Council members Gladys Walsh and Hugh Woodrow and Planning Board Chairperson David Jensen. The committee will make a recommendation to the full Council.

Walsh requested that Finance Committee meetings be posted on the Village web site calendar and on the marquee in front of the municipal building.

COUNCIL

Walsh referred to tonight's agenda item to confirm the 2005 Special Assessment Roll for the Southfield Road Business Assessment District. It was questioned whether the previous council had directed administration to include an administrative fee as part of the charges this year. Walsh quoted from the February 15, 2005 Council meeting minutes, "*Downey recommended that the Village allocate a fee to cover its costs for administering the contract for these services. He recommended that administration arrive at the appropriate administrative costs so that the business owners can be notified and charged on next year's special assessment*". Council action was not taken at that time. This is something that Council could consider during upcoming budget sessions.

Walsh stated that the Planning Board will meet tomorrow, Wednesday, February 22 at 7:30 p.m. in the municipal building. There will be a public hearing on a request for special use and site plan approval for expansion of the parking lot at Covenant Alliance Church on Thirteen Mile Road. The Planning Board will also be reviewing the third draft of the Master Plan update.

Rijnovean encouraged residents to come to the Council budget session on Monday, February 27 at 6:00 p.m. at which time Council will start work on next year's budget.

Pfeifer commented that she and others who receive digital cable television service from Comcast have had problems receiving Municipal Channel 15 for about two weeks. Since this difficulty has been reported, the problem has been identified and corrected.

Pfeifer attended the Baldwin Library Board meeting last night. She reported on upcoming renovations to the lower level of the library.

The Birmingham Area Seniors Coordinating Council Board met today. BASCC is sponsoring a Cultural Diversity Series beginning on Thursday, March 9 at 10:00 a.m. at the BASCC center. The program will continue for four weeks. Interested individuals can contact Patrice Lynch at (248) 203-5270 for more information or to register for the program.

Taylor made everyone aware of his new web site www.VoteTaylor.org.

Taylor announced that Renzo Spallasso has been an employee of the Village of Beverly Hills for 25 years as of this month. Taylor commented on the many accomplishments of Mr. Spallasso throughout his years of service and extolled the integrity and distinguished reputation that Spallasso has brought to the Village. Spallasso thanked Council for the recognition.

Motion by Pfeifer, second by Rijnovean, to adjourn the meeting at 9:05 p.m.

Motion passed (6 – 0).

Dave Taylor
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary