

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

Absent: Rijnovean and Woodrow

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

President Taylor called the Special Council meeting to order at 6:08 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

ADDITIONS TO AGENDA/APPROVE AGENDA

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

Motion passed (5 – 0).

STUDY SESSION TO REVIEW FISCAL YEAR 2006/07 BUDGET

Spallasso noted that Council members received additional handouts tonight: updated road map showing segments of Village streets that have been resurfaced recently, memo from Pasieka regarding proposed Parks and Recreation maintenance and capital budget items, and memo from Wiszowaty on the status of the General Fund fund balance and projections for June 30, 2006. It is anticipated that the fund balance will be at 20.7%. Wiszowaty remarked that the 2006/07 budget does not incorporate a transfer from the General Fund fund balance.

Burry observed that the 06/07 budget does not allocate a mill of General Fund money to the Local Road Fund as in previous years. In response to an inquiry, Spallasso remarked that substantial road resurfacing programs were conducted over the last few years, and the roads are in pretty good shape. A General Fund contribution to the Local Road Fund has been reduced in past years when there have been other priorities.

Council continued its review of the proposed 2006/07 budget document. The Village Manager/Clerk department budget was considered. Questions from Council focused on calculation of longevity, COLA, training and conferences, and health insurance cost.

Wiszowaty reviewed the Finance Department budget with Council and addressed questions regarding health insurance. Wiszowaty provided reasons for decreases in a couple of the line items in the General Administration budget from the previous year's budget. There were no questions on the Building & Grounds Maintenance accounts.

Council reviewed the Public Services Department budget. Spallasso and Wiszowaty commented on significant increases or decreases from the previous year's budget and addressed questions from Council. It was noted that the Park-Telephone expense of \$600 will be placed back in the budget at the direction of Council at its March 7, 2006 meeting.

A memo regarding proposed 2006/07 Parks and Recreation maintenance and capital budget items was considered. It was noted that the dedicated park millage expires on June 30, 2006.

Wisowaty stated that there is \$8,000 budgeted for Repair & Maintenance - Park. He listed the maintenance items included in the 2006/07 budget: minor surface repairs of tennis courts, painting and filling in cracks, weed spray, pavilion maintenance and supplies, tennis, basketball and volleyball nets, signs, portajohn rental, baseball diamond maintenance, crusher dust, and painting backstops.

The Parks and Recreation Board requests consideration of the following items in addition to the routine park maintenance tasks: parking lot re-striping, straighten and reset baseball flagpole, addition/replacement of wood chips for playground structure, re-stain gazebo, re-adjust steps on sled hill as necessary, play structure equipment repairs as necessary, and bio-swale planting and maintenance. The estimated cost of these items is \$3,400. Pasieka addressed some of the items that need to be addressed in order to maintain the park.

Janet Mooney referred to the seven items listed in the memo and indicated that they are repairs or maintenance that need to occur this year.

Burry commented that taxpayer money has been spent on park improvements and that the Village needs to maintain the park. He proposed that Council attempt to fit the proposed maintenance items into the budget.

Pfeifer questioned if some of the items mentioned can be covered by the \$8,000 allocated for repair and maintenance of the park. Burry stated that Council should decide whether to contain park maintenance in the \$8,000 R&M Park account or whether to budget for the additional maintenance items. Consideration was given to increasing the park maintenance budget line item by \$2,000.

Spallasso commented that the maintenance costs are estimates based on past experience at this point. He remarked that the Village has an investment in Beverly Park.

Walsh expressed concern about the increasing maintenance costs and ongoing expenses for the park as a result of the park improvements. She did not think that Council should make decisions on the Parks and Recreation budget when it has not made decisions in other budget areas where changes may be needed. She mentioned that the entire council is not present to vote on budget modifications this evening. Walsh understood that Council was going to consider changes to the budget following its review and discussion of the entire document. She stated that she is looking at essential versus the non-essential budget items.

Spallasso stated that the preliminary budget document will be presented to Council at its first meeting in April. He would appreciate a consensus from Council on changes to the budget at any time. The budget can be revised until it is approved on May 2.

There was discussion on the budget review process and when decisions will be made. It was the understanding of members of Council that draft budget information would be reviewed in detail

at which time Council could ask questions and express any concerns they had on specific items. Council can go back and revisit items if a member thinks it is necessary. Wiszowaty commented that there are final numbers that will not be available for about two weeks, at which time some of the assumptions will change to actual numbers based on information received from the actuaries and from the State.

Walsh expressed the view that Council needs to be thinking about changes and how it can reduce expenses. She mentioned salaries and longevity payments. Spallasso stated that he will be presenting a report to Council regarding changes in employee benefits for new hires.

With regard to the Public Services Department budget, Walsh asked how hourly rates are determined for contracted services provided by Comeau Equipment Company. She had the same question regarding Village Attorney fees. Spallasso responded that a 3% increase was included in the budget for Village Attorney fees and Comeau Equipment Company fees. CEC bills the Village for hourly labor and equipment costs. There followed some discussion on the history of contracted services with CEC.

Wiszowaty reviewed the Community Action Program budget. He explained that the Village is required to have a contract with BASCC and HAVEN on an annual basis for services performed in order to use CDBG funds for those services.

Money is budgeted for Birmingham Youth Assistance and Birmingham Community Coalition in payment for services provided to Village residents that Beverly Hills cannot provide. Council members cautioned that the Village should not disburse this money without entering into a contract with these charitable organizations. Director Woodard elaborated on the services provided by Birmingham Youth Assistance and Birmingham Community Coalition in response to inquiries from Council.

A 10-minute recess was called at 7:45 p.m. The meeting reconvened at 7:55 p.m.

Taylor stated that there appears to be a consensus of Council not to make motions to authorize changes in the draft budget this evening for the reason that there are not seven council members present.

The final item for review in the General Fund budget is the Library Contribution. Wiszowaty explained that the library contract requires a 1.077 mill contribution as reduced by Headlee.

Capital Purchases were reviewed at the last budget session. Since that time, Council has received a memo including proposed Parks and Recreation capital expenditures. Wiszowaty stated that any money remaining from the park dedicated millage can be spent on capital improvements. He noted that money is collected on an annual basis from park permits for park improvements. These park improvement fees of \$3,000-\$4,000 per year go into the General Fund and are transferred to the Capital Projects Fund on an annual basis. The fund balance for capital projects as of July 1, 2005 was \$9,300 that can be used for park capital items. This is separate from the park millage money.

Burly questioned whether consideration should be given to increasing the park fee schedule. Wiszowaty stated that fees were increased two years ago primarily for non-resident and large group use of the pavilion. Burly suggested that the Parks and Recreation Board should continue to explore fund raising efforts.

At Council's request, Spallasso reviewed the Major and Local Road Fund budgets and addressed questions with regard to road replacement and resurfacing, traffic count data on 13 and 14 Mile Roads, and a street condition survey. The Village will take advantage of a federal grant (80%) with the Road Commission for Oakland County to conduct a complete evaluation of Village roads. The results will generate a new plan and priorities for future resurfacing projects. Spallasso estimated the Village's share of the cost for this study to be approximately \$1,200.

Some members of Council expressed concern about the \$300,000 reduction in the Local Road budget for asphalt resurfacing. Spallasso responded that there are communities in the State and in the country that levy separate millages for road maintenance. He suggested that the Village will have to consider providing revenue for road maintenance other than from the General Fund at some point.

The Water & Sewer Operating Fund budget was considered. Spallasso asked if Council has considered his request to set aside money from the Water & Sewer fund balance for a program to replace all of the Village water meters (4,300). Approximately one-third of the total meters are approaching 40-50 years of age with the balance being about 20 years. Water meter reading is done manually (book and pencil) in Beverly Hills, which is outdated considering available technology. It is difficult to estimate the savings that the accuracy of new meters would realize; however, it is known that older meters tend to record less than actual flow. Spallasso remarked that this meter replacement must be done sooner or later. The money is available in the Water & Sewer Fund balance. If Council concurs, Spallasso will begin the process of preparing contract documents and specifications for the bidding process.

Motion by Taylor, second by Burly, that Council authorize administration to look into the cost of a water meter replacement program.

Roll Call Vote:
Motion passed (5 – 0).

PUBLIC COMMENTS

Janet Mooney questioned when Council will begin to make decisions regarding adjustments to the budget. She was informed that Council will schedule its next budget study session at the first Council meeting in April when the budget document is received. Council has until the second meeting in May to finalize the budget.

Walsh referred to the fact that planner Caryn Wenzara has left LSL Planning and asked Spallasso to comment on whether the Village will be paying her replacement at a higher rate. Spallasso suggested that it is possible that the Village will be paying a lower rate because Wenzara was a senior planner. He will keep Council informed.

Questions regarding metal boxes being installed by SBC and gas meters being located on the outside front of homes by Consumers Power were addressed by Spallasso. In answer to an inquiry about the water meter replacement program, Spallasso stated the difference between the old and the new meters will not be noticeable.

Janet Mooney suggested that Council needs to start looking at a landlord/tenant ordinance.

Bob Walsh has observed two cabinets on a concrete slab located on Evergreen Road just north of Beverly Road. Spallasso responded that the cabinets are operated by the Oakland County Drain office and are there to control the flow into the interceptor and into the CSO facility. It is in the Acacia Drain easement. Spallasso stated that the County has been in touch with area property owners regarding appropriate screening.

B. Walsh had a question about retiree health care, which was addressed by Wiszowaty.

Motion by Pfeifer, second by Koss, to adjourn the meeting at 8:53 p.m.

Motion passed (5 – 0).

Dave Taylor
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary