

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

Absent: None

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

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. The Pledge of Allegiance was recited by those in attendance.

#### **ADDITIONS TO AGENDA/APPROVE AGENDA**

Motion by Burry, second by Koss, to move consent agenda (g), “Review and consider authorizing fundraising activity at Beverly Park” to the business agenda.

Roll Call Vote:

Motion passed (7 – 0).

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

Motion passed (7 – 0).

#### **PUBLIC COMMENTS**

Ralph Lohrengel of 18346 Beverly Road stated that he wrote the Birmingham Area Cable Board with a request that it install an adequate sound system in the Beverly Hills Council chamber. Lohrengel also suggested that meetings of major committees be taped and televised for airing on the municipal channel.

Bob Walsh of 20655 Smallwood Court commented on statements included on a flyer that was distributed recently to Village residents by a concerned citizens group and asserted that the sheet was factual.

Jim Delaney of 18129 Riverside Drive commented on the condition of the baseball diamonds in Beverly Park and questioned why the grass was not mowed by the Village prior to the Little League Opening Day ceremony. Delaney asked that the Village adequately maintain the park.

Delaney expressed the view that recent Council meetings have been too long due to lengthy dialogues on issues that could be stated and resolved quickly. Delaney remarked that he was displeased with the way in which the Village Manager’s contract was handled at a Council meeting.

Marcia Gershenson, Oakland County Commissioner representing District 17, was present to report news from the County and locally. Oakland County Commissioners have been concerned about the rising cost of prescription drugs and the lack of help for the under and uninsured. The County's existing prescription relief program is ending, and the Oakland County Commissioner's have access to a new prescription drug plan through its parent organization, the National Association of Counties. Gershenson outlined the benefits and use of the new drug cards, which are expected to be received next week. The cards will be available at the Beverly Hills and Southfield Township offices. Interested individuals can contact Gershenson for more information.

Gershenson has received positive news about Michigan's economy. Oakland County added 1,900 new jobs in 2005 and projects to add over 14,000 jobs in the next three years. She provided additional economic data provided during a non-partisan presentation given at the annual Oakland County Economic Outlook luncheon.

Gershenson commented on the benefits of a skilled and educated workforce and recognized that the Beverly Hills staff participates in higher education courses. There are currently two staff members working to complete advanced degrees. She commended Clerk Ellen Marshall and Elizabeth Wren for the initiative to continue their education. Gershenson remarked that Beverly Hills is the largest village in the State. It is the excellent services offered to residents that gives them a secure comfort level. This high degree of excellence is accomplished with a low staff-to-resident ratio. Human resources are the greatest assets in a service industry. Gershenson acknowledged the hard work done by a small village staff that operates like a big one.

Gershenson reported on the upcoming savings that the Village will begin to receive in July of 2007. The General Fund will realize a 13% savings from a new solid waste agreement that will benefit residents. She acknowledged Renzo Spallasso for his participation in the SOCRRA program and his work to assure that this new program will become a reality.

Soter Art Liberty of 20850 W. Thirteen Mile Road commented on the excellence and professionalism of the Beverly Hills Public Safety Officers. He stated that he would not be opposed to adding two officers, but questioned why ten supervisors are needed for 14 officers. Liberty commented that the flyer mailed to Village residents recently highlighted issues that people are concerned about. He would have liked to have more discussion of the flyer at a televised Council meeting.

#### **COUNCIL COMMENTS/REPORT**

None

#### **PUBLIC HEARING TO REVIEW 2005 ASSESSMENT ROLLS FOR DUST CONTROL AND OTHER MISCELLANEOUS ASSESSMENTS**

Taylor opened the public hearing at 7:50 p.m. on the 2005 Assessment Rolls for dust control and miscellaneous assessments.

A public hearing is required to review and confirm unpaid assessments and billings to be added to the tax roll in the categories of dust control and other miscellaneous assessments including

water and sewer charges, Southfield Road maintenance, Sunnyslope/Norwood water main, Kennoway water main, Hummel paving, Coryell paving, Stafford underdrains, false fire alarms, and special rubbish collection. Notice of the assessments was published in the Village's newspaper of record.

It was explained that these are charges to residents for services provided that are not covered in the general tax bill. A public hearing is required to place these charges on the July tax bill. No one wished to be heard; therefore the public hearing was closed at 7:53 p.m.

### **CONSENT AGENDA**

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

- a. Review and consider approval of minutes of a special Council meeting held on April 17, 2006.
- b. Review and consider approval of minutes of a regular Council meeting held on April 18, 2006.
- c. Review and file bills recapped as of Monday, May 1, 2006.
- d. Review and confirm 2005 Assessment Rolls for dust control and other miscellaneous assessments.
- e. Review and consider resolution for West Nile Virus Fund expense reimbursement.
- f. Review and consider sign donation for Riverside Park.

Motion passed (7 – 0).

### **BUSINESS AGENDA**

#### **PUBLIC HEARING TO REVIEW CHANGING THE COMMON LOT LINE BETWEEN 19777 AND 19745 BEVERLY ROAD ON A REQUEST FROM ANTHONY AND JENNIFER ROMA**

Taylor opened the public hearing at 7:54 p.m. on a boundary line change between 19745 and 19777 Beverly Road.

Maureen Marshall of 19905 Beverly Road, whose lot abuts the Roma property, stated that her concern is to preserve the consistency and welfare of the neighborhood. She has reviewed the Village zoning ordinances and understands that the purpose of the ordinances are to protect the public health and safety and preserve the character and economic stabilization of residential areas. The purpose of the municipal code is to preserve a healthful and pleasant environment in keeping with the Village character with the objective being to retain, enhance, and protect the quality, value and privacy of the Village's single family land uses.

Marshall believes that the Romas received a variance from the Village Zoning Board of Appeals in 2002 that allowed them to split their property into two lots, which resulted in a "flag" lot. There was opposition to the Roma's proposal from area residents at that time. The Romas built a house on the rear lot and are living in the house. The front of the house faces the back of the property and the rear of the home faces Beverly Road.

Marshall distributed photographs taken in the neighborhood that show what the Roma's lot looks like from the street. There is a house on the original lot, a pole barn, and the Roma house behind it. Marshall considers this situation to be a mockery of the zoning ordinance, which should prohibit this from occurring in a neighborhood. She asked who reviewed the site plan for this lot split and quoted from the site plan section of the municipal code.

Marshall related other issues that occurred as a result of the variance and the construction of a house on the rear lot. She would like to know what purpose the new variance would serve and asked whether the new lot will conform to the ordinance requirements for lot size. Marshall questioned whether the current request will be in the best interest of the neighbors because the previous variance was not.

Village Attorney Ryan stated that the Roma house has a Beverly Road address because the access to the street is on Beverly Road. The Village does not have architectural design standards that dictate the placement of the house on the property. The property owners have a right to place their home with the rear facing Beverly Road.

Ryan clarified that a site plan review is not required for the construction of a single family residential home. Placement of the house on a lot must conform to all Village setback restrictions. The Romas provided a plot plan to the Village but did not need to go through a site plan review.

Ryan stated that he understands that there are residents who object to the prior variance granted on this property, but the proposal before Council is to change the common lot line between the two single family residential building sites. The parcels will change in size by this adjustment of the lot line. Both lots meet ordinance requirements for the zoning district.

Marshall expressed the view that zoning laws should maintain the aesthetics of a neighborhood and insure that a community looks consistent in terms of designating the front and back of the structure. Ryan responded that this is something that the Planning Board and Council may want to look at.

Bob Walsh of 20655 Smallwood Court remarked that the public hearing was opened before there was a presentation made that would provide pertinent information regarding the proposal. Walsh commented on the current and proposed lot sizes. The smaller lot fronting Beverly Road will decrease from 41,000 sq. ft. to 28,615 sq. ft. He noted that one of the requirements of a lot split is that either lot has to equal the average size of the surrounding properties. In this case, the average size of the surrounding lots within 500' is 28,579 sq. ft., or 36 feet less than the proposed size of the front lot.

Walsh questioned whether the rear parcel could be split again. Ryan responded that there can be no more than two lots on this property regardless of how they are configured.

Building official Byrwa stated that he reviewed the proposed plan along with the planning consultant and Village Attorney. The Romas own both lots and are requesting to shift the east-

west boundary to add about 87 ft. to the south lot. All setback requirements are met and both lots will conform to ordinance regulations for that zone district if Council approves the request.

Anthony Roma of 19777 Beverly Road clarified that they did not receive a lot split to build their home on the rear lot. It was proved that two lots existed since the 1940s. The Romas understand that they will never be able to split their property, which is not their intent. Roma stated that the front yard versus the back yard placement of the home is similar to a situation where someone lives on a lake. It is his understanding that a property owner can designate the front and back of the house, but the designation must remain that way on the plan forever.

Roma explained that they are proposing to move the lot line in order to plant trees in the open space to keep the area from being clear cut by a future owner of the front lot. The additional property will create more of a barrier between their house and the street.

Vera Gray of 19823 Beverly Road, whose property abuts the Roma's lot, stated that she now looks at a large brick building from her backyard. She stated that the quality and aesthetics of adjoining properties are compromised by the Roma's rear yard. She maintains that adding to the dimension of their "back yard" by changing the common lot line is a disservice to the neighborhood and integrity of the surrounding community.

Ron Berndt of 31384 E. Rutland commented that a number of people spoke about past actions and speculated about future actions. He believes that the scope of the topic before Council is a proposal to move the lot line, which does not relate to redevelopment or structures. The time to oppose any further development on the property is at the time a suggestion is made. The time to debate the merits of building the house on the rear portion of the parcel was when that house was proposed. Berndt suggested that those who are disappointed with the zoning laws might want to join those who advocate reform in the zoning laws for the future.

Carleen Penozza of 19795 Beverly Road, adjacent lot owner, thinks that it would be a benefit in terms of property values to have a larger lot with a smaller house on Parcel A. The existing home is less likely to be expanded on a small lot.

No one else wished to be heard; therefore, the public hearing was closed at 8:23 p.m.

**REVIEW AND CONSIDER APPROVAL OF COMMON LOT LINE CHANGE BETWEEN 19777 AND 19745 BEVERLY ROAD ON A REQUEST FROM ANTHONY AND JENNIFER ROMA**

Motion by Woodrow, second by Pfeifer, that the Village of Beverly Hills Council approve the common lot line change between 19777 and 19745 Beverly Road requested by Anthony and Jennifer Roma as submitted on the plan dated April 25, 2006. Council affirmed that the two parcels are to be split no further and that there will be two parcels on this land in perpetuity.

Council discussed the proposal and considered the information presented. Comments and questions were addressed by Woodrow, Byrwa and Spallasso. Council is in receipt of a review letter dated April 18, 2006 from LSL Planning regarding the reconfiguration of the two parcels

by shifting the common property line. The correspondence reviews the proposal in accordance with Section 23.16 of the Village Municipal Code. A letter dated April 20, 2006 from Village Attorney Ryan states that he has reviewed the request and does not find it in violation of the Village ordinances.

Ryan suggested that, if Council approves the change in the lot line, the motion could affirm that the two parcels are to be split no further and that there will be two parcels on this land in perpetuity. The Romas had no objections to that language.

Maureen Marshall stated that area residents may not have been as concerned about the request for a boundary line change if they had received information on the conforming aspects of what was proposed and the reason for the request. There was a lack of understanding of the issue.

John Whitcomb of 19465 Waltham questioned the process and the lack of information provided on the proposal prior to the public hearing. Residents received a notice of public hearing that did not adequately describe the request. He suggested that Council could have started the discussion tonight with a clear description of the topic.

Jim Delaney of 18129 Riverside Drive suggested that the burden should also be on the applicants to inform neighbors of their proposed plans.

Taylor stated that he appreciated comments on how Council could improve its presentation of a proposal in the future. Council and administration discussed the process of notifying residents of a public hearing and the benefit of presenting the proposal to the audience prior to opening the public hearing.

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

### **PUBLIC HEARING ON PROPOSED 2006/07 GENERAL FUND, MAJOR & LOCAL ROADS, DRUG LAW ENFORCEMENT AND WATER & SEWER OPERATING FUND BUDGETS**

Taylor commented on this year's budget deliberations noting that Council held a number of special sessions to review the proposed budget in detail. Council and administration arrived at a budget that matches revenues with spending without using the General Operating Fund Balance to balance the budget. Taylor declared the public hearing open at 8:54 p.m. on the proposed 2006/07 budget.

Village Manager Spallasso stated that before Council is a balanced budget for the 2006/07 fiscal year as required by the Uniform Budgeting Act. Administration was directed to prepare a budget that maintained the same level of services without taking money from the General Fund fund balance or raising taxes.

Spallasso reviewed that the Village absorbed increased charges from the City of Detroit Water and Sewage Department last year and did not adjust water and sewer rates. This year, the Village is passing on 50% or less of the increase in water and sewer rates received from the

City of Detroit. The Village is attempting to keep costs down while maintaining a solid Water and Sewer Fund balance.

Finance Director Bob Wiszowaty gave a power point presentation that provided background on the Village's financial operation and offered specific data, comparisons, and budget figures for the General Fund and Special Funds of the Village. Wiszowaty commented on General Fund revenue sources and explained the effect of the Headlee Amendment and Proposal A on limiting property tax revenue for the Village. Residents will see a total taxable value assessment increase of 3.3% for the next fiscal year.

A chart was displayed showing State Revenue Sharing received by the Village and how the amounts have decreased since the year 2000. State Revenue Sharing decreased in 2005, but not to the level anticipated. State Revenue will not continue to drop this year, and it is expected that the Village will receive \$853,228 in the next fiscal year. Wiszowaty summarized General Fund revenue sources and projected amounts for 2006/07.

Wiszowaty discussed the proposed 2006 millage rate. 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 2006/07 is 9.3801 mils or a reduction from the previous year of 0.0967 mil. For the eighth consecutive fiscal year, the combined millage rate for the Village is projected to drop. The combined 2006/07 millage rate is proposed to be 11.7671, or a reduction of 0.0585 mil from the previous year.

General Fund expenditures were reviewed by category and percentage of the budget. The General Fund budget will increase by \$244,233 compared to \$324,151 last year. One full-time administrative position was eliminated in the Public Safety Department. Health insurance continues to increase by four times the inflation rate or approximately 13%. Wiszowaty reported that he and Spallasso have been talking to the Village's insurance agent about potential ways to reduce premium increases.

Wiszowaty highlighted 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 Major Road Fund has a balanced budget of \$629,472. Council approved a transfer from Major Roads to the Local Street Fund for the Asphalt Resurfacing Program. The Major Road fund balance at June 30, 2007 is projected to be 68% of expenses. The Local Street Fund shows a balanced budget of \$783,852. Council authorized a transfer from the Local Road fund balance for the asphalt resurfacing program. The Local Road fund balance as of June 30, 2007 is projected to be \$233,698, or 29.81% of expenses.

Council approved an additional contribution to Retiree Health Care of \$25,000 over and above the contribution the Village has been making. Total revenues will be \$546,175 and expenses are projected to be \$418,648. The Village is working on building this fund. The fund balance as of March 31, 2006 was \$1,256,742.

The Water & Sewer Operating Fund budget for 2006/07 is \$3,644,968 for expenditures and revenues. Water cost is projected to increase by 8.2% and sewage disposal cost is projected to increase by 3%. Therefore, water and sewer rates will increase by 5% this year. The average increase per customer will be \$41.85 annually.

Wisowaty thanked the Council for its review of the budget during several study sessions over the past three months. Taylor thanked administration for its hard work on the budget. He asked for any comments from the public at this time.

Bob Walsh of 20655 Smallwood Court thanked Wisowaty for an excellent presentation of the 2006/07 budget for the Village. There has been movement on the part of Council and administration to cut costs, which will continue through the next year. Revenue does meet expenses in the 2006/07 budget year. Walsh qualified this statement by mentioning that there was no money allocated from the General Fund into the Road Fund for asphalt paving in the proposed budget. The current year's budget allocated \$360,000 to the Local Road Fund from the General Fund.

Lisa Machesky representing the Birmingham Bloomfield Community Coalition thanked Council for its hard work for the community, noting that the Coalition is also in the business of making Beverly Hills a better place to live, work, play and raise a family. She observed changes in the proposed budget that relate to the Birmingham Coalition. There has been a decrease in funding and a request to provide a contract for services. The 2006-7 budget combines the line item for the Birmingham Coalition with Birmingham Youth Assistance. Machesky recognized that times are tough and cuts need to be made. She stated that the Birmingham Coalition has done a good job of leveraging the Village's contribution to the organization to make funds available from the federal government. Machesky expressed concern with combining Village funding for the Coalition with funding for Youth Assistance on the basis that they are separate organizations committed to the same cause. She asked for Council's continued support.

No one else wished to be heard; therefore, the public hearing was closed at 9:22 p.m.

Motion by Burry, second by Pfeifer, to consider the following agenda item at this time:  
"Review and consider authorizing fundraising activity at Beverly Park".

Motion passed (7 – 0).

#### **REVIEW AND CONSIDER AUTHORIZING FUNDRAISING ACTIVITY AT BEVERLY PARK**

Burry stated that a presentation was made at the last Parks and Recreation Board meeting by Mary Gentry on behalf of RE/MAX Title Company requesting the use of Beverly Park to hold a fundraiser on Sunday, May 21 to benefit the Susan G. Komen Breast Cancer Foundation. Those who make a donation can have their children take a free tethered balloon ride from 2:30 – 4:30 p.m., weather permitting. Burry indicated that there have been questions raised as to the Village's liability and whether a waiver will be provided in connection with the balloon rides.

Ryan understands that the tethered balloon will go up to a maximum of 40-50 feet. This activity has taken place in the park as part of the Memorial Day Carnival. Administration has checked with the Village's municipal pool carrier, and they have no issues with this proposal relative to the activity and the amount of insurance. At the request of Council, Gentry indicated that the organization will provide waivers of liability to be signed by those individuals participating in the rides or their guardians. Questions from Council were addressed by Gentry.

Motion by Burry, second by Koss, that the Village Council approve a request from RE/MAX Showcase Homes Metropolitan Title Company for use of Beverly Park on Sunday, May 21, 2006 to hold a Hot Air Balloon fundraiser benefiting the Susan G. Komen Breast Cancer Foundation subject to providing insurance certificates and requesting a signed waiver of liability from each participant.

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

#### **REVIEW AND CONSIDER ADOPTION OF THE 2006/2007 FISCAL YEAR VILLAGE OF BEVERLY HILLS BUDGET**

Walsh clarified that the Community Action Program line item referred to by the representative from the Birmingham Coalition is not earmarked for specific organizations. Council will consider contracts for services that are brought before them.

Rijnovean stated that the budget does not indicate the Village's unfunded liability with respect to the Public Safety Retirement System and the Municipal Employees' Retirement System. Council directed administration to implement the upcoming GASB 45 requirement with regard to that funding status and include the information in the 2006/07 budget. Wiszowaty will incorporate those pages in the budget.

Rijnovean commented that Council and administration made some headway in terms of budget reductions but have not made plans for the future. She proposed that Council take action to require employees to pay for increases in health care costs.

Taylor responded that Council talked about bringing this topic and others to a business agenda. It has been suggested that employee salary and benefit issues will be addressed and adjustments to the budget made depending on the direction taken by Council. He added that the Village Manager has drafted a reduced benefit package for new hires for Council consideration.

Koss thanked administration for its hard work on the budget and thanked Council for the time it put into reviewing the document. Changes and reductions are being made including losing a full-time administrative employee in the Public Safety Department.

Woodrow emphasized that significant cuts were made to this budget compared to past years. Administration was asked to cut expenses from the budget, and they did that. Village Administration has indicated that there is not much left to cut other than personnel. Woodrow read a letter from former Public Safety Department employee Elizabeth Burgess, administrative assistant, records manager, and communication supervisor. Burgess related what she does for

the Department to insure that it runs smoothly and enclosed a job description for Council's review.

Woodrow believes that the next time Council wants a budget cut, it will be at the cost of another employee. He stated that this would be a mistake and that the Village can find money in other places.

Walsh asked questions on specific line items. Administration addressed inquiries, some of which were changes made at Council's direction and reflected in new budget pages. Walsh stated that administration did a good job of putting the budget together. She was hoping to hear more input from residents on the proposed budget at the public hearing.

Burry thanked administration for its effort in preparing the budget. There have been some short-term reductions made. He expressed concern that the Village is falling behind because of health care increases as well as reductions in state shared revenue and the effects of Proposal A and the Headlee Amendment. Burry believes that the Village will be faced with tax increases if it does not do something about long-term expenses.

A number of people attended a Council budget meeting two weeks ago and expressed concerns about employee compensation and benefits. There were members of Council who suggested scheduling a study session to discuss the Village's long term expenditures. Burry was concerned that this study session would not take place. He had concerns about the financial viability of the Village and proposed that Council take steps today to reduce long-term expenditures.

Motion by Burry, second by Walsh, that increases in health care benefits shall be shared by Village employees and retirees.

Spallasso stated that this cannot be accomplished because the only group that can be required to accept this measure are non-union employees. Retirees are locked into a contract and the Village currently has four union contracts being negotiated.

Taylor stated that it was discussed at the last budget meeting that Council will be in a position to perform due diligence on the issue of employee contributions to health care when further information is received from administration. He emphasized that Council will definitely be looking into employee benefits and making decisions. Administration is currently addressing legacy issues in terms of proposing a new hire benefit policy.

Attorney Ryan stated that the item before Council is to adopt a budget while the motion being discussed is a policy issue. Council sets policy and administration carries it out. Ryan respectfully suggested that Council not take this action tonight due to other issues involved such as contractual obligations. Council could bring up the issue of employee contributions to health care for discussion and amend the budget.

Pfeifer stated that a millage increase or raising taxes is not being proposed. The Village has a finance committee that is conducting a study and preparing a report on how the Village

functions from a financial point of view. Pfeifer suggested that Council schedule a work session to raise and prioritize a number of issues. She does not want to drop the discussion of employee benefits, but she does not think Council should react without a plan. Koss concurred with setting a study session date.

Spallasso stated that administration is looking into employee benefit issues. He would welcome a study session following the budget process to begin discussion and implementation of policy changes with the understanding that the Village has limitations in terms of union contracts.

Rijnovean believes that the Village Manager has said that Council will have to consider raising taxes, which she thinks should be the last resort. Spallasso clarified that he has been saying that the Village may have to look at the possibility at some point of charging for the cost for rubbish collection and disposal separately instead of paying for it from the general operating fund.

Rijnovean did not trust that the budget would be amended following its adoption. She advocated making changes and reducing costs and thought that the proposed budget makes minimal headway in that regard.

Woodrow directed his comments to the motion on the table suggesting that this action cannot be taken because it calls for all employees to share in a 13% increase in health care costs, an action that the Village is contractually unable to impose. Council should consider this when it votes on the motion.

Woodrow did not think that Council should take action when it does not have all the information needed to make an informed decision. Council members have said that there is a need to look into a number of items; now it is being proposed that Council does not need to look into employee contributions to health care before taking action. Woodrow reminded Council that a budget represents Council and administration's best guess as to what the Village's expenses will be. There will be numerous amendments to this budget as there always are.

Burry referred to the elimination of a Public Safety administrative employee. He recalled that it was communicated to Council that this person's responsibility could be taken on by other people. Council did not object to this cut at the time it was made.

Burry amended his motion to indicate that health care benefits shall be shared by **non-union** Village employees.

Amended motion:

Motion by Burry, second by Walsh, that increases in health care benefits shall be shared by non-union Village employees.

Spallasso questioned the amount of employee cost sharing anticipated in this motion. Burry responded that a number is not necessary because non-union employees will be required to pay all increases in health care costs.

Taylor reiterated that he raised the subject of employee contributions to health care costs at a Council budget meeting and Council agreed to address it. Taylor would like to study the issues and move purposely.

Spallasso related that he and Wiszowaty met with officials from Blue Cross/Blue Shield a couple of days ago to discuss potential ways of reducing premium increases overall. He cannot go into details at this time but will discuss this further at an executive session of Council.

Walsh expressed the opinion that there is no assurance that Council will address this issue in the future because it will no longer have the importance it does while Council is deciding on adopting a budget. Council has indicated at previous sessions that it will place matters on the agenda for discussion. She questioned the importance that will be relegated to long-term budgetary problems. Walsh mentioned that the Village Charter states that Council has to approve the budget by the second meeting in May. It is not a mandate that the budget be approved tonight.

Rijnovean supported the motion on the basis that it represents a move towards changing the Village's spending habits.

Taylor asked Spallasso when administration would be able to generate a report on employee agreements and on new findings received from BC/BS representatives. Spallasso responded that Council has received copies of the employee letters of agreement. He anticipated that information will be received and distributed regarding the BC/BS proposal within a month.

Taylor commented that there appears to be a concern that Council will not be moving forward with employee compensation and benefit issues. These matters have taken precedence at budget sessions and will not be overlooked. He proposed setting a date to discuss employee contributions to health care in about five weeks, when there will be additional information available from administration.

Soter Art Liberty of 20850 W. 13 Mile Road expressed the view that Council should vote on the motion tonight without further review or discussion of contracts.

Ellen Marshall, Village Clerk, asked that Council wait until the union contracts are negotiated before it takes action that affects non-union employees who do not have a contract. She commented that there are a number of things that non-union employees do not receive, such as compensation for working extra hours.

Spallasso made the point that Michigan PA 312 is the major difference between municipal contracts and what is occurring in industry with regard to union contracts.

Rijnovean stated that there are municipalities that have separate pay scales for union and non-union employees. She remarked that Village employees are hired as at will employees, and benefits can change at any time.

Jim Delaney of 18129 Riverside Drive commented that there are several non-union employees present at this and at many Council meetings without receiving compensation. If Council continues to put all the savings on non-union employees, they will leave. He believes that there are people on this Council who want this budget cut at all costs. Delaney did not think that is necessary this year.

The motion on the floor was read by the recording secretary. Burry clarified that the motion should say that health care premium increases shall be **paid** by non-union employees rather than shared by non-union employees. The motion reads as follows:

Motion by Burry, second by Walsh, that increases in health care benefits shall be paid by non-union Village employees.

Roll Call Vote:

Taylor - no  
Walsh - yes  
Woodrow - no  
Burry - yes  
Koss - no  
Pfeifer - no  
Rijnovean - yes

Motion failed (4 – 3).

Taylor commented on the budget before Council for approval and highlighted action taken at a number of budget study sessions to find savings without affecting the safety levels of the Village. Taylor stated that the Village is not in a crisis mode; it is in a mode of delving into issues in a purposeful manner.

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

**RESOLUTION  
TO ADOPT THE 2006/2007 FISCAL YEAR  
VILLAGE OF BEVERLY HILLS BUDGET**

The Village Council of Beverly Hills conducted a public hearing on the proposed 2006/2007 Fiscal Year Budget on May 2, 2006 and public comments have been heard and considered, therefore, be it resolved that the 2006/2007 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	\$6,772,881.00	\$6,770,420.00
Major Road Fund	\$629,472.00	\$448,472.00
Local Streets Fund	\$783,852.00	\$783,852.00

Drug Law Enforcement	\$5,600.00	\$5,600.00
Retiree Health Care	\$546,175.00	\$418,648.00
Vacation Reserve	\$1,200.00	\$00.00
Sick Leave Reserve	\$1,200.00	\$00.00
Water & Sewer Operating	\$3,664,968.00	\$3,664,968.00

Walsh asked Village Attorney Ryan how many votes it would take for Council to amend the approved budget. Ryan responded that the Charter requires five votes to amend the budget.

Jon Oen of 32061 Verona Circle expressed the view that Council members appear to have a lack of respect for employees of the Village. They are loyal, dedicated, and hard working people. He understands that these are difficult economic times, but the Village does have money in its fund balance. He asked Council not to chase away these good employees it has working for the Village now.

Roll Call Vote:

Walsh - yes  
Woodrow - yes  
Burry - yes  
Koss - yes  
Pfeifer - yes  
Rijnovean - no  
Taylor - yes

Motion passed (6 – 1).

**REVIEW AND CONSIDER APPROPRIATING FUNDS FOR 2006/2007 FISCAL YEAR  
VILLAGE OF BEVERLY HILLS BUDGET**

Motion by Burry, second by Woodrow, to adopt the following resolution.

**RESOLUTION**

**TO APPROPRIATE FUNDS FOR THE 2006/2007  
BEVERLY HILLS BUDGET**

The Village Council of Beverly Hills has adopted its annual budget for its fiscal year beginning July 1, 2006 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, 2006 and ending June 30, 2007 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:  
Motion passed (7 – 0).

**REVIEW AND CONSIDER ADOPTION OF THE 2006 VILLAGE OF BEVERLY HILLS MILLAGE RATE**

Motion by Burry, second by Woodrow, to adopt the following resolution.

**RESOLUTION  
TO ADOPT THE 2006 VILLAGE OF BEVERLY HILLS BASE TAX RATE  
PLUS ADDITIONAL MILLAGE TO RETIRE DEBT**

The Village Council on May 2, 2006 adopted the 2006/2007 Village Budget, and

The Village Council must adopt a millage rate to be spread on the Village tax roll for 2006, and

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

The proposed 9.3801 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 2006 millage rate for the Village at 11.7671 mils and the 11.7671 millage rate is to be spread as follows:

General Fund.....	8.8706 mils
Road Fund.....	0.5095 mils
CSO Debt.....	0.6689 mils
Dedicated Millage.....	1.7181 mils
Total Millage Rate .....	11.7671 mils

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

**REVIEW AND CONSIDER RESOLUTION TO ADOPT 2006/2007 RATE SCHEDULE FOR WATER CONSUMPTION AND SEWAGE DISPOSAL**

Walsh stated that there will be a 5% average increase for water and sewer rates for the 2006/07 fiscal year due to increased charges received by the Village of Beverly Hills from the City of Detroit Water and Sewerage Department.

The schedule establishing water and sewer rates shows a phased increase with the first increase becoming effective with all bills mailed after September 1, 2006; the second phase begins with bills mailed on October 1; and the third phase of the increase will apply to bills mailed after November 1. Phasing the bills assures that rates charged to residents are consistent with the period when the water is used.

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	\$ 15.48 per 1000 cu ft
Sanitary Sewer O.M. & R	31.05 per 1000 cu ft
Debt Service	<u>6.66</u> per 1000 cu ft
Total	\$ 53.19

Motion by Walsh, second by Pfeifer, to adopt resolution establishing the 2006/2007 rate schedule for water consumption and sewer disposal.

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

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

**THIRD ANNOUNCEMENT OF VACANCY ON CABLE BOARD**

Pfeifer made the third announcement of a vacancy on the Birmingham Area Cable Board with a term to expire on June 30, 2008. The deadline for accepting applications will be on Thursday, May 11, 2006 at 4:30 p.m. A subcommittee of Pfeifer as chair, Koss and Rijnovean will meet prior to the May 16 Council meeting at 7:00 p.m. to consider the applicants.

**REPORTS – MANAGER**

Spallasso reported that the water main replacement project is winding down. The contractor is working on restoration items, which will be completed in approximately a month, weather permitting. A pre-construction meeting is scheduled for May 4 for the joint parking lot project.

The Village received a last-minute request from Marion High School to conduct a Walk-a-Thon on May 12 to raise money for school outreach charities. They have requested that participants be allowed to use portions of those streets and sidewalks connecting Marion High School with Our Lady Queen of Martyrs Church on Pierce. Details will be finalized with school staff

including the required certificate of insurance covering the Village for the event. There were no objections from Council regarding this event.

Walsh remarked that the question has been raised regarding what is appropriate for non-union employees to receive in terms of salaries and benefits. On May 4, 2001 Council received a memorandum from Spallasso indicating that past practice was that non-union employees receive the same benefit package as provided to those in the AFSCME union. It was Spallasso's recommendation that Council acknowledge and concur with this practice. Walsh is not certain whether administration received an answer from Council. Because it remains an issue, she would like to know if Council approved this practice.

Spallasso recalls that the understanding was that Council concurred with this practice, whether or not it came to a formal vote. His recollection is that there was a Council resolution; he will look for that documentation.

Walsh asked if Spallasso has received direction from Council on the issue of compensation for department heads who are required to attend meetings that are outside of normal business hours. Her request is that the Personnel Committee discuss the maximum number of after hours meetings department heads are required to attend before additional compensation is considered. She believes that there have been more department heads attending municipal meetings in the last couple of years.

Spallasso responded that department heads who attend Council or Board meetings do not receive compensation.

Walsh had a question on proposed Senate Bill 1182 and its impact on the Beverly Hills budget with respect to limitations on transfers of money from major to local streets funds. Spallasso responded that he does not think the bill will have an effect on the budget other than it may make it easier to transfer funds.

## **COUNCIL REPORTS**

Burry thanked Council and administration for its work on the budget. He believes that the Village is still faced with long-term costs and that there will be changes in the future.

Woodrow thanked those in the community who have offered their comments and personal support to him as a member of Council.

Walsh commented on the difficult budget process and the seriousness with which Council takes its responsibilities. This Council has brought hard issues to the table. She thinks that it behooves Council to cut the budget as much as possible and not increase taxes.

Rijnovean thanked administration for its work on the budget and for addressing questions from Council.

Koss announced that the Southfield Township Board will meet on Tuesday, May 9 at 7:30 p.m. She thanked administration and Council for its work on the budget.

Pfeifer suggested that Council make appropriate use of the microphones on the Council table. Pfeifer encouraged people to make a donation to the Birmingham Area Seniors Coordinating Council as part of its annual fund raiser, the No Show Glow.

Pfeifer reiterated her suggestion to schedule a Council study session to discuss health care costs and the employee benefit package when information becomes available from administration. There are a number of other issues she would like to consider at a work/study session of Council.

Taylor commented that Council reviewed the budget in detail and ended up with a good product. He commended Village staff and Council for their work on the 2006/07 budget.

Taylor announced the “Steppin’ Out” event to be held on Thursday, May 11 to benefit the 46<sup>th</sup> District Recovery Court. Invitations are available at the Village office.

Motion by Pfeifer, second by Rijnovean, to adjourn the meeting at 11:24 p.m.

Motion passed (7 – 0).

**Dave Taylor**  
**Council President**

**Ellen E. Marshall**  
**Village Clerk**

**Susan Bernard**  
**Recording Secretary**