

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

Absent: None

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

President Taylor called the special Council meeting to order at 6:30 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 Rijnovean, to approve the agenda as published.

Motion passed (7 – 0).

**REVIEW AND DISCUSS POLICIES AND PROCEDURES MANUAL**

Council agreed to conduct a page by page review of the Personnel Policies and Procedures Manual, discuss items of interest, and reach a consensus on modifications. A revised document will be considered for adoption by Council. Pfeifer recalled that this document was drafted at the request of Council by former Village Manager Brian Murphy. The manual was originally ratified by Council in August of 2002.

Koss referred to Section 1.20 Authority on page 6, which states that changes in these policies and procedures may only be made by the Village Council after input from the Village Manager and Village Attorney. Council will attempt to reach a consensus at this meeting on changes to the personnel policies of the Village with action to be taken after input is received from the Village Attorney.

Pfeifer pointed out that the next paragraph states that the Village Manager shall have the authority to establish additional administrative policies. She thought that the document was designed to be flexible.

Burry referred to Section 1.10 Purpose, second paragraph: “The Village Council, acting as a body at a scheduled meeting of the Council, reserves the right to amend, change, alter, add to, delete from, or to completely abolish any or all of the provisions contained in the Personnel Policies and Procedures Manual.” He maintains that this paragraph gives Council the right to make changes regardless of the input of the Village Manager and Village Attorney.

Walsh observed that the first page of the Policies and Procedures Manual indicates the dates when amendments were made to the document. All subsequent pages note the effective date at the top and three amended dates, the last of which was 1/1/06. Since all sections were not amended on 1/1/06, she suggested that only amended text should reflect an amended date next to the topic.

Burphy stated that page 6, Section 1.20 reads, “Any personnel policy or individual employment contractual agreement involving the expenditure of Village funds must have the prior approval of the Village Council acting as a body at a scheduled meeting of the Council.” Council did not receive or approve the contract for the new Director of Public Services before it was offered to the employee. Burphy suggested that this policy should be adhered to or changed.

Spallasso stated that the Village Charter addresses hiring of employees. It states that the responsibility of the Council is to hire the attorney, manager, clerk and treasurer. All of the other employees are the responsibility of the Village Manager. Spallasso recalled that Council discussed the public services director position during budget deliberations and approved the expenditure.

Rijnovean responded that the Manager can hire personnel but Council should have seen the contract.

Woodrow remarked that the Manager was given the authority to contract with this individual at a dollar value. The expenditure of Village funds was approved by Council acting as a body.

Walsh remarked that the manual states clearly that individual employment contractual agreements must have the prior approval of Council. It was her opinion that this language should remain in the document and be followed. It sets the tone and the intention of what is expected from the Manager.

Spallasso commented that he will provide a copy of the public services director’s contract to Council.

The majority of Council members were in agreement to refer the last paragraph under Section 1.20 to the Village Attorney and request an opinion as to whether it is in conflict with the Charter.

Walsh referred to page 8, Section 2.40 a. Recruitment, “There will be a public posting of the vacant or new position on the Village Hall bulletin board”. She questioned whether the Public Services Director position was posted.

Spallasso responded that the position was not posted. An opportunity presented itself whereby he was able to consider a known individual with excellent credentials and experience at a cost savings and whose employment would be in the best interest of the Village.

Koss affirmed that Council gave the Village Manager the authority to seek out this individual with the understanding that the position would be posted if it did not work out. Woodrow added that Council has the ability and the authority to deviate from this personnel manual as it sees fit.

Spallasso was asked if he will post the opening for an administrative assistant position. He indicated that he is attempting to fill the position by word of mouth to avoid the time and resources it would take to review numerous applications.

Taylor understood that procedures may be altered at the discretion of Council in terms of recruitment. Koss concurred that this document is a guide and Council has the ability to deviate from its policies. Woodrow believes that the Personnel Policies and Procedures Manual informs employees as to what is expected of them, how to conduct business, and the basic parameters under which the Village operates. Council as a whole adopted the policy and can change it as they see fit.

Burry commented that the Manager could be directed to advertise for the administrative assistant position if so directed by Council. Rijnovean stated that she advocates advertising to achieve a pool of applications. Council did not take action on this.

Pfeifer referred to Section 2.97 Hiring Decision and suggested that it might be in conflict with the sentence under Recruitment (2.40 a.). Burry questioned whether there is also a conflict with Section 1.20 Authority with respect to the paragraph requiring Council approval of an employment contract. Pfeifer considers Council review of a contract as a courtesy extended by the Manager. Rijnovean added that it is general business protocol to have Council review and approve an employment contract. There were no changes made to these sections.

There was agreement to change 4.10 Standard Work Day and Week to reflect current practice for normal business hours, which are 8:00 a.m. to 4:30 p.m. There was some discussion on breaks.

Section 5.20 Job Descriptions. There was agreement to modify the first sentence of the second paragraph to read as follows: "Job descriptions shall be written by the Village Manager and may be reviewed and revised by the Manager at least biennially."

Section 5.10 Compensation of Employees on page 14 was discussed. The Village does not have a formal process for annual employee performance reviews. Spallasso did not perceive a need for a prescribed process to evaluate employees in a small office situation as long as employees perform their jobs properly. He confirmed that any problems with an employee would be documented and included in their employment file.

There were comments made for and against requiring regular written performance reviews. Spallasso was asked to look at what area communities of a similar size are doing in terms of regular performance reviews.

Section 5.30 Longevity Pay was a topic of discussion. Walsh reviewed that members of Council expressed the view during the budget process that the Village offers a generous benefit package. She proposed that the Policies and Procedures Manual include language that addresses how longevity pay will be handled in the future. Walsh considers longevity pay to be an "extra" over and above the salary received for service provided to the Village.

Walsh questioned the existence of documentation authorizing non-union employees to receive the same salary and benefit packages as union employees. She believes that Council should come to a conclusion on who has authorized the administrative non-union staff to receive what the union staff receives. Council should determine the basis for providing benefits to non-

union employees and whether they should automatically receive increases from the public safety package or the AFSCME (American Federation of State, County and Municipal Employees) package. Walsh has also been looking for documentation that says that longevity pay will go beyond 8% after 20 years. She proposed that Council decide on longevity pay for current employees and for new hires.

Koss stated that Council discussed longevity pay and the Cost-of-Living Allowance at budget sessions. She maintains that employees are vested in longevity compensation and that this practice deserves careful consideration. Koss would support discontinuing annual COLA payments to current and future employees.

Council discussed the Cost-of-Living Allowance outlined in Section 5.90 of the Personnel Policies and Procedures Manual. Comments and questions regarding longevity pay (Section 5.30) were addressed by Spallasso. He proposed that Council consider removing COLA benefits in an attempt to cut costs, but urged Council against eliminating longevity pay. People have been loyal employees of the Village for a number of years with the expectation that they would receive longevity pay.

There were members of Council who suggested capping longevity at the employee's current rate. The comment was made that there is a moral issue in terms of drastic measures with respect to longevity pay. Council talked about eliminating longevity and COLA for new hires.

Rijnovean brought up the Village Manager's contract, which refers to benefits extended to the Village Manager as determined in the Policies and Procedures Manual. Mr. Spallasso is receiving 10% longevity pay after 25 years of service while the Policies and Procedures Manual does not list a percentage rate beyond 8% for 20 years of service. Rijnovean suggested that the contract either be rewritten to indicate 8% or to make an exception to allow Mr. Spallasso to receive 10% longevity pay.

Spallasso stated that the last AFSCME contract included longevity pay at 10% after 25 years of service. Two municipal employees are eligible for the 10% payment. The 10% rate should have been included in the amended Policies and Procedures Manual.

Walsh stated that she has a problem with using "past practice" as justification for benefit increases without establishing that these things were independently approved by Council.

Motion by Taylor, second by Pfeifer, to eliminate Cost-of-Living Allowance and to cap existing longevity costs for non-union employees.

Council discussed the motion. Walsh suggested freezing longevity costs at an employee's current level with no further percentage rate increases.

Village Building Official Dave Byrwa stated that the proposed motion would impact him because his 4% longevity pay would be increasing to 6% in approximately another year. He questioned the fairness of denying benefits that were offered when he was originally hired as a Village employee. He has remained a Beverly Hills employee in order to receive those

benefits. He suggested that it would be more appropriate to initiate a revised benefit package for new employees.

Burry proposed retaining longevity pay for present employees as set forth in the Policies and Procedures Manual but would support eliminating COLA for current non-union employees.

Taylor proposed amending his motion to eliminate Cost-of-Living Allowance and to cap longevity at 6% after 15 years of service for non-union employees.

There was agreement among Council that the Cost-of-Living Allowance and longevity pay should be addressed in separate motions. The motion under consideration was amended to read as follows:

Motion by Taylor, second by Pfeifer, to eliminate Cost-of-Living Allowance for current non-union employees.

Roll Call Vote:

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

Motion passed (6 – 1).

Council discussed longevity pay for current non-union employees. Rijnovean advocated capping longevity pay at existing levels for current employees.

Motion by Koss, second by Pfeifer, to leave Longevity Pay as written for current non-union employees.

It was noted that the Policies and Procedures Manual could be modified to add language to state that longevity will not exist for employees hired after a certain date if that is the direction of Council.

It was brought to Council's attention that the absence of a 10% step after 25 years of service in the Policies and Procedures Manual was due to a typographical error.

Walsh stated that she would like written documentation that action was taken to approve 10% longevity pay after 25 years. She cannot find any record that confirms that non-union employees would follow whatever benefits that AFSCME or the public safety contract allowed.

Koss clarified that her motion is based on the existing Policies and Procedures Manual that extends to an 8% rate after 20 years of service. She emphasized that the Village Manager’s contract is a separate issue because Council agreed on offering him 10% after 25 years, which entitles Spallasso to that percentage rate. Burry concurred.

Walsh stated that she would support the motion if there was a compromise to offer a maximum 6% longevity pay. Rijnovean concurred.

Roll Call Vote:

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

Motion passed (4 – 3).

Woodrow established that the Village Manager’s contract is a separate issue. Koss suggested modifying the Manager’s contract to remove reference to the Policies and Procedures Manual. The change could be made with the agreement of the parties who signed the contract without a motion. Council discussed offering 10% after 25 years longevity pay and voted on that as part of the contract approval. If Mr. Spallasso is in agreement to that amendment to his contract, it will come to Council for a vote.

Pfeifer suggested that the new hire policy be referenced as an addendum to the Policies and Procedure Manual. She suggested that Council consider changes to the benefits package for new employees after completing its review of the Policies and Procedures manual.

Council continued its review and discussion of the Policies and Procedures Manual. Items that were addressed and clarified without being modified included severance pay, accidents involving Village-owned vehicles, health insurance based on healthy life styles, personal telephone calls, gifts and gratuities, Internet use in the office, dress code, credit card use, and counseling related to misconduct.

Koss informed Council that the Southfield Township Board is preparing a resolution regarding workplace email. This may be something that Council may want to review and consider.

Pfeifer referred to point #3(d) under the Harassment Complaint Procedure on page 32: “The Village Manager will inform the complainant and the alleged harasser and advise the Village Council of the results of the investigation.” Pfeifer suggested adding a confidentiality clause with regard to sharing information with Council due to the sensitivity of the topic. Council agreed to add the following to the sentence, “in a confidential manner”.

Other topics of discussion were resignation, exit interviews, accumulation of vacation time and vacation eligibility. Woodrow would like to see an emergency clause in Section 11.10 Vacation Leave (4) that would allow an employee to take a vacation in an emergency situation.

Section 11.15 Holidays was reviewed.

Motion by Rijnovean, second by Taylor, to eliminate employee's birthday as a paid holiday.

Roll Call Vote:

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

Motion passed (6 – 1).

Section 11.25 Sick Leave Days was discussed by Council at some length. No changes were made to the policy.

Section 11.40 Group Health Insurance begins on page 42. Pfeifer remarked that there is flexibility in the policy manual to provide for group health insurance without making representations as to type, amount, or level of coverage.

Rijnovean remarked that it is common practice in the workplace not to allow employees to waive health coverage and receive payment for opting out of that coverage.

Pfeifer commented that she views health insurance coverage as an entitlement for employees. If they do not use the health care coverage provided by the Village, the amount of money they receive is far less than it would cost to insure them.

Motion by Rijnovean, second by Walsh, to delete the provision in the Personnel Policies and Procedure Manual that allows an employee to waive health coverage under the Village's program and receive payment from the Village.

There was discussion on this topic by members of Council and the public. The majority of Council members agreed to further investigate various aspects of the issue and how possible changes could be implemented before taking action.

Rijnovean withdrew her motion on the basis that Council will perform due diligence on this topic in a timely fashion.

Section 11.45 Group Dental Insurance. It was suggested that Council should consider requiring a co-payment on dental and disability insurance.

Section 11.75 Retirement/Pension. Walsh stated that she would like to see the Village go from a defined benefit to a defined contribution system for new hires. Rijnovean suggested that this should apply to current employees. Walsh proposed giving employees the option.

Spallasso was asked to have information regarding health care available for the next discussion of this document. Council agreed to meet at 6:30 p.m. prior to the August 15 Regular Council meeting to complete its review of the Policies and Procedures Manual. The proposed changes to benefits package for new employees will be a business agenda item for the August 15 meeting.

Motion by Pfeifer, second by Koss, to adjourn the meeting at 10:00 p.m.

Motion passed (7 – 0).

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

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

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