

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

Absent: None

Also Present: Village Manager, Spallasso
Finance Director, Wiszowaty
Building Official, Byrwa
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 Pfeifer, second by Koss, to approve the agenda as published.

Motion passed (7 – 0).

PUBLIC COMMENTS

Michelle Lange, business person in the community and active parent volunteer, was present to talk about a proposal that will appear on the general election ballot on November 7th asking voters to renew 11.3 mills for Birmingham Public Schools general operating purposes for a period of ten years. She listed a few key points to help clarify the proposal and urged people to vote YES to renew the school operating millage proposal. Lange stated that supporting local schools ensures that communities within the district will continue to be vibrant places to live and do business.

Jim O'Reilly of 31191 Huntley Court, chairman of the Parks and Recreation Board, stated that a group of individuals including current and former Council members as well as Village Board members have formed a citizen's group, Voice of the Village, for the purpose of providing truthful information to Village residents about challenges and issues that face Beverly Hills. These issues include providing a safe community, spending wisely, maintaining the infrastructure, supporting volunteerism and Village administration, and finding alternative revenue sources. The group has endorsed seven Council candidates who will most ably serve the community with a positive attitude and the right outlook. Each of the individuals is running their own campaign with their own issues.

The group is committed to providing honest and accurate information without engaging in fear tactics. Voice of the Village hopes its efforts will be rewarded and that Beverly Hills can return to a time when there is civility and open mindedness in seeking to solve the problems of this Village.

Jim Delaney of 18129 Riverside Drive commented that Voice of the Village is comprised of a number of individuals who care deeply about this community and this government and are responding to the recent adversarial tone of the Village. The group has asked no promises from

the individuals they are endorsing for Council and only asking them to use their heads. Delaney also made the point that this community can tolerate dissent and that protected free speech should be allowed.

Marcia Gershenson, Oakland County Commissioner, reported on the status of the discount dental plan soon to be offered by the County. Gershenson related that she recently testified at the Michigan Women's Forum on preventing serious knee injuries of female athletes. The County is on the verge of promoting new legislation that will mandate that young girls have different physical training by their physical education teachers. Gershenson will speak at Groves High School tomorrow on the ballot initiatives. She represented Oakland County recently at the Birmingham-Bloomfield Coalition celebration of eating dinner with your family, an effort to encourage communication in families.

On a County level, an anti-bullying program that was funded by a federal grant has ended due to no more federal grant money; David Gorcyca has stepped forward to help a group of commissioners reintroduce this initiative. Gershenson reported that several commissioners were in favor of a 1% property tax cut, which did not pass. It is hoped to reintroduce this measure. Gershenson attended the County Zoning meeting where the Beverly Hills Master Plan was approved. She thanked those who worked on the Master Plan. She is looking forward to another Halloween Hoot, organized by Pat Greening. Gershenson encouraged citizens to pass the Birmingham Public Schools millage renewal; failure to pass would effect us all.

Bob Walsh of 20655 Smallwood Court commented on an article that recently appeared in the Birmingham Eagle and the Eccentric newspapers. He believed that the article followed the pattern of animosity and scare tactics that have been exhibited in the election process. Walsh quoted from the piece written by a member of the Voice of the Village group.

John Mooney of 19111 Devonshire thanked the current members of Council for their honorable service to the community. He reminded them that it has been a tradition and foundation of the Council to allow freedom of speech at open meetings, which is guaranteed in our Constitution. Mooney questioned how the Council got involved in the issue of the Public Safety Officers' endorsement of candidates. Mooney spoke in support of the Public Safety Department and the risks they take to ensure that our community is safe.

Mooney concurred with the characterization that there is a lack of congeniality in the community of late. He does not think it is the fault of the people who are members of the Voice of the Village. Mooney expressed the view that cutting of services is what can be anticipated if certain candidates are elected to Council.

Jay Reynolds of 16910 Beverly Road, council candidate, recounted what he believes to be distortions of positions put forward by council candidates. His intent is not to reduce the number of public safety officers the Village has on the street. Reynolds stated that the slate of candidates he is running with would like to address the number of supervisory officers in the public safety department, pay, benefits, and leave time. Reynolds believes that Beverly Hills can be run like a business while retaining the quality of life currently enjoyed in the Village.

Ron Berndt of 31384 E. Rutland, council candidate, stated that there are major issues facing the Village that are not being addressed. Median housing values of our community and surrounding communities are disturbing and a trend that he has been talking about for some time. There is a need to refocus efforts on preserving our Village and making sure that it is tomorrow what it was yesterday. We can spend wisely and carefully to invest in the future to maintain the Village as a great place in which to live.

Berndt urged people to be constructive, not destructive, and to work together and respect one another even if they do not agree on issues. It does not matter as much to him whether or not residents vote for him as it does that they vote for someone who represents their vision of the Village. Berndt stated that most of the Council candidates have a public record that can be viewed on the Village web site in Council and Board meeting minutes.

Soter Art Liberty of 20850 W. Thirteen Mile Road, council candidate, commended Manager Spallasso on the rules established for displaying election signs. Liberty touched on a number of topics and conveyed his stance on several statements and positions.

Lee Peddie of 17540 Kinross, council candidate, agreed with the statement that there are major issues facing the community. She remarked that all residents, no matter what their background, pay taxes in this community and are citizens with a right to participate in what is going on in the Village. All of us in the community are grappling with what the future is going to be for Beverly Hills.

Paul Kleppert of 20855 W. Fourteen Mile Road stated that he has never experienced the personal attacks on administration that have occurred in the last year. He is present to support administration and commend Renzo Spallasso for successfully accomplishing many things over the years with very little to work with. Kleppert referred to some of the literature being circulated in the community that is destructive to the manager and administration.

Bob Borgon of 32340 Drury Lane expressed the view that this has been a sad year for Council due to a few people who have done a lot of micromanaging and have not allowed administration to do its job. Borgon would like to see people with diverse opinions on Council, but there is a need for strong leadership in order to form a cohesive unit. As chairman of the Birmingham Area Cable Board, Borgon thanked Dorothy Pfeifer for her years of dedication and contributions to the Board as a liaison and sometimes voting member of the Cable Board.

Jill Sickles of 17171 Kinross believes that members of Council have varied viewpoints and do what they think should be done to represent the people. She commented on how difficult it is to cut services that people want to retain. It is up to the citizens to decide what they want and vote for the people who they think are going to provide it.

Toni Grinnan of 1 Stonehouse Lane thanked Lt. Standfest for completing 25 years of service to the Village. As far as the upcoming election and issues confronting the Village, Grinnan stated that she and her husband joined Voice of the Village because they share concerns about different issues. The purpose of the group is to be a clearing house for factual information about the Village so that voters can make an informed decision. Every piece put out by the group has

been meticulously researched. If people visit the web site, www.beverlyhills48025.com, pertinent portions of the public record are available.

Voice of the Village is a group of people who have served Beverly Hills for a long time in many capacities. Members do not agree on every issue but have come together to share the work of putting out factual information. Grinnan stated that, in the 23 years she has been in the Village, she could not be more satisfied with the Public Safety Department, administration, and specifically with Mr. Spallasso and his service, dedication and capability and the people who work with him in the Village offices.

CONSENT AGENDA

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

- a. Review and consider approval of minutes of a regular Council meeting held October 3, 2006.
- b. Review and file bills recapped as of Monday, October 16, 2006.

Motion passed (7 – 0).

BUSINESS AGENDA

SECOND READING AND POSSIBLE ADOPTION OF ORDINANCE #324 AMENDING CHAPTER 29 PROPERTY MAINTENANCE CODE OF THE VILLAGE MUNICIPAL CODE

Woodrow stated that this will be the second reading of Ordinance No. 324, The International Property Maintenance Code. The Property Maintenance Code sets minimum standards for local property maintenance. This lengthy ordinance is on file at the Village offices for public review.

The International Property Maintenance Code is an Ordinance of the Village of Beverly Hills Adopting the 2006 Edition of the International Property Maintenance Code, Regulating and Governing the Conditions and Maintenance of all Property, Buildings and Structures; By Providing the Standards for Supplied Utilities and Facilities and Other Physical Things and Conditions Essential to Ensure that Structures are Safe, Sanitary and Fit for Occupation and Use; and the Condemnation of Buildings and Structures Unfit for Human Occupancy and Use, and the Demolition of such Existing Structures in the Village of Beverly Hills; Providing for the Issuance of Permits and Collection of Fees Therefore; Repealing Chapter 29 of the Village of Beverly Hills Municipal Code and all Other Ordinances and Parts of Ordinances in Conflict therewith.

Motion by Woodrow, second by Pfeifer to adopt Ordinance #324, The International Property Maintenance Code.

Rijnovean questioned the protocol for enforcing this ordinance. Building Official Byrwa answered that the Village employs a Code Enforcement Officer who responds to phone calls and who patrols the Village daily issuing notices to property owners if he encounters an ordinance violation.

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

REVIEW AND CONSIDER RESOLUTION TO HAVE BCTV TAPE AND AIR THREE JOINT COUNCIL MEETINGS IN 2007

Pfeifer recapped that, at its August 1, 2006 meeting, Council adopted a resolution requesting that the Birmingham Area Cable Board fund the taping and broadcasting of Beverly Hills municipal meetings in addition to its regularly scheduled Council meetings. It was requested that Bloomfield Community Television (BCTV) tape and air the three joint meetings scheduled with various Boards, Planning Board meetings when there is a public hearing of significance, and occasional special Council meetings provided that these requests are made by action of the Council as a whole. The Cable Board was asked to provide a grant to fund extra meetings that are not currently provided for in the contract between the BACB and BCTV.

The Cable Board passed a motion at its September 20, 2006 meeting to approve the request for funding to tape and broadcast up to six Beverly Hills municipal meetings in addition to its regularly scheduled meetings. At the October 3, 2006 Council meeting, Pfeifer suggested that Council as a whole request the taping and airing of three joint meetings with the Planning Board, Parks and Recreation Board, and Finance Committee scheduled for January, February, and March. Council must pass a resolution requesting the taping of these joint meetings. Any future requests to broadcast special Council meetings must be made to the Cable Board by a majority of Council.

Motion by Pfeifer, second by Koss, that the Beverly Hills Village Council request the Birmingham Area Cable Board/Bloomfield Cable Television to tape and air three joint Council meetings in 2007. The three dates are the joint Parks and Recreation Board meeting on Thursday, January 18, the joint Planning Board meeting on Wednesday, February 14, and the joint Finance Committee meeting on Tuesday, March 13.

Koss thanked Ms. Pfeifer for her efforts which will culminate in the taping and airing of additional municipal meetings at no cost to the Village. Questions from Council and the public were addressed by Pfeifer.

Rijnovean expressed the view that it is important that Council budget sessions be broadcast. She commented that the taping and airing of additional municipal meetings is a good step forward.

Kathleen Berwick of 31381 Kennoway Court questioned how it is determined which municipal meetings are broadcast. It appears to her that more Birmingham programming is aired. Pfeifer responded that the City of Birmingham had been funding the taping and airing of its Planning Commission meetings until recently when they requested and received a grant from the Cable Board for this expense. Pfeifer added that the Cable Board will be renegotiating a new contract for public and government programming, which is anticipated to include the taping of additional meetings.

Walsh stated that she is in favor of broadcasting as many meetings as possible. She advocated the taping and airing of the Planning Board meeting at which time there will be a public hearing on the Village Master Plan.

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

REPORTS – MANAGER

Spallasso directed Council's attention to an Information Item, which is the Finance Committee's Review of Initial Findings and Recommendations regarding Retiree Health Care dated October 11, 2006.

The asphalt resurfacing project is essentially complete; the contractor is doing final restoration and clean up. The concrete repairs are proceeding on schedule with the contract approximately 70% complete. The joint sealing project has started. The parking lot paving scheduled for today was delayed due to the weather.

It was proposed to have a review of the Village's liability insurance on today's agenda; however the insurance company's underwriter is behind on insurance renewals. Administration anticipates receiving the policy later this week and placing it on the agenda for the November 7, 2006 meeting. The Village's agent has assured administration that there will not be a lapse in coverage.

Spallasso has received correspondence from the Police Officers Association of Michigan informing the Village of their interest in scheduling a negotiation session with the State Mediator. Council will be kept informed.

Koss asked Spallasso about the status of the Acacia relief sewer construction project on Kinross and the scheduling of an informational meeting for property owners abutting the route. Spallasso responded that the project will begin as soon as the necessary permits are issued by the Department of Environmental Quality, hopefully within the next month.

Pfeifer stated that it was indicated at the September 5 Council meeting that the Finance Committee would present an update on the issue of unfunded retiree health care facing the Village at the second meeting in October. There has been concern about this issue on the part of Council and the public. Pfeifer asked if it would be appropriate to ask Finance Committee chairperson Bob Belaustegui to present a brief update on the Committee's review.

Spallasso commented that Belaustegui has made himself available to address any questions from Council at tonight's meeting. He invited Belaustegui to report on the Finance Committee's research on retiree health care.

Bob Belaustegui reviewed that Council asked the Finance Committee to take a look at retiree health care and come back to Council with a report and recommendations in 90 days and a status report at this meeting. Council has been provided with a copy of the Review of Initial Findings/Recommendations on Retiree Health Care, which was discussed at the October 11

Finance Committee meeting. Belaustegui highlighted the report, which provided background on the retiree health care funding issue and concluded with the Finance Committee's initial findings and recommendations. A copy of the report is available at the Village offices for public review.

Belaustegui related that there have been new accounting requirements mandated by GASB, the Government Accounting Standards Bureau, to account for retiree health care differently than in the past. In the past, retiree expenses were expensed on a pay-as-you-go method. The Village paid for health care premiums for current and retired employees. That is how the standard works today, and that is the minimum that all communities should be funding.

As a result of a 1993 actuarial study of the Village's Retiree Health Care Funding, it was suggested that the Village start to look at forward plans for retiree health care and other retiree expenses. The discussion began to focus on how this should be done conceptually and technically. The Village began to accumulate expenses on a percentage of payroll basis, which was adjusted following the 1998 actuarial study.

In 2000, the Governmental Accounting Standards Board was beginning to form its opinions on municipal accounting requirements for post employment benefits. The new requirement is based on the principle of capturing post employment benefits during the period of employment. It accumulates at a higher level initially, so that the municipality will have accumulated all the money needed to pay for future retirements at some point. This is similar to a pension fund. Another reason for the new requirement is that it forces the reporting of those benefits as they are incurred.

The \$9.1 million figure is what the Village would need now in its retiree health care fund to pay for retiree health care for 30 years. It is not a debt; it is a new accounting standard that defines the liability.

The 2003 actuarial study also reported another accounting standard called the annual required contribution (ARC) that defines what would be required to pay current in-service costs and a 30-year amortized portion of the unfunded post employment benefit liability. The Government Accounting Standards Board is trying to encourage municipalities to start accruing these benefits and funding these expenses ahead of time. They want cities to get to a point over the next decade where employees' ongoing costs for retirement are accrued during their service time.

Belaustegui related that the Village started following the recommendations of each actuarial study in 1993, 1998 and in 2003. Finance Director Wiszowaty has included the actuary's recommendations in the funding of retiree health care. The Village now has \$1.2 million in its retiree health care fund.

Belaustegui concluded that, while this is an issue to be addressed, it is not a crisis in the Village. The Village continues to fund the minimum retiree expenses on a pay-as-you-go basis, which is the standard that has been adopted as the funding requirement. The Village has been funding above that standard at a percentage recommended in the actuarial studies.

The Finance Committee is suggesting that there is a need for a current actuarial study that incorporates operational and factual numbers that the Village can work with as a baseline. It is recommended to wait until the negotiations with the Public Safety Department are complete and the new benefit package is in the contract. The Village has to include the status and funding of post employment benefits in its financial statements published after December 2008.

The Finance Committee will also recommended that the Village commission an employee pay and benefits study to establish present competitive positions and changes being considered by other communities. The last such study done for the Village was done in 1999 by a group from the Michigan Municipal League. It is suggested that this be done soon.

Belaustegui has proposed that the Finance Committee look at other suggestions for Council consideration to help move forward with funding retiree health care. One is to consider expanding the role of the Pension Board to incorporate financial oversight of the Retiree Health Care as well as other major retiree issues. This will likely require the addition of an administrative representative to the Board. The second suggestion would be to consider the creation of a Pay and Benefits Board to evaluate and recommend competitive and affordable employee pay and benefits and to develop and recommend long-term pay and benefit goals and implementation strategies. It is his experience that these sensitive negotiations take a number of years to build toward a consensus of what is needed and what is acceptable. Belaustegui stated that the next step for the Finance Committee will be to inform the next Council how much some of these things might cost.

A question from Paul Kleppert was addressed by Belaustegui.

Spallasso informed Council that the audit report presentation will be scheduled for the November 7, 2006 Council meeting. In response to an inquiry, Wiszowaty stated that Council will receive a copy of the audit report in its entirety.

In answer to a question about standing water collecting in the parking lot, Spallasso stated that the water will flow into the drain once final grading takes place and the asphalt paving is completed.

Walsh asked when Council will receive a presentation on the Zoning Enabling Act. Spallasso stated that the report will be scheduled for the second meeting in November.

COUNCIL

Council members urged citizens to vote on November 7th.

Rijnovean thought it was a nice gesture that the Birmingham-Beverly Hills Church Softball League donated \$100 to the park and thanked the Village for the opportunity to use the ballfield in Beverly Park.

Koss reminded the public that Southfield Township will be offering free document shredding on Saturday, October 21 between 10 and noon in the municipal building parking lot. The

Halloween Hoot will be held in Beverly Park this Sunday, October 22. Trick or treating starts at 6 p.m.

Pfeifer reported that the Birmingham Area Seniors Coordinating Council (BASCC) held a flu shot clinic today, which was well attended. The BASCC Craft Show will be held on Friday, October 26. The next Birmingham Area Cable Board meeting will be held in the Council chamber tomorrow morning, October 18 at 7:45 a.m.

Burry thanked members of the public who spoke tonight and expressed their views. He agreed that there is a need for tolerance. Burry encouraged people to attend the Parks and Recreation Board meeting on Thursday, October 19 in the Council chamber. The Board consists of people who have done a lot of hard work to improve Beverly Park.

Woodrow encouraged residents to question the campaign literature they receive and the source of that information. He asked citizens to do their homework before voting for the next members of Council. Woodrow thanked Belaustegui for his presentation on retiree health care funding and thanked everyone on the Finance Committee for their work. Woodrow observed that there are locations throughout the community where people can receive flu shots either for free or at a nominal charge.

Walsh referred to a memo dated October 5, 2006 received by Council from Director Woodard regarding Lathrup Village Police Lockup Services. She read the data in the letter that answered a citizen's inquiry made at the last Council meeting regarding the status of this service provided by the Village.

Walsh expressed the view that the Finance Committee's report and recommendations on the issue of unfunded retiree health care would have been a topic of interest to people if it were placed on the agenda as either a discussion item or business agenda item. She disagreed with receiving the presentation as part of the Manager's Report. Walsh had expressed the view that it was premature to receive the report at this time.

Walsh commented on the upcoming election and indicated that residents will have to determine what the candidates are saying. She urged citizens to talk to the candidates directly to learn their views rather than rely on hearsay.

Taylor reminded people to join in the Halloween Hoot at Beverly Park on Sunday, October 22. He thanked Bob Belaustegui for his informative presentation on funding retiree health care.

Motion by Pfeifer, second by Koss, to adjourn the meeting at 9:40 p.m.

Motion passed (7 – 0).

Dave Taylor
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary