

Present: President Stearn; President Pro-Tem Pfeifer, Members: Berndt, Koss, Oen, Peddie and Woodrow

Absent: None

Also Present: Village Manager, Spallasso
Assistant Manager/Clerk, Marshall
Finance Director, Wiszowaty
Director of Public Safety, Woodard
Public Services Director, Meszler
Building Official, Byrwa
Village Attorney, Ryan

President Stearn called the regular Council meeting to order at 7:40 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.

Pfeifer apologized to the viewing audience that there was no cable television coverage of the Council meeting held on January 2, 2007. The meeting was not aired live or taped. There has been communication with the cable access provider about this failure, and steps have been taken that will likely prevent it from recurring.

Council meetings are set by the Village Charter, published in the Beverly Hills informational calendar, and posted at the municipal building. Council was required to conduct the January 2 meeting whether or not there was television coverage. Council meeting minutes are available at the Village office and are posted on the web site (www.villagebeverlyhills.com).

Stearn read a letter to the Council from Bloomfield Community Television's general manager and a staff member apologizing for failing to assign production staff to tape the January 2 Village Council meeting and indicating that corrective measures have been put in place. Stearn apologized to residents for any inconvenience caused by this oversight.

ADDITIONS TO AGENDA/AMEND AGENDA

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

Motion passed (7 – 0).

PUBLIC COMMENTS

Phil Schmitt, Parks and Recreation Board member, announced that the Winter Family Fun Day is scheduled for this coming Sunday, January 21, from 1:00-4:00 pm in Beverly Park. The festivities planned include sledding, snow shoeing, cross country skiing, igloo building, ice skating, winter games, and a fire and hot chocolate in the pavilion. The event will take place weather permitting. That decision will be made later this week and announced on the marquee sign in front of the municipal building and on the Village web site. If the Winter Family Fun Day is cancelled, everyone is invited to come to the park when there is snow to enjoy sledding or ice skating.

Marcia Gershenson, Oakland County Commissioner representing District 17, wished everyone a Happy New Year and remarked that she is delighted to be back for another two years. She brought Council up to date on citizen appointments made to the County Road Commission and Parks and Recreation. There are additional openings for citizen appointments to the Community Mental Health Board, Friend of the Court Citizens Advisory Committee, and Library Board. There is an opening for a builder and a citizen on the Well Protection and Education Policy Advisory Committee and openings on the Solid Waste Planning Committee, Michigan Department of Human Services, and Area Agency on Aging. Gershenson asked that interested Beverly Hills residents contact her about these public appointments and request an application.

Gershenson presented news of current and upcoming programs from Oakland County. On January 27 the County will hold a Pandemic Response Conference and Strategy Planning Session in Farmington Hills. Oakland County will be partnering with other housing counseling agencies to assist families that are facing foreclosure issues. Eligible taxpayers in Oakland County may benefit from a free local, state, and federal tax preparation and E-filing service that is provided through a tax credit from the initiative coalition serving Oakland and Livingston counties.

Oakland County will sponsor a program on how to write to business plan on January 18 and a women's business certification orientation on January 25. Gershenson reminded the public that the Board of Commissioners offers a discount prescription drug card for those who do not have prescription insurance. She updated Council on a proposed dental discount plan. People can refer to the Oakland County web site to check on the programs and dates mentioned (www.oakgov.com).

CONSENT AGENDA

Motion by Stearn, second by Koss, to remove item (a) from the consent agenda and move it to the first item on the Business Agenda.

Motion passed (7 – 0).

Motion by Koss, second by Oen, to approve the Consent Agenda as amended.

a. Review and file bills recapped as of Monday, January 8, 2007.

Motion passed (7 – 0).

BUSINESS AGENDA

REVIEW AND CONSIDER APPROVAL OF MINUTES OF A REGULAR COUNCIL MEETING HELD ON JANUARY 2, 2007

Stearn proposed adding the following to the second paragraph on page 1: "Council consulted with the Village Attorney, and it was his recommendation that Council continue with the meeting. Stearn invited members of the audience to comment, and there were no objections from the public to continuing with the regularly scheduled Council meeting."

Motion by Stearn, second by Koss, that the minutes of a regular Council meeting held on January 2, 2007 be approved as amended.

Motion passed (7 – 0).

REVIEW AND CONSIDER REQUEST TO SEEK BIDS FOR WATER METER REPLACEMENT PROGRAM

Council is being asked to consider authorizing Village administration to advertise for “Requests for Proposals” to replace water meters in all homes and businesses in Beverly Hills and to install an automatic water meter reading system. Once proposals are received and reviewed, administration will recommend a contractor to Council.

Woodrow related that there is an ongoing problem with the water meters in the Village, most of which are 25-30 years old and unreliable in terms of accuracy. Meters are requiring frequent replacement due to leaks and malfunctions. Manual reading and bill processing takes a tremendous amount of personnel time. Replacing old meters with a meter that is compatible with an automated system will dramatically reduce or eliminate this labor cost.

Motion by Woodrow, second by Koss, to authorize Administration to advertise for Proposals to replace all water meters in the Village and install a compatible automated meter reading system.

Questions from Council regarding the need for a meter replacement program and available funding were addressed by Spallasso. It was clarified that a portion of water fees collected from residents has been accumulated in a fund balance and reserved for capital improvements such as this.

Motion passed (7 – 0).

PRESENTATION FROM FINANCE COMMITTEE REGARDING FUNDING RETIREE HEALTH CARE

Pfeifer introduced Finance Committee chairperson Bob Belaustegui, who was present to convey the Committee’s findings and recommendations on Retiree Health Care Funding in the Village by means of a PowerPoint presentation.

Belaustegui provided background on the retiree health care funding issue including a recap of retirement health care insurance benefits provided by the Village to full-time employees, rising health care costs, and contributions made towards funding the program since the first actuarial study of Retiree Health Care benefits was conducted in 1993. There are new accounting requirements mandated by the Government Accounting Standards Bureau (GASB) that approach accounting for Other Post-Employment Benefits (OPEB) by capturing those obligations during the period of employment. They force simultaneous accrual of past and future retiree obligations as a liability. Belaustegui emphasized that Beverly Hills has been among the leaders in identifying and funding this liability.

The GASB 43 and 45 standards being phased in over the next couple of years are accounting and reporting requirements and are not funding or contribution requirements. The calculations/assumptions are similar to those used for pension plan studies with the addition of health care cost assumptions. The new standards require the Village to conduct either actuarial or simplified self-computed valuations at least every three years.

Since 1994, pre-funding, interest from investments, employee contributions (since 2003) and dividends (since 2004) have created a retiree health care reserve of nearly \$1.2 million. Using the GASB approach, the 2003 actuarial study identified an unfunded retiree health care liability of \$9.1 million. This means, as of December 31, 2003, the Village needed an additional \$9.1 million of invested Retiree Health Care Assets to fund the next 30 years of retiree health care premiums (based on the actuary's assumptions). An update of this will be required for fiscal year end 2007-08 reporting. This liability is not judged to be a detriment to the Village's borrowing capability or cost.

GASB introduced the Annual Required Contribution (ARC), which is the annual amount necessary to pay retiree benefits and eliminate unfunded liability over 30 years. Belaustegui compared this preferred contribution method to existing common methods. He stated that an initial evaluation indicated that the Village's 2004 contributions were about \$250,000 below the notional ARC determined by the 2003 actuarial study. Belaustegui noted that the 2003 actuarial study was not conducted under the known guidelines that exist today. Actuarial studies conducted to date have been acted upon by the Village to prepare it for the adoption of GASB 43 and 45, but more needs to be done to ensure a quality, on-time implementation.

Belaustegui outlined alternatives to meet Retiree Health Care obligations. The Village's present contribution practice of straight line percentage of payroll should be revisited once a new actuarial study is completed. The target contribution policy is pay-as-you-go plus amortization as the basis for the ARC calculation. Funding policy alternatives were outlined. The recommendation is to continue with the present flexible practice of funding through the General Fund.

In summary, for the 2007-08 fiscal year and beyond, GASB 43 requires the Village to identify and report its 30-year unfunded liability for non-pension retirement benefits. An actuarial study will be required to do this.

For the 2008-09 fiscal year and beyond, GASB 45 requires the Village to identify and report its Annual Required Contribution, which equals the cost of retiree health care plus the amortized portion of its 30-year unfunded liability. The Village must compare its actual contribution to this and record any deficit (surplus) as an OPEB liability (asset). A deficit would be a risk to the Village's borrowing capability or cost.

For subsequent fiscal years, GASB 45 requires the Village to record any penalty (credit) for the previous year's OPEB deficit or surplus.

Following are the recommendations from the Village Finance Committee on Retiree Health Care funding.

Specific Recommendations

- Commission an Actuarial study to fully expose Retiree Health Care costs and define the Village's OPEB Liability and ARC. (After PSO contract settlement)
- Continue present practice for funding and contributions to Retiree Health Care for current 2006-07 fiscal year. (Realistic changes at this time will not materially impact results)
- Consider increasing the contribution for the 2007-08 budget as a provision to minimize any potential increase in the unfunded liability. (Adjust once results of the actuarial study are evaluated)
- Consider targeting 2008-09 (and beyond) contribution to equal the ARC to avoid spreading the financial burden of OPEB. (Consider alternative funding only if warranted)
- Consider simplified self-computing instead of actuarial studies every 3 years if costs and confidence effective. (Compare approaches after actuarial study is available)

Suggestions for Consideration

- Expanding the role of the Pension Board to incorporate financial oversight of the Retiree Health Care Benefit – this will likely require the addition of an Administrative representative (Bob Wiszowaty).
- Creation of a Pay and Benefits Board to:
 - Evaluate and recommend competitive & affordable employee pay and benefits
 - Develop and recommend long-term pay & benefits goals and implementation strategies(This will likely require the participation of the Village Manager, a Pay & Benefits professional, an experienced union negotiator and the Council President in both open and closed sessions)

Belaustegui recognized other members of the Finance Committee who were in the audience – Dennis Fassett, Gary Piotrowicz, and Patrick Westerlund.

Stearn proposed that an agenda item for the next Council meeting should be to authorize administration to request proposals for a health care actuarial study to commence upon settlement of Public Safety union contracts.

Wiszowaty stated that the Public Safety Retirement System actuarial study is prepared by Gabriel, Roeder, Smith & Co. The Village is not required to go out for bids because this is a professional service. Wiszowaty proposed connecting the actuarial study of the PSO Pension System with the Retiree Health Care Fund using some of the same information, which would reduce costs. At Council's direction, Wiszowaty will contact Gabriel, Roeder, Smith to obtain a cost estimate for an actuarial study of retiree health care benefits.

Stearn thanked Bob Belaustegui and the entire Finance Committee for its review, analysis and recommendations on Retiree Health Care funding.

SECOND READING AND POSSIBLE ADOPTION OF ORDINANCE #325 AMENDING CHAPTER 8 SANITARY SEWER SYSTEM OF THE MUNICIPAL CODE

Woodrow conducted the second reading of Ordinance #325, An Ordinance to Amend Chapter 8, Section 8.19 to incorporate therein amendments to the Code of Federal Regulations regarding the discharge of wastewater into wastewater collection and treatment systems which are binding upon the Village of Beverly Hills. It was noted that many of the ordinance provisions related to discharge of industrial waste do not apply to the Village of Beverly Hills. In accordance with the Delegation Agreement between the City of Detroit and the Village of Beverly Hills, Council is being requested to adopt the required changes to its local Sewer Use Ordinance in order to be consistent with the Detroit Ordinance. A copy of Ordinance No. 325 is on file at the Village office for public review during normal business hours.

Motion by Woodrow, second by Oen, to adopt Ordinance No. 325, An Ordinance to Amend Chapter 8, Section 8.19 to incorporate therein amendments to the Code of Federal Regulations regarding the discharge of wastewater into wastewater collection and treatment systems which are binding upon the Village of Beverly Hills.

Roll Call Vote:

Peddie	- yes
Pfeifer	- yes
Stearn	- no
Woodrow	- yes
Berndt	- yes
Koss	- yes
Oen	- yes

Motion passed (6 – 1).

PROCLAMATION RECOGNIZING RETIRING JUDGE STEPHEN COOPER

Stearn announced that the Honorable Chief Judge Stephen C. Cooper of 46th District Court has announced his retirement.

Motion by Stearn, second by Oen, that the Village of Beverly Hills Council adopt the following proclamation:

Proclamation

Whereas, Chief Judge Stephen C. Cooper began his public service in 1973 when he was first elected as the Southfield City Council President Pro-Tem. Judge Cooper continued his service in Southeastern Oakland County upon his election to the 46th District Court in 1986 and his re-elections in 1992, 1998 and 2004; and

Whereas, Judge Cooper's dedication to the community continued through his service as the President of the Michigan District Judges Association, the Southfield Bar Association, and the B'nai Brith Barrister Associations. In addition, he served as Vice-President of the Michigan Association of Drug Court Professionals and the Southfield Chamber of Commerce; and

Whereas, Judge Cooper also served on various Bar Committees including; the State Bar of Michigan Standing Committee on Professional and Judicial Ethics, Law and the Media; and

Whereas, beyond his exemplary service in the aforementioned positions, Judge Cooper also received numerous awards and recognition; including the *Martin Luther King, Jr. Award*; the Governor’s Award for Volunteer Service; and “Michigan’s Optimist of the Year” award; and

Whereas, among other speaking and writing engagements, Judge Cooper currently serves as Chairman of the American Judges Association Committee on Mediation and Alternative Dispute Resolution, he is serving his second term as Michigan Governor of the American Judges Association. He also serves as a faculty member of the American Judges Association and the Michigan Judicial Institute, which provide continuing education for judges.

Now, Therefore, Be It Resolved, that the Village of Beverly Hills in Michigan congratulates Chief Judge Stephen C. Cooper in recognition of his exemplary leadership and expresses its appreciation for his outstanding contributions to the communities of Southeast Oakland County.

Be it Further Resolved, that the Village of Beverly Hills wishes Judge Cooper well in his retirement activities and welcomes his continued activity in the community and extends its best wishes to Judge Cooper, his wife Caroline and their children, in all their future endeavors.

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

REVIEW AND CONSIDER TRAFFIC CONTROL ORDER #120-YS-06

Before Council for consideration is a request to permanently establish a yield sign at the intersection of Pickwick southbound at Walmer. A Traffic Control Order was issued on October 23, 2006 after receipt of several petitions from residents and completion of a traffic analysis of the proposal conducted by the Traffic Improvement Association of Oakland County. The sign has been in place for 90 days, and no negative comments have been received.

Motion by Woodrow, second by Peddie, to permanently adopt Traffic Control Order No. 120-YS-06 establishing a yield sign at the intersection of Pickwick southbound at Walmer.

Questions from Council relative to how this determination was made were answered by Spallasso.

Motion passed (7 – 0).

PUBLIC COMMENTS

None

REPORTS – MANAGER

Spallasso reported that bids were opened for construction of the Kinross segment of the Acacia Relief Sewer on January 10 and that the low bidder was Mago Construction. However, Mago Construction has withdrawn its bid due to the contractor's realization that mistakes were made in the bid document. Administration will meet tomorrow to discuss the bid proposals and will provide Council with a recommendation for award of the contract.

Yesterday's winter weather conditions resulted in a number of DPW calls regarding trees down and about 85 service calls to the Public Safety Department. There was property damage with no serious injuries reported. For those without power due to the ice storm, DTE Energy representatives have informed Spallasso that 300 units in the Village, primarily west of Southfield Road, were still without power as of 4:00 pm this afternoon. DTE is hoping to have everyone back in service before tomorrow morning.

Spallasso reported that Thirteen Mile Road should be open to through traffic next Monday, January 22.

COUNCIL

Berndt reported that the Planning Board will meet on Wednesday, January 24 at 7:30 p.m. in the Village municipal building to conduct a public hearing on the Village Master Plan.

Berndt related that he had an opportunity yesterday, January 15, to do a Public Safety Department ride-along. He described the numerous activities that occurred throughout the day, many of which were incidents related to ice storm damage. He thanked PSO Howard Shock who hosted him and explained operational detail during a demanding day.

Peddie reported that she attended the January Zoning Board of Appeals meeting. She thanked Planning Board member Michele Tillman for volunteering to fill a position on the ZBA to meet state requirements mandated by the new Zoning Enabling Act.

Koss attended the Southfield Township Board meeting last week. The Township will sponsor another document shredding day on Saturday, May 5, 2007 from 10 am until noon.

Oen thanked Village boards and committees for doing a fine job. He compared the professionalism of our boards favorably to another community body he visited recently. Oen reminded everyone about the Winter Family Fun Day scheduled for Sunday, January 21, weather permitting. There will be a joint meeting of Council and the Parks and Recreation Board on Thursday, January 18 at 7:30 p.m.

Pfeifer announced that the Birmingham Area Cable Board will meet in the Council chamber at 7:45 a.m. tomorrow morning, January 17. The newly enacted Uniform Video Services Local Franchise Act effective January 1, 2007 continues to be a topic of discussion. Attorney for the Cable Board, Tim Currier, will prepare a presentation on the impact of the new legislation for

the benefit of area cable organizations and municipal officers when more information becomes available.

Pfeifer attended the Birmingham Area Seniors Coordinating Council Board meeting today. BASCC offers tax assistance and can be contacted for further information by those in need of that service.

Woodrow advised those who lost Comcast cable television or Internet service due to the recent ice storm that they can receive a one-day credit for that outage. He emphasized that the subscribers must call Comcast with a request in order to receive credit.

Stearn thanked the Public Safety Department and especially Captain Yanosy for hosting him on a tour of the Department yesterday.

Council held a study session on Saturday, January 13 from 9 am until 12:30 pm for the purpose of establishing Council priorities for the coming year. The study session will continue on Tuesday, February 6 at 6:00 p.m. prior to the regularly scheduled Council meeting. This special meeting will not be aired on cable television.

Motion by Pfeifer, second by Oen, to adjourn the meeting at 8:52 p.m.

Motion passed (7 – 0).

Todd Stearn
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary