

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 Works Director, Meszler
Building Official, Byrwa

President Stearn called the special Council meeting to order at 6:35 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 Oen, to approve the agenda as published.

Motion passed (6 – 0).

STUDY SESSION TO REVIEW FISCAL YEAR 2007/08 BUDGET

Council members are in receipt of revenue and expense assumptions for the General Fund, Road Funds, and Water & Sewer Department and a draft Budget for fiscal year 2007/08. The document presented is a balanced budget that does not anticipate a transfer from the fund balance.

Property tax revenue will increase by 3.7%. It is proposed to access the maximum allowed Charter Operating Millage Rate and transfer approximately 1.00 mill, as reduced by Headlee, to the Local Street Fund. State Revenue Sharing is estimated to decrease by approximately 2% from the previous year, with additional reductions expected. Spallasso reviewed the expense assumptions contained in a document dated March 22, 2007.

Finance Director Wiszowaty provided a comprehensive review of proposed 2007/08 General Fund Revenue, noting that most of the line items reflect no change from the previous year. General Fund Revenue will decrease by 0.31%. He emphasized that money will not be transferred from the General Fund balance in order to balance the budget.

Wiszowaty, Spallasso, and Woodard addressed questions and comments on the following topics: maximum allowed millage, potential elimination of cable franchise fees and metro fees, no increase in building permit fees due to lack of activity, no increase in water rates from the City of Detroit, potential payment by the Township for police and fire protection at Acacia Park Cemetery, and the decrease in cost recovery for OUIL offenses.

It was noted that resident Ralph Lohrengal was videotaping the meeting. He was asked by President Stearn at various times throughout the meeting if he had comments or questions on the items being discussed. Lohrengal had no comments or questions other than to express concern that the budget session was not being televised.

Members of administration proceeded with an overview of expenditures for each General Fund Department with emphasis on line item increases or decreases from the previous year. Questions and comments from Council members and from resident Bob Walsh were addressed throughout the presentation.

Director Woodard reviewed the Public Safety Department budget for 2007/08 noting that the 2.47% reduction in salaries and wages is due to a staffing change from 25 to 24 officers as a result of attrition during the current year. That 25th officer has not been replaced. The 2006/07 budget included funding for 25 officers and promotions.

There followed a lengthy discussion on whether to staff the department with 24 or 25 officers. It was indicated that the Department is currently operating efficiently with 24 officers on a 12-hour shift schedule. Hiring of a 25th officer would result in an officer being placed in the detective bureau or possibly being assigned to a drug task force.

Woodard stated that 24 people with 20 officers on the road supplies basic police and fire protection. What the Department lacks now is a concerted presence in proactive enforcement of drug violators. That 25th person in the detective bureau, whether in the Village or with a task force or the DEA, would provide a stronger presence and more capability for proactive drug enforcement. Woodard addressed questions on the subject of a 25th officer.

Issues discussed included the following: Members expressed concern about having a more productive Public Safety Department in terms of a drug enforcement standpoint. Protection of the community and not money was mentioned as a main concern. It was suggested that a strong public safety presence keeps neighborhoods affluent. The question was posed as to whether additional revenue could be found or cuts made to fund a 25th officer. Council did not feel that it had enough information related to various costs associated with a 25th officer including salary, promotions and pension. The point was made that the results of the upcoming operational study may help determine staffing levels. In answer to an inquiry, Woodard said that the 2007/08 budget salaries and wages line item did not include costs for promotions.

Motion by Berndt, second by Woodrow, to approve allocating money for a twenty-fifth officer to be used as a detective in the Public Safety Department.

There was discussion of the motion. It was suggested that more information is needed before a vote is taken. Discussion included the department organization structure, command positions, and the impact of promotions on the proposed budget.

Council asked administration to provide comparison figures between a budget with 24 versus 25 officers prior to the next budget meeting. It was questioned why promotions were not budgeted when Council funds salary increases related to promotions.

Spallasso noted that administration was directed to solicit RFPs for an operational study of the Public Safety Department. Three proposals were received today. Council directed Spallasso to continue with that process.

Berndt withdrew his motion.

Motion by Pfeifer, second by Berndt, to direct administration to prepare budget figures for both 24 and 25 officers for comparison purposes only.

Roll Call Vote:

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

Motion passed (6 – 1).

Council discussed staffing and budgeting for the cost of promotions in the Public Safety Department. While Council is not consulted by the Director with respect to promotions in the Department, Council is indirectly involved because it votes on a budget that would provide funding for promotions.

It was the view of Council members that the 2007/08 budget should reflect the proposed staffing to operate the department and not the current staffing. There were questions from Council on the use of supervisory staffing. It was suggested that information is needed on the cost to staff anticipated promotions versus what it would cost to provide necessary supervisory personnel with overtime staffing. Woodrow asked administration to propose a budget with the staffing levels it believes is needed to effectively run the Village and to balance the budget with revenue to pay for those expenses. Decisions on priorities will be made by Council.

Council requested an estimate from administration on the cost difference between promoting officers to fill supervisory positions versus the cost of overtime incurred to provide necessary supervisors on shifts.

Questions from Council on the hiring of a dispatcher and on the school liaison officer position were addressed by Woodard.

A recess was called at 8:22 p.m. The meeting reconvened at 8:34 p.m.

Meszler reviewed the Public Services Department expenses and addressed questions from Council.

Jim O'Reilly, chairperson of the Parks and Recreation Board, distributed a handout listing proposed expenditures for park events, annual park maintenance, and park capital improvements. The two events for which the Board requests funding are the summer concerts (\$5,500) and Winter Family Fun Day (\$1,300). There are other park events that are funded separately. O'Reilly mentioned that it is anticipated that the Village will hold a 50th anniversary celebration next year.

O'Reilly related that the Parks and Recreation Board has identified the need to establish a Capital Improvement Fund to maintain and improve park facilities since the park dedicated millage has expired. The remaining park dedicated millage money will be used to improve the tennis and volleyball courts, the south baseball diamond, and for park landscaping. Stearn asked that O'Reilly provide Council with more specific information for budgeting purposes.

Council discussed the budget for Community Action Programs. The special events line item was reviewed. The allocation for summer concerts was reduced from \$7,200 to \$5,000. The 50th Anniversary Celebration was reduced from \$10,000 to \$5,000.

At the request of Council, Spallasso reported on the cost of a leaf collection service for the Village. It has been determined that the cost of this program for a community similar to Beverly Hills would be \$200,000 or more. Council members commented on a leaf pickup program and how that cost would relate to the Village's current yard waste program for pick up of bagged leaves. Council was provided with a letter from the City of Ferndale including details on their leaf collection service.

Byrwa explained a few changes in terms of increases or decreases in line items in the Building and Planning Department budget compared to the previous year.

Stearn referred to a memo dated 3/26/2007 to Council from Planning Board chairperson David Jensen. Stearn had asked Jensen to do some research and provide Council with an estimated cost for a Southfield Road corridor study. Based on that information, Stearn requested that \$20,000 be allocated in the budget for a business district study. He thinks that it would be something that would have a long-term impact on the Village and add value to the community.

Other members of Council concurred that nothing will ever happen on Southfield Road without a plan. Pfeifer suggested giving Council an opportunity to review the information from Jensen that was received this evening. A suggestion was made to research grants to rebuild a downtown corridor. It was the consensus of Council to allocate \$7,500 in the budget towards the Southfield Road Corridor plan at this time.

Wisowaty reviewed the Capital Purchase line items in the draft budget and addressed questions from Council.

The Major Road Fund Budget was reviewed. In response to an inquiry, Wisowaty stated that the fund balance for the Major Road Fund is estimated to be \$1,065,905 as of June 30, 2007. Approximately \$270,000 of this amount is allocated for the Thirteen Mile Road reconstruction project between Southfield and Greenfield Roads, which would bring the fund balance down to \$795,000. It was noted that the auditors recommend that the fund balance be at a 20% level for the Major Road Fund. The current fund balance is at 106.9%. Wisowaty added that, for the second year, it is proposed to transfer money from the Major Road Fund to the Local Street Fund in the amount of \$100,968.

It was clarified that money can be transferred by resolution of Council between the Major and Local Road Funds. Stearn asked that Council receive a written account of the rules for use of Act 51 money and, specifically, whether funds can be used for the Southfield Road corridor study.

Spallasso was asked if there are other major road improvements anticipated. He responded that the Village is planning for reconstruction of Thirteen Mile Road from Southfield to Greenfield Roads and also anticipates undertaking improvements to the portion between Evergreen and the west Village limit.

Peddie questioned whether Major Road Funds could be used for construction of sidewalks on main roads to connect existing walkways. Both Major Road fund money and Metro funds could be used for this purpose.

Wisowaty outlined the budget assumptions for the Water & Sewer Operating Fund. Water and sewer rates will increase by 6.96%. This is partially a result of reducing the contribution from Fund Balance from \$143,000 to zero. Spallasso reviewed the expense assumptions. The water and sewer fund balance is \$2.3 million. He clarified that money for capital improvements is built into the budget annually.

Wisowaty stated that the Local Road Fund budget includes a transfer of 1.00 mill as reduced by Headlee against the General Operating Charter Cap. One mill reduced by Headlee is estimated to be 0.8527 this year. State Gas & Weight Tax will decrease by almost four percent. Expenditures for all repair and maintenance accounts have been adjusted based on historical cost as compared to a percentage basis.

Meszler stated that, based on the road rating study done last year, it will cost approximately \$400,000 to bring local roads in the Village up to the 4.0 rating.

Council will hold a budget study session on Monday, April 16 at 6:30 p.m.

Motion by Pfeifer, second by Koss, to adjourn the meeting at 10:08 p.m.

Motion passed (7 – 0).

Todd Stearn
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary