

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

Absent: Woodrow and Stearn

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

President Pro-Tem Pfeifer called the regular Council meeting to order at 7:34 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/AMEND AGENDA

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

Motion passed (5 – 0).

PRESENTATIONS - BOB WISZOWATY ON THE HEADLEE AMENDMENT & PROPOSAL A - REPRESENTATIVE FROM OAKLAND COUNTY ASSESSOR'S OFFICE ON HOUSE BILL 4440

Finance Director Wiszowaty gave a presentation on the Headlee Amendment and Proposal A in order to clarify questions regarding how local government is financed. The Headlee Amendment was approved by voters in 1978. Its intent was to limit the ability of local governments to levy new taxes and to limit the growth of property tax revenue in general. The Headlee Amendment reduces the millage rate to limit total annual tax increases (excluding additions/losses) to the rate of inflation. It had no impact on taxable value; property owners were taxed on their State Equalized Valuation (SEV) before Proposal A.

Proposal A was passed by the voters in March of 1994. It created another method to determine property values for tax purposes with the introduction of Taxable Value. Taxable value on an individual parcel cannot annually increase by more than the rate of inflation or 5%, whichever is less, unless the property is sold or “transferred” as defined by law, regardless of how rapidly existing property values may be increasing. The difference between assessed value and taxable value when a property is sold is commonly referred to as the “uncapped value”. When a home is sold, the taxable value rises to reflect all the appreciation, and the new owner pays taxes based on that higher value. But then the Headlee Amendment forces the local government to reduce, by a small fraction, the local millage rate paid by all the other properties. What this means is that, even though an individual purchaser is paying more, the increased revenue is not realized by the municipality.

Wiszowaty related that, in addition to the implementation of Proposal A, the State Sales Tax increased from 4% to 6% to be redistributed as increased revenue sharing to schools and local governments. He displayed a graph that showed that State Revenue Sharing continues to decrease.

Wisowaty talked about the impact of Headlee and Proposal A combined and its ill effects on local government funding. An unintended compounding effect was created. With the implementation of Proposal A, the legislature did two things. First they used the “uncapped value” created by Proposal A to calculate the Headlee millage rate. Then they removed the ability of Headlee to move millage rates in both directions. With the implementation of Proposal A, millage rates can now go down when growth in value outpaces inflation, but cannot go up when inflation outpaces growth. Wisowaty gave an example of how the Headlee Amendment and Proposal A effect an average home in the Village with a taxable value of \$150,000.

Bill Thompson from the Oakland County Equalization Department talked about what is happening in Lansing with House Bill 4440. He presented a summary of the consequences from the proposed “Pop Up” Legislation. House Bill 4440, which passed in the House on March 14, 2007, intends to authorize a temporary moratorium on the Proposal A taxable value “pop-up” for property that is sold as a principal residence from March 1, 2007 to September 1, 2008. Buyers during that period would get the same taxable value as the seller. The “pop-up” is where the state equalized value (market value) of newly-sold property becomes the basis for its property tax assessment, rather than the capped “taxable value” of the previous owner, which is lower (if property values have risen since the last sale).

The bill is tie-barred to HB 4441, which temporarily raises the real estate transfer tax from .75 percent to .85 percent and gives the additional revenue to the local government for public safety purposes. In answer to an inquiry, Thompson stated that the Bill does not address whether or not the cap stays with the property as long as that same owner owns the home as the principal residence.

Thompson referred to a handout that provides examples of property sales and the consequences of House Bill 4440 with respect to taxes and sale price of home. He stated that one-third of Oakland County’s parcels will receive no benefit and will be adversely affected. Thompson listed the likely effects of this legislation, which include a negative impact on newer home values and recently purchased homes, interference with free market, spiking foreclosures, and limiting new construction.

Questions from Council were addressed by Thompson and Wisowaty. Pfeifer thanked Mr. Wisowaty and Mr. Thompson for their presentations.

PUBLIC COMMENTS

Kathleen Berwick of 31381 Kennoway Court commented that she read erroneously in the Free Press that there would be a Council budget study session at 6:30 p.m. this evening.

CONSENT AGENDA

Motion by Koss, second by Peddie, to approve the Consent Agenda as follows:

- a. Review and consider approval of minutes of a joint Council/Finance meeting held March 13, 2007.
- b. Review and consider approval of minutes of a regular Council meeting held March 20, 2007.
- c. Review and file bills recapped as of Monday, April 2, 2007.

Motion passed (5 – 0).

BUSINESS AGENDA

REVIEW AND CONSIDER REQUEST FROM MARIAN HIGH SCHOOL TO USE VILLAGE STREETS FOR WALK-A-THON ON SATURDAY, MAY 5, 2007

The Village is in receipt of a request from Marian High School to hold a Walk-A-Thon using Village sidewalks and streets on Friday, May 4, 2007. Their mission is to provide assistance to Offering Alternative Therapy with Smiles (O.A.T.S.) and Most Holy Trinity Elementary School in Detroit. The appropriate certificate of liability insurance has been provided naming the Village of Beverly Hills as an additional named insured. A map of the route has been received and is available at the Village office for public review.

Motion by Koss, second by Oen, that the Village Council approve the request of Marian High School to use Village streets and sidewalks for its Walk-A-Thon to be held on Friday, May 4, 2007.

Student Meg Samberg answered questions from Council about the event. Concern was expressed about the safety of the walkers in terms of crossing busy streets. Samberg responded that there will be supervision from faculty and staff. The event will begin at 8:30 a.m. and continue for two-three hours.

Kathleen Berwick of 31381 Kennoway Court, a proponent of bike paths and sidewalks, indicated concern about young people walking where there are no sidewalks. It was clarified that there are sidewalks along the proposed route.

Motion passed (5 – 0).

REVIEW AND CONSIDER PROPOSALS FOR TREE REMOVAL AND STUMP GRINDING

Three bids were received on March 13 for tree removal for the remainder of 2007 and all of 2008 and 2009. Bids for this work were received from J.H. Hart Forestry (present contractor), Ahern Contracting, Inc., and Schilbe Enterprises Inc.

Public Services Director Tom Meszler contacted the low bidder Ahern Contracting and requested that they submit a list of equipment and recent clients. He applied the actual hours spent by the present contractor from the beginning of FY 2007 to date to the bid prices of the two lowest bidders (Ahern and J.H. Hart). There was a \$600 difference between the two companies, with Ahern being the lowest. Ahern Contracting does not have any bucket lift trucks nor do they have governmental work experience. Meszler considered the experience and equipment of the two low bidders and recommended that Council accept the bid of J.H. Hart Forestry.

Motion by Koss, second by Oen, to award 2007-2008-2009 Tree Removal Contract to J.H. Hart Forestry and extend the contract through 2010 and 2011 at the bid prices for 2009. Funds for this work are available in accounts #202.463.937.01 and 203.463.937.01.

Judd Hart commented that his value-added approach includes providing the Village with 120 cu. yd. of double-shredded hardwood landscape mulch for every year that he has the contract. He answered questions from Council.

Jim Ahern from Ahern Contracting along with an employee presented their case for contracting with a smaller organization on the basis that they could provide all the necessary equipment and personnel either with their current staff or by subcontracting and renting equipment when necessary. Ahern stated that he has been in business for eight years and is fully bonded and insured; he has seven employees. Ahern affirmed that his company is financially capable of doing the job. He questioned why Beverly Hills would not accept the lowest bid for this tree trimming work.

Pfeifer commented that the quote from Ahern did not indicate any municipal experience. She explained that this work is done in public rights-of-way and there are liability and safety issues for residents and those coming through the community.

Spallasso stated that he is comfortable with the recommendation of the Public Services Director. Meszler commented that he has reviewed an account of Ahern's equipment and recent work. He related that J.H. Hart had three to four crews working in the Village after a recent ice storm. That would not be possible with the smaller company without subcontracting. He does not think that the staffing, productivity, and response time of Ahern could match that of the second lowest bidder.

Berndt commended Jim Ahern for his business approach in terms of being lean and efficient and outsourcing when necessary rather than investing in capital equipment that may not be needed on a regular basis. Jim Ahern and his employee made additional comments with respect to guaranteeing the quality of their work.

Meszler read the unit prices from the bid tabulation for the three companies for the 2007 Tree Removal and Stump Grinding program.

Roll Call Vote:
Motion passed (5 – 0).

RECEIVE TENTATIVE BUDGET AND SET PUBLIC HEARING DATE FOR MAY 1, 2007

Council members are in receipt of the draft 2007-08 budget along with additional information requested at the March 27 budget study session. A public hearing on the Beverly Hills 2007-08 budget was set for the Regular Council meeting date of Tuesday, May 1, 2007.

Pfeifer stated that a Council budget session has been scheduled for Monday, April 16, 2007 in the Council Chamber at 6:30 p.m.

REVIEW AND CONSIDER SUBCOMMITTEE'S RECOMMENDATIONS TO FILL VACANCIES ON CITY V VILLAGE COMMITTEE

Pfeifer stated that a subcommittee consisting of herself as chair, Peddie and Oen met prior to tonight's meeting to consider candidates and make a recommendation to Council for filling two seats on an ad hoc committee formed to study the city versus village issue. The two applicants were Robert Bliven, former Planning Board member, and Robert Borgon, current chair of the Cable Board. Both gentlemen would bring institutional knowledge and valuable background to the committee. The subcommittee highly recommended the appointment of these individuals to the ad hoc committee.

Motion by Pfeifer, second by Berndt, to accept the application of Robert Bliven and Robert Borgon for appointment to the ad hoc City versus Village Committee.

Pfeifer stated that she will act as representative from Council serving on this committee. Planning Board member Vince Borowski has volunteered to serve on the committee.

Pfeifer reviewed that the task of the ad hoc committee will be to conduct a feasibility study and investigate factors involved in becoming a city without offering a recommendation. Their task will be to assemble information and prepare a report for Council consideration. Council will review the pros and cons and decide whether there is merit in going forward with a referendum. Public hearings may be scheduled as part of this process.

REVIEW AND CONSIDER ROAD SALT PURCHASE THROUGH THE STATE OF MICHIGAN'S BID PROGRAM MiDEAL

Last year, the Village utilized the State of Michigan's MiDEAL (Michigan Extending Agreements Locally) statewide purchasing program to purchase road salt for the winter season. By participating in the state program, the Village must agree not to seek independent bids for road salt needs. The state requires a commitment from interested parties to this year's program by April 16, 2007. This year's prices will not be known until bids are solicited, but it can be assumed that the state program will provide lower prices than if the Village were to bid this independently.

In a memo dated April 2, 2007, Public Services Director Meszler recommends filing a requisition with the State of Michigan no later than April 16, 2007 in order to be included in the state's road salt solicitation for the 2007/2008 winter season. The amount of 700 tons will be submitted as the Village's total season requirement with 50 tons being requested for early delivery. The state has a requirement to purchase a minimum of 70% of the seasonable backup quantity (650 tons).

Motion by Koss, second by Oen, that the Beverly Hills Village Council authorize the Village Manager to submit a Road Salt Requisition to the State of Michigan for the 2007/2008 winter season to purchase road salt. The Village will commit to an Early Delivery requirement of 50 tons and a Seasonal Backup Amount of 650 tons for a total 2007/08 requirement of 700 tons.

Questions from Council were addressed by Meszler.

Roll Call Vote:
Motion passed (5 – 0).

PROCLAMATION FOR NATIONAL CHILD ABUSE PREVENTION AND AWARENESS MONTH

The Village received a request from the Child Abuse and Neglect Council of Oakland County to once again adopt a proclamation declaring April as "National Child Abuse Awareness and Prevention Month".

Motion by Peddie, second by Oen, to adopt the following Resolution proclaiming April as National Child Abuse Prevention and Awareness Month in the Village of Beverly Hills.

National Child Abuse Prevention and Awareness Month Proclamation

Whereas, approximately 9,000 cases of suspected child abuse are reported annually in Oakland County;

Whereas, current reports reveal that one in every four girls and one in every six boys in this country will be sexually abused before their 18th birthday:

Whereas, this reported maltreatment is only a portion of the overall problem threatening our children, for so many cases go unreported:

Whereas, abuse and neglect is suffered by children regardless of age, race or gender in our community:

Whereas, the devastating consequences of physical and emotional abuse of our children effects the community as a whole and finding solutions needs to be attended to by the community as a whole:

Whereas, the state of Michigan has mandatory reporting by professionals working with children of any suspected abuse and neglect incidences - a major step - but more is needed in the community:

Whereas, technology has brought with it a new and dangerous form of child endangerment, the online predator, and parents must be conscientious and monitor their child's computer use:

Whereas, effective abuse and neglect prevention programs succeed because of the involvement and partnerships created among schools, social service agencies, religious and civic organizations, the business community and law enforcement agencies:

Whereas, the Child Abuse and Neglect Council of Oakland County is a prominent advocate for the safety and protection of all children as a leading resource in the prevention of abuse through intervention, treatment and research, and education in collaboration with other community agencies and organizations.

Children deserve to grow and thrive in an environment that nurtures and keeps them safe. Therefore, the Village of Beverly Hills Council does hereby proclaim April as National Child Abuse Prevention and Awareness Month in Beverly Hills, Michigan. We call upon all citizens, community agencies, organizations and businesses to increase their participation in our efforts to prevent the abuse of our children, thereby strengthening and protecting the community in which we live.

Roll Call Vote:

Motion passed (5 – 0).

REVIEW AND CONSIDER PROPOSAL TO REPLACE TWO FURNACES AT MUNICIPAL BUILDING

Berndt reviewed that the Village municipal building is heated by three gas, forced air furnaces. In November of 2003, one of the original (1974) furnaces was replaced by the low bidder, Family Heating, Cooling and Electrical, Inc. at a cost of \$1,595.00. This company was contacted recently and agreed to hold the 2003 price of \$1,595 for each furnace provided the Village replaced both remaining furnaces at a cost of \$3,190.00.

Building Official Byrwa recommended replacing both remaining original furnaces and replacing the thermostats with updated models that have summer and winter settings. The cost of two new thermostats would be an additional \$260.00, for a total cost of \$3,450.00.

Motion by Berndt, second by Koss, that the Village Council authorize the purchase of two new furnaces for the municipal building at a cost of \$1,595 each and two new thermostats at a cost of \$260, for a total cost of \$3,450. Funding for the new system is provided in the 2006/07 budget, Account #101-900-982.00.

Roll Call Vote:
Motion passed (5 – 0).

PUBLIC COMMENTS

Sharon Tischler of 21415 Virmar Court commented that the new furnaces will not provide efficient heating if there is a lack of insulation in the municipal building. She was informed that the next Council budget study session will be held on Monday, April 16 at 6:30 p.m. at the Village municipal building.

Tischler announced that Southfield Township will be offering free document shredding on Saturday, May 5 between 10 a.m. and noon in the municipal building parking lot. Tischler informed the public that the regular Southfield Township Board meeting of Tuesday, April 10 will be rescheduled to Thursday, April 12, 2007. Township trustees will be considering applications to fill the vacancy for the Township Supervisor position.

REPORTS – MANAGER

Spallasso reported that the Beverly Hills Lions Club has designated April 27 through May 6 for its White Cane collection. Volunteers will be soliciting primarily at the Corners Shopping Center and at Market Fresh.

The Acacia Park Relief Project is proceeding on schedule and without any major difficulties. With spring coming, Spallasso reminded dog owners walking their pets to keep them on a leash in the Douglas Evans Nature Preserve and in Beverly Park.

At the Council budget session held on March 27, it was questioned whether the Village receives compensation for providing police and fire service at Acacia Park Cemetery. Spallasso informed Council that Southfield Township charges the property through a special assessment and reimburses the Village in the amount of approximately \$4,000 every year for public safety service.

Spallasso reminded residents that rubbish collection will change to two days a week beginning July 1st; Monday east of Evergreen and Tuesday west of Evergreen.

COUNCIL

Peddie informed the public that Baldwin Library is sponsoring noted children's author and illustrator Steven Kellogg during National Library Week, April 15-21. Steven Kellogg will be appearing at Baldwin Library on Wednesday, April 18 at 7:00 p.m. and at Beverly School on April 19.

Koss stated that she attended the Easter Egg Hunt on Sunday, April 1 in Beverly Park sponsored by Kensington Community Church. She thanked Kensington Church for providing a wonderful event for a lot of people.

Koss reported that she attended a SEMCOG (Southeastern Michigan Council of Governments) conference last week at Cobo Hall as the delegate for Beverly Hills. She brought back a report entitled, “A Region in Turbulence and Transition – Forecast through 2035”. She related that the tone of the conference was sobering with emphasis on the fact that municipalities will have to help themselves and not count on assistance from the state. She asked that copies of the document be distributed to Council members and urged members of the public to read the report.

Oen remarked that Council approved the Marian High School Walk-A-Thon on Friday, May 4 beginning at 8:30 a.m. He urged people to watch out for the safety of the participants.

Pfeifer informed residents that Beverly Hills has received a letter from AT&T regarding a video service franchise agreement, which will prompt a phase of filings and negotiations. Assistance will be forthcoming from the Birmingham Area Cable Board and the attorney for that group.

Pfeifer brought it to Council’s attention that the latest publication from Plante & Moran is worthwhile reading in terms of providing an overview of municipal finances.

Motion by Oen, second by Koss, to adjourn the meeting at 9:17 p.m.

Motion passed (5 – 0).

Dorothy Pfeifer
President Pro-Tem

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary