

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

Absent: None

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

President Stearn called the 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.

#### **ADDITIONS TO AGENDA/APPROVE AGENDA**

Stearn asked that the agenda be amended to include a presidential message to follow public comments.

Motion by Berndt, second by Koss, to amend the agenda to add an item, “Presidential Message”, after Public Comments.

Motion passed (7 – 0).

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

Motion passed (7 – 0).

#### **PUBLIC COMMENTS**

Sergeant Mike Vargas announced that the Beverly Hills Public Safety Department will be initiating a neighborhood watch program starting January of 2008. He received training and information on neighborhood watch programs during a two-day program sponsored by the Michigan State Police. Sgt. Vargas will be talking to people about the Neighborhood Watch program at the Department Open House on Sunday, October 21. Homeowner association presidents will be contacted to determine their interest in participating. Information will be included in the next Villager newsletter and on the Village web site. Vargas invited interested individuals to contact him about the program at the Department or by e-mail ([mvargas@beverlyhillspolice.com](mailto:mvargas@beverlyhillspolice.com)).

Vargas related that neighborhood watch programs have changed since 9-1-1 and the Katrina disasters. The federal government realized that there is a gap between the time a disaster occurs and when help arrives. Neighborhood watch has transformed from an awareness program to keep the community safe to include emergency preparedness and terrorism alertness. Some of the topics that will be covered with participants are observation skills, target hardening (the process where a building or home is made more attack and theft resistant or difficult to damage), and

Internet safety. The basic idea is to come together to bring about a safer community. Another goal of neighborhood watch is to keep Beverly Hills competitive in terms of being a safe place to live and do business.

Gene Lukianov of 19101 Hillcrest related that he received a parking ticket recently for parking a vehicle in front of his house on the wrong side of the street. He objected to receiving a ticket instead of being issued a warning for parking on a street with little traffic. Lukianov related specifics of the incident including conversations with the Public Safety Director, a court appearance, and comments made by PSOs and Council President Stearn that led him to believe that Council is pressuring officers to raise revenue for the Department by issuing tickets.

Stearn responded that his comments regarding tickets referred specifically to moving violations with safety being his main concern.

Marcia Gershenson, Oakland County Commissioner representing District 17, announced that Oakland County will sponsor a flu shot clinic on Saturday, October 27 at a cost of \$7. The closest clinic for Beverly Hills residents will be at the Southfield Pavilion from 9 a.m. – 2 p.m. Click on [www.oakgov.com](http://www.oakgov.com) for more information. Gershenson invited everyone to check out the upgraded Oakland County web site, noting that it highlights Southfield Township and Beverly Hills this month.

Gershenson will be attending a quarterly meeting of the Michigan Township Association tomorrow, October 17. She related that citizen appointments will be coming up for the following agencies: The Area Agency on Aging, Building Authority, and Friend of the Court. There will be a workshop on November 1 for women business owners. A Care Giver Expo will be held at Rock Financial on Saturday, October 20 from 9 am – 3 pm.

The Halloween Hoot is a wonderful community event in Beverly Hills that will take place on Sunday, October 28 in Beverly Park. Another seasonal event that runs through Thursday, October 27 is The Amazing Corn Maze at Bowers Farm at Square Lake Road and I-75. There will be free hay rides and a friendly haunted house.

Kathleen Berwick of 31381 Kennoway Court complained that there is a home in her neighborhood that was issued a building permit for an addition in 2004 but remains unfinished. She urged the Village to adopt an ordinance requiring that a home addition or renovation project must be completed within six months after construction begins.

Berwick was informed that Beverly Hills code requires house construction to be completed within 18 months after receiving a building permit. There may be unusual circumstances in some cases. Spallasso stated that the property owner in question was given 30 days at the beginning of the month to complete the job; progress on this home will be monitored.

### **MESSAGE FROM THE PRESIDENT**

Todd Stearn announced that this will be his last meeting as Council President. He shared some final thoughts beginning with the remark that Beverly Hills is a great community in which to live. Stearn stated that he and the other sitting council members have done their best over the past year to make a positive contribution to this Village. Council is on the verge of finalizing contracts with the two biggest unions in the public safety department. Council continues to aggressively improve the infrastructure and is looking at ways to make Beverly Hills more competitive and attractive by improving the look of Southfield Road, the parks, and the roads.

Stearn related that he has observed over the past decade that there are two groups of people in the Village. There is a fiscally conservative group that wants very little from local government. They advocate low taxes, no change, no progress. There is another group of people who are looking for more from their local government. They tend to be younger with families who want libraries, parks, sidewalks, and progress into the future. The two sides seem to be equally split, and this Council has tried to represent both sides. Stearn believed that Council leans toward progress and improvement.

Stearn first served on Council in 1999 with a lot of great residents who tried to make this a good community. He thanked everyone who cares about the Village and those who have attended numerous meetings to make sure that Council and administration do the right thing. There have been disagreements over the years about policy and direction, but there was always mutual respect and understanding between Council and citizens. Over the past few years a new group of residents have appeared on the scene who are not respectful or cordial. These people have been spreading vicious falsehoods and fear among the citizenry. Stearn gave a few examples of their harmful tactics.

Stearn asserted that there are a lot of great people in the Village. There are many volunteers who give up their valuable time to assist the community and serve on boards and committees without pay. These people have offered invaluable advice that has helped to make this community so desirable. They are much like the people sitting at the council table, who have worked tirelessly to try to make things happen. In a year, the Village will have another council election with all council seats open. Stearn urged volunteers and community members to get involved and stop community hijackers from taking over the community. Help keep our community the loving, safe, peaceful, and progressive place that it can be. Stearn encouraged people with common sense and decency and the ability to keep an open mind to step forward and get involved by running for council. In closing, Stearn thanked Council for allowing him to serve as president.

### **CONSENT AGENDA**

- Motion by Oen, second by Pfeifer, to approve the consent agenda as published.
- a. Review/consider approval of minutes of a regular Council meeting held October 2, 2007.
  - b. Review and file bills recapped as of Monday, October 15, 2007.

Motion passed (7 – 0).

**BUSINESS AGENDA**

**PRESENTATION OF 2007 BEAUTIFICATION AWARDS**

Council member Oen remarked that the Beautification Committee was formed in 2000 for the purpose of recognizing and honoring property owners for their contributions in making Beverly Hills a more beautiful community. The Committee meets monthly to discuss entries and has a yearly challenge deadline of August 31<sup>st</sup> to make final nominations. Since the inception of the Committee, 248 residences and businesses have been nominated for consideration, and 75 have received awards.

Of the 17 nominations received in 2007, the Beautification Committee has selected six properties to receive an award. Oen and Committee Chairperson Debbie Morrow presented 2007 Beautification Award Certificates and a gift of a Pewabic pottery tile to the following homeowners:

Greg and Betsy Ross  
18266 Devonshire

Gary & Debbe Jones  
20231 Wellesley Street

Robert & Robin Bologna  
22146 Metamora

Dick & Nancy Maxwell  
187801 Walmer Lane

Ted & Annie Gillary  
3 Riverbank

Bruce & Denise Wayne  
25 Riverbank

Audience members applauded the recipients. A 2007 recognition certificate was mailed to all of the non-winning entries. Stearn congratulated the beautification award winners for making a positive contribution to the community and thanked the Beautification Committee for the work it does.

**PRESENTATION OF JUNE 30, 2007 AUDIT BY PLANTE & MORAN**

Blake Roe and Rachel Bois from Plante & Moran presented the audit report for the year ending June 30, 2007. Council members are in receipt of the general purpose financial statements for the Village, the auditor's SAS 112 letter, and a graph package. Roe informed Council that Beverly Hills has an unqualified audit opinion this year, which means that the Village's accounting records are in compliance with the accounting standards mandated by the State.

Roe presented highlights of the Village's financial activities for the fiscal year ended June 30, 2007. The General Fund broke even this year. The Village's fund balance is in a good position in terms of being able to weather the economic storm in Michigan. Roe expected that it would be a few more years before anything significant would happen to turn the economy around at the local community level.

Roe reported that the major street fund has a healthy fund balance, and the local street fund has a good fund balance considering ongoing construction. The Water & Sewer Fund has one of the better reserves he has seen in local communities. Beverly Hills has the reserves to undertake a water meter replacement program and to address MDEQ requirements and infiltration issues.

Roe stated that the Village's pension system had good returns this year. He commented on how the Village is handling its post employment benefit liability. Beverly Hills has conducted actuarial studies of its retiree health care funding every five years since 1993, and it has initiated a program to fund that liability. Roe remarked that many communities have not had a valuation done. The Village has \$1.4 million set aside as of June 30, 2007 towards that liability and has about 15% of its \$9 million liability funded. Roe added that there will be disclosures in the financial statements related to GASB 43 beginning with 2007-08. In the following year, GASB 45 will require reporting on the annual required contribution 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. Roe clarified that post employment benefits will be required to be recorded in the financial statements in 2009.

Rachel Bois along with Blake Roe referred to the graphs distributed and presented an overview of the financial condition of the Village. The graphs displayed included General Fund Revenues by Major Category, General Fund Revenue Trends, General Fund Expenditures by Major Category, and Expenditure Trends. Other graphs depicted General Fund Balance Compared to Targets and General Fund Actual Results Compared to Budget.

Roe interjected that about 90% of General Fund revenues are made up of the 74% of revenue from property taxes and fees along with the 13% from State Shared Revenue. These items are out of the Village's control. Property taxes are limited by the lesser of inflation or 5% every year. The constitutional portion of state shared revenue is guaranteed to the communities. The statutory portion of state shared revenue has been decreasing every year to help the state balance its budget. There is no guaranty that the Village will receive the statutory portion of state shared revenue next year, which would represent a loss of \$120,000 per year to Beverly Hills.

Roe presented information on new audit standards in effect as well as changes that will take place effective 6/30/2008. For the current audit year, there were two new Statements on Auditing Standards (SAS) addressing documentation and internal control matters. These are nationwide standards that CPAs are required to adhere to when performing audits. Other significant changes in terms of eight risk assessment standards (SAS 104-111) will take place in 2008. Roe discussed how the new standards impact the Village and the audit.

Roe described the new risk assessment audit procedures that will require auditors to obtain a deeper understanding of the Village's internal control systems. They will be required to come in and assess those controls, document the assessments, and relate them back to the audit tests. The auditors must determine what could go wrong with the system that could materially effect the Village's financial statements. It will involve more work for the finance department to generate the data required by the auditors.

Stearn mentioned that the prior Council agreed that the Village should implement the GASB 45 requirement with regard to funding status of the Public Safety Officer Retirement System and Retiree Health Care Account and include this information in the 2006-07 budget. Stearn asked if this information was included in the audit.

Roe understood Council's action to relate to including that information in the budget and not the audit. He indicated that the State Budget Act dictates how a municipality sets its budget and what it must disclose. Financial statements are dictated by GASB. Next year, GASB 43 will require the Village to disclose information in its financial statements from the plan point of view. The statements will include the estimated liability and information on how the Village plans to fund it on an actuarial basis. At the end of 2009, GASB 45 becomes applicable, and financial statements will include pension disclosures as well as what the Village would have to fund in the current year to meet its long term obligation based on the most recent valuation. If the municipality did not make that contribution, a liability would appear on its financial statements.

Roe referred to a presentation made to Council by the Village Finance Committee on January 16, 2007. It was a thorough presentation on the Village's retiree health care benefit liability and how it is being addressed. It was the recommendation of the Finance Committee that Council authorize a current actuarial study to determine retiree health care costs and define the Village's post employment benefits and its annual required contribution.

Roe stated that what was formerly called the Letter of Comments and Recommendations is now called the SAS 112 letter. Topics addressed were State Shared Revenue information, Property Assessment Caps, Property Tax Legislation, Retiree Health Care Benefits and GASB No. 45, Fund Deficits, and Internal Control Suggestions. Roe commented on two fund deficits in the current year where work was done ahead of the money being received. These deficits were anticipated and will be addressed as the money arrives.

Roe outlined internal control suggestions, which have been reviewed with management. It was recommended that the Village obtain a cash register for the office. The auditors had a recommendation relative to the Water and Sewer accounts receivables ledger. It was recommended that the Village segregate access to blank checks and to the Village's signature stamp to further strengthen controls over the cash disbursement process.

Roe referred to the portion of the letter that includes required language that the auditor must communicate to the municipality regarding rules that compel the auditors to formally communicate matters they note about municipal accounting procedures and internal controls. Under Auditing Standards No. 112, the auditors are required to talk about things that are considered significant deficiencies and material weaknesses.

Questions from Council on the audit report were addressed by Roe. In answer to an inquiry, Roe agreed that Council should authorize an actuarial valuation report of the Village's unfunded health care liability. Stearn responded that this study will be undertaken following finalization of all union contracts.

Finance Director Wiszowaty informed Council on steps that will be taken to address the fund deficits and internal control suggestions outlined in the auditor's letter.

Motion by Pfeifer, second by Koss, to accept and file the audit of the financial statements of the Village of Beverly Hills for the year ended June 30, 2007.

Motion passed (7 – 0).

**REVIEW AND CONSIDER CHANGE ORDER #1 FOR ASIX 2007 ASPHALT PAVING #R-07-01 RESURFACING**

Before Council is a Change Order for the 2007 asphalt resurfacing program that reflects additional work for 13 Mile Road resurfacing between Evergreen and Lahser Roads. The total dollars budgeted for 2007 asphalt resurfacing is \$599,000. The total contract price with A-SIX Asphalt Paving is \$551,500. Adding this change order in the amount of \$47,228.50 brings the total to \$598,728.50, which is under budget by \$271.50.

Motion by Woodrow, second by Pfeifer, that the Village Council approve Change Order #1 for the 2007 Asphalt Resurfacing Program R-07-01 in the amount of \$47,228.50. The funds for this change order are in 202-451-810.02 and 203-451-810.02.

Roll Call Vote:

Motion passed (7 – 0).

**SECOND ANNOUNCEMENT OF A VACANCY ON THE PARKS & RECREATION BOARD**

Oen made the second announcement of a vacancy on the Parks and Recreation Board. The deadline for accepting applications is Friday, October 26, 2007 at 4:30 p.m. Applications are available at the Village office and on the Village website. A subcommittee consisting of Jon Oen as chairperson, Dorothy Pfeifer, and Hugh Woodrow will meet on Tuesday, November 6, 2007 at 7:15 pm to consider the applicants and make a recommendation to Council on an appointment.

**FIRST READING OF AN ORDINANCE AMENDING CHAPTER 32 OF THE MUNICIPAL CODE – SOLICITORS**

Council was approached by residents at an August Council meeting requesting an amendment to ordinance restrictions that do not allow ice cream trucks to operate in the Village during the summer. Council directed Tom Ryan to draft language to amend the Solicitation Ordinance in order to allow the Village to issue 10 licenses for vehicular solicitation per 120-day time period.

Koss read the pertinent sections of the proposed Ordinance to Amend Chapter 32, Solicitors, of the Municipal Code of the Village of Beverly Hills. Council discussed the number of licenses that should be issued and limitations on seasonal street and curb solicitation. It was clarified that other sections of the current solicitation ordinance outline a license application process that requires a photo ID, a statement on whether the applicant has been convicted of a felony or misdemeanor, etc. Fees for solicitation licenses are set by Council resolution.

Steve Wolock 31737 Robinhood was in support of the ordinance amendment but thought that the length of the license should be extended from 120 days to 150 days. He suggested permitting less than 10 licenses initially but allowing a longer license period that would extend throughout the summer season.

Dick Maxwell of 18701 Walmer Lane asked who besides the ice cream vendor would be covered by this ordinance. He questioned whether 10 seasonal licenses will be enough. It was clarified that a person on a scheduled route contracted to deliver a product to a resident is not considered a solicitor.

Members proposed modifications to the language, and a consensus of Council was determined on suggested verbiage. The majority of Council agreed with changes that will be incorporated into a revised draft. The proposed ordinance amendment will include the following language:

**32.02 DEFINITIONS**

Seasonal License: A seasonal license shall be available for not more than 120 days for the solicitation or sale of seasonal items, such as dairy products, vegetables, poultry, eggs, and other farm and garden produce. No more than 5 seasonal licenses shall be available in the Village at any one time.

**32.08 PROHIBITED ACTIVITIES**

(f) Sales and/or solicitations may be allowed with a seasonal license issued by the Village of Beverly Hills as defined in the Definitions Section herein.

**32.09 HOURS OF OPERATION**

Soliciting may take place within the Village only between the hours of 9:00 a.m. and 9:00 p.m.

Other sections consist of a Repealer clause, Severability, Savings Clause, Penalty, and Effective Date. There will be a second reading of this Ordinance at the next Council meeting, at which time Council may vote on adoption of the ordinance.

**REVIEW AND CONSIDER FINAL PAYMENT TO DOMINIC GAGLIO CONSTRUCTION, INC. #R-06-02 2006 CONCRETE REPAIRS**

Before Council for consideration is a request for final payment to Dominic Gaglio Construction for the 2006 Concrete Replacement Program R-06-02 in the amount of \$4,621.60. The budget for this project was \$244,973.65 and the final cost was \$235,321.28, an amount that is \$9,652.37 under budget.

Motion by Woodrow, second by Oen, that the Beverly Hills Council approve final payment in the amount of \$4,621.60 to Dominic Gaglio Construction, Inc. for the 2006 Concrete Repair Program with funds from Account #202-451-810.02

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

**ACCEPT DOUGLAS PREW'S RESIGNATION FROM THE FINANCE COMMITTEE AND CONSIDER REPLACEMENT**

Pfeifer stated that resident Douglas Prew, who was appointed to the Finance Committee in June, has submitted his resignation from the committee.

Motion by Pfeifer, second by Woodrow, to accept the resignation of Douglas Prew from the Finance Committee.

Motion passed (7 – 0).

Pfeifer reviewed that the subcommittee that selected Douglas Prew to fill a vacancy on the Finance Committee recommended Don MacDonald as the alternate choice should Mr. Prew be unable to serve in that capacity. It was also pointed out that Council's motion to appoint Douglas Prew to the Finance Committee did not stipulate an alternate appointment.

Pfeifer said that she discussed the vacancy with Chairperson Belaustegui, who indicated that he is looking for diversity in terms of gender and age on the Finance Committee. He was anticipating that Council would seek applications for the appointment. Pfeifer recommended that Council announce a vacancy on the Finance Committee and accept applications from residents who are interested in serving on that body.

Council discussed how to proceed with filling the vacancy. Koss proposed that Council consider appointing Don MacDonald to the position based on the fact that the Finance Committee has not met since the June appointment of Mr. Prew.

Stearn recalled that the subcommittee recommended Mr. MacDonald as the alternate choice, but that recommendation was not voted on by the full Council. Stearn proposed that applications be accepted for this position and that the subcommittee take these circumstances into account when they select a new appointee. The majority of Council was in agreement. Pfeifer officially announced a vacancy on the Finance Committee.

### **PUBLIC COMMENTS**

Dick Maxwell of 18701 Walmer Lane referred to the recent rezoning approved by Council that was intended to encourage renovation and improvement of property. He provided addresses of homes on Fourteen Mile Road that present health, safety, and fire hazards to the community. They are uninhabited structures that are not rental properties. Maxwell also reported that there is a dead tree in the right-of-way at 17151 Fourteen Mile Road. With the rezoning in place, Maxwell suggested that Village administration do its part in terms of beautification of the Village and show residents with neglected properties that Council and Administration are concerned about improving the community. Council asked Spallasso to look at the properties cited.

Kathleen Berwick of 31381 Kennoway Court related that she contacted the County Road Commission and was told that they will remove the dead tree on Fourteen Mile Road.

Nancy Maxwell of 18701 Walmer stated that she and her husband watch Council meetings at home and that she appreciated the time that Council members spend serving the community.

**REPORTS – MANAGER**

Spallasso reported that the Intergovernmental Agreement between the City of Southfield and the Village of Beverly Hills for the 13 Mile Road paving project has been approved by Southfield. It should come before Council at its first meeting in November.

The Public Safety Open House will be held on Sunday, October 21 from 1:00 to 4:00 p.m. The Village office will close at 2 p.m. on Wednesday, October 24 for in-house training. Spallasso noted that the Halloween Hoot will take place in Beverly Park on Sunday, October 28.

The contractor for the water meter replacement project is currently working in the Village. Spallasso appreciated the patience and cooperation of residents during this project.

Spallasso related that a tentative agreement has been reached between the Village and the command union bargaining team. The agreement is being considered for ratification by the membership. If ratified by the command union, the agreement will come before Council for consideration at the first meeting in November.

Peddie commended everyone involved on the completion of the Acacia Relief Project.

**COUNCIL**

Council members announced the dates of the Halloween Hoot on Sunday, October 28 and the Public Safety Open House on Sunday, October 21. Koss thanked Stearn for a wonderful year as Council president.

Pfeifer stated that there will be a Birmingham Area Cable Board meeting in the council chamber tomorrow, October 17, at 7:45 a.m. The Board will consider a grant request for the costs associated with hardware and software purchase, equipment set up and employee training to allow Beverly Hills to web stream its broadcast meetings on the community website. Cable Board meetings will also be web streamed as part of this proposal.

The Finance Committee meeting scheduled for Tuesday, October 9 was canceled due to the lack of a quorum. The ad hoc city study committee will meet on Thursday, October 25 at 7:30 a.m.

Peddie reported on the Zoning Board of Appeals meeting held on October 10.

Oen announced the appointment of a new Southfield Township Trustee, Mary Sachs. Oen related that the Village has received letters from residents commending the work of new trash collection company Car Trucking. He urged residents to continue to recycle in order to defer some of the cost of trash collection.

Oen stated that work undertaken by Dave Taylor and Gary Grabowski to re-staining the gazebo in Beverly Park is almost complete. The Parks and Recreation Board will meet on Thursday, October 18 in Beverly Park at 7:30 p.m.

Woodrow thanked Todd Stearn for his service as council president for the last year. He mentioned that the Birmingham-Bloomfield Chamber is hosting a pumpkin parade in Chene Park in downtown Birmingham on Sunday, October 21.

Stearn informed the public that the Halloween Hoot will begin at 10:00 a.m. on Sunday, October 28 in Beverly Park when volunteers top and gut the pumpkins that the children will carve from noon to 2 p.m. There will be trick or treating in the park from 6 – 8 p.m.

Motion by Pfeifer, second by Peddie, to adjourn the meeting at 10:02 p.m.

Motion passed.

**Todd Stearn**  
**Council President**

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

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