

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

Absent: Oen

Also Present: Manager, Spallasso
Director of Public Safety, Woodard
Finance Director, Wiszowaty
Finance Committee chair, Belaustegui

President Woodrow called the special Council meeting to order at 7:35 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road. This will be a study session to update Council priorities and review budget assumptions for the 2008/09 budget.

Woodrow reviewed that Council met on February 6, 2007 to continue a discussion held at its January 13, 2007 study session, at which time they addressed items to be accomplished in the coming year. Council reviewed their initiatives and designated timelines for further consideration and/or implementation.

Woodrow highlighted the established priority items and their status, noting that many of the Council initiatives have been addressed or implemented. He referred to a report dated January 18, 2008 from administration updating the status of the designated priority items. There followed comments and suggestions from Council members on several of the topics.

Village v. City

Pfeifer is chairing an ad hoc city study group. The City Study Committee is in the process of preparing its final report to Council. The next meeting of this committee is scheduled for Thursday, February 7, 2008.

Charter Amendments

Discussion of Charter Amendments was postponed until resolution of the village v. city topic.

Planning

Southfield Road redevelopment has been assigned to the Planning Board. A Request for Proposal for the work is being developed.

The study of nonconforming lots on the east side of the Village was completed, and the Zoning Ordinance was amended on October 2, 2007.

It was noted that Council will meet jointly with the Planning Board on February 13, 2008 to discuss Planning Board priorities.

The availability of home improvement loans was referred to Administration in February of 2007. Spallasso related that he met with the branch manager of Independent Bank and arranged for the bank to make low interest home improvement loans available to Village residents. The program was made public, but no one took advantage of the low interest loans.

Woodrow mentioned that the Birmingham-Bloomfield Chamber of Commerce holds seminars sponsored by members of the Chamber, some of who are bank officials. Topics include home improvement loans, foreclosures, etc. He suggested that one of the local banks may be interested in holding a seminar on home improvement loans for Village residents in the Council Chamber. The event would need to be well publicized.

Stearn remarked that residents of Northville Township were able to receive low interest home improvement loans to improve their property. The program was actively promoted. Stearn expressed the view that the Village's communication skills need improvement.

Communication with Residents

Stearn expressed the view that the Village needs to improve its communication with residents. He mentioned that this year marks the 50th anniversary of the incorporation of the Village of Beverly Hills. He was concerned about the lack of planning and promotion of this celebration. It appears as if a breakfast in the park is the only activity planned to date. Stearn put forward suggestions as simple as printing envelopes that say "Beverly Hills – celebrating its 50th year!" or hanging a large sign on the Village municipal building. He thought that a lot that could be done to promote the celebration.

Peddie said that she is a member of a group of individuals who volunteered to assist with the Village's 50th Anniversary celebration. Many contacts have been made, but there is very little budgeted for activities. There has been a poor response from the community as far as coming forward with Beverly Hills memorabilia for the anniversary celebration.

Koss related that the Finance Committee will be giving a presentation to Council on the impact of declining property values on property taxes. It was suggested that it might be helpful to have someone from the County equalization office in attendance at that presentation. There was agreement that the Finance Committee information on property taxes should be included as an article for the next Villager Newsletter mailed to residents.

It was proposed that Council begin scheduling Village Town Hall meetings in different sections of the Village to address two or three specific topics. The Finance Committee could give its presentation on property taxes and Village finances; Public Safety could promote a Neighborhood Watch program. Town Hall meetings should be well publicized with information posted on the Village web site, on the marquee sign in front of the municipal building, in the Villager newsletter, and announced on the municipal cable channel.

It was the consensus of Council to make an effort this year to hold Town Hall meetings. Woodrow asked members to come forward with ideas for topics of discussion for these forums. It was suggested that a Town Hall meeting be scheduled for mid-March. Woodrow proposed that someone from Independent Bank be asked to come and talk about offering home improvement loans to residents at one of these meetings.

Public Safety Department

Department Operational Study - Koss expressed the view that Council should work on finalizing the established priority issues and focus on the Public Safety Department Operational Study. She was of the opinion that Council and the public needs further understanding and explanations of the rationale behind findings and recommendations made by the Mercer Group. It was suggested

that a dedicated session of Council be held to review the recommendations included in the operational report and to provide Public Safety with direction in terms of implementation of report recommendations.

Berndt concurred that there is a need for Council to stay focused on the study over the next six months and remain involved in the implementation. There are recommendations that involve Council and administration.

Woodrow responded that Director Woodard is in the process of implementing recommendations from that study. Director Woodard added that a few of the report recommendations are underway, but some are longer term or require a financial commitment from Council.

Council requested that Director Woodard prepare and present a report at the second Council meeting in February on how he plans to implement the report recommendations and provide a time frame and cost estimates.

Neighborhood Watch – Pfeifer asked about the status of implementing a Neighborhood Watch program. Director Woodard stated that information on the topic was made available at the Department's October Open House. Sergeant Vargas made a presentation to the Beverly Hills Lions Club. There will be a mailing going out to Homeowner Association groups by the end of January.

Parks and Recreation

A date has not been set for a joint meeting with the Parks and Recreation Board. Woodrow asked that Council receive regular status reports from the Parks and Recreation Board and other Village bodies on their activities and ongoing projects.

Stearn expressed disappointment that the Parks and Recreation Board has not yet finalized the Five Year Park Plan that they were asked to prepare a year ago. Council needs this document to prioritize park needs and to determine what it wants to spend on the park. He added that Council suggested ideas for things they would like to see in the park such as a soccer field and additional play equipment. Stearn asked that Village administration intervene with this volunteer Board to advance their progress on some of these items. This Council is running out of time to implement park items.

Infrastructure

Stearn requested that Council be provided with a systematic plan for maintaining an inventory of all Village infrastructure – roads, sewers, water mains, and sidewalks. A comprehensive inventory should be documented to include status reports and projections for future infrastructure needs. Stearn proposed that Public Services Director Tom Meszler be asked to prepare current inventories of all infrastructure.

Spallasso responded that these reports are in progress. The information includes in-house information and reports filed with Hubbell, Roth & Clark. Council asked to receive a compilation of this information for budget deliberations.

Finance Committee

Stearn affirmed that the Council needs to provide direction to the Finance Committee. He proposed that the Finance Committee be asked to prepare a five-year financial forecast based on keeping everything as is and to provide suggestions on areas where cuts can be made and revenue can be increased. Stearn thought that the Finance Committee should be involved in making recommendations about policy decisions and budgeting. He urged Council to think about giving the Finance Committee an expanded role.

Stearn suggested that the Finance Committee be directed to analyze the basis for Water and Sewer rates to provide justification for those rates. He thought that the Water & Sewer Fund balance is higher than it should be, even considering unforeseen emergencies. Stearn questioned whether events such as a sewer collapse could be prevented if the Village maintained systematic inventories. He proposed that the Finance Committee take a look at the Water & Sewer rates and the fund balance and provide recommendations.

Belaustegui suggested that the Finance Committee could do an analysis of how much money is needed in any fund for cash flow, risk avoidance, and short-term issues.

Stearn reviewed that the Finance Committee gave a presentation to Council on its findings and recommendations on Retiree Health Care funding. Now that the Public Safety contracts are settled, Council should be ready to proceed with a plan of action on retiree health care funding. Wiszowaty noted that GASB 43 and 45 requirements will take effect with the 2009 budget, but the Village needs to prepare for this in the 2008/09 budget.

Motion by Stearn, second by Koss, that the Village Council submit the following assignments to the Finance Committee with a reasonable expectation for completion.

- ✓Five Year Financial Forecast based on the assumption that existing conditions remain the same and recommendations on cutting costs or increasing revenues.
- ✓Analyze water and sewer rates and conduct fund risk assessments starting with the Water & Sewer Fund.

Motion passed (6 – 0).

The Finance Committee has provided Council and administration with its analysis and comprehensive report on Retiree Health Care funding. Administration was directed to provide Council with an update and recommendations on retiree health care funding based on new employee contracts that are now in place.

Village 50th Anniversary Celebration

There was further discussion on this topic. Stearn thought that there was a need for an overarching strategy of communicating with residents that this year is the Village's 50th anniversary. It includes minor things like putting an insignia on Village envelopes as well as much broader activities. He suggested that staff members from every Village department should provide ideas for promoting the event. Spallasso responded that staff has been occupied with the huge water meter replacement program. The project is generating a large volume of work for everyone.

Woodrow stated that it was brought to his attention that the Village could contact architectural and municipal design departments from local colleges and ask them to work on Beverly Hills projects such as the Southfield Road corridor plan as part of their curriculum at no cost to the Village. He asked Council members to look into whether there is any interest by a college marketing department to address Beverly Hills issues.

Council members commented on the 50th Anniversary Celebration. Peddie talked about the lack of response from community organizations and neighborhood associations. The organizational committee is trying to determine how to bring the community and families together for a celebration that is not tied in with the Memorial Day parade and carnival. Koss volunteered to participate on this committee.

Woodrow suggested coordinating with the Parks and Recreation Board on a community event that would include one or more concerts in Beverly Park.

Other Business

Pfeifer related that she received positive feedback about web streaming of Council and Cable Board meetings.

Pfeifer asked for Council direction to forward to Bloomfield Community Television relative to taping and broadcasting joint Council meetings. BCTV is contracted to tape and broadcast up to four additional Beverly Hills meetings. It was the direction of Council to reserve the option of scheduling a Beverly Hills meeting to be taped at Council's discretion but not to pre-plan the dates for taping meetings. If Council decides that a meeting is of public interest, it will notify BCTV at least two weeks in advance.

Pfeifer asked that Council consider reviewing ordinance language in the section that says that all development projects requiring site plan approval shall be required to construct sidewalks on the perimeter of a lot that abuts a major, intermediate or collector street.

BUDGET ASSUMPTIONS

Council will receive a draft budget at the first Council meeting in April in accordance with the Village Charter. A study session will be scheduled to review the budget material and make changes prior to the public hearing and adoption of a 2008/09 budget in May. The purpose of tonight's agenda item is to agree on what assumptions should be built into the budget. Some of the numbers used in the assumptions will be adjusted when the real numbers become available.

Wisowaty reviewed his memo outlining proposed revenue and expense assumptions recommended by Administration for the four major funds in the preliminary 2008/2009 budget. Wisowaty was in receipt of information on the projected taxable value that varies depending on the source. Council and administration will discuss and agree on a property tax revenue assumption to be used in preparation of the budget.

The largest group of expense assumptions is made for salary and wages, health insurance, fringe benefits and retiree health care. Since the Village is a service provider organization, these account estimates reflect 67% of the Village's General Fund expenditures. For all other items, administration attempts to use historical data, contracts, or formulas to estimate the numbers.

Council reviewed and discussed the revenue and expense assumptions for the General Fund, Road Funds, and Water & Sewer Department Funds and suggested a couple of changes. Council agreed to use the assumption that property tax revenue may decrease by 1 percent. Wiszowaty will adjust this number when the figures are available in the middle of April. It is intended to assess the maximum allowed Charter Operating Millage Rate and transfer 0.6320 mills to be allocated to the Local Street Fund.

Council proposed raising the assumption for health insurance increases from 12% to 15% based on current estimates. The Liability and Property Insurance increase was changed from 5% to 2% from the 2007/2008 actual premiums. The balance of the assumptions were accepted as presented. Questions and comments from Council were addressed by Wiszowaty and Spallasso.

In answer to an inquiry, Wiszowaty indicated that the last general operating millage increase was passed by the Village electorate in 1995. It was emphasized that the voter approved 11 mills is now worth 9.38 mills due to the Headlee Amendment and Proposal A. Stearn expressed the view that the Village will eventually have to ask the electorate to reaffirm the 11 mills. It was mentioned that the dedicated millage (2 mills) for infrastructure improvements will come to an end in 2009.

Public Comments

Bob Belaustegui thought that the Village is heading towards a millage increase at some point which will be accelerated by current economic conditions and the drop in property values. He urged Council to proceed in an organized fashion and to communicate a well articulated case to residents. Council should make symbolic cuts and spend down the fund balances. Consideration should be given to tying a millage increase to the November 2009 election, at which time the dedicated infrastructure millage will be retired.

Bruce Wayne referred to the recent adoption of Zoning Ordinance Amendments to make a point about the challenges of communicating with residents. He commented on the benefits of public volunteerism and the cooperation of the Public Safety Director and the Village Code Enforcement Officer.

Jill Sickles commented that she thought that a separate millage for trash pick up could be sold to the residents. She thought that it would be difficult to pass a general operating millage increase in the Village. Residents want to see vision and forward thinking from the Council.

Motion by Koss, second by Pfeifer, to adjourn the meeting at 10:05 p.m.

Motion passed.

Hugh Woodrow
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary