

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

Absent: None

Also Present: Manager, Spallasso  
Assistant Manager, Marshall  
Director of Public Safety, Woodard  
Village Attorney, Ryan

President Woodrow called the regular Council meeting to order at 7:30 p.m. The Pledge of Allegiance was recited by those in attendance.

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

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

Motion passed (7 – 0).

#### **PUBLIC COMMENTS**

Marcia Gershenson, Oakland County Commissioner, reported that the Commission held a special meeting last week, at which time there was a presentation by the Executive Director of the Detroit Zoo, Ron Kagan. The Commission passed a resolution forming a zoological authority for Oakland County, which means a zoo millage proposal of 0.1 mil will be on the August ballot for voter consideration. Gershenson will be scheduling a question and answer session with Ron Kagan in July.

Oakland County presented a balanced budget without raising taxes last winter. Because of decreasing revenue, each County department was asked to make cuts. There has been controversy over this measure, particularly in the Sheriff's Department. Commissioners have met with area police chiefs to determine what they consider priority programs and have presented that list to Sheriff Bouchard. Bouchard has issued the programs he will consider cutting, which are primarily jail alternative programs such as the Boot Camp. This is a disquieting issue that will be brought to the fore in the next couple of months. If a compromise is not reached between the Commissioners and Administration, there will probably be a proposal to build a new jail in 2010. Gershenson stated that this would be a good time for people who support alternative jail programs to contact her.

Gershenson mentioned that Detective Mike Miles from Beverly Hills was honored at the Oakland County Sheriff's Annual Award Program. She congratulated him and the Public Safety Department.

#### **CONSENT AGENDA**

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

- a. Review/consider approval of minutes of special Council meeting held May 5, 2008.
- b. Review/consider approval of minutes of a regular Council meeting held May 6, 2008.
- c. Review/consider approval of minutes of special Council meeting held May 10, 2008.
- d. Review and file bills recapped as of Monday, May 12, 2008.

Motion passed (7 – 0).

**BUSINESS AGENDA**

**PRESENTATION BY CORNERSTONE MUNICIPAL ADVISORY GROUP REGARDING RETIREMENT FUNDING**

President Woodrow stated that Mark Manquen and James Mundy from Cornerstone Group gave their presentation to the Retirement Board in February of this year. The Village currently has \$1.3 million in an account designated for retiree health care, which is being invested by Munder Capital Management. It has been proposed that Council authorize the Retirement Board to assume financial oversight of the Retiree Health Care Fund. Consideration has been given to engaging a benefit plan consulting firm to manage the Village's retiree health care funds as well as establish a long-term strategy for health care and retiree benefits.

Mark Manquen stated that he runs the Cornerstone Municipal Advisory Group specializing in benefit plan consulting as it relates to retiree health care issues, which then indirectly impacts retiree health care funds. Manquen outlined the background of the company and the services they provide.

Manquen stated that his group would perform traditional services in terms of being a liaison with Blue Cross/Blue Shield. The proposal would involve replacing an employee benefit consultant currently used by the Village. The additional level of service provided by the Cornerstone Municipal Advisory Group encompasses current issues related to retiree health care. They are experts in GASB (Government Accounting Standards Board) accounting requirements and provide customized options for reducing municipalities' post retiree health care liability and future costs for retiree health care through health care plan design. Cornerstone will demonstrate the effect that proposed plan changes have on retiree costs and OPEB (other post employment pension) liability.

The team would work with the Village and a collective-bargaining team to examine the most current and advantageous options and to champion benefit plan changes within a union setting. Cornerstone is aligned with companies that help set up VEBA 115 trusts that are used in today's market. Cornerstone gets involved with retiree drug subsidy programs and Medicare plan options for retiree groups.

As revenue shrinks and health care and legacy costs go up, the Cornerstone Municipal Advisory Group specializes in looking at the liability and providing solutions to bring that liability down. Municipalities like Beverly Hills are confronted with issues that relate to post retirement health care and legacy costs that could grow out of control unless action is taken to counteract those expenses. Manquen suggested that now is the time to put a plan in place to work with unions and retirees in a collaborative effort. Everyone has a vested interest in understanding what reasonable solutions are available.

Council members expressed interest in the health care consulting services provided by Cornerstone Group. Manquen addressed inquiries on how to proceed with a consulting arrangement. The firm operates under either a fee-based consulting arrangement or, for smaller cities and villages, there may be no fees depending on the commission structure in place. A fee is built into the premiums by the health insurance carrier. The Village currently has an agent that receives commissions through Blue Cross/Blue Shield. Beverly Hills would have to assign Cornerstone Group as the agent of record on the coverage currently in place.

Questions from Council and the public were addressed by Manquen. Woodrow thanked him for his presentation.

**REVIEW AND CONSIDER VILLAGE MANAGER’S CONSULTING AGREEMENT**

Woodrow reviewed that Renzo Spallasso is retiring as Village Manager but has agreed to remain with the Village on a month-to-month basis upon expiration of his contract in March while Council goes through the process of locating and hiring a new manager. Council had previously approved a letter of understanding that would allow Mr. Spallasso to continue under his current contract on a month-to-month basis.

Before Council tonight for consideration is a consulting services agreement effective on a date to be agreed upon by Mr. Spallasso and the Village based on the hiring of a new Manager. The agreement states that Mr. Spallasso will provide consulting services for a two-year period from the effective date of the agreement. He will be available by phone, fax and email. In exchange for his services, Spallasso will be allowed to retain his current Village vehicle with a provision that, if for any reason he cannot complete the term of the agreement, he will compensate the Village for the vehicle for the time short of the two year agreement. Spallasso will be provided with an allowance for cell phone usage up to \$45/month, or retain use of the cell phone currently assigned to him with a \$45/month limit, for the term of the agreement. Spallasso will keep the laptop he is currently using. Hospitalization and benefits will stay in place. The agreement can be terminated early as stated in the letter of understanding.

In response to an inquiry from resident Bob Walsh, Council stated that Spallasso will not charge a fee for consulting service.

Motion by Pfeifer, second by Oen, to authorize the Council President to sign the Consulting Agreement with the Village Manager as amended with the effective date of the agreement to be determined.

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

**REVIEW AND CONSIDER VILLAGE MANAGER POSITION AND SELECTION OF CANDIDATE**

Woodrow related that the individual who was offered the position of Village Manager withdrew his application after initial negotiations and accepted a position with South Lyon. The alternate candidate selected during the interview process was Jeffery Muzzy, who has returned today from Beirut, Lebanon. He was interviewed by phone on May 10 and selected as the alternate candidate subject to a face-to-face interview.

Following discussion on how to proceed with the manager search process, Council agreed on a course of action. Search facilitator William Baldrige will be directed to contact Jeffery Muzzy and ask him to submit a salary and benefit compensation package request to the Village. If his salary requirements are within the range of what the Village is prepared to offer, Council will ask Mr. Muzzy to be present for an interview with travel arrangements paid by the Village.

If the alternate candidate’s salary requirements are not acceptable, Council will meet to decide how to proceed. There were members of Council who indicated that they would prefer to re-

advertise for the Village Manager position if conversations with Mr. Muzzy do not result in his employment. A special meeting of Council may be called in order to accelerate the search process.

Woodrow asked that Mr. Baldrige provide him and other members of Council who are interested with copies of every resume submitted by individuals who applied for the position including the confidential resumes. Spallasso will convey this request to Mr. Baldrige.

**FIRST ANNOUNCEMENT OF THREE VACANCIES ON FINANCE COMMITTEE**

Three members of the Finance Committee with terms expiring on June 30, 2008 are not seeking reappointment. Bob Belaustegui, Dennis Fassett and Jim Merritt have been valuable members of the Committee, and the Village appreciates their hard work.

Stearn made the first announcement of three vacancies on the Finance Committee with terms to expire on June 30, 2011. Interested individuals should submit an application to be appointed to the Finance Committee. Applications are available at the Village office or can be printed from the village web site ([www.villagebeverlyhills.com](http://www.villagebeverlyhills.com)). The deadline for receiving applications is Friday, June 6 at 4:30 p.m. A subcommittee of Stearn, Oen and Peddie will meet on Tuesday, June 17 at 7:00 p.m. to consider the candidates and make a recommendation to Council on appointments.

**REVIEW AND CONSIDER REAPPOINTMENT OF BOARD AND COMMITTEE MEMBERS**

A number of board members whose terms expire on June 30, 2008 have been contacted to determine whether they will seek reappointment. It is Council's policy to consider reappointments based on a 70% minimum attendance requirement. Berndt noted that the attendance of one member is slightly below that level. He brought it to Council's attention that two of the dedicated volunteers, Patricia Greening and Phil Schmitt, have served on Village board positions for 14 years.

Motion by Berndt, second by Koss, to reappoint the following Board members to a three-year term to expire on June 30, 2011.

Parks & Recreation Board

Cynthia Arvant  
Patricia Greening  
Phil Schmitt

Planning Board

David Jensen  
Vince Borowski  
Nanci Freedman

Zoning Board of Appeals

Todd Schafer  
Michael Brady

Members of Council discussed the attendance record of Planning Board member Nanci Freedman. Oen mentioned that she served on the Zoning Board of Appeals for quite a few years before moving to the Planning Board. He will contact her to confirm her willingness to serve.

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

**REVIEW AND CONSIDER RESOLUTION APPROVING PARTICIPATION IN OAKLAND COUNTY'S URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS FOR YEARS 2009, 2010 AND 2011**

Council has received a copy of a letter from Oakland County asking if Beverly Hills would like to continue participating in the Oakland County Urban County Community Development Block Grant program for three more years with automatic renewal in successive three-year periods. Beverly Hills has been participating in this program for over 25 years; the Program Year 2007 allocation was \$17,258.

Motion by Stearn, second by Oen, that the Village of Beverly Hills resolves to participate in Oakland County's Urban County Community Development Block Grant (CDBG) programs for the years 2009, 2010 and 2011. Furthermore, the Village resolves to remain in Oakland County's Urban County Community Development programs, which shall be automatically renewed in successive three-year qualification periods of time, or until such time that it is in the best interest of the local community to terminate the Cooperative Agreement.

Motion passed (7 – 0).

**DISCUSSION ITEM – CITYHOOD**

Pfeifer stated that the Village will be faced with financial difficulties in the near term. Sharing services with neighboring communities is an option that will be considered. She believes that Beverly Hills would be coming to the negotiating table with a stronger position as a city than it would as a village. The Village has to look at conducting business in a more efficient manner, which raises the question of why we continue to support a township level of government that has become unnecessary. Pfeifer noted that this level of government is being questioned at the state level.

Pfeifer outlined the services provided by Southfield Township, some of which have been contracted to the County. The Village is providing 95% of the municipal services to its residents. She questioned what the township does for the Village that it cannot do for itself. Beverly Hills can run elections and collect school and county taxes; it would contract for property assessment.

Ron Berndt left the meeting at 8:50 p.m.

At the request of Pfeifer, Village Attorney Ryan presented a detailed account of the process of becoming a city based on the exercise he is currently undergoing with the Village of Oxford. He addressed questions from Council on issues related to incorporation. Ryan noted that Oxford's endeavor to become a city is both council and citizen driven.

Pfeifer asked if there are any additional services that Beverly Hills would have to provide its residents other than those that Southfield Township currently provides. Ryan responded that, as a city, Beverly Hills would have to provide for state and national elections, assessing, and collection of county and school taxes.

Council members addressed the cityhood topic. It was evident that sharing services is something that Beverly Hills will have to seriously consider in light of the economy. Council discussed financial issues including State Revenue Sharing, tax collection, and the 425 Agreement with The Corners shopping center. There was disagreement on the accuracy of the numbers that would help determine whether or not becoming a city would provide a financial benefit to Beverly Hills.

It was suggested that the next step should be to go to the people for their input on becoming a city. Council agreed that this should be a citizen driven proposal and that a town hall informational meeting should be held to answer questions and determine whether there is support from citizens to become a city.

Stearn said that there are unanswered questions that need to be answered definitively. Council members were asked to formulate a list of questions and forward them to Pfeifer. It was suggested that Commissioner Marcia Gershenson may be able to offer assistance in terms of directing Council to the appropriate parties who can answer these questions. A date for a town hall meeting with residents may be set at the next Council meeting.

Sharon Tischler of 21415 Virmar Court pointed out misstatements that were made during the cityhood discussion with respect to Township staff and responsibilities.

Frank Worrell of Bellvine Trail suggested that Council should determine how to proceed by weighing the advantages and disadvantages of becoming a city. He questioned what would happen to the villages of Bingham Farms and Franklin if Beverly Hills became a city. Worrell commented on the powers of the State Boundary Commission.

#### **PUBLIC COMMENTS**

Sharon Tischler of 21415 Virmar Court had questions on the bills as of May 12, 2008, which were addressed by Spallasso.

Tischler reminded residents that the annual Memorial Day celebration is coming up on Monday, May 26, and the Lions Club will sponsor the Fun Run that morning.

#### **REPORTS – MANAGER**

Spallasso reported that, as of last Saturday, there were 3,028 water meters replaced throughout the Village. Thirteen Mile Road reconstruction is on schedule. He encouraged people who do not live in the area to avoid the road.

Koss recalled that it was decided at a joint meeting of Council and the Finance Committee that administration would prepare a list of recommendations on how to address upcoming budget shortfalls. Spallasso responded that work is in progress, and he hopes to have the recommendations ready for the next Council meeting.

Stearn asked Spallasso for a status report on the actuarial study of retiree health care benefits at the next Council meeting.

In response to an inquiry from Koss, Director Woodard reported that the Beverly Hills Public Safety Department has been participating in the STOPPED program for several months. Sheriff **Telling Our Parents and Promoting Educated Drivers (STOPPED)** is a program that is intended to save lives by alerting parents by mail if a window decal is on a vehicle requesting parental notification of unsafe driving behaviors by children under the age of 21. The program was initiated by the Michigan Sheriff's Association.

Woodard affirmed that the Department provides a link on its web site to the STOPPED program, and there are pamphlets available in the lobby. Officers are aware of the procedures to follow if they see one of these decal vehicles in a violation situation.

Stearn asked Director Woodard to inform Council and the public about these types of positive programs when they are implemented by the Public Safety Department. He questioned the status of the Neighborhood Watch Program.

Woodard related that Lt. Vargas conducted a community outreach last fall and more recently spoke to the Lions Club about reinstating the Neighborhood Watch program in Beverly Hills. He has been in communication with officers of neighborhood associations in the Village inviting them to an orientation meeting at the Department in order to give them a general idea of the program. There has not been strong interest in the Neighborhood Watch Program. An article was placed in the Eagle newspaper to get the word out to the public at large. Interested citizens are asked to contact the Public Safety Department, who will help them organize and train people in crime prevention awareness and disaster preparedness. The Department hopes to have an article in the Eccentric newspaper.

## **REPORTS - COUNCIL**

Stearn stated that Berndt was not feeling well and had to leave the Council meeting early. Stearn read a report from Berndt on the May 12 Zoning Board of Appeals meeting.

“The Zoning Board heard a previously tabled case involving a request from Detroit Country Day School for interpretation of the Ordinance requiring installation of sidewalks during redevelopment projects. The ZBA found that the law does apply, and then considered a request for variance to exempt the School from constructing sidewalks on the perimeter of their property due to topographical practical difficulties. After a presentation and public comments, there was a 4-4 vote of the Zoning Board, with one member recused due to a peculiarity of the new Zoning Enabling Act. As a result of the vote, the request for variance was denied. This means that Detroit Country Day School is required to build sidewalk along Thirteen Mile and Lahser Road or come up with an alternative proposal.”

Stearn thought that Cornerstone gave a good presentation tonight on their proposal to manage the Village's retiree health care fund as well as establish a long-term strategy for health care and retiree benefits. He suggested that Council request proposals from other health care consulting companies and then proceed with engaging a firm based on the information provided including fees. He asked that this item appear on the next Council meeting agenda.

Stearn thanked the Village Clerk for putting out a very good issue of the Villager Newsletter. The Finance Committee and the Parks and Recreation Board met last week. Stearn reminded people of the Memorial Day festivities on Monday. The Fun Run starts at 9:30 a.m.

Peddie related that the Parks and Recreation Board heard a presentation from Brother Rice at its May 15 meeting to invest a substantial amount of money to create a baseball complex in Beverly Park and use the park for their baseball program. She outlined the conceptual plan for improvements to Beverly Park submitted by Brother Rice. The Parks and Recreation Board voted to recommend that the proposal be declined. Board members were concerned that there was not enough space for the facilities proposed and that the character of the park would change.

Peddie attended a Library Board meeting yesterday, May 19. The Library Board is going through its budgeting process and will submit a budget at its June meeting. Peddie related that there has been no indication that the Library Board plans to revisit its contract with the Village for library service.

Oen reported that the Planning Board will meet on Wednesday, May 28.

Pfeifer stated that the Birmingham Area Cable Board will meet tomorrow morning, May 21, at 7:45 a.m. in the Council chamber. There will be a presentation from AT&T on their U-verse product and their PEG Solution. Council has received a copy of the proposed Cable Board budget for 2008/09 for its review. Pfeifer informed Council that Executive Director Kathy Hagaman will be leaving the Cable Board after many years of service. She will be missed.

Koss wished everyone a happy and safe holiday.

Woodrow commented that recent Public Safety Department statistics show an increase in speeding tickets, drug/narcotic arrests, and drunk driving offenses. He noted that the statistics on these offenses at the half year point are equal to where the Village was for the entire 2007.

Motion by Pfeifer, second by Oen, to adjourn the meeting at 9:46 p.m.

Motion passed (6 – 0).

**Hugh Woodrow**  
**Council President**

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

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