

Present: President Stearn; President Pro-Tem Koss; Members: Berndt, Briggs, Mooney and Peddie

Absent: Oen

Also Present: Village Manager, Wilson
Assistant Manager, Marshall
Finance Director, Wiszowaty
Public Safety Director, Woodard

President Stearn called the regular Council meeting to order at 7:30 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

Motion by Mooney, second by Briggs, to approve the agenda as published.

Motion passed (6 – 0).

PUBLIC COMMENTS

Prior to accepting public comments, Stearn made a few remarks directed at individuals present to talk about the Eryty Dam. He affirmed that the Village has no plans to remove the dam. This is not an agenda item nor is it scheduled to be a Council agenda item. The matter arose when the Village Manager became aware of a pre-approval process that would determine whether Beverly Hills might be eligible for a federal grant to either rehabilitate or remove the dam on the Rouge River referred to as the Eryty Dam. Due to the number of people who were vocal in their opposition to the grant process, Wilson decided not to submit a pre-proposal due by October 1. Stearn noted that the issue would have come before Council if the Manager submitted the paperwork for pre-approval.

Stearn related that the Village is in receipt of a Michigan Department of Environmental Quality (DEQ) report stating that the condition of the Eryty Dam will have to be addressed in four or five years. Village Administration will be investigating the repair or rehabilitation of the dam in future years; there is no action planned with respect to Eryty Dam at this time. A letter from Chris Wilson to homeowners was read. It summarized the grant funding opportunity and the reaction from area residents that led to removing the Village from the pre-proposal process. Stearn invited residents to come forward, identify themselves, and present their comments.

Pam Rijnovean of 32420 Evergreen said that the issue was not as much the Eryty Dam but a lack of communication with the public. She has requested and received copies of reports from the DEQ from 1992 analyzing the need for repair and maintenance of the dam. It was her contention that the Village has been ignoring the condition of the Eryty Dam. Rijnovean spoke about Rouge River communities and organizations that have joined to protect the environment and wildlife habitat of the Rouge River. The Village Manager pointed out the advantages of removing the Eryty Dam in his letter; she quoted the drawbacks of removing the dam listed in the DEQ report. Rijnovean thought that the Village should take action to rehabilitate the dam and surrounding area through grant money and involve area residents in the process.

Alda Marie McCook of 19370 Riverside Drive commented that residents would not be here today if the letter from the Village indicated that a proposed grant would be sought to fix, restore, rebuild, or maintain the Eryty Dam and not to remove it. She applauded the group of residents who were able to stop the pre-proposal grant application for removal of the dam. People are present to defend a treasure of the Village, the mill pond. McCook thought that the Council president had tarnished her good name by accusing her of stating falsehoods. She suggested that area residents were denied their right to be notified regarding a governmental proposal in a timely and factual manner.

Nicole Lerner of 19940 Sunnyslope said that area residents brought it to her attention that the Eryty dam was in need of repair. Riverside Pond is a valuable feature of the community; the pond would dry up if the dam were removed. Lerner asked how to place an item on the Council agenda to discuss maintenance of the Eryty Dam.

Stearn informed residents that the Village will have to place a millage proposal on the ballot next year in order to retain the public safety department, library service, and to repair roads. He does not know when the dam will be repaired; it has not been a topic of discussion. A DEQ report from 2007 indicated that there are about 5-10 years remaining before the dam is in danger of failure. The Village has time to work on how to proceed with structural deficiencies. There are more pressing issues facing Beverly Hills right now. Residents will be informed when the Eryty Dam is before Council for discussion. Stearn suggested that people can register online at Nixle.com to receive information and updates from the Village.

Ross Lerner of 19940 Sunnyslope stressed how important Riverside Pond is to the entire community. He thought that everybody who lives in Beverly Hills is an affected homeowner if repairs and a special assessment are considered in the future. Lerner remarked that the pre-proposal for a grant opportunity specified the removal of the dam, which was what concerned the citizenry. He hoped that residents would have adequate time to respond if there was any further action taken on the dam.

Mike Fitzpatrick of 32211 Rosevear thought that there should be a proactive approach by the Council to repair the dam.

Mooney provided some history with respect to the Eryty Dam and mill pond. The original dam was made of wood slats and was rebuilt in the 1980's when some of those slats were removed. It is a substantial dam that probably needs work. Mooney asserted that no one on Council wants to remove the dam.

Stearn requested that any future pre-proposals for grant money be approved by Council. Bethany from Congressman Peters office offered to look into whether there was a grant available to rehabilitate and restore the dam. Her offer was accepted.

Sergeant Barch representing the Beverly Hills Public Safety Command Officers Association and Officer Fisher representing the Patrol Officers Association each presented the Village with a check in the amount of \$250 to be used to help support the Halloween Hoot during these tough economic times. The Beverly Hills Public Safety Department has always been about residents, kids, and keeping the community safe. Officers volunteer their time to set up booths and demonstrate fire apparatus at the Halloween Hoot as well as contribute money for candy.

Mary White Block, senior advocate to the Oakland-Livingston Human Services Agency (OLHSA) reported on topics of interest to seniors, their children, and caregivers. Various types of services are available to assist older adults who can no longer maintain their yards and homes. Seniors can contact chore coordinator Sherry Hatrick at (248)209-2676 for information on the Honey Do Program. Block announced an upcoming Caregiver Fair sponsored by the Area Agency on Aging on October 24 from 9 a.m. to 2 p.m. at the Rock Showplace in Novi. This is a huge resource for caregivers or anyone with special needs.

There is a Nurse on Call public health information hotline available through Oakland County by calling 800-848-5533. Ms. Block reminded veterans to stay in touch with the Oakland County Veteran's Services. She encouraged seniors to call their public safety department if they need assistance; she asked that neighbors of seniors be watchful.

State Representative Chuck Moss provided an update on the State budget process. He announced that bi-partisan budgets were passed in the House and Senate and sent to the Governor's office. These were tough budgets. Revenue sharing was cut by about 11%; however, the revenue drop last year was 21 percent. The Governor is now line-item vetoing items from the budget. Moss came here tonight after attending a Birmingham School District meeting. He was displeased that 20j funding, which has been a mainstay of our district for years, has been taken out of the budget and may never be restored.

Koss said that there is an item on tonight's agenda to consider approval of a resolution opposing the State's intention to eliminate Birmingham Public Schools 20j funding. Moss encouraged Council to send the resolution to the Governor, whose decision it was to remove it from the budget.

Stearn announced that Council will hold a study session on November 10 at 6:30 p.m. to discuss Village finances.

CONSENT AGENDA

Motion by Mooney, second by Berndt, to approve the consent agenda as published.

- a. Review/consider approval of minutes of regular Council meeting held Oct. 6, 2009.
- b. Review and file bills recapped as of Tuesday, October 13, 2009.
- c. Accept donation of two trees for Beverly Park from Mr. & Mrs. Davis.

Motion passed (6 – 0).

BUSINESS AGENDA

PRESENTATION OF JUNE 30, 2009 AUDIT BY PLANTE & MORAN

Chris Jones and Tim St. Andrew from Plante & Moran presented the audit report for the year ending June 30, 2009. Council members are in receipt of the general purpose financial statements for the Village, report to the Village Council, and a graph package. Jones informed Council that Beverly Hills has an unqualified audit opinion this year, which means that the Village's accounting records are presented in accordance with the accounting standards mandated by the State. Jones remarked that the audit went smoothly this year considering that Plante Moran asked that the audit timing be moved up considerably. Those in the Village finance department were thanked for their cooperation.

Jones said that the graph presentation would illustrate some of the challenges that Beverly Hills will be facing. It is a tough time for local government finance. Property tax revenues are lagging behind the assessment dates. The audit report shows a property tax revenue increase based on the 2007 assessments. The decline in the real estate market in the two years since will be evidenced in the upcoming years.

St. Andrew referred to a graph showing General Fund Revenue by major category. He pointed out that Property Taxes and State Shared Revenue represent 88% of the Village's revenues, and these are the two revenue sources that have the most uncertain futures. The second graph shows General Fund Revenues compared to last year. Property tax revenue is up this year. This is a timing issue; the 6/30/09 property taxes were assessed as of late 2007. State shared revenue decreased by about \$24,000. An 11% decline is expected for next year's State shared revenue.

Another graph shows State Equalized Value vs. Taxable Value for the Village. St. Andrew pointed out that the SEV has been declining since 2007, but the taxable value has been going up as a result of Proposal A. Taxable value will start to drop when SEV and Taxable Value meet. This will result in a greater decrease in tax revenue to the Village. Once the recovery starts, the effects of Proposal A and Headlee will result in a limited increase in revenue.

A chart of General Fund Expenditures by major category illustrates that salaries, fringe benefits, retiree health care, and retirement make up about 70% of the Village expenditures, which is typical for an entity that is in the business of providing service. General Fund expenditures are fairly consistent with the prior year. Even though costs are rising, the Village was able to keep its costs in line with last year.

A graph depicting General Fund Balance compared to minimum target shows that the Village is currently at 20% of its general fund expenditure level as set by Council. The fund balance increased by about \$80,000 this year, which enabled the Village to stay above its minimum target. The fund balance will be needed in the next few years. Another section of the report included slides addressing GASB 45 and accounting changes for Other Post Employment Benefits. Council has discussed these issues at prior meetings.

Chris Jones highlighted the Report to Village Council, which consists of required communication regarding the results of the Village audits (SAS 114). The remainder of the package consists of legislative and government finance items. Plante Moran keeps the Village up to date through the annual audit report and with emails and newsletters throughout the year. Jones asked Council to feel free to call or email him directly with any comments or concerns.

Jones concluded that the times ahead will be challenging. The good news is that the current fund balance is a result of hard work and tough decisions. Council and administration has already started to react. The Village bettered its budget by over \$100,000. Every decision from here on out will be difficult.

Jones addressed questions from members of Council on the following topics: audit procedures and standards, compliance with GASB 54 (Fund Balance Reporting and Governmental Fund-type Definitions), upcoming reporting change GASB Statement No. 45 (Accounting and Reporting by Employers for Postemployment Benefits Other than Pensions), impact of potential health care reform on post employment plans, and Act 312 Legislation.

Mooney commented that the audit report reflects no improprieties in Village budgeting, expenditures, or record keeping. Plante Moran has confirmed that the Village of Beverly Hills has been able to maintain a balanced budget during these difficult times. Because of tough decisions and cuts made by Council and administration, the Village has been able to protect the General Fund balance to date. The audit report includes future projections. If there are no changes, the Village will not be able to operate under the current level of services nor maintain its fund balance. Mooney said that there is no community that is better run than Beverly Hills given the circumstances faced over the past year.

Stearn thanked Chris Jones and Tim McAndrew for their presentation. He noted that the audit report as of June 30, 2009 is available for public review at the Village office. The report will also be posted on the Village website www.villagebeverlyhills.com.

REVIEW AND CONSIDER LIABILITY AND PROPERTY INSURANCE RENEWAL

The Village has been provided with property and liability insurance through the Michigan Municipal Risk Management Authority (MMRMA) since 2000 and also prior to 1996. During the period from June 1996 and October 2000, the Village participated in the Michigan Municipal League (MML) Liability & Property Pool. The MML and the MMRMA are the two primary providers of municipal liability insurance within the State of Michigan.

Manager Wilson stated that the MMRMA submitted a property and liability insurance renewal proposal for November 1, 2009 to November 1, 2010. The policy provides a \$10,000,000 limit of liability with a \$75,000 self-insured retention fund. There is also a \$500,000 limit on coverage for sewer backup. The premium cost for this coverage is \$121,683, which is a 0.8% decrease from the 2008-2009 cost. Finance Director Wiszowaty recommends setting aside \$10,000 of that premium to restore the targeted self-insurance amount of \$75,000. Funds for this expense are available in the budget. Wilson agreed with Wiszowaty to accept the proposal from the MMRMA.

Motion by Mooney, second by Berndt, that the Village Council renew its property and liability insurance policy with the Michigan Municipal Risk Management Authority to reflect a \$10,000,000 Limit of Liability with \$75,000 Self-Insured Retention, which includes \$500,000 for sewer back-up coverage, and approve the proposal from the MMRMA in the amount of \$121,683. The insurance cost will be paid from budgeted line items in the General Fund and the Enterprise Funds.

Briggs questioned whether there was an opportunity to seek additional proposals. Wilson responded that the MMRMA and the MML Liability & Property Pool provide the majority of municipal liability policies throughout the State. There is a limited market for private insurance carriers of municipal liability. Wilson noted that the level of coverage from the MMRMA or MML pool exceed what is available for any comparable price in the private market. Mooney provided some history of the Village's liability insurance experience with a private carrier, which confirmed the statement made by Wilson.

Director Woodard added that the MMRMA has offered grants for public safety equipment. The Village's association with the MMRMA as its policy holder has meant thousands of dollars in capital costs in terms of in-car and building video equipment as well as free or reimbursed police training.

Roll Call Vote:
Motion passed (6 – 0).

REVIEW AND CONSIDER FIDUCIARY LIABILITY INSURANCE POLICY

Wilson reviewed that the role of the Retirement Board has been expanded to incorporate financial oversight of the Retiree Health Care Fund. The Board has inquired about coverage under the Village's Fiduciary Liability Insurance Policy. Wilson spoke with the Village's liability insurance carrier, who recommended that Beverly Hills obtain additional fiduciary liability insurance to cover the Retirement Board. Bids were solicited through the Village's current agent of record, IBEX Insurance, who recommended a policy from Chubb Group in the amount of \$8,000 for \$1,000,000 coverage. This policy would cover both the Public Safety Retirement System and Retiree Health Care Fund. Wilson and Wiszowaty have reviewed the policy and recommend Council approval.

Motion by Mooney, second by Berndt, that the Village Council approve the Fiduciary Liability Insurance Policy with the Chubb Group Insurance Company in the amount of \$8,000. Premiums will be paid from the Public Safety Retirement System in the amount of \$6,950 and the Retiree Health Care Fund in the amount of \$1,050.

Wilson and Wiszowaty addressed questions from Council regarding amount of coverage, the competitive bid process, and qualifications of the Chubb Group Insurance Company. Wilson noted that Attorney Ryan reviewed the policy and was in agreement with its adoption.

Roll Call Vote:
Motion passed (6 – 0).

REVIEW AND CONSIDER RESOLUTION OPPOSING THE STATE'S INTENTION TO ELIMINATE BIRMINGHAM PUBLIC SCHOOLS 20j FUNDING

Wilson stated that Governor Granholm through her line-item veto authority has recently eliminated 20j funding for 39 school districts throughout the State. What this means to the Birmingham School District is a loss of just under \$1 million in funding. This funding was a promise made before the adoption of Proposal A to school districts in the State that had spent more than the average district on their local public schools. Because Proposal A took away local control of funding decisions, the State made a promise to these communities that they would not be negatively impacted nor continue to lose their proportional share of revenue. The State said it would allow districts to continue their commitment to excellent public schools.

Those communities that will be effected by this veto do not have the authority to replace this lost funding. Birmingham Schools will lose almost \$1 million in funding; Dearborn and Livonia will lose in excess of \$4 million; Troy School District will lose \$3 million. These school districts did not budget for this additional loss of funding.

Motion by Mooney, second by Peddie, to adopt the following resolution:

Resolution
Village of Beverly Hills

- Whereas it has been brought to the attention of the Beverly Hills Village Council that Governor Jennifer Granholm and the Michigan Legislature propose to eliminate 20J funding for certain school districts, including the Birmingham School District, and
- Whereas the citizens of Beverly Hills desire to maintain the highest level of public education for our children and have in the past consistently approved school millage requests to achieve this goal, and
- Whereas eliminating 20J funding breaks the promise of Proposal A, breaks the promise of equal treatment to all school districts in Michigan, and breaks the promise we have made to the children of our Village, our region, and our state, and
- Whereas eliminating the 20J funding unfairly targets districts that have voted for the higher levels of school funding, by eliminating the portion of funding guaranteeing our district the same per pupil funding increases as other school districts.

Now Therefore Be it Resolved, that the Beverly Hills Village Council finds that any reduction of 20J funding is contrary to the promises made to the residents of this State, and we further request that Governor Jennifer Granholm and the Michigan Legislature keep in place all such funding.

Be it Further Resolved, that copies of this resolution be sent to the Governor, the Majority and Minority leaders of the Michigan Senate and House, State Representatives for the Village of Beverly Hills, the Birmingham School Board, and all the communities within the Birmingham School District.

John McGrath of 16210 Beverly suggested that the resolution be directed solely to Governor Granholm for the reason that the problem is a result of the Governor's decision.

Roll Call Vote:
Motion passed (6 – 0).

REVIEW AND CONSIDER LANDSCAPING PROPOSAL FOR BEVERLY PARK

At its October 15 meeting, the Parks and Recreation Board discussed a proposal submitted by Goldner Walsh Nursery to provide landscaping along the north side of the pavilion and the gazebo area in Beverly Park. Manager Wilson stated that the Board reviewed the plan and the costs and found them to be favorable. The Parks and Recreation Board would like to move forward with the proposal from Goldner Walsh in order to have the work done this year.

Village Administration was asked to bring this proposal before Council for its consideration. Council is in receipt of a description illustration of the proposed landscaping in the park. The total amount of the quote is \$5,294.78. Money for this project is available in the Park Dedicated Millage fund. Wilson agreed that this is a time sensitive proposal. The typical bidding process would result in losing the opportunity to accomplish the planting this fall.

Motion by Briggs, second by Koss, that the Beverly Hills Village Council approve awarding a contract to Goldner Walsh Nursery, Pontiac, Michigan, for a landscape

proposal dated October 14, 2009 in an amount not to exceed \$6,000 subject to a one-year guaranty on all plant material. Installation of plant material will occur this fall; funds are available in the Park Dedicated Millage fund. Council also approves waiving the Village Purchasing Policy requiring formal sealed bids for projects in excess of \$1,000.

Briggs commented favorably on the proposed plan but thought that competitive bids should be sought for this landscape work. He asked if there were assurances that Goldner Walsh will replace any dead plant material next spring.

Bill Kondak of 31269 Churchill, chair of the Parks and Recreation Board, related that the Board contacted Goldner Walsh for landscaping suggestions to improve the beauty of the park in the area around the pavilion and the gazebo/pond. Board members were pleased with the design submitted, the quality of trees and shrubs, and the reasonable cost. Goldner Walsh will provide a full year guaranty for the plantings.

Mooney suggested and Briggs agreed to amend his motion to be subject to a one year guaranty on all plantings. Briggs commented that he cannot support the motion at this time for the reason that bids were not taken for this project. Stearn commented that the Village has dedicated volunteers serving on the Parks and Recreation Board who provided Council with a competitive and reasonable bid.

Roll Call Vote:

Briggs	- no
Koss	- yes
Mooney	- yes
Peddie	- yes
Stearn	- yes
Berndt	- yes

Motion passed (5 – 1).

PUBLIC COMMENTS

Rock Abboud of 18207 Gould Court stated that he observed ongoing construction of a detached structure at the Beverly Hills Club, which abuts his street. He asked questions regarding the proper zoning of the athletic club. Abboud quoted Village ordinance sections regarding a special permitted use in a residential zone district, modifications after special approval, restrictions on accessory buildings, and required setbacks. Manager Wilson stated that he has been in contact with Mr. Abboud on this issue.

REPORTS – MANAGER

The Planning Board will hold a Public Hearing on Wednesday, October 28 at 7:30 p.m. at Beverly Elementary School for the purpose of informing residents of a rezoning proposal for a section of the Village between Southfield and Evergreen Roads. The Planning Board and LSL Planning have been working on this proposal for many months. The Village has received phone calls from residents with questions regarding the potential zoning; all communication to date on this matter has been positive.

Wilson reviewed that there has been previous Council discussion on implementing portions of the Village's policy regarding water and sewer billing with respect to nonpayment of accounts. He has informed Council that delinquent bills have increased significantly in recent years, which was an unsustainable pattern. Previously, the Village rarely shut off water for nonpayment of water bills; delinquent water bills were turned over to the tax rolls.

Administration has begun to enforce existing ordinances regarding nonpayment of water and sewer bills. The first set of delinquency notices went out early this month for Section 1 (there are three sections in the Village). There were over 170 delinquent accounts in Section 1 with a total value of over \$91,000. As of Friday morning, over 60 delinquent accounts have either been settled or payment arrangements have been made.

Wilson urged residents to contact the Village if they are having trouble paying their delinquent bills; staff will work with people to set up a payment plan. In cases where there are significant outstanding balances and residents have not contacted the Village, there will be shut-offs proceeding this week. The intent is to keep those at a minimum. It was noted that some of these homes are vacant. This process will continue with Section 2 and Section 3. Wilson will keep Council informed as to how this is progressing.

Wilson announced that Village Clerk and Assistant Manager Ellen Marshall has recently received the designation of Master Municipal Clerk by the International Institute of Municipal Clerks. He congratulated her on this honor. Wilson commented that people in Beverly Hills as well as Bingham Farms and Franklin are lucky to be served by individuals who hold honorable distinctions. Southfield Township Clerk Sharon Tischler holds the title of Master Municipal Clerk.

Wilson updated Council on rental inspections in the Village. Letters were mailed this week to the first group of rental homes identified by the Village. Owners of these homes were mailed the landlord application and instructed to contact the Building Department to arrange an inspection. Wilson will be presenting Council with a section of the property maintenance code for its review and approval at an upcoming meeting.

A note was received from the Michigan Municipal League today informing the Village that it is organizing cities, townships, and counties to attend a rally on the steps of the State Capital in Lansing on Thursday, October 22 at 11:30 a.m. in support of maintaining revenue sharing payments.

Wilson commented that the auditors approached the Village about moving up the timetable for the audit, which was not easy to do. One of our employees in the finance department was out on maternity leave; Treasurer Peggy Linkswiler gave birth to Greta Avery in July. Wilson commended Bob Wiszowaty and Elizabeth Wren on doing an outstanding job of assisting with the audit report this summer.

REPORTS – COUNCIL

Briggs reminded people that the Birmingham Area Cable Board will meet tomorrow morning, October 21 at 7:45 a.m. He mentioned that there have been a large number of complaints received about Comcast customer service and its digital migration. Briggs stated that municipal,

public access, and school channels are now available for viewing on the AT&T U-verse product. Koss attested to the high quality of the reception.

Peddie recognized Bob Wiszowaty and Elizabeth Wren for the effort that they put into the audit report. She reported on a Baldwin Library Board meeting held last night, October 19. Peddie urged residents to remember the business owners who supported the Halloween Hoot.

Mooney congratulated Ellen Marshall on her designation as Master Municipal Clerk. He applauded the capability of Finance Director Bob Wiszowaty noting that he has been involved in 17 perfect audits of the Village financial statements. Mooney commented that he is the Council liaison to the Birmingham Area Seniors Coordinating Council (BASCC). He apologized for not attending the BASCC Board meeting this afternoon due to work related commitments.

Mooney said that he appreciated the leadership of President Stearn and commended him on conducting the business of the Village. Mooney remarked that Council members do not want to lose Riverside Pond. He did not think that there was disrespect meant to distinguished citizens of the Village during a discussion of the Erity Dam issue. Mooney expressed the hope that the community could work together to come up with ideas to maintain the park, preserve Riverside Pond, retain police officers and continue library service.

Berndt reminded people to come out for the Halloween Hoot on Sunday, October 25.

Koss thanked everyone for their involvement and contributions towards preserving the Halloween Hoot. Community organizations, residents, businesses, and schools did what they could to retain this family activity. Koss thanked Bob Wiszowaty and Elizabeth Wren for doing a wonderful job on the audit report.

Stearn reminded everyone of a Council study session scheduled for Tuesday, November 10 at 6:30 p.m. in the Village municipal building. He encouraged residents to attend and provide input on the impending financial crisis facing the Village. There will not be enough money to pay for existing services in the coming years. He asked citizens to work with Council in an attempt to arrive at a solution for the future.

Motion by Mooney, second by Berndt, to adjourn the meeting at 9:45 p.m.

Motion passed (6 – 0).

Todd Stearn
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary