

Present: Council: President Stearn; Members: Berndt, Mooney, Oen, Peddie

Planning Board: Chairperson Jensen; Vice-Chair Ostrowski; Members: Abboud, Borowski, Freedman, Prew, Wayne and Westerlund.

Absent: Council – Briggs and Koss
Planning Board – Stempien

Also Present: Village Manager, Wilson
Assistant Manager, Marshall

Chairman Jensen called the meeting to order at 7:30 p.m. in the Village municipal building at 18500 W. Thirteen Mile Road. He welcomed members of Council to the joint meeting.

ADDITIONS TO AGENDA/APPROVE AGENDA

There was unanimous agreement to add two items to the agenda: 4c. Consider ordinance revision to regulate and permit outdoor sales and seating in the business district; 4d. Review of current ordinances for possible update to allow dog day care business.

PRESENTATION ON THE FINANCIAL CONDITION OF THE VILLAGE

Manager Chris Wilson stated that Village Administration has prepared a PowerPoint presentation to review the financial condition of the Village and convey the course Council has chosen to address the situation. Wilson talked about the fiscal year 2010/11 forecast that will influence Council deliberations on a budget that will commence on July 1, 2010. Council and Administration will be dealing with an estimated 12% reduction in property tax revenue (\$783,000 decline from 2008/09); estimated \$75,000 reduction in State Shared Revenue; estimated General Fund deficit of \$1.31 million for 2010/11 (\$1.62 million in 2011/12 and \$1.89 million in 2012/13). The projected Fund Balance as of June 30, 2011 based on the current rate of expenditures would be \$205,000, or roughly 3% of the current General Fund. The Village's financial condition for the next fiscal year and going forward is critical; something has to be done in terms of revenues or expenditures.

Wilson commented briefly on trends that led to the current financial crisis. There has been a decade long decline in State Revenue Sharing (from \$1.08 million in 2000 to \$696,000 this year). Property Tax revenues are constrained by Proposal A and the Headlee Amendment. Expenses, particularly employment related expenses, are increasing faster than revenues. The current crisis is caused by the drastic reduction in taxable value.

Wilson set forth figures to demonstrate the severity of the financial problems faced by the Village. In 2013/14, the General Fund deficit will be equal to 86.7% of all Village payroll both union and non-union. Fiscal year 2013/14 projected total health care costs will equal 31.7% of the total deficit and just 7.8% of total General Fund expenditures. Wilson remarked facetiously that the Village can maintain current staffing and service levels with no need to increase revenue if it could get all employees to take a 65% cut in current pay through June 30, 2014 and eliminate all health insurance. Realistically, reduced employment costs will have to be part of any Village

arrangement going forward. Current service levels are not sustainable in the near future (FY 2011/12) without additional revenue. This situation is shared by every municipality in Michigan.

Options include reduced spending and services, raise revenue, or reorganize Village government; these items are not mutually exclusive. Wilson outlined the plan (Plan A) that Council has agreed with in principle. Ballot language will ask voters to approve an amendment to the Village Charter to increase maximum General Fund millage from 11.00 (currently reduced to 9.3802 mills by Headlee) to: a) 9.90 mills for Public Safety; b) 2.10 mills for General Administration; and c) 0.9184 mills for Library – for a total of 12.9184 mills.

This proposal will be placed before the voters in November of 2010. Voter approval would result in a fundamental reorganization of the Village government and finances while protecting vital services such as the library and public safety. Wilson believed that it would build long term sustainability and accountability into some Village functions. If approved, the average homeowner (SEV \$135,000 in 2009) will pay less in property taxes in 2011/12 than in 2009/10. They will pay \$35 less to the Village and \$660 less in total property taxes. Part of the decrease in tax bills is due to the unprecedented drop in property tax values.

No additional revenue would result in Plan B. The contract with Baldwin Library would be terminated as of June 30, 2011. Further service reductions in Village staff would occur with the elimination of 1-2 full-time and 1-2 part-time employees. There would be reductions in public safety staffing of 5-6 employees with extensive use of three-man shifts. Wilson discussed how the extensive use of three-man shifts would ultimately impact fire fighting service and ultimately compromise full-time fire and police status.

Plan B would only solve the financial crisis through 2011/12. Further cuts or additional revenue would be needed for 2013/14 and 2014/15. Wilson related that the Oakland County Executive projected that funding levels of 2007/08 would not return until 2020 or beyond. The reason is a confluence of the drastic property tax decline along with the effects of Proposal A and Headlee.

Wilson summarized that inaction is not an option. Villagers have the option of paying roughly equal amounts of taxes going into the future for equal level of services. Residents can also choose significant tax reductions with commensurate reductions in staffing and services. People cannot have dramatically reduced taxes and retain the same level of services. Local government has to balance its budget on an annual basis.

Wilson and members of Council reacted to comments, questions, and various perspectives voiced by Planning Board and audience members on the upcoming ballot proposal. Suggestions were forthcoming regarding additions that would benefit the financial presentation:

- ✓ Inform the public that their tax bills are decreasing due to declining property values, which would offset the increased millage rate. Include a chart showing the dollar amount of what the millage increase would mean based on the average house.

- ✓ Include information on the real dollar differences between what residents are giving up and what they are getting.

✓ Loss of library services in the community will affect home values. Decrease or reorganization of fire or police service could have an impact on property value, ISO ratings and home insurance ratings.

✓ Include a list of cuts made by Council and Administration in the last two years; there may be a misconception that no efficiencies have occurred.

✓ Show all the dedicated millages that have expired over the years.

The Village financial presentation will be given to all Village Boards and delivered to community organizations in the coming months.

STATUS OF SOUTHFIELD ROAD CORRIDOR STUDY

Jensen reviewed that the Planning Board has begun work with urban planner Robert Gibbs on a master planning study for the Southfield Road Corridor. Council approved a contract with Gibbs Planning Group for professional planning and consulting services in an amount not to exceed \$5,000. Jensen related that staff from LSL Planning, Inc. has had two meetings with Mr. Gibbs. Gibbs is scheduled to attend the February 24 Planning Board meeting to discuss the plan and engage in a question and answer session with members. Jensen encouraged people to view the presentation prepared by Bob Gibbs on a proposal for a future village town center.

Westerlund expressed the view that the Southfield Road corridor study is important as the community looks forward to having a robust commercial district in the future. This is an opportunity that the Village needs to take now to prepare for the eventual economic turnaround. Council's support of this undertaking is appreciated because it will improve Beverly Hills in the long term.

STATUS OF NON-CONFORMING PROPERTY STUDY WEST OF SOUTHFIELD ROAD

Wilson reviewed that, at its January meeting, the Planning Board continued its evaluation of a rezoning proposal for a portion of the Village west of Southfield Road. There was one neighborhood west of Beverly Park on the south side of Beverly Road that was left undecided. This area was originally included in the study area to be rezoned to R2-B in order to reduce the nonconformity from 95% to 1%. There was a concern expressed that the R2-B designation would allow for side yard setbacks (5 ft.) that are less than what currently exist in the area. The Board considered how an R-2 zoning district would impact the 94 parcels south of Beverly Road.

A motion was defeated at the last Planning Board meeting to recommend rezoning of all lots identified in the study area west of Southfield Road to the R-2B zoning district. Wilson informed the Board that there are procedural issues to follow if the Planning Board decides to readdress that motion. The chair should speak to Wilson or the Village Clerk on how to proceed.

The Planning Board passed a motion at its January meeting to table discussion and recommendation on rezoning property west of Southfield Road until its next regular meeting when a full component of the Board was present. The planning consultant suggested that the Board would need to conduct another public hearing and notify property owners in the 94 lot

area if it were to recommend a zoning district other than the R-2B zoning originally proposed. An alternative would be to recommend rezoning of the study area west of Southfield Road to R-2B with the exclusion of the neighborhood south of Beverly Road.

Jensen recapped Planning Board action on this rezoning proposal. He noted that changing the zoning in the area south of Beverly Road to the R-2 district would reduce the nonconformity to 60 percent. Consideration has also been given to excluding this neighborhood from the study area and retaining the current zoning. Jensen remarked that the Planning Board intends to forward a clear zoning recommendation to Council.

DISCUSSION POINTS

Review of current ordinances for possible updates: Required parking for commercial use, signs for commercial buildings, and sidewalk requirements for site plan approvals

Jensen stated that the Planning Board will consider undertaking a review of current ordinances for possible updates. The issue has been raised during non-residential site plan review that the Village's parking regulations exceed national parking standards as well as ordinance restrictions of surrounding southeast Michigan communities. Further, there are weaknesses in the Village sign ordinance that should be addressed and brought up to date. Jensen thought that another matter for Planning Board review may be an ordinance revision relative to requiring sidewalks as part of site plan approval in view of a recent court ruling on the Detroit Country Day School expansion proposal.

Stearn suggested that the Planning Board obtain proposals and cost estimates on these items from LSL Planning and present a work plan to Council for consideration.

Wilson commented that Detroit Country Day School argued a hardship issue in terms of providing a perimeter sidewalk as part of their construction project. In instances where there is no hardship, it is a Village requirement that redevelopment require a sidewalk in the right-of-way. Ostrowski added that it was common for surrounding communities to have that requirement.

Permit process and reviews

Wilson reported that he is preparing a proposal that would modify the current site plan review process to separate professional site plan and zoning review from the building inspection and construction code review process. This is a service that is reimbursed by the applicant. LSL Planning is preparing a proposal for review of site plans from a zoning standpoint.

Oen suggested that there are small companies in the area that could conduct a site plan review. Communities are outsourcing that type of work.

Westerlund referred to the site plan review guidelines in the Village ordinance noting that LSL Planning has the required expertise and knowledge of our ordinance to perform this review.

Consider ordinance revision to regulate and permit outdoor sales and seating in the business district

The Zoning Board of Appeals receives annual requests for variances from Southfield Road business owners for outdoor sales and seating. Peddie suggested that the outdoor sale of seasonal items and outdoor seating be regulated by ordinance. There was agreement that there should be reasonable oversight of outdoor sales and seating.

Review of current ordinances for possible update to allow dog day care business

Freedman reviewed that the Planning Board was approached by an applicant requesting to open a doggy day care business on Greenfield Road. There was nothing in the ordinance that would permit that type of business operation. She suggested an ordinance revision that would allow some flexibility in terms of commercial uses that would benefit the community.

Council and Board members discussed the suggestion focusing on how an ordinance could provide flexibility without using general language that would allow undesirable uses. Jensen proposed obtaining a cost from LSL on adding this assignment to next year's budget.

Jensen concluded that the Planning Board will request cost estimates from LSL Planning on ordinance revision projects and prepare a budget for Council consideration. Stearn remarked that it is helpful to hear from the Planning Board regarding the significance of these ordinance updates. It provides Council with the necessary perspective to consider and decide on a budget for Planning Board assignments.

PUBLIC COMMENTS

None

COUNCIL COMMENTS

Mooney thanked Planning Board members for their important service to the Village. He expressed frustration with what he believed to be a misunderstanding by some Board members of the Village's budget crisis and efforts proposed to address the situation. Mooney spoke in support of the ballot proposal and underlined the fact that Beverly Hills will change dramatically if this millage is not passed. He emphasized that Council has been discussing the financial issues of the Village prior to the defeat of the millage cap renewal last November and that Council absolutely recognizes the hard times faced by residents. Other members of Council commented on the need to pass the millage proposal.

Stearn thanked Council and Planning Board members for attending the joint meeting. He noted that the financial presentation is meant to educate residents as to what Council and the Village is facing whether they agree or disagree. He asked anyone with questions, comments or concerns to contact him or Manager Wilson.

BOARD COMMENTS

Westerlund commented on the need to update Village ordinances and suggested that thought be given to undertaking this time consuming project at a future date.

Inquiries from Wayne on the cost and use of Baldwin Library were addressed by Council members. Peddie mentioned that almost 60% of all households in Beverly Hills have Baldwin library cards.

Abboud commented that the Village will be forced into a decision on cutting costs if the millage fails. Stearn urged anyone with suggestions on cost cutting or increasing revenue to bring them to Council.

Motion by Westerlund, second by Peddie, to adjourn the meeting at 9:10 p.m.

Motion passed.

David Jensen, Chairperson
Planning Board

Todd Stearn, President
Village Council

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary