

Present: President Koss; President Pro-Tem Briggs; Members: Burry, Mercer, LaFerriere and Oen

Absent: Mooney

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

President Koss 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 Oen, second by Mercer, to approve the agenda as published.

Motion passed (6 – 0).

COMMUNITY ANNOUNCEMENTS

County Commissioner Marcia Gershenson talked about health services provided to the public by the Oakland County Health Department such as public health nurses who make home visits and a nurse on call program where anyone can talk to a nurse about a medical issue. Oakland County offers vaccines and conducts hearing and vision tests. Flu shots are available starting today at a cost of \$11. Water can be tested at the Health Department offices.

Gershenson announced that the Burnstein Community Health Clinic in Pontiac is the only clinic in Michigan that offers free comprehensive medical services to anyone in need that does not have health insurance.

CONSENT AGENDA

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

- a. Consider approval of minutes of a regular Council meeting held September 20, 2011.
- b. Review and file bills recapped as of Monday, September 26, 2011.

Motion passed (6 – 0).

BUSINESS AGENDA

PRESENTATION OF JUNE 30, 2011 AUDIT BY PLANTE & MORAN

Chris Jones and Tim St. Andrew from Plante & Moran presented the audit report for the year ending June 30, 2011. Council members are in receipt of the general purpose financial statements for the Village, report to the Village Council, and a graph package. Jones stated that Plante & Moran has given its unqualified opinion on the Village's financial statements, which means that the Village's accounting records are correct and are presented in accordance with accounting standards mandated by the State.

Tim St. Andrew, audit manager, proceeded with a slide presentation to highlight key items in the financial statements. He referred to a graph illustrating General Fund Revenue by sources noting that State Shared Revenue and property taxes make up 82% of the Village's revenue. These represent revenue sources outside of the Village's control. Subsequent graphs demonstrated revenue decline from property taxes and State Shared Revenue over the years and continuing trends.

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's expenditures. St. Andrew addressed a graph comparing 2010 and 2011 General Fund expenditures. He noted that this year's expenditures include \$724,000 to fund future retiree health care costs. Plante & Moran recommended that the Village continue prefunding its post retirement costs.

A graph depicting General Fund balance compared to the minimum target shows that the Village is below its 20% of general fund expenditure level as set by Council. Council budgeted to go down to about 15.5 percent. The plan is to increase the fund balance by one percent each year to reach 20% in five years.

Chris Jones reviewed the Plante & Moran letter to Council regarding the financial statements of the Village. It includes required communication on the audit process. The only change this year was the adoption of GASB 54, which is the accounting statement that presents a few funds differently and presents the fund balance under new categories with the intent of showing the liquidity of the fund balance.

The third section of the letter addresses legislative and informational items including the status of State Sharing Revenue and the "Economic Vitality Incentive Program". Jones noted that passage of Senate Bill No. 7 relating to health care provisions was passed and signed last week.

Section II of the letter presents comments and recommendations related to internal control and procedures noted during the current year audit. Jones highlighted comments that center around the costs of the Village. It is recommended that the Village study any administrative costs using the full cost including salaries, fringes and post employment costs. There was a note in the letter about the increase in charges for sewage/storm disposal.

Jones commended the Village on its effort to save costs related to Retiree Health Care. This year, GASB 45 required municipalities to actuarially measure its Other Post Employment Benefits. The Village continues to qualify to use an alternative OPEB calculation rather than a formal actuarial study, which would cost \$8,000-\$10,000. Village staff has performed the calculation using a template developed and provided by Plante & Moran.

Jones noted that the Public Safety Retirement System experienced investment losses in eight of the last 10 years. It has been 10 years since the System has met the 7% actuarially assumed rate of return. These investment losses coupled with the rising number of retirees could result in significant increases in employer contributions in the future. Plante & Moran recommends that management review the assumptions used by the Village's actuary to determine if they are appropriate. The last two slides illustrate the schedule of experience gains and losses of the Retirement System and the Village's pension plan contributions.

Jones addressed questions and comments from members of Council regarding actuarial assumptions for the Public Safety Retirement System, future pension obligations and retiree health care funding, construction code fees, uninsured cash deposits, impact of Senate Bill 7, and uncollected delinquent taxes.

Koss thanked Chris Jones and Tim St. Andrew for their presentation. She also thanked them for their assistance in getting the Beverly Hills “performance” dashboard up and running on the Village’s website at no charge. Koss encouraged people to visit the website and take a look at the Michigan Dashboard and Citizen’s Guide.

Motion by Oen, second by Mercer, to receive and file the June 30, 2011 Audit Report prepared by Plante & Moran.

Motion passed (6 – 0).

PUBLIC HEARING TO RECEIVE COMMENTS ON PROPOSED ORDINANCE AMENDING CHAPTER 22 SECTION 22.01.060 OF THE MUNICIPAL CODE – CONFLICTING REGULATIONS

Koss opened the public hearing at 8:10 p.m. to receive comments on proposed ordinance amendment Section 22.01.060 of the Municipal Code entitled “Conflicting Regulations”.

Attorney Ryan provided some background on the proposed Zoning Ordinance amendment. Council took action in July to extend the Village’s medical marijuana moratorium with the purpose of amending its Zoning Ordinance to target any use of medical marijuana that does not comport with federal or state law. A problem with the Michigan Medical Marijuana Act is that the Legislature did not translate the ballot initiative of 2008 into appropriate language for the State of Michigan because there is no distribution network set up in the state.

States have authority and power, but state law cannot conflict with federal regulations. Marijuana is a Schedule 1 narcotic, and it is illegal. Ryan noted that there have been a number of recent decisions at the Circuit Court and Court of Appeals levels that will have state-wide application relative to medical marijuana dispensaries. He has discussed activity on the Medical Marijuana Act with the Village Manager and Planning Consultant. Without targeting a specific use, it was suggested that the Village consider an ordinance amendment stating that “Any use that would constitute a violation of Federal, State or local law or regulation shall be prohibited”.

There were no comments from the public. The public hearing was closed at 8:15 p.m.

FIRST READING OF AN ORDINANCE AMENDING CHAPTER 22 SECTION 22.01.060 OF THE MUNICIPAL CODE – CONFLICTING REGULATIONS

Attorney Ryan conducted a first reading of an ordinance to amend Chapter 22, Section 22.01 of the Beverly Hills Municipal Code – Conflicting Regulations. The ordinance amendment reads as follows: “Any use that would constitute a violation of Federal, State, or local law or regulation shall be prohibited.” Ryan summarized the Severability Clause, Savings Clause, Repealer and Effective Date sections of the ordinance.

SET PUBLIC HEARING DATE OF OCTOBER 18, 2011 FOR PROGRAM YEAR 2012 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION

Koss reviewed that Council set a public hearing for October 4 at the last Council meeting to receive comments on the 2012 Community Development Block Grant program. That public hearing will be rescheduled for Tuesday, October 18, 2011 for the reason that the public hearing notice was not published in the paper 10 days prior to tonight's Council meeting.

REVIEW AND CONSIDER TRAFFIC CONTROL ORDER 040-SS-11 STOP SIGN ON EB GLENCOE AT AMHERST

Wilson stated that this Traffic Control Order is recommended by Public Services Director Tom Meszler who consulted with Director Woodard on the matter. This TCO would establish a stop sign on eastbound Glencoe Drive at Amherst Avenue, which would cause eastbound traffic on Glencoe to stop at the intersection and allow Amherst traffic to proceed straight through to Greenfield Road.

This was investigated as a result of citizen complaints in the neighborhood about safety issues. Mr. Meszler observed that it was an unregulated and uncontrolled intersection. A yield sign was considered. Given the limited sight distance in the area, it was decided that a stop sign would be appropriate and would be in the best interest of the neighborhood and traffic safety.

Motion by Briggs, second by Oen, that the Beverly Hills Village Council adopt Traffic Control Order 040-SS-11.

Motion passed (6 – 0).

REVIEW AND CONSIDER TRAFFIC CONTROL ORDER 041-SS-11 STOP SIGN AT SB RIVERSIDE AND WB RIVERSIDE

As a result of a citizen complaint regarding a traffic issue, Tom Meszler and Karl Woodard investigated traffic conditions at the intersection of Riverside and Faircrest. There were stop signs in the area. However, it appeared that the signage was altered or never installed under the complete direction of a previous Traffic Control Order from 1984. The recommendation is to direct that Traffic Control Order 022-SS-84 be amended to include a stop sign at the intersection of southbound Riverside and westbound Riverside, specifically at 19180 Riverside and Faircrest. Given the limited sight distances, it was thought that stop signs were appropriate and would improve traffic flow.

Motion by Briggs, second by Oen, that the Beverly Hills Village Council adopt Traffic Control Order 041-SS-11.

Motion passed (6 – 0).

DISCUSSION ITEM – LONG TERM CAPITAL FORECAST

LaFerriere reviewed that Council held a series of strategic planning meetings last winter to prioritize what it wanted to accomplish in Beverly Hills. It was clear that keeping the Village a beautiful and safe community required making continued investments in the infrastructure. The way the Village funds infrastructure projects is through special dedicated millages or by setting money aside during the annual budget process for capital projects. LaFerriere noted that the voters approved a special infrastructure millage a number of years ago that has provided funding

for capital projects through June, 2010. That millage has expired, but some of that money remains through careful use of those funds.

Council deemed it to be important to properly plan and fund infrastructure projects. LaFerriere worked with Manager Wilson, Finance Director Wiszowaty, Director Woodard and Captain Yanosy to compile a project list. There were four objectives in preparing a short-term capital budget: 1) Identify critical capital projects that the community will face in the next five years; 2) Prioritize the projects; 3) Estimate total costs and time lines for each project; and 4) Identify potential funding sources for each project.

LaFerriere outlined the following seven capital projects in the Village infrastructure category and provided estimated cost, funding source, and timing.

- 1 - Bridge rehabilitation for Evergreen Road
- 2 - Continued evaluation of road system
- 3 - Water main improvements to existing 4” main in northeast section of Village
- 4 - Continue replacement of water mains throughout the Village
- 5 - Rehabilitation of Village sewer system
- 6 - Capital upgrades and repairs to pump station

Wilson concurred that bridge rehabilitation on Evergreen Road is the most pressing issue at present. Administration will recommend that the project be included in the budget for next year’s construction season. It will require coordination with residents in the immediate area due to the necessity of closing Evergreen Road for a portion of time.

Wilson stated that most of the 4” water mains in the northeast section of the Village are located in rear yards. The most effective way to address this will be to establish new mains in the road right-of-way and reconnect each house to the 6” or 8” mains. The water main in the rear yard would be abandoned. There will be more information forthcoming on this proposal.

LaFerriere summarized five priority capital budget projects for the Public Safety Department including projected costs and possible funding sources.

1. Purchase Aerial Fire Apparatus with elevated platform.

The purchase price is about \$1.1 million. This apparatus is infrequently needed and has high manpower and maintenance costs. Director Woodard and Manager Wilson are working with other communities on the possibility of sharing the equipment or renting services from another community. Woodard added that it is important for the Department to have this fire fighting resource available, but the Village needs to take a hard look at whether it needs to own the apparatus and have it on site.

2. Emergency 9-1-1 Dispatch computers and software. This will be kept on hold until other dispatch issues have been resolved.

3. Replace 3-11 Fire Apparatus. The Village is attempting to obtain a federal grant with a 5-10% commitment from the Village.

4. Replace six in-car radar systems over three years.
5. Replace six SCBA air cylinders for firefighting over three years.

LaFerriere concluded that he compiled this report to provide a sense of capital expenditures facing the Village. It highlights responsibilities of Council in terms of supporting Village management to find solutions and move forward.

Koss commended LaFerriere on his diligent work on the capital expenditures report. This was one of the work programs set forth in a Council goal setting session. These are concerns that Council and administration need to keep in the forefront. The document establishes capital budget priorities for present and future councils.

Questions and comments from Council members on priority infrastructure projects were addressed by Wilson. He remarked that it will be incumbent upon administration to start entering information included in the report into the five-year forecast to determine the effect on Village expenditures going forward and to establish how to meet these targets.

PUBLIC COMMENTS

Dick Maxwell of 18701 Walmer Lane informed the public about the recent loss of long-time resident Bob Simons. Bob was a member of various Lions Clubs in areas where he lived for 57 years. He actively supported and served the community and will be sorely missed.

REPORTS – MANAGER

Wilson reported that the meeting held last Monday, September 26 with local business representatives in the community went well. There will be follow up meetings with property owners throughout the Southfield Road corridor. Wilson anticipated meeting with a property owner next week along with Ms. Koss.

Wilson stated that he will address some of the topics raised by the auditors in writing as part of his next manager's report. Wilson gave credit to Bob Wiszowaty for performing the alternative OPEB calculation in lieu of a costly formal actuarial study.

Director Woodard presented a comprehensive update on the COPS grant request submitted by the Department. Beverly Hills was not one of the four larger agencies in the State of Michigan that was funded at this time. The awards have been given out as part of the front wave, but there may be more grants funded when the federal government adopts its full year budget. Woodard commented on the limited funds and the large number of agencies nationwide requesting grants. He is cautiously optimistic about the Department's chances to receive a grant when the full funding of the program is realized.

Woodard updated Council on the two fire grants submitted by the Department's grant writer in September. One grant is to fund a replacement generator for the building; the other grant is for an engine pumper in the amount of \$590,000. Woodard anticipates more feedback on these grant in late winter or spring.

Briggs asked Manager Wilson about exploring opportunities on the east side of the Village for controlling traffic and excessive speed particularly on Sheridan, Pierce and Beverly.

REPORTS – COUNCIL

Members of Council thanked Bob Wiszowaty and his staff for their effort in assisting Plante & Moran with the audit process.

Mercer referenced the major storm in August that resulted in the need to replace trees in the community. He encouraged residents to obtain a permit to replace trees in the easement between the sidewalk and the street. The Village will provide a list of trees that are friendly to the environment.

LaFerriere thought that the Village provided an excellent service after the storm in terms of picking up branches that fell from trees. He suggested that the Village offer this service a couple of times each year. LaFerriere announced that the Zoning Board of Appeals will meet on Tuesday, October 11 at 7:30 p.m. in the council chamber.

Koss added her tribute to resident Bob Simons and extended her sympathy to his family.

Motion by Oen, second by Briggs, to adjourn the meeting at 9:03 p.m.

Motion passed (6 – 0).

Rosanne Koss
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary