

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

Absent: Oen

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

President Koss called the regular Council meeting to order at 7:30 pm in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road. Second grader Katie Kelly led the audience in reciting the Pledge of Allegiance.

ADDITIONS TO AGENDA/APPROVE AGENDA

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

Motion passed.

COMMUNITY ANNOUNCEMENTS

Jacqueline Asher Kelly of 18122 Riverside Drive introduced herself as a candidate for Village Council in this November's election. She is a practicing lawyer and is currently a member of the Zoning Board of Appeals. Kelly highlighted her background and experience and said that she would like to be of service to the community where she resided for most of her life.

CONSENT AGENDA

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

- a. Consider approval of minutes of a regular Council meeting held September 18, 2012.
- b. Review and file bills recapped as of Monday, September 24, 2012.

Motion passed.

BUSINESS AGENDA

REVIEW AND CONSIDER ARTICLES OF INCORPORATION FOR THE SOUTHEASTERN OAKLAND COUNTY RESOURCE RECOVERY AUTHORITY

Manager Wilson stated that the Southeastern Oakland County Resource Recovery Authority (SOCRRA) Board has been working with legal counsel for some time on needed revisions to its Articles of Incorporation. SOCRRA Attorney Bob Davis has prepared a series of amendments. Council is in receipt of a copy of the enabling statute for the SOCRRA organization, a copy of the current Articles of Incorporation, the proposed Articles of Incorporation and a chart detailing the changes incorporated into the new Articles of Incorporation.

The majority of these changes are to eliminate or clarify outdated or obscure sections of the current Articles of Incorporation and to bring the current document into compliance with

changes in state law. The new Articles of Incorporation have been reviewed by the SOCRRA Board and Village Attorney Tom Ryan and have been recommended for approval. Wilson has reviewed the documents and recommends approval by Council at this time. As all communities must approve the same set of changes, it is requested that Council approve as submitted.

Motion by Mooney, second by Briggs. Be it resolved that the Village of Beverly Hills Council approves the Articles of Incorporation for the Southeastern Oakland County Resource Recovery Authority as submitted and a copy of this document be included in the minutes of this meeting and available to residents at the Village office for public review.

SOCRRA Attorney Bob Davis was present and addressed questions from Council members regarding the impetus for the amendments and the nature of the changes. He assured Council that there are no changes in representation or financial impact on the Village. Davis commented on a study underway to look at the existing rate structure and talked about the renewed focus on single stream recycling.

Roll Call Vote:
Motion passed.

PRESENTATION OF JUNE 30, 2012 AUDIT BY PLANTE & MORAN

Council members are in receipt of the audited financial statements of the Village of Beverly Hills for the year ended June 30, 2012 and a report to the Village Council. Auditor Chris Jones stated that Plante & Moran has given its unqualified audit 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. Jones introduced Tim St. Andrew and Martin Olejnik, who will present the details within the financial statements.

Tim St. Andrew, audit manager, proceeded with a slide presentation to highlight key points of the financial statements. He referred to a graph illustrating General Fund Revenue only. It was noted that Public Safety and Library were split into separate funds following the 2010 millage election. Approximately 58% of revenue is from property taxes and State Shared Revenue; the other 42% is from items within the Village's control.

The next graph combined General Fund, Public Safety Fund and Library Fund revenue for 2011 and 2012 for comparison purposes. There were small increases across the board in all categories, with the largest in property taxes due to the passage of the millage in 2010. Subsequent graphs demonstrated revenue decline from property taxes over the last three years with an estimated 1% increase in taxable value in 2013. State Shared Revenue has increased by \$52,000 this year and is expected to increase by another \$32,000 next year.

A chart of General Fund Expenditures by major category illustrated that approximately one-half of the expenses relate to employees. The other half includes rubbish, utilities, supplies, etc. St. Andrew addressed a graph comparing 2011 and 2012 General Fund expenditures, Public Safety and Library Funds. The biggest increases are in the areas of General Government, Public Safety,

and Public Works. The increases total \$505,000. Of this amount, \$490,000 reflects an additional contribution to the Retiree Health Care Trust Fund.

A graph depicting fund balances compared to the minimum target shows that the Village is at 16%, which is below the 20% of general fund expenditure level set by Council. There is a plan in place to bring the fund balance up to the 20% target over the next few years.

A graph showing the schedule of experience gains and losses for the Public Safety Officers' Retirement System reflects the effect of the economy on the expected investment return of 7 percent. St. Andrew talked about the market loss in recent years and how the actuarial smoothing of investment losses will effect future years. The next graph depicted pension plan contributions to the Public Safety Officers' Retirement System

Martin Olejnik, Partner, talked about the letter addressed to the Village Council. The first section of the letter contains required communication on the audit process. There were no issues discovered during the audit and no disagreements with management. Section II contains general recommendations from Plante & Moran as a result of the audit. There were no significant deficiencies in the audit. Olejnik referred to page 6 and reviewed opportunities where the Village could further strengthen internal controls or increase operating efficiencies. Council discussed these items with Olejnik and Wilson.

The third section of the letter includes legislative and informational items occurring in the State. It addressed revenue sharing, EVIP (Economic Vitality Incentive Program), and the timing of payments. Olejnik highlighted other topics including Potential Elimination of the Personal Property Tax, Retro-pay Prohibition, Prohibition Against Hiring Current Retirees, Pension and OPEB Bills, and Deficit Elimination Plans.

Council thanked Chris Jones, Tim St. Andrew and Martin Olejnik for their presentation. Finance Director Wiszowaty was recognized for his work in preparing 20 years of unqualified audits.

Manager Wilson referred to Wiszowaty's analysis of the Village's OPEB liability noting that costs have shrunk significantly this year. The Village has committed about \$1.2 million for current and future liabilities. Because of efforts made through benefit renegotiations with unions, that amount has dropped significantly. Wilson agreed that an actuarial report on Village OPEB liabilities should be conducted within the next year.

The audit includes a section on Debt Service; outstanding debt is low in the Village. Over half of that debt will be retired in the next three years, which will lower debt burden related to infrastructure cost. Wilson congratulated Wiszowaty and his staff on the job done to maintain the Village's finances.

Motion by Mooney, second by Mercer, to receive and file the June 30, 2012 Audit Report prepared by Plante & Moran.

Motion passed (6 – 0).

REVIEW AND CONSIDER DEFICIT REDUCTION PLAN FOR PUBLIC SAFETY DEPARTMENT

Wilson reviewed the significant changes made at the end of the last fiscal year in the Public Safety Department. There was a change in the director’s position; a severance arrangement was negotiated with the previous director. The Village’s dispatch operation was outsourced with the City of Birmingham. As part of that arrangement, the Village went through the process of Effects bargaining as mandated by State Law, and a negotiated settlement was reached with the dispatchers.

As part of their review of the Village’s financial statements, Plante & Moran reported a fund deficit in the Public Safety Fund. This Fund (Fund 205 – Public Safety Fund) had an accumulated deficit of \$27,230.00. The deficit resulted from “Release and Severance Agreements” for the previous Public Safety Director and four Dispatchers plus vacation and sick pay due at separation. These agreements were paid in the 2012/2013 fiscal year but charged to the 2011/2012 fiscal year.

In accordance with Public Act 140 of 1971, a local unit of government ending its fiscal year in a deficit condition shall formulate and file a deficit elimination plan with the Michigan Department of Treasury. A deficit condition is defined as a fund where the total expenditures for that fund, including an accrued deficit, exceeds the total revenues in that fund for the fiscal year. Wilson said that the deficit will be eliminated over one year because of savings realized from outsourcing of dispatch and savings through contract negotiations. The deficit situation will be turned around to a surplus in next year’s statements.

Motion by Mooney, second by Mercer, to adopt the following Resolution.

WHEREAS, the Village of Beverly Hills Public Safety Fund (Fund 205 – Public Safety Fund) has a deficit fund balance of \$27,230.00 as of June 30, 2012:

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local government and filed with the Michigan Department of Treasury:

NOW, THEREFORE, BE IT RESOLVED that the Village of Beverly Hills legislative body adopts the following as the Village of Beverly Hills Public Safety Fund Deficit Elimination Plan:

	2012-2013
Fund Balance (Deficit) @ July 1	(\$ 27,230.00)
Revenue	
Property Taxes	\$4,725,667.00
District Court Fines	\$ 100,000.00
Contribution F/Birmingham Schools	\$ 78,388.00
Other Revenue Items	\$ 80,200.00
Total Revenue	\$4,984,255.00

Expenditures

Public Safety Department	\$4,658,179.00
School Liaison Officer	\$ 156,775.00
Capital Expenditures	\$ 121,492.00
 Total Expenditures	 \$4,936,446.00
 Fund Balance (Deficit) @ June 30	 \$ 20,579.00

BE IT FURTHER RESOLVED that the Village of Beverly Hills Village Manager submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

Roll Call Vote:
Motion passed.

REVIEW AND CONSIDER 2012/13 BUDGET TRANSFERS REGARDING LOCAL STREETS AND MAJOR ROADS

The items listed below are operating transfers or reserves from the General Fund and Dedicated Millage Fund to other operating funds. The Village Council is required by resolution to authorize administration to make these transfers or reserve funds. The items are budgeted in the 2012/2013 budget.

Motion by Briggs, second by Mooney. Be it resolved, to authorize Village Administration to Transfer monies as noted below:

General Fund Contribution to be transferred:

TO LOCAL STREET FUND

Transfer to Local Street	\$300,000.00	TSF T/Other Funds
Concrete Replacement per 2012/2013 budget.		

Dedicated Millage Fund to be transferred:

TO LOCAL STREET FUND

Contribution F/Dedicated Millage Fund	\$ 92,530.00	Transfer
Concrete Replacement per 2012/2013 budget.		

Dedicated Millage Fund to be transferred:

TO MAJOR ROAD FUND

Contribution F/Dedicated Millage Fund	\$450,000.00	Transfer
Rehab of Evergreen Bridge per 2012/2013 budget.		

Roll Call Vote:
Motion passed.

ANNOUNCEMENT OF VACANCY ON THE ZONING BOARD OF APPEALS FOR ALTERNATE MEMBER AND SCHEDULE SUBCOMMITTEE MEETING

LaFerriere announced that two vacancies exist on the Zoning Board of Appeals for alternate members. Alternate members fill in when a full complement of the Zoning Board is not expected to be in attendance at a meeting. They are also welcome to attend ZBA meetings when their attendance is not required. Both terms have an expiration date of June 30, 2015.

Several announcements have been made regarding these vacancies, and one application has been received. Applications are available on the Village website and at the municipal office. A subcommittee meeting will be set for Tuesday, October 16 at 7:15 pm with the hope that additional applications will be received before the deadline of October 10. A subcommittee consisting of LaFerriere as chair, Burry and Koss will review applications on October 16 and make a recommendation to Council for appointment.

PUBLIC COMMENTS

None

REPORTS – MANAGER

Wilson reported that Coldwell Banker Realty has released its annual list of the 100 best suburban communities in which to live in the United States. Over 11,000 suburban communities were analyzed on factors such as safety, quality of schools, education of the residents, recreational opportunities and home ownership. The Village of Beverly Hills ranked 58th nationally in this listing and was the 5th highest ranked community in the State of Michigan. Wilson congratulated the Village and its residents, businesses, employees and elected officials on the receipt of this tremendous honor. The complete rankings can be viewed at the following website:

<http://bestplaces.coldwellbanker.com/best-places-to-live/suburbanites.html>.

As part of the Economic Vitality Incentive Program (EVIP) Phase 1 requirements for accountability and transparency, the Village has completed the annual Citizen's Guide and Performance Dashboard and posted them on the Village website for viewing of the general public. A copy of these documents were included in the Council packet. Wilson affirmed that the Village will receive its full allocation of EVIP Phase 1 funding. In addition, the Village was also required to submit a budget report detailing the budget for the current fiscal year as well as a projection for the next fiscal year. As the Village has now adopted a two-year budgeting process, we were able to pull the information from the FY 2012-13 Budget.

The Village offices will be closed on Monday, October 8 in observance of Columbus Day.

Wilson informed Council that the Stafford Street paving project has been completed. The quantities originally bid on the job for aggregate and asphalt came in lower than anticipated, which will result in savings. Wilson was pleased with the quality of work on the road.

Mercer commented that there had been concerns from residents that Stafford would be used as cut through after it was paved. He suggested that the newly paved street be patrolled by Public Safety to monitor speeds. Wilson addressed an inquiry about construction issues and bus traffic in the North Georgetown Subdivision.

Briggs commented that he was informed by area residents that people are using Fourteen Mile and Evergreen area as a cut-through, which may endanger children walking home from the bus stop. There are no sidewalks in the area. Wilson will address this with Director Torongeau.

LaFerriere talked about the need for a new fire apparatus. Wilson will provide an update on this capital purchase at the next Council meeting. LaFerriere suggested that consideration be given by the Road Commission to traffic safety improvements at the Thirteen Mile and Southfield intersection to improve dangerous conditions.

Wilson referred to the first item in the recent Public Safety Activity Report. Officers responded to a call from a concerned citizen, who thought that a neighbor's house was on fire. Officers responded and put out an attic fire with minimal damage to the residence. Wilson would like to bring this individual forward at a Council meeting to be publicly recognized for the efforts made to save life and property.

REPORTS – COUNCIL

Burry related that the Village was not successful at the last Cable Board meeting in receiving a grant to replace the dry erase board and pull-down screen in the council chamber with an Interactive Plasma Display system. This grant request may be revisited after a demonstration of the product. Burry reported that the Joint Senior Services Committee is working on formulating focus groups to determine the needs of seniors.

Mercer reminded everyone that the League of Women Voters will hold a Candidates Forum in the Village Council Chamber on Thursday, October 11 at 7:00 pm for Southfield Township Clerk candidates and at 7:30 pm for Beverly Hills Council candidates.

Mercer and other members of Council commented favorably on the Village's position in Coldwell Banker Realty ranking of best suburban communities in which to live. This is a great accomplishment and says a lot about our community to rank so high on this list.

LaFerriere noted that this Council has been open and truthful in all its proceedings during the time in which he has served. All major projects are debated in open session with opportunities for public comments. LaFerriere maintained that this Council has accomplished a great deal and he is proud of being part of this body.

Mooney wished former Village President Frank Worrell a Happy 90th Birthday. Mooney announced that the Annual Halloween Hoot will be held at Beverly Park on Sunday, October 21. Volunteers will be at the park at 10 am to top and gut pumpkins. Children will be there from noon to 2 pm to carve pumpkins and place them along the path. Trick or treating will be held from 6-8 pm along 15 stations throughout the park. Volunteers for the event should call the Village office at 646-6404; donations to defray the cost of the event will be welcome.

Mooney asked friends and residents to keep Don Greening in their thoughts and prayers. He has been one of the contributors that has made this Village a great place.

Briggs informed the community that Groves High School is producing its annual fall play, Barnum the Musical. It will be showing the first two weekends in November; tickets can be purchased at the Groves High School office. Briggs updated Council on Library Board activities including purchases and building committee progress.

Briggs stated that Southfield Township will be having a public hearing on its Master Plan on October 23, 2012 at 5 pm. The Master Plan is available for review at the Southfield Township office.

Koss commented that she has only two more Council meetings before her tenure ends; she has served on Council for over eight years. Koss would like to ensure stability and consistency in Village administration in order to continue on the path Council has been following. The direction of the Village in the last few years with regard to Charter amendments, union negotiations, and sharing services with other communities has laid a strong foundation. She would like to see this work continue past her tenure as Village president.

Koss proposed holding a closed door session at the next Council meeting to evaluate the Village Manager's performance over the last two years and review his list of accomplishments. She requested that the Manager set forth his goals and objectives for the coming year. The Open Meetings Act states that the Manager can request that his review be conducted in a closed session; Wilson indicated his preference for a closed door meeting.

Motion by Mooney, second by Briggs, to adjourn the meeting at 9:03 pm.

Motion passed.

Rosanne Koss
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary