

Present: President Mooney; President Pro-Tem Peddie; Members: Abboud, Delaney, Kelly, Mueller and Oen

Absent: None

Also Present: Manager, Wilson
Public Safety Director, Torongeau
Village Attorney, Ryan

Council President Mooney 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. Those present recited the Pledge of Allegiance.

AMENDMENTS TO AGENDA/APPROVE AGENDA

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

Motion passed.

COMMUNITY ANNOUNCEMENTS

Oakland County Commissioner Bill Dwyer distributed a written report to Council and proceeded to summarize a number of topics and programs of interest to County residents including information on the economy, industry, personal income, health issues, and roads. Dwyer provided background information on Proposition 1 coming up on the May 5 ballot. Council thanked Commissioner Dwyer for his report.

PUBLIC COMMENTS

David Bloom from the City of Birmingham representing a group called “Birmingham Citizens For Responsible Spending” talked about Proposal 2, the Birmingham Public School District bond proposal on the May 5 ballot. He said that the group had a productive meeting with representatives from BPS Administration but have continued to research projects to be funded in the area of the district’s instructional, safety, technology and capital infrastructure needs.

Bloom referred to a number of improvements and work budgeted as part of this bond project. His group has done its own research on expenditures and contends that the school district has over budgeted a number of items without providing enough substance to support their figures. Bloom encouraged people to study the issues and come to their own determination on how to vote on Proposal 2.

CONSENT AGENDA

Motion by Oen, second by Delaney, to approve the consent agenda as follows:

- a. Approve minutes of a closed session held March 3, 2015.
- b. Approve minutes of a closed session held March 17, 2015.
- c. Consider approval of minutes of a regular Council meeting held April 7, 2015.
- d. Review and file bills recapped as of Monday, April 20, 2015.
- e. Consider going out for bids to replace wood chips on playground at Beverly Park.
- f. Consider waiving sales restrictions at Beverly Park for Memorial Day Carnival.
- g. Consider request from Marian High School to use Village streets for Walk-a-Thon on Friday, May 1, 2015.

- h. Refer site plan and cluster development review for 19600 W. 13 Mile Road (Tremont Lane) to the Planning Commission for review and recommendation.

Motion passed.

BUSINESS AGENDA

REVIEW AND CONSIDER LANDSCAPING PROPOSALS FOR BEVERLY PARK

Council liaison to the Parks and Recreation Board Mueller stated that Beverly Park has not had any professional landscaping work done since 2008. There is a need to prune trees, thin and relocate plantings, reestablish curbing around gardens, replace wood chips, weeding, etc. Village Administration met with six contractors at Beverly Park and reviewed the landscape maintenance work that needs to be completed. Five quotes were received for completing work that involves the two islands by the parking lot, the beds around the pavilion, the beds by the playground, and the bed around the gazebo. Mueller referred to the quotes and to a spreadsheet he prepared showing a breakdown of various costs as well as the total fee from each contractor.

The Parks & Recreation Board reviewed the proposals at its April 16 meeting and removed the high and low bids. The Board recommended Council approval of the quote from Goldner Walsh to complete the spring 2015 landscape maintenance at Beverly Park.

Motion by Mueller, second by Oen, that the Village of Beverly Hills Council authorize Goldner Walsh to complete the spring 2015 landscape maintenance at Beverly Park as outlined in their quote dated April 2015 in an amount not to exceed \$5,000.

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

REVIEW AND CONSIDER PURCHASING TRASH/RECYCLING RECEPTACLES FOR BEVERLY PARK

The Parks & Recreation Board is recommending the installation of new trash/recycling receptacles for Beverly Park. Administration obtained quotes for the receptacles from three vendors; Council has received a summary of the quotes. Board members considered different styles and materials and suggested purchasing six sets of Archtec Waste & Recycle Receptacles for placement throughout the park. The dual receptacle has a 50 gallon capacity, 25 gallons for each side. They are constructed of powder-coated steel and weigh 100 pounds.

Motion by Mueller, second by Oen, that the Village of Beverly Hills Council approve the purchase of six dual Archtec Waste & Recycling Receptacles from Global Industrial for a cost not to exceed \$4,000 for placement throughout Beverly Park.

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

REVIEW AND CONSIDER HIRING A SEASONAL EMPLOYEE AS PARK RANGER FOR BEVERLY PARK

Motion by Delaney, second by Oen, to recuse Council President Mooney from discussion and voting on this agenda item based on his relationship to the applicant.

Motion passed.

Mooney handed the gavel to President Pro-Tem Peddie and vacated the chair. Peddie related that Daniel Mooney has expressed an interest in working as a Park Ranger at Beverly Park this summer supervising the two seasonal Park Attendants during the months of June, July and August. The Parks & Recreation Board unanimously supported this seasonal hire. However, due to the nepotism clause in the Village Charter, President Mooney must abstain from Council discussion and vote on this matter. A unanimous vote of the Council is necessary for such a hire to occur. Council has received a copy of Dan Mooney's letter of application.

Motion by Mueller, second by Oen, that the Village of Beverly Hills Council approve the seasonal hiring of Daniel Mooney, son of Council President John Mooney to serve as the Park Ranger at Beverly Park during the months of June, July and August 2015; further that Council authorize the Village Manager to negotiate employment terms with Daniel Mooney.

Council discussed the application from Dan Mooney and park ranger duties in terms of tasks and supervision. Wilson added that there will be contract work taking place in the park this summer. Having a responsible individual to review and report on these projects will be valuable to Administration and to the DPW. This position would add approximately \$1,500-\$1,800 in the park ranger budget. Administration is confident that the cost would be offset by tasks accomplished by a more mature park attendant.

Roll Call Vote:

Motion passed (6 yes – 0 no - 1 abstention).

The gavel was returned to President Mooney.

DISCUSSION REGARDING PROPOSED WATER/SEWER RATES

Wilson reviewed that Council appointed a subcommittee to work with Village Administration to review the current water and sewer rate charges. As Council is aware, the last two years have seen significant reductions in water sales throughout the Village. This is primarily attributable to relatively cool and wet summers which have served to lower sprinkling volumes. Lower water use volumes have driven revenues down even as rates have increased. There is strong evidence that increased rates, necessitated by increased costs and steadily declining volumes, have also driven water consumption down as residents have sought to use less to offset rate increases.

Other communities serviced by the Detroit Water and Sewerage Department (DWSD), soon to be the Great Lakes Water Authority (GLWA), are experiencing these same issues. Recently, DWSD, and the South Oakland County Water Authority (SOCWA) sought to stabilize revenues through the use of fixed charges. Fixed charges are a base charge to end users independent of usage.

Historically, the majority of revenues for water and sewer were generated through rates based upon usage. As volumes declined throughout the DWSD system, the need arose to raise rates in order to meet expenses. A growing portion of these expenses either became fixed costs, such as debt payments, or were not significantly impacted by volumes, such as infrastructure repairs and upgrades. As volume continues to decrease and expenses remain steady or increase, the cycle of increased rates and lower volumes became self-reinforcing and unsustainable.

The subcommittee began reviewing the water and sewer rate methodology being utilized by the Village. It was apparent that water and sewer revenue was almost totally dependent upon volume charges. While a significant portion of expenses were also tied to use, as in the cost of water or the cost of treating sewerage, others such as debt service and infrastructure were not directly impacted by the amount of water sold. When volumes fluctuated, the Village was at risk of not generating sufficient revenue to cover fixed costs like debt and necessary infrastructure repairs. This has been the case in FY 2013-14 and FY 2014-15 with debt service and infrastructure repair costs having to be made up from reserve funds.

In an attempt to establish some level of fixed costs, the subcommittee focused on the current Water and Sewer Fund expenditures that were not being adequately or consistently funded by the existing billing system. The two most logical areas for instituting fixed charges were current debt service costs, which are known and predictable for years into the future, and infrastructure costs, which are fairly stable and subject to modification based upon the scheduled projects in any one year.

In conjunction with Village Administration, the subcommittee has arrived at a recommendation for the establishment of fixed charges of \$20 per bill for debt service and \$65 per bill for infrastructure. This will eliminate the previous use charges for debt service and will also eliminate the existing meter charge, which will be incorporated into the infrastructure charge. This will also serve to lower the projected rates from the levels that would have been established had there been no fixed charges for these matters. The subcommittee has also recommended elimination of the 5 unit quarterly minimum for all accounts. This will lower the bill for those who are very low users or who are not at home for a portion of the year.

Even while absorbing a 15% rate increase for water, the proposed water rate will be similar to the rate used last year. Sewer expenses to the Village are projected to increase by 2% which means that the sewer rate for next year will be slightly lower than last year. Wilson used the Smart Board to highlight the final rate projection for water and sewer bills for fiscal year 2015-16. He explained the following components of the rate structure: Fixed charge for Debt Service; Fixed Charge for infrastructure; Elimination of 5-unit minimum; Elimination of meter charge; reconfiguring of rates. Wilson displayed sample rates for residential and commercial uses both using the current rate structure and the proposed fixed Debt Service with fixed infrastructure.

Administration is recommending the following residential rates for FY 2015-16: Water rate at \$18.25 per 1,000 cu. ft.; \$51.50/1,000 cu. ft. for sewage disposal; \$20 per bill charge for Debt Service; and \$65 per bill charge for infrastructure. The total quarterly bill based on 20 units of use would be \$224.50, or an approximate monthly cost of \$74.83. The minimum quarterly bill would increase to \$85.00; this would represent the debt service charge and the infrastructure charge. There are a few water-only accounts and some customers with second meters. It is

recommended that those meter charges be \$30/bill as opposed to \$60 because they are only tying into one of the two systems.

Wilson thanked the subcommittee for the time and effort they put into reviewing the methodology for water and sewer charges and proposing changes that will stabilize rates. He noted that the proposed charges are based on the estimated volumes received from SOCWA. By establishing fixed charges for fixed costs, we will be lessening by a significant extent the liability the Village faces by low sale years that negatively impact the Village's bottom line.

There was unanimous support from Council to include the proposed water and sewer rate structure in the budget resolutions to be considered by Council at its May 5 meeting.

REVIEW AND CONSIDER APPROVAL OF HUBBELL, ROTH & CLARK INVOICES

Motion by Oen, second by Peddie, to allow Council member Kelly to abstain from voting on the invoices received from Hubbell, Roth & Clark based on the financial relationship of her employer with the vendor.

Motion passed.

Motion by Oen, second by Abboud, that the Village of Beverly Hills Council approve the invoices submitted by Hubbell, Roth & Clark Inc. for professional services in the amount of \$26,968.34 for the period ending March 21, 2015.

Roll Call Vote:

Ayes - Abboud, Delaney, Mooney, Mueller, Oen, Peddie
Nays - None
Abstain - Kelly

Motion passed (6 yes – 0 no – 1 abstention).

PUBLIC COMMENTS

None

MANAGER'S REPORT

Evergreen Road Closure – The Village has been notified by Oakland County that the sewer repair project that has been ongoing on Evergreen Road at 14 Mile should be completed by the end of the week of this week and reopened to all through traffic. Due to the problems that the contractor had with the sewer bypass, it will be necessary to complete the lining of this sewer at a later date. The Village will coordinate any future work on this line so that any necessary closure will be less of a disruption to school and residential traffic.

FY 2015-16 Budget – The Village Council and Village Administration completed the budget workshop for the FY 2015-16 Budget on Tuesday, April 14. Village Administration will be making final revisions and updates to the budget and will be ready to work toward adoption of the budget at the regular Council meeting of May 5.

COUNCIL COMMENTS

Mueller thanked Council for its support of the park initiatives brought forward tonight. There are 25 park projects identified and proposed to be completed this calendar year. Mueller has prepared a spread sheet to track the status of all maintenance items in the park.

Abboud will be attending the upcoming Executive Committee meeting of the Southeast Michigan Council of Governments as the representative for the Village. The Planning Commission will meet tomorrow, April 22, at 7:30 pm in the Village hall. Abboud attended a meeting of the Senior Advisory Council for Oakland County on Monday, March 20. He listed some of the topics that were discussed.

Abboud encouraged people to visit Beverly Park now that the weather is improving. He mentioned that the “Buy a Brick” program has been reinstated until April 30, 2015. Abboud congratulated the Groves High School graduating class of 2015.

Delaney reported on the Birmingham Area Cable Board meeting held on April 15. He learned that \$425,000 from the Board’s franchise fee reserve will be returned to the four member communities as a percentage of their franchise fee contributions. Another administrative grant will be made to the communities following the Board’s fiscal year audit. Franchise negotiations with Comcast are ongoing. Delaney thanked the Cable Board members for their active participation.

Oen thanked the subcommittee for their review and recommendation on the water and sewer rate methodology utilized by the Village.

Peddie reported on the Baldwin Library Board meeting held last night, April 20. The Friends of the Library is holding their Spring used book sale from May 1-4, 2015.

Mooney was saddened to announce the recent passing of long-time Southfield Township Trustee Richard Halloway. He was a dedicated public servant and a strong proponent of the Township. Dick Halloway will be missed.

Motion by Oen, second by Peddie, to adjourn the meeting at 8:42 p.m.

Motion passed.

John Mooney
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary