

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

Absent: None

Also Present: Village Manager, Wilson
Public Safety Director, Torongeau
Village Attorney, Ryan
Finance Director, McCarthy
Public Services Director, Meszler

Council President Mooney called the special Council meeting to order at 9:06 a.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

SHORT-TERM AND LONG-TERM VILLAGE FINANCES

Budget Outlook - Wilson reported that the Village is in good financial shape. He indicated that during the current 2015-16 fiscal year, the Village is operating with 12.3824 mills. When fiscal year 2021-22 comes, the operating millage will drop to 11 mills. The 1.3824 mills difference equals approximately \$718,000 in today's dollars.

Retiree health care costs are one of the Village's largest current costs at about \$740,000. Those costs come out of the General and Public Safety budgets. The Village is also setting aside money to cover retiree health care costs for future years. If the Villages continues to save, it may be possible to transition from paying out of the budget to paying out of the retiree health care fund which would help off-set the loss of millage revenue.

Road construction costs are another major expense. The Village averages \$300,000 to \$500,000 each year, but spent about \$600,000 in fiscal year 2014/15 because several road projects were moved up due to Lahser Road reconstruction, were moved forward. Funds from the State of Michigan typically are enough to cover road and winter maintenance. Road construction projects are funded by the Village. Due to recently passed legislation, revenue from the state for roads is projected to grow enough to cover maintenance and construction costs by Fiscal Year 2021-22.

The general fund also currently subsidizes trash collection by about \$145,000. In terms of the Baldwin Public Library, the Village's current contract for services is approximately \$470,000 per year. In 2010, voters approved a library millage of 0.9184. Accounting for the Headlee Amendment, the current millage is 0.8978. The library millage will expire in 2021.

There was consensus that the Village has a fiscally responsible course of action in place now and that Council and administration should continue along that path in anticipation that the Village will revert to 11 mills in FY 2021-22.

Water and Sewer Fund - Wilson reported that the Village is actively working toward completion of its SAW (Stormwater, Asset Management, and Wastewater) grant project. SAW legislation established a program for the planning, design and construction of improvements for the collection and treatment of wastewater and/or stormwater systems. The primary focus of the

funding is to encourage developing asset management programs that outline cost-effective improvements, operation and maintenance measures.

The current condition of the sewer system is being captured via video. A full inventory of the system will be complete by May 2016. Wilson noted that problems are being detected. These problems are being inventoried and prioritized for future repairs. Problems needing to be addressed immediately are being fixed.

Meszler indicated that plans are being prepared for these repair projects. Some will be point repairs that need to be dug out and replaced; other portions will be relined only. He clarified that all sewers needing repairs will be lined. Meszler estimated the cost of repairs to be approximately \$450,000.

Sewer/Water Main Repairs - Wilson reported that there is a water main issue on the east side of the Village. There are a few blocks of old 4-inch water main, much of which runs through rear yards. The area is bounded by Birmingham, Greenfield, Beverly and 14 Mile Road. The mains in that area are at least 50-60 years old. The houses are close together in this section of the Village, and portions of mains are located under garages and trees.

Several options exist to address the problem: replacing the 4-inch main in rear yards with 8-inch water main or abandoning rear lines and having residents hook up to an 8-inch main underneath the roadway in the front of homes. Wilson talked about how to proceed with the project, noting that the cost of front yard hookup would be significant.

In response to an inquiry, Wilson reported that all Village homes do receive adequate water pressure. A few homes at the end of courts need to be upgraded from 4-inch to 6-inch water mains.

Long Term Debt - Wilson explained that the Village's debt load has dropped from \$9.62 million in 2004 to \$3.2 million as of today. Relative to other Oakland County communities of similar size, the Village is in a stronger position. If the Council chooses, the Village is in good shape to debt finance a major project like water main repairs. In response to an inquiry, Wilson explained that revenues from water and sewer collection would be enough to make annual financing payments if bonds were used for repairs.

Pension Status/OPEB status – Wilson explained that the Village pays an annual contribution to the pension fund to ensure that pension costs for current employees will be met. The pension fund through MERS is almost fully funded at 97% so that the Village can pay all of the retired employees and potentially pay all future retirees.

As of today, the Retiree Health Care Fund has \$5 million in assets. The Village is being aggressive in its annual payments for OPEB (Other Post Employment Benefits) costs; it continues to “pay as you go” for current retiree health care costs. Wilson highlighted future projections to explain how the Village may be able to transition its retiree health care cost out of the budget to the Health Care Fund.

SHORT-TERM AND LONG-TERM INFRASTRUCTURE PLAN

Roads - Wilson indicated that for the 2016-2017 Fiscal Year, a portion of Evergreen Road from Thirteen Mile Road to Beverly Road will be resurfaced with asphalt as will some surface streets. A total of \$265,000 is budgeted for asphalt resurfacing. The City of Southfield is considering resurfacing its section of Evergreen Road. If plans move forward, the Village may consider resurfacing its portion of Evergreen. Council members expressed safety concerns about traffic cutting through adjacent subdivisions in the event of a resurfacing project.

CAPITAL IMPROVEMENTS

Village Hall - Mooney explained that Village Hall was constructed in 1974 and is in need of renovations to better serve the community. Wilson indicated that plans for the renovation are currently being designed. One of the biggest issues is the building's current HVAC system. An overall assessment of the system and an air quality test is currently being done. If the system must be replaced, it will add \$80,000 to \$100,000 in cost. In total, the renovation project is projected to cost approximately \$600,000.

New furnishings for public areas will be purchased and public spaces will be made more aesthetically appealing. Functionality will be the focus of renovations of Village staff areas. The project will be paid for out of the current and next fiscal year budgets.

DISCUSSION ON CAPITAL EXPENDITURES FOR PUBLIC SAFETY

Fire Pumper Truck - Public Safety Director Torongeau indicated the fire department's 1999 Pierce pumper truck is in need of replacement. Finding replacement parts for repairs is increasingly difficult and repairs are becoming more frequent. The cost of replacing the pumper truck is approximately \$650,000.

The Village currently has mutual aid agreements with several nearby communities for fire service. While those agreements are helpful as in the case of a recent fire on Marguerite Street, Torongeau said the Village should not rely on those agreements as primary for firefighting services. The Village is able to respond in a more timely fashion than any other nearby department.

A new truck will take approximately 10 months to build. Discussion was held about financing or leasing options. Administration will investigate and report to Council on the viability of both options at an upcoming budget meeting.

Torongeau reported that two sports utility vehicles will be purchased by the department. Bulletproof vests for police officers will also be purchased.

PUBLIC SAFETY STAFFING/PERSONNEL

Torongeau explained that a police sergeant will soon be retiring and a police lieutenant will retire by the end of 2016. The department is in the process of hiring two new police officers. Torongeau reported that several excellent candidates have been identified. He indicated to Council that he is happy with the direction the department is heading. Mooney complimented Torongeau and his staff for their discretion in dealing with all community policing and fire service matters.

BUILDING DEPARTMENT SERVICES

A consensus among Council was that Building Department services should be brought back to the Village from Royal Oak. A timetable was not determined. Wilson explained that a building official, one administrative assistant and several part-time inspectors would be hired to staff the department.

VILLAGE FOUNDATION REGULATIONS

Mooney explained that a Village resident wants to establish two scholarships for students who have contributed the most in terms of community services. A Village Foundation will be established to help administer funds for the scholarship as well as other funds received for events like the Halloween Hoot, and the Memorial Day Parade.

Attorney Ryan indicated that Council's directive earlier this year set in motion the creation of a foundation. The Village would hold funds and disperse them appropriately with approval of Council for items related to Beverly Hills. Ryan added that contributions to the foundation would be tax deductible.

The Village will not decide who would receive funds. Such decisions would be made by groups making donations to the foundation. No administrative staff time will be needed to run the foundation. A proposal on the foundation will be presented to Council by the second meeting of January 2016.

POTENTIAL CHARTER AMENDMENTS

Delaney is reviewing the charter in its entirety. He noted the charter can only be amended by a vote of the people and then for final approval from the governor. Some sections of the charter need to be rewritten. One change Delaney would like to see is raising the procurement solicitation threshold up from \$1,000. He believes the low threshold is inefficient for running the Village effectively.

Discussion was held on whether to increase Council pay for meetings. Council members currently receive \$300 per year for attending meetings. It was noted that nearby communities pay their council members substantially more money.

CABLE BOARD FINANCING/GRANT APPLICATIONS

Borgon noted that the Village pays the cable board 80% of what it gets in franchise fees from cable companies for broadcast rights. The Village received a good return on those funds years ago because the Cable Board had the ability to hold cable companies accountable for its provided services. Since state laws changed four years ago, the Cable Board's responsibility has changed to simply handling complaint calls and running the public access channels. Borgon does not believe the Village should be paying \$80,000 to the Cable Board for those services because it no longer has authority over the cable companies.

Ryan suggested that the Cable Board meetings be reduced from monthly to quarterly. Wilson indicated that franchise fees should come back to the Village. Mooney proposed that the Village seek additional grants from the Cable Board for items such as security cameras.

RIVERSIDE POND/ERITY DAM

Mooney noted that the cofferdam has been installed and waters from the left spillway have been impounded. The pond is currently refilling. Repairs to the Evergreen Bridge will begin soon but will not be completed for several months due to the Michigan Department of Environmental Quality's (MDEQ) permitting process.

Steel sheeting installed to protect the bridge will impound the water and the MDEQ will consider the structure a dam. The MDEQ will inspect the bridge/dam structure each year.

PUBLIC COMMENTS

Dan Nunez, Marguerite, distributed pictures taken around the Village. The pictures depicted a lack of uniformity in resident fences as well as items being stacked along fence lines. He expressed concern about the possibility of future blight.

Abboud believes the Village's fence ordinance needs to be revised. He indicated that one law across the board does not properly address fencing and added the Planning Commission is currently reviewing the matter.

Nunez asked if the Council would consider five or six-foot privacy fencing. Council members indicated that they would review the fence ordinance. Oen indicated that the current fence ordinance should be closely enforced.

Motion by Delaney, second by Peddie, to adjourn the meeting at 12:10 p.m.

Motion passed.

John Mooney
Council President

Ellen Marshall
Village Clerk

Scott Daniel
Recording Secretary