

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

Absent: None

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

President Mercer called the special Council meeting to order at 8:00 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

#### **ADDITIONS TO AGENDA/APPROVE AGENDA**

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

Motion passed.

#### **STUDY SESSION TO REVIEW FISCAL YEAR 2013/2014 BUDGET**

This Council meeting is being held to continue a review of the proposed 2013/2014 budget. It was indicated that the budget will be revised to reflect a few changes discussed at the April 23, 2013 budget session. There were questions at the last meeting regarding revenue that require resolution prior to distributing a final draft of the budget.

Mercer opened the floor for comments and questions from Council. Kelly remarked that she had conversations with administration since the last study session in order to gather additional budget information. There was discussion at the last meeting regarding the need for additional revenue, particularly to pay down debt.

Kelly related her thoughts on the matter after researching the priorities for use of additional revenue authorized by the Village Charter. These priorities were hiring an additional public safety officer, paying down the \$13 million OPEB liability; maintaining local streets, and bringing the fund balance up to the 20% of expenditures level. Kelly explored these issues and ascertained that there may be savings through other means to cover costs and add to the OPEB contribution that would not justify an increase in the millage rate.

Oen commented on the proposed budget and indicated that he would approve the budget as presented and modified at the last meeting. Manager Wilson and Finance Director Wiszowaty have done a good job of preparing a budget in a difficult economy.

In response to an inquiry, Wilson said that the revised budget pages will be available for distribution on Friday, May 3. He noted that the changes authorized by Council at the last meeting will not make a substantial difference in the final budget.

Mooney remarked that the reason for this budget session was for Council members to state their position on whether there should be additional revenue through an increase in the millage rate. Although he was dismissive of an increase in the millage rate at the previous study session, Mooney thought that a dialog on this topic should continue.

Burry talked about the democratic process of reviewing the budget and keeping an open line of communication on relevant topics. He maintained that Council should build its reserves and pay down debt during good economic times.

LaFerriere thought that all Council members were fiscally conservative; we all want to deliver a high quality of service to the public at the least possible cost. The way we propose going about that is different. Residents approved a millage increase and voted for a financially solid village. LaFerriere was of the view that Council should take advantage of its authorization to collect additional revenue on the basis that it will strengthen the Village's balance sheet and ultimately save money, giving the community a better financial cushion with which to operate. LaFerriere indicated that he cannot approve the budget as it stands without collecting additional revenue.

Mooney questioned the amount of the General Fund Balance at the end of the 2013/14 fiscal year. Wilson answered that it is estimated at \$1.47 million, over 17.5% of public safety and general fund expenses combined. This fiscal year the fund balance was slightly over 16% of expenditures. The Village is only projecting a conservative one percent increase in taxable value. Mooney set forth his objections to paying down debt on the fire truck, for example, as opposed to paying over time when interest rates are low. He made the point that Council members asked residents for a millage increase on the basis that the Council would only use what is needed.

LaFerriere asked about the taxable value and the effect of the Headlee Amendment, which would limit the Village's rate of increase in collection to the set rate of inflation every year. He did not think that it should be assumed that the Village's taxable revenue will increase at the same rate as property values. LaFerriere remarked that it has been verified that the Village does have opportunities that it can pay down some of its long-term debt. There was further discussion on the Village's authority to pay off bond issues, many of which were bonded in partnership with other communities. Wilson remarked that, with the exclusion of the fire truck, any outstanding debt issue is either covered by a dedicated millage or it was part of the Village revenue stream through the Water & Sewer Fund.

Ryan expressed the opinion that it was not good public policy to conduct ad hoc planning at a budget session in April when the budget must be adopted in May. He thought that Council should spend the entire year discussing the millage issue in an attempt to arrive at a consensus on the topic.

LaFerriere disagreed with Ryan's point of view. He would like to increase revenue and move into a long-term financially secure state. Mooney proposed that Council discuss increasing revenue over the next year possibly in a subcommittee format consulting with Administration for the reason that the idea merits review and discussion.

Briggs thought that the proposed budget was on track and was moving towards adequately funding pension and OPEB liabilities as well as reaching the 20% of expenditures fund balance level by the end of 2015. Council members discussed revenue matters and the suggestion to spend more time exploring the millage rate over the next year. The suggestion was made that Council set the date to start the budget study process earlier next year.

Other budget items were discussed including the funding level of overtime costs, OPEB liability, effect of the Headlee Amendment on the Village, and pay equity. Wilson outlined the pay equity issue, a topic raised at the April 23 study session. He proposed bringing a non-union administrative clerical employee in the Village office up to the equivalent union employee in terms of pay but not benefit package items. Wilson is asking that this be addressed because the job levels are fundamentally the same. There is a similar issue with the clerical employee at the public safety department. Wilson answered questions from Council on these topics.

### **PUBLIC COMMENTS**

Rosanne Koss of Kinross Ave. said that it was healthy to have discussions at the council table. Each member of Council brings something unique to the group. Koss recalled that there were a lot of people here who took time out of their lives to ask residents for a millage increase when the Village was suffering economically. Everyone sitting here played a tremendous role toward the well being of the Village. Koss expressed the view that Council needs to be able to provide the services that are most important to the people. She asked Council to think twice about the promises made. People in the community are still struggling.

Stephen Mace of 16255 Lauderdale implored anyone on this Council who is considering a vote against the budget based on a desire to increase taxes to reconsider. The residents are not in a position to give more.

### **COUNCIL COMMENTS**

None

Motion by Mooney, second by Oen, to adjourn the meeting at 9:49 p.m.

Motion passed.

**Tim Mercer**  
**Council President**

**Ellen E. Marshall**  
**Village Clerk**

**Susan Bernard**  
**Recording Secretary**