

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

Absent: LaFerriere

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

President Mercer 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. Scouts from Troop 1029 led those in attendance in reciting the Pledge of Allegiance.

ADDITIONS TO AGENDA/APPROVE AGENDA

Motion by Oen, second by Mooney, to amend the agenda to add item (e) as follows: “Review and consider resolution for MERS application for additional credited service”.

Motion passed.

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

COMMUNITY ANNOUNCEMENTS

None

CONSENT AGENDA

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

- a. Consider approval of minutes of a regular Council meeting held September 3, 2013.
- b. Review and file bills recapped as of Monday, September, 9, 2013.
- c. Review and consider request from Our Lady Queen of Martyrs to install banner at the northwest corner of Dunblaine and Southfield Roads.
- d. Review and consider resolution adopting existing Oakland County Engineering Design Standards for Storm Water Facilities.
- e. Review and consider application for SMART Fiscal Year 2014 Municipal and Community Credit Agreement.

Motion passed.

BUSINESS AGENDA

REVIEW AND CONSIDER MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM (MERS) UNIFORM VEHICLE FUNDING RESOLUTION

Manager Wilson reviewed that Council and Administration have been analyzing the management of the Public Safety Pension Fund as well as the Retiree Health Care Fund, which covers all Beverly Hills personnel who are eligible for retiree health care. In May of 2013, Council adopted a resolution to move the administration of the Public Safety Pension Fund to the

Municipal Employees' Retirement System (MERS). Administration has been looking into a program administered through MERS for the investment and management of retiree health care funds. This service is provided by MERS for many communities. Currently, these funds are administered through the Retirement Board under the direction of investment advisory firm, Asset Strategies.

The Retiree Health Care Fund currently has about \$2.8 million in investments and about \$3.2 million in total assets. Council has been fairly aggressive in recent years with contributions to this fund through the budgeting process. These funds are currently invested in the Vanguard Star Fund. The Village spends \$8,000 annually for investment services for this fund through a contract with Asset Strategies, investment advisor for the Retirement Board. Annual actuarial costs are around \$3,000. The Vanguard Star Fund has an investment fee of .35%, or \$9,800 on an investment of \$2.8 million. The Village has been carrying a fiduciary liability insurance policy for the Retirement Board at a cost of approximately \$9,000 annually. This policy covered the Public Safety Pension Fund and the Retiree Health Care Fund. The total investment expenses for the Retiree Health Care Fund as currently administered through the Retirement Board are approximately \$29,800 annually.

If MERS were to be handling the investment of these funds, there would be a total fund expense of .80%, which does include investment fees and the administrative fee that is currently paid to Asset Strategies. Wilson suggested that the Village would no longer need to carry the fiduciary liability policy if administration of the Health Care Fund was moved to MERS. Total expenses for an investment of \$2.8 million with the MERS Total Market Fund would be approximately \$22,400 annually.

The MERS Retiree Health Funding Vehicle has four different investment options. Manager Wilson has reviewed these investment options with Finance Director Wiszowaty and with the Retirement Board members. It was determined that the MERS Total Market Fund was the most appropriate depository of these funds at this time. Administration is recommending a 100% investment in the MERS Total Market Fund.

The MERS Retiree Health Funding Vehicle Uniform Resolution as proposed establishes that all investment decisions and changes are to be made by the Village Council. The Retirement Board reviewed this resolution at its last meeting and recommended approval by the Village Council. Village Administration recommends that the Village Council approve and authorize the Village Manager to sign the MERS Retiree Health Funding Vehicle Uniform Resolution as submitted.

Council member Kelly expressed concern with eliminating the fiduciary liability insurance for Council, noting that she sees little difference in the role of Council with MERS than it currently has. She mentioned that Council is making a decision on a MERS investment option. Wilson responded that the Village's Fiduciary Policy will be in effect until November 1, 2013. He has consulted with IBEX Insurance Manager Craig Manser, whose opinion it was that Beverly Hills would be adequately covered by the MERS Fiduciary Liability Policy that the Village would enter into by adopting this Resolution. It is the discretion of Council whether or not to maintain a fiduciary liability policy. Wilson could ask Mr. Manser or the MMRMA to investigate a smaller fiduciary liability policy.

Council discussed the MERS Retiree Health Care Funding proposal at length. Briggs outlined the discussion and action taken at the quarterly Retirement Board meeting held on August 27. Council directed Wilson to investigate the cost of retaining a lesser fiduciary liability policy. Wilson remarked that this change is not being made for cost savings reasons; the professional administration of Village investments available through MERS and taking that decision making out of the Village's hands is the real benefit of this action.

Motion by Briggs, second by Oen, that the Village of Beverly Hills Council resolve to adopt the MERS Retiree Health Funding Vehicle Uniform Resolution and authorize the Village Manager to sign the Agreement as submitted.

Roll Call Vote:
Motion passed (6 – 0).

Copies of the MERS Retiree Health Funding Vehicle Uniform Resolution are available for public review at the Village offices.

REVIEW AND CONSIDER 30-DAY NOTICE TO TERMINATE CONTRACT WITH ASSET STRATEGIES

Council previously authorized the transfer of the Public Safety Pension Fund to the Municipal Employees' Retirement System (MERS) and took action at today's meeting to transfer the Retiree Health Care Fund to MERS. Wilson stated that it would be prudent to evaluate the Village's contractual arrangement with Asset Strategies, pension and retiree health care fund investment advisor. There are no longer funds under their control now that the management of these funds has been transferred to MERS.

The Village has a contract with Asset Strategies for pension fund investment services with an annual fee of \$18,000; the contract will expire on December 31 of this year. The Agreement has a thirty day notification requirement for termination by any party. About \$16.3 million of the Public Safety pension funds have been liquidated and transferred to MERS to date. There is approximately \$40,000 in two investments for which sell orders have been placed; the Village is awaiting payment. The services of Asset Strategies are no longer required at this time, and it is recommended that Council authorize the Village Manager to send notice of contract termination to Asset Strategies per the terms of the agreement. The Retirement Board reviewed this recommendation at its last meeting and also recommended sending notice to Asset Strategies at this time.

The Village has a similar agreement with Asset Strategies for investment consultant services for the Retiree Health Care Fund, which will expire on December 31, 2013. This contract has a current value of \$8,000. The agreement has a thirty (30) day notification clause for termination by either party. The liquidation of the Village's current assets with the Vanguard Star Fund should be relatively quick. There is currently about \$2.8 million invested with another \$400,000+ in assets awaiting investment.

The Retirement Board has considered the relationship with Asset Strategies regarding the Retiree Health Care Fund and recommended that Council authorize Administration to send a thirty day notice of contract termination if Council agreed to invest in the MERS Retiree Fund Vehicle.

Wilson affirmed that the Village is ready to terminate the contract with Asset Strategies relative to the Pension Fund. Administration with the help of Asset Strategies will need a week to ten days to liquidate and transfer the Retiree Health Care Fund to the MERS Total Market Fund.

Wilson stated that the need to retain the Retirement Board was a topic of discussion at the August quarterly meeting. The Beverly Hills Pension Ordinance mandates that the Village maintain a Retirement Board. Its function will no longer be what it was in previous decades, but there will continue to be advice the Board can provide regarding the Retiree Health Care Fund. At some point, it may be determined that the Retirement Board should be modified in some manner. At this time, Wilson recommended that the Retirement Board remain in place.

Motion by Briggs, second by Oen, that the Village of Beverly Hills Council resolves to authorize Village Administration to provide notice to Asset Strategies for termination of the consultant contract for the Public Safety Pension Fund. It is further resolved that Council authorize Village Administration to provide notice to Asset Strategies for termination of the consulting services contract for the Retiree Health Care Fund, at which time funds in the Retiree Health Care Fund have been liquidated and transferred to Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle.

Briggs thanked Asset Strategies personnel for their work with the Village over the years in providing guidance and investment advice.

Roll Call Vote:
Motion passed (6 – 0).

REVIEW AND CONSIDER RENEWAL OF PROFESSIONAL COMPUTER CONSULTING SERVICES WITH ENTERPRISE COMPUTER

The Village is in receipt of a professional computer consulting services proposal from Enterprise Computer Solutions, Inc. in the amount of \$2,400 to renew the Village's contract for pre-paid computer services. This proposal provides for continuation of computer support services with no increase in the hourly rate. Finance Director Wiszowaty has submitted a list of services provided by Enterprise Computer Solutions since the contract renewal in October, 2012. Manager Wilson remarked that the Village has had good service from Robert Ferkel from Enterprise at a fair rate.

Motion by Oen, second by Briggs, that the Village of Beverly Hills Council award the purchase of a pre-paid service contract from Enterprise Computer Solutions, Inc. in the amount of \$2,400. Funds are available for this purchase in Account #100-900-976.00.

Roll Call Vote:
Motion passed (6 – 0).

REVIEW AND APPROVE HUBBELL, ROTH & CLARK INVOICES FOR PAYMENT

Motion by Mooney, second by Oen, to allow Council member Kelly to abstain from voting on the invoice received from Hubbell, Roth & Clark based on her business relationship with the vendor.

Motion passed.

Motion by Mooney, second by Oen, that the Village of Beverly Hills Council approve the invoice submitted by Hubbell, Roth & Clark Inc. for professional services in the amount of \$6,334.28 through September 5, 2013.

Motion passed (5 – 0).

REVIEW AND CONSIDER RESOLUTION FOR MERS APPLICATION FOR ADDITIONAL CREDITED SERVICE

Wilson stated that Detective Sergeant John Milliron has indicated that he will be retiring from the Public Safety Department effective September 25, 2013. He has served with the Public Safety Department for over 24 years, the last four as Detective. Sgt. Milliron will be moving on to become head of security for the District Court in Berkley.

As part of Sgt. Milliron’s decision to retire, he has contacted MERS regarding the purchase of service time through an application for additional credited service. MERS has a provision whereby an employee with 25 years of service time is eligible for retirement. Milliron would need to purchase approximately one year of service in order to meet the requirement.

Council is in receipt of a copy of the Application for Additional Credited Service document from MERS including the cost estimate, member certification, and governing body resolution. Wilson noted that the employee must bear the full cost of the service credit purchase, and there is no negative financial impact on the Village of Beverly Hills. Wilson has reviewed the document along with Finance Director Wiszowaty, Chief Torongeau, and Sgt. Milliron. He recommends Council approval of the application for additional credited service.

Council and Wilson thanked Sgt. Milliron for his years of dedicated service and wished him the best in his future endeavors.

Motion by Oen, second by Mooney, that the Village of Beverly Hills Council approve the Application for Additional Credited Service submitted by Sgt. John Milliron and authorize the Village Manager to sign the document and forward it to MERS on Sgt. Milliron’s behalf.

Roll Call Vote:

Motion passed (6 – 0).

PUBLIC COMMENTS

Bob Walsh of Smallwood Court distributed handouts to Council members referred to as exhibit A and exhibit B, both relating to a house under construction on Bellvine Trail. The previous ranch home on this property was torn down and a new two-story home with a basement is being built on the lot. The new house area will be in excess of 4,000 sq. ft. Walsh related that there are two issues associated with this new construction – violation of the front open space requirement and a drainage problem affecting the neighbors.

Walsh described the ordinance requirement related to calculating the depth of a front yard setback based on the average of the front open space of homes within 200 feet of that parcel on the same side of the street. The front setback of the house in question will be in violation of the

ordinance based on the location of the existing garage footings. Walsh questioned Village oversight of the building plans. Beverly Hills no longer employs a building official and contracts with Royal Oak for building department services. The other issue is a drainage problem that affects adjacent neighbors. Area residents were present to talk about their concerns.

Frank Leto of 31894 W. Bellvine Trail commented that he and his wife Mary have lived next door to the house in question for 45 years with no problems. He described drainage issues caused by the new construction being two feet above grade. The garage apron will be within a couple feet of the Leto's property, and a retaining wall will be constructed. Leto expressed concern with additional flooding on his lot and that of the neighbors. He said that Manager Wilson has indicated that the new owners will not be given a certificate of occupancy until plans and construction are finalized and approved.

Bill Wegert of 32420 Westlady provided a history of Valley Woods in terms of its high water table and increased property levels over the years. Wegert said that he confronted the Village about the elevation of the house under construction two doors down from his home. He complained about the site plan approval process as it relates to the location of the garage. Wegert asked that Council address the fact that the site plan does not adhere to the Village setback requirements. He addressed the issue of aesthetics, noting that the adjacent neighbor's view and open space would be obstructed by the proposed garage.

Sharon Tischler of 21415 Virmar Court noted that a vacant parcel on Lahser just south of 14 Mile Road was cleared and topsoil was removed. She was not aware of any plans for development of this site abutting the Dover Court condo project. The Village Zoning Ordinance regulates topsoil removal, which was why she was bringing this to Council's attention. Bob Walsh interjected that the address is 32800 Lahser Road, and there are two lots that total four acres.

Katherine Murphy of 31700 Bellvine Trail, two houses away from the house under construction on Bellvine Trail, expressed concern with flooding and asked the Village for closer oversight on the new home. The property and house being built is considerably higher than the adjacent homes.

Duncan Mein of 31725 Topper Court said that his residence is behind the new construction on Bellvine Trail. He has reviewed the site plan and noted that there are three retaining walls proposed for this property. The neighbors would like assurances that there will be adequate review of the plans and there will be not be unresolved issues once the house is constructed. Area residents request professional oversight and communication from the Village that the elevated grade of the house will not exacerbate drainage issues in the area. Mein observed that this is an uncontrolled project with an open basement and large piles of dirt on the site. He expressed concern that this represents a hazard for children in the neighborhood.

REPORTS – MANAGER

Bellvine Trail construction – Wilson stated that he was familiar with the house under construction on Bellvine Trail; he has met with the Letos. Wilson will ask the Village's planning consultants, LSL Planning, as well as the City of Royal Oak building department to look into the site plan issues and respond to the Village regarding the setback issues. Wilson believes the

house to be in conformance; he will prepare a written report for the next Council meeting. There is a grade plan for this house, which has been revised three times. The Village will not sign off on a certificate of occupancy until it is 100% certain that the grade and drainage issues are resolved.

Wilson concurred that drainage in this area of the Village is difficult. The property directly to the south of the parcel in question is set lower. The houses to the rear have experienced drainage issues for some time. The Village will take every effort to make sure that this project will address those drainage issues. Catch basins will be required, which will improve the drainage situation.

Buckingham Drainage – Village Administration continues to monitor and follow up with HRC and Oakland County regarding the rains that caused basement drainage issues in the area of Buckingham and Greenfield. The Village has also identified isolated issues that occurred because of rain in other areas on the east side of the Village. The area that experienced the most problems is part of the George W. Kuhn drainage district and not the Acacia district. This is not an area that has had problems handling heavy rain events in the past. This area was not a section that received the restrictor plates on the catch basins in the past, but that option is now being reviewed by Village Administration.

Oakland County has not identified any blockages of the system or impediments to flow that would account for the backups. Available data does indicate that the storm of August 30 was a very significant rain event (100 year). However, the Village has experienced similar, if not heavier, rain events in recent years without the problems and incidents that occurred. The Village is continuing to pursue a grant program that would allow for evaluation of the Village's sewer system and will include sections of the GWK system in that evaluation.

Wilson addressed questions from Council and provided updates on an upcoming Storm Water Summit hosted by Oakland County Water Resources Commissioner, a sewer blockage issue in the area of Riverside and Faircrest, timely communication with area residents on sewer work taking place in their neighborhood, and traffic flow issues in the area of the Nexus Academy on Southfield Road. Wilson will forward the year end dispatch numbers from the City of Birmingham to Council. He assured Council that he will check into the setback and drainage requirements related to the new house construction on Bellvine Trail.

REPORTS – COUNCIL

Burry announced that the Groves High School Marching Band has been invited to perform in the 2015 New Year's Day Parade in London, England. This is a fantastic honor for this group of young people.

Mooney thanked scouts from Troop 1029 for attending the meeting tonight. He thanked John Milliron for his service as public safety officer, sergeant, detective, and school liaison officer over the past 24 years. Oen also acknowledged Det. Sgt. Milliron and wished him well in his endeavors.

Briggs announced that applications are being accepted to fill a vacant position on the Communications Committee.

Mercer commented that Council and Administration should begin preparing to fill positions of retiring public safety officers. There will be some decisions to make relative to filling those roles.

Motion by Mooney, second by Oen, to adjourn the meeting at 9:17 pm.

Motion passed.

Tim Mercer
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary