

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

Absent: None

Also Present: Manager, Wilson  
Assistant Manager/Clerk, Marshall  
Finance Director, McCarthy  
Public Safety Director, Torongeau

Council President Pro-Tem Peddie called the special Council meeting to order at 6:15 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

### **AMENDMENTS TO AGENDA/APPROVE AGENDA**

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

Motion passed.

### **STUDY SESSION TO REVIEW FY 2016/2017 BUDGET**

Council is in receipt of the proposed two year budget for FY 2016-17 and FY 2017-18. Included in the budget book are complete preliminary budgets for the General Fund, Public Safety Fund, Library Fund, Major Road Fund, Local Street Fund, Drug Law Enforcement Fund, Retiree Health Care, Vacation Reserve Fund, Sick Pay Reserve, Capital Projects and Water and Sewer Operating budgets. Also provided is an accounting of the reserves of the Combined Sewer Overflow Fund, the Dedicated Millage and Park Millage. Manager Wilson presented an overview of the budget.

#### Millage Rate

The 2016/17 budget shows a maximum allowable millage of 12.3836 mills. The proposed millage rate for 2016/17 is 1.8100 for General Fund, 9.4903 for Public Safety, and 0.8802 for the Library for a total millage rate of 12.1805 for this year. Last year's millage rate was 12.3821.

#### General Fund

A transfer from the General Fund to the Local Road Fund for \$250,000 allows for road repair. A transfer of \$465,000 to the Capital Projects Fund will be used to complete the upcoming Village municipal building renovation. Next and Birmingham Youth Association asked for increases in the Village's donation totals. Revenues are estimated at \$2,938,727.25 and expenditures of \$2,881,175.00 resulting in an expected surplus of \$57,552.25. This will result in a healthy ending balance of \$1,555,182.73.

#### Modest wage increases

A 2% wage increase is budgeted for all non union employees.

#### Proposed change in garbage fee

Wilson explained the \$12 million proposed plan of converting the material recovery facility from dual stream to single stream recycling set forth by SOCRRRA to be realized in 2017. To offset the

anticipated charges by SOCRRA for the planned conversion, administration recommends that the garbage collection fee increase by \$10 to a rate of \$130 per home.

Mooney arrived at the meeting at 6:30 p.m.

After extensive conversation there was consensus to postpone an increase until FY 2017-18 when the conversion takes place.

#### Changes in staff

Wilson explained that due to staffing changes over the last year he is recommending to hire a receptionist after office renovations are complete.

#### Major Road and Local Street Repair

Wilson explained funding is going toward repaving Evergreen and 13 Mile Road. There is a transfer planned to the Capital Projects Fund for repairs on the Evergreen Road Bridge and Erity Dam project. Wilson addressed the road work that will be included in the Local Streets project. Projecting out to the end of the millage, it is likely that the amount that is subsidized in roads from the General Fund could be eliminated by additional monies coming in from the state of Michigan.

#### Public Safety

The goal when the Public Safety Fund was created five years ago was to have a 20% fund balance when the millage expires in 2020. We are currently on track to reach that goal four years ahead of schedule.

#### Retiree Health Care

Wilson explained that a goal of the Village is the ability to take the Retiree Health Care cost out of the General Fund and the Public Safety Fund and pay for them out of the Retiree Health Care Fund. With these contributions to the Retiree Health Care Fund, the Village is anticipating having \$5.6 million set aside for future health care costs, excluding any potential investment gains from these funds. By continuing to aggressively set aside funds for Retiree Health Care, the Village continues to progress toward the day when costs for these services can be covered by the Retiree Health Care Fund on an annual basis.

#### Capital Projects Fund

Wilson explained the Village was previously inconsistent with how this money was budgeted and handled. Due to the work of Finance Director McCarthy, this has been reorganized and will now be used more appropriately.

#### Water and Sewer

Administration is not recommending an increase in base water or sewer rates. After the changes made last year, this fund is now generating money which can be used toward sewer repairs. Water sales are trending down. Changes made last year have helped the Village adapt to declining, and at times, unpredictable, water use and bring in sufficient revenue to maintain existing water and sewer infrastructure. Council discussed charges for homes with second meters and the need to generate a policy to be discussed as a business agenda item at the May 3, 2016 Council meeting.

Discussion ensued about bringing building services as an in-house offering. Wilson explained that it could be a difficult proposition to realize.

**PUBLIC SAFETY PUMPER TRUCK**

Wilson explained the current pumper truck is 24 years old, and recently required repairs totaling \$8,000. The Village owns the pumper truck as well as a ladder truck. A replacement truck would cost approximately \$600,000-\$700,000 and requires 8-10 months to build. There is \$195,000 available to use as a down payment on the pumper truck.

Torongeau explained that the pumper truck does function well, and the department performs a full maintenance check on both trucks every seven days. He is confident that the truck will work when it arrives at a scene. He would like to have a new truck purchased but is cognizant of other budget demands.

There followed a discussion about the use of the pumper truck and merits of replacing it. The Council reached a consensus to postpone this discussion until the FY 2017-18 budget.

**PUBLIC COMMENTS**

Dan Nunez, Marguerite Street, stated that it sounds like the Village is doing well, but wonders how the Village could thrive and generate more money.

Mooney explained that the Village is taking steps to develop the downtown area, but cannot force more development than residents are interested in. The emphasis is on encouraging redevelopment.

Stephen Gale, Buckingham, expressed support of the budget and the direction that the Village is developing.

**COUNCIL COMMENTS**

Aboud thanked Wilson and McCarthy for all of their work on the budget. He also acknowledged the work of former Village Finance Director, Bob Wiszowaty.

Motion by Oen, second by Peddie, to adjourn the meeting at 8:08 pm.

Motion passed.

**John Mooney**  
**Council President**

**Ellen Marshall**  
**Village Clerk**

**Elizabeth Lyons**  
**Recording Secretary**