

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

Absent: Member Abboud

Also Present: Manager, Wilson
Assistant Manager/Clerk, Marshall
Village Attorney, Ryan

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. The Pledge of Allegiance was recited by those in attendance.

ADDITIONS TO AGENDA/APPROVE AGENDA

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

Motion passed.

COMMUNITY ANNOUNCEMENTS

None.

PUBLIC COMMENTS ON ITEMS NOT ON THE PUBLISHED AGENDA

None.

CONSENT AGENDA

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

1. Review and consider approval of minutes of a regular Council meeting held September 19, 2017.
2. Review and file bills recapped as of Monday, October 2, 2017.
3. Review and consider authorizing administration to seek proposals for a market analysis for the Southfield Corridor Town Center Plan.

Roll Call Vote:

Motion passed (6-0)

BUSINESS AGENDA

REVIEW AND CONSIDER LIABILITY AND PROPERTY INSURANCE RENEWAL

Wilson stated that Craig Manser, the Village's liability insurance representative from IBEX Insurance Agency was present this evening. Before Council for consideration is renewal of the Village's Liability Insurance Policy. If approved, this policy will renew on November 1, 2017 for one year. The terms of the policy are the same as the current policy: A self-insured retention of \$75,000 for liability and, for vehicle and physical damage, a self-insured retention of \$15,000 per vehicle and \$30,000 per occurrence. The liability limit is \$10,000,000 with various other limits listed in the plan. There is a stop loss policy that would limit all liability in any Village fiscal year to \$150,000. The cost for retaining this stop-loss policy is \$4,215.

The total cost for the liability policy for one year is \$123,150. The Village's carrier, Michigan Municipal Risk Management Authority (MMRMA) is also requesting a contribution to our loss retention fund of \$40,000 upon renewal. The policy premium is \$4,182 greater than last year's premium. The total premium and retention fund contribution is \$167,365.

Upon renewal, the Village will be eligible for a distribution through MMRMA of \$58,720. Last year the disbursement funds were placed into our retention account. With this year's allocation of \$40,000 into the retention fund, the fund is in a solid position. Therefore, administration is recommending retaining the disbursement amount to use for other Village expenses.

Manser explained the Village reaps the benefits of being long term members, there are two significant changes to the policy; the data breach policy, and the other structures policy; but these are increases for all clients. The renewal payments are made in three increments; 50% up front, 25% at three months, and 25% at six months.

Motion by Delaney, second by Oen, that the Village of Beverly Hills Council approve and authorize the Village Manager to sign the Michigan Municipal Risk Management Authority Liability and Property Insurance renewal effective November 1, 2017 through November 1, 2018 in the amount of \$167,365.00. Funds for these expenditures are available in accounts 101.248.910.00, 205.345.910.00, 205.346.910.00, 592.540.910.00.

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

REVIEW AND CONSIDER PURCHASE OF FIRE APPARATUS

At the Council meeting of September 19th there was significant discussion on acquiring potentially two new pieces of fire equipment for use by the Public Safety Department. Village Administration was charged with investigating the feasibility of purchasing these pieces of equipment. Wilson examined the finances and the logistics involved with the purchase of such equipment and recommends that Council move forward at this time with a letter of intent from the Village for the purchase of a mini-pumper as soon as possible to be followed in short order with a letter of intent and purchase of a Class A Pumper.

The Public Safety Department has been having various issues with the existing pumper truck, a 1999 model, which is quickly approaching the end of its usable life. This vehicle has required multiple repairs over the last few years and has spent a significant amount of time out of service. As the department only has two vehicles, when the pumper is not available it puts increased demand on our larger ladder truck. Further, when the ladder needs regular maintenance and the pumper is out of service the Village has had to rely on outside equipment on a temporary basis to meet our obligations.

The acquisition of a new Class A pumper truck will allow for the needed replacement of the existing pumper truck. The additional acquisition of a mini-pumper will lessen the demand on both the pumper and ladder truck, extending the lifetime of these expensive pieces of equipment and also provide needed capacity when another piece of equipment is either in service or receiving routine maintenance.

The Public Safety Department has been charged with the investigation of the makes and providers of fire apparatus for the Village and based on a significant number of variables have recommended the Alexis mini pumper and a Sutphen Class A pumper. Both apparatus are available through Apollo Fire Equipment. The Village currently has a relationship with Apollo and is satisfied with their service.

Through their research into these types of equipment the Public Safety Department has reviewed numerous providers and sizes and classes of equipment available. Different manufacturers have different specifications and functions depending on their product lines and the needs of a given community. The Public Safety Department has selected these two pieces of equipment based upon the Village's types of structures, water system, staffing levels, mutual aid commitments, climate, and many, many other factors. Based upon the unique, complex and multiple factors involved and the amount of investigation performed by the Public Safety Department, Wilson recommended moving forward with the purchases at this time.

Preliminary prices for these two pieces of equipment are as follows: approximately \$280,000 for the mini pumper and \$575,000 for the Class A pumper. These are based upon conceptual drawings of these apparatus that have been developed by Apollo in coordination with the Public Safety Department. Drafts of these drawings were provided to Council. Upon provision of a letter of intent from the Village for the purchase of a piece of equipment, the manufacturer and the Village would move to the final design phase. This final design phase is quite intricate and involves numerous options and specifications. If authorized by Council, the Public Safety Department would move forward with the final design phase with very limited input from Village Administration. The specifications chosen in the final design phase could slightly increase or decrease the final price. Nevertheless, the preliminary purchase figures provided are adequate to go forward with planning.

Preliminary results of the FY 2016-17 audit indicate approximately \$290,000 in capital funds can be earmarked for Public Safety Vehicle purchases. In addition, the Village is scheduling a contribution of \$75,000 toward fire truck reserves this year and is also due a disbursement from MMRMA of around \$58,000 upon renewal of liability insurance. These three funding sources provide a total of approximately \$420,000 toward the purchase of these two pieces of equipment.

Village Administration recommends the following; cash purchase of a mini pumper with allocation of the remaining funds of ~\$120,000 as a down payment toward the purchase of a Class A pumper. The Class A pumper can be financed through Sutphen with payments estimated at around \$60,000 a year for 7 years. The Village currently has payments on the existing ladder truck obligated through November 2019. We will make one payment of \$83,005 in November of this year followed by similar payments in November of 2018 and 2019. The payments for 2017 and 2018 have already been included in the budget. With the additional payment to be made in 2019 this obligation will be retired. The Village could then proceed with payments on the Class A pumper, payments which would be less than the current amount being set aside annually for reserves. With three relatively new apparatus available, Village Administration would recommend suspending the annual contributions to the fire truck reserves until the debt for the Class A pumper was retired. The overall financial commitment for fire equipment over the next 5-7 years would not appreciably

increase from our current commitments and the Public Safety Department and Village residents would see immediate benefit from the improved equipment being available for use.

The Village has received notification that Sutphen will be increasing prices in November approximately 3%. It is unknown if Alexis will, but it is expected that a similar increase will be forthcoming. If the Village provides a letter of intent to purchase the current pricing structure with both Sutphen and Alexis would be locked in. Administration believes it is in the Village's best interest to move forward with letters of intent at this time. All reports referenced at this meeting are available for review on the Village website.

Motion by Delaney, second by Oen, be it resolved that the Council for the Village of Beverly Hills authorizes the Village Manager to submit letters of intent to Apollo Fire Equipment for the purchase of an Alexis mini pumper and Sutphen Class A Pumper. The Village Council further authorizes Village Administration and the Public Safety Department to conduct the final design and begin the acquisition process for these apparatus for use by the Public Safety Department.

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

FIRST READING OF AN ORDINANCE AMENDING CHAPTER 42, SECTION 42.10.10 PURCHASE, CONSUMPTION OR POSSESSION OF ALCOHOLIC LIQUOR BY MINORS

Ryan explained the Michigan Legislature moved the effective date of this ordinance to October 2017. Currently a minor in possession is a misdemeanor. Under the new law, it becomes a civil infraction for the first offense, second offense is a misdemeanor. Providing fraudulent identification is still a misdemeanor under the new ordinance. The ordinance makes allowances for counseling and enhanced assessment. Minors aged 18, notification of parent or guardian is required within 48 hours, minors under 17 shall have parent or guardian notified immediately. Any youth who voluntarily presents themselves to a health facility continue to be protected under safe haven rule. This ordinance keeps in compliance with all state laws.

A copy of the ordinance in its entirety is available for review at the Village of Beverly Hills Administration office.

REPORT ON OTHER POST-EMPLOYMENT BENEFITS (OPEB) ACTUARIAL EVALUATION FOR FISCAL YEAR ENDING JUNE 30, 2017

Wilson reported the Village, in compliance with Governmental Accounting Standards Board (GASB) Statements 74 and 75, have obtained an actuarial valuation for other post-employment benefits (OPEB) obligations as of June 30, 2017. OPEB costs are costs associated with retiree health care for eligible active, retired and deferred retired employees. Nyhart Actuary was contracted to conduct this analysis, a copy of the report was included for Council review. To summarize, as of June 30, 2017, the Village had an Actuarial Accrued Liability (AAL) for OPEB of \$14,570,600. The Village was holding assets of \$5,913,187 to cover these costs for an OPEB Unfunded Accrued Liability (UAL) of \$8,657,413. As of June 30, the Village's OPEB costs were 40.6% funded. The discount rate used for this analysis was 7.0%. The most recent prior actuarial

analyses for OPEB costs were performed for periods ending December 31, 2007 and December 31, 2012. A chart provided a quick comparison of the Village's OPEB funding status as of the last three (3) actuarial valuations.

The Village has made significant progress in lowering their Unfunded Accrued Liability over the last decade improving its level of UAL by almost \$6 million. This has been accomplished by both a reduction in liability and, more significantly, aggressive investments in reserves to cover these future expenses. The reduction in OPEB liability has been accomplished through modifications to retiree health care programs for new employees implemented by Council over the last few years. It should be noted that the savings from reduced future liabilities would have been greater except for changes in assumptions that were implemented with the current fiscal year. Per the report (pg. 5) the total OPEB liability as of July 1, 2016 was just over \$11.5 million. Changes in assumptions accounted for an increase of liability of over \$2.85 million during FY 16/17. Without these changes in assumptions the UAL would be lower and the funding level would be in excess of 50%. Village Administration is arranging a conference call with Nyhart and our auditors to better understand the assumption changes and other aspects of the report. Nevertheless, this report does indicate that the Village has made significant progress in addressing its liabilities relative to retiree health care obligations. The aggressive funding steps that have been implemented since 2012 have certainly improved the Village's position. With continued contributions to the Retiree Health Care Fund, as Council has committed to, the Village should be well on its way to a full funding of all these future obligations.

Mooney thanked Administration for their hard work on this project. A copy of the report in its entirety is available for review at the Village of Beverly Hills Administration office and online.

PUBLIC COMMENTS

None.

MANAGER'S REPORT

Fence Ordinance – The Planning Commission has been reviewing the fence ordinance as requested by Council and considering options for potentially higher or more opaque fences than the ordinance currently allows. As a reminder, fences in the Village, with few exceptions, are limited to four feet in height and must be 35% open to air. The Planning Commission has been considering increases to these limits in specific zoning districts. The original concept was for modifications to these limits in the R-2A, R-2B and R3 districts. Upon further discussion the Planning Commission felt there were problems with increases to fence height and opacity in certain areas of the existing R-2B district, particularly the West Beverly neighborhoods west of Southfield Rd. The Planning Commission is moving forward with a Public Hearing at their October meeting. Based upon the discussion at the September meeting, it is expected the R- 2B District would be excluded from any recommended modifications. A map showing the various zoning districts was included for Council review. Given the complexity of the issue, Wilson suggested that after a recommendation is provided by the Planning Commission that Village Administration further review the matter with the Planning Commission liaison and perhaps another Council member(s) prior to review by the full Council.

Security Cameras – Security cameras have now been installed in the lobbies of Village Hall and the Southfield Township buildings. The Public Safety Department can monitor these cameras in real time. We also have the ability to recall footage from a limited time period. Thank you to the Council for authorizing this expense for these buildings and to the Public Safety Department for their efforts in monitoring these feeds.

Village Hall Flag – The Village completed installation of a flag pole at Village Hall. On September 27th, there was a flag raising ceremony raising the flag for the first time. We were honored to have participation from the Public Safety Department. Sgt. Tom Danielson was present to raise the flag. Sargent Danielson, who was a Public Safety Officer at the time, was injured in the line of duty five years ago this week. While his injuries were serious Tom has made a tremendous recovery, returned to full duty and received a well-deserved promotion to the rank of Sergeant. We thank Sgt. Danielson for his participation in this event, his service to the United States Navy and for his continued service to the Village of Beverly Hills. During this ceremony, Lt. Howard Shock was promoted to Deputy Director.

COUNCIL COMMENTS

Mueller asked for volunteers for the Halloween Hoot on October 29. Volunteers are needed to top and gut pumpkins starting at 8:30 am. The carving will take place at 12 pm and the trick or treating trail opens at 6pm. If anyone is interested in volunteering please contact Ellen Marshall at the Village office.

Delaney thanked Administration for their work with the Cable Board to procure grant funds for the new website design. He cautioned drivers and bicyclists to be aware in the darker mornings and evenings.

Oen announced there are five available locations for candy handout along the Hoot Trail. He was honored to be in attendance at the flag raising ceremony.

Mooney thanked Trish Oen for coordinating the Halloween Hoot this year. He thanked Public Safety and Administration for their hard work to protect the safety of the residents. He thanked Wilson and Finance Director Sheila McCarthy for their hard work funding the OPEB.

Motion by Oen, second by Nunez, to adjourn the meeting at 8:35 pm.

Motion passed.

John G. Mooney
Council President

Ellen E. Marshall
Village Clerk

Elizabeth M. Lyons
Recording Secretary