

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

Absent: Member Mueller

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

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 Peddie, to approve the agenda as amended.

Motion passed.

COMMUNITY ANNOUNCEMENTS

None.

PUBLIC COMMENTS ON ITEMS NOT ON THE PUBLISHED AGENDA

None.

CONSENT AGENDA

Motion by Oen, second by Abboud, be it resolved that the Village of Beverly Hills Council approves the consent agenda as follows:

1. Review and consider approval of minutes of a regular Council meeting held November 7, 2017.
2. Review and file bills recapped as of Monday, November 13, 2017.

Roll Call Vote:

Motion passed (6-0)

BUSINESS AGENDA

PRESENTATION AND REVIEW AND FILE OF JUNE 30, 2017 AUDIT BY PLANTE MORAN

Council members are in receipt of the audited financial statements of the Village of Beverly Hills for the fiscal year ended June 30, 2017. Auditor Martin Olejnik stated that Plante & Moran has given its unmodified audit opinion on the Village's financial statements, which means that Beverly Hills' accounting records are correct and are presented in accordance with accounting standards mandated by the State. Rumzei Abdallah will review the graphs that highlight information in the financial statements. They will follow up with a discussion of the Management Letter. Auditor Brittany Kohler from Plante & Moran was also in attendance.

Olejnik highlighted that the Village General Fund is in a strong position. The Village pension fund is over 80% funded, and the OPEB is over 40% funded; the state average is 20%.

Abdallah highlighted key points of the financial statements. He referred to a graph illustrating General Fund Revenue and the sources of that revenue. The biggest sources of revenue for the General Fund continue to be State Shared Revenue and Property Tax revenue and fees. A subsequent graph demonstrated an increase in taxable value and State Equalized Value (SEV) in the last four years. Looking forward, it is expected that taxable values will continue to experience small or moderate increases. In monitoring this revenue source, the Village needs to keep in mind that the future taxable value increases will be limited to the lesser of 5% or inflation; so even if home sales do increase at a faster rate, the property tax revenue will be held to this lower amount. State-shared revenue is starting to show some modest increases. During the economic downturn, the Village resized its operations to fit the new lower revenue structure. The revenue improvements brought the Village into a structurally balanced budget; however, the long-term fiscal sustainability will be dependent on the ability to hold cost increases (driven significantly by the cost of pension, retiree health care and current employee health care) within the limits of expected revenue increases, which are predicted to be at or below the rate of inflation.

A graph of General Fund Expenditures by major category illustrated that nearly half the expenses relate to people costs. The second largest expenditures category is the collection and disposal of rubbish. The other expenses are consistent with previous years. A graph depicting fund balances from 2011-2015 relative to the minimum target shows that the Village is at the recommended minimum of 20% of the next year's general fund expenditures. He discussed a graph showing progress on long-term debt obligations; the majority being due to water and sewage.

Olejnik discussed the letter addressed to the Village Council. The first section contains required communication on the audit process. Section two discusses the audit process in general. There were no issues discovered during the audit and no disagreements with management. Section three contains general recommendations from Plante & Moran based on the results of the audit. There were no significant deficiencies in the audit. The items noted were mentioned last year and are related to information technology under the current system as well as physical security of the Village's information technology.

The Water and Sewer Fund continues to operate at a loss; the fund balance has decreased over the last few years. It was also noted that it has been some time since the Village performed an analysis of the allocation of costs between departments. Although the amounts appear reasonable, the Village is encouraged to update the analysis and re-evaluate it regularly, at least every two to three years. The Village presently maintains various accounts pertaining to collection of money from third parties which are later utilized to pay costs on behalf of those parties. Plante & Moran recommends the creation of a trust and agency fund to assist in maintaining the accounts, instead of in the General Fund. They also recommend that quarterly investment reports be provided to Council to be in compliance with State of Michigan Public Act 2013 Of 2007.

The third section of the letter includes legislative and informational items occurring in the State. In June 2015, the GASB issued new standards addressing accounting and financial reporting by state and local governments for post-employment benefits other than pensions (OPEB, Other Post Employment Benefits). GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. For fiscal years beginning on or after January 1, 2015, the threshold for obtaining a federal awards audit will increase from the current threshold of \$500,000 of annual federal spending to \$750,000. There will also be significant changes to the criteria for qualifying as a low-risk auditee and a reduction in the number of major

programs required to be tested for some clients. The Village has historically been below the threshold. However, from time to time, depending upon the level of federal spending, the Village may still be subject to an audit requirement even at the new higher \$750,000 threshold.

Olejnik commended the Village for its record keeping and thanked Village staff for their assistance during the audit process. Mooney thanked Olejnik, Abdallah and Kohler for presenting the audit report. He recognized the Village staff for a job well done. Mooney instructed Administration to review suggestions put forward by Plante and Moran and prepare them for presentation at the December 19 meeting.

Motion by Oen, second by Peddie, to receive and file the June 2017 audit as conducted and submitted by Plante & Moran.

Motion passed.

PUBLIC HEARING TO RECEIVE COMMENTS ON PROGRAM YEAR 2018 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Beverly Hills has participated in the federally funded Community Development Block Grant (CDBG) program for more than 25 years. The Village is currently in a three-year contract (2018, 2019 and 2020) with Oakland County to participate in this program which is administered through Oakland County's Community & Home Improvement Division. Each year's CDBG allocation is based on a formula that uses several objective measures of community needs. Those include the extent of population, low to moderate population and population in relationship to other metropolitan areas. The Village's estimated allocation for Program Year 2018 is \$14,534. The Village must comply with several rules that include limiting allocation for public service activities to a maximum of 30% of the total 2018 allocation and allocating a minimum of \$3,000 for each project. This year Council is being asked to consider allocating funds for minor home repair services for low to moderate income citizens and public services (yard services), Administration recommends allocating \$10,174 for minor home repair and \$4,360 for yard services through the CDBG program.

Mooney opened the public hearing at 8:16 pm.

No one wished to be heard; the public hearing was closed at 8:17 pm.

REVIEW AND CONSIDER PROGRAM YEAR 2017 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION

Motion by Oen, second by Nunez, that the Village of Beverly Hills Council adopt the following Resolution:

Whereas, Oakland County is preparing an Annual Action Plan to meet application requirements for the Community Development Block Grant (CDBG) program, and other Community Planning and Development (CPD) programs, and;

Whereas, Oakland County has requested CDBG-eligible projects from participating communities for inclusion in the Action Plan, and

Whereas, the Village of Beverly Hills has duly advertised and conducted a public hearing on November 21, 2017, for the purpose of receiving public comments regarding the proposed use of

PY 2018 Community Development Block Grant (CDBG) funds in the approximate amount of \$14,534, and

Whereas, the Village of Beverly Hills found that the following projects meet the federal objectives of the CDBG program and are prioritized by the community as high priority need.

Account	Project Name	Amount
172160-731227	Minor Home Repair	10,174.00
172160-732170	Public Services – Yard Services	4,360.00

Therefore Be It Resolved, that the Village of Beverly Hills' CDBG application is hereby authorized to be submitted to Oakland County for inclusion in Oakland County's Annual Action Plan to the U.S. Department of Housing and Urban Development, and that the Council President is hereby authorized to execute all documents, agreements, or contracts which result from this application to Oakland County.

Roll Call Vote:
Motion passed (6-0)

DISCUSS PROPOSED ORDINANCE AMENDING CHAPTER 22 SECTION 22.08.150 FENCE, WALL, AND PRIVACY SCREEN REGULATIONS OF THE MUNICIPAL CODE

Nunez explained the Fence Ordinance subcommittee reviewed the proposed fence ordinance as submitted by Planning Commission. The subcommittee has proposed to modify/amend the Planning Commission's version of the fence ordinance by adding R-2B to the zones (R-2A and R-3) that are allowed to have solid 6-foot fences, adding 6-foot solid fences for side yards in Zones R-2A, R-2B and R-3, and removing R-2B from zoning areas under the 4-foot open fence and privacy screen jurisdictions; they see no need to have both solid 6-foot fences and privacy screens in the same zones.

It is the intention of the subcommittee to make a motion to amend the Planning Commission's proposed ordinance to include the changes outlined above, and have this amended ordinance brought forth at the December 5, 2017 Council meeting for both a public hearing and first reading. The three main changes summarized above are exactly in line with the original motion Council approved (6-1) in session on July 18, 2017 to send to Planning Commission. This version also stays aligned with concern that solid 6-foot fences not be allowed village-wide and will only encompass approximately 1/3 of the geographic area of the Village. At their October 25, 2017 meeting, the Planning Commission held a public hearing and recommended Council review and consider modifications to Chapter 22, Section 22.08.150 Fence, Wall, and Privacy Screen Regulations. The Village Council has a public hearing set for Tuesday, December 5, 2017 to receive comments on the proposed ordinance.

Peddie and Abboud agreed with Nunez; based on the requests and cases that come before the Zoning Board of Appeals related to fences, it is important to support the requests of the residents.

Oen stated he is not in support of the changes to the existing ordinance, and is concerned about disagreements between neighbors related to property lines.

Delaney noted the Planning Commission passed the ordinance in a close 5-4 vote. The current ordinance has been in effect since the inception of the Village. He is concerned 6-foot fences will compromise the character of the Village. He encouraged the Council to consider the need for inspections and a stake survey.

Greg Butera, Verona Circle, recently moved to Beverly Hills from the suburbs near Washington D.C., and he had a great community, neighborhood friends, and 6-foot fences. He believes that people are entitled to privacy on their property.

Martin Blumentritt, Hillcrest, recently built a new home on Hillcrest, and supports the importance of inspections, enforcement of code, and fairness. He agrees that it is important to maintain the character of Beverly Hills, but he is in full support of 6-foot fences.

Lynne Schrage, Marguerite, supports 6-foot fences, but would like to see inspections and enforcement to avoid blight.

Peter Chiappa, Birwood Ave., supports the privacy screens, and 06-foot fences, and believes a well-built 6-foot fence is more aesthetically pleasing than chain link fences.

Vince Borowski, West Chelton, does not support 6-foot fences. However, as a member of the Planning Commission, he explained the Commission struggled with minimal documented evidence of the desire for 6-foot fences by residents. However, based on feedback from Administration, they regularly receive phone calls inquiring about the installation of 6-foot fences. He encouraged Council to retain the format, graphics, and language; it reflects the updated, user friendly revision of the ordinances as outlined in the Master Plan.

Nunez and Abboud agreed, people are entitled to their privacy, and no one likes to be told what to do with their property.

Delaney asked for clarification regarding which zone districts were included in the proposed ordinance. It was explained that some homes west of Southfield would be included because zone R-2B includes homes on both the east and west side of Southfield.

Motion by Peddie, second by Nunez, that the Village Council accept the proposed ordinance, as modified by the Council subcommittee, modifying the Municipal Code Chapter 22, Section 22.08.150 Fence, Wall, and Privacy Screen Regulations.

Roll Call Vote:

Motion passed (4-2)

Abboud	yes
Delaney	no
Mooney	yes
Nunez	yes
Oen	no
Peddie	yes

SECOND READING AND POSSIBLE ADOPTION 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 and a 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. For individuals less than 18 years of age, law enforcement officers shall notify the parents or guardian within 48 hours. For an individual less than 17 years of age who is incarcerated, the parents or legal guardian shall be notified immediately. Any youth who voluntarily presents themselves to a health facility continues 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.

Motion by Oen, second by Abboud, to adopt Ordinance #360 amending Chapter 42 Section 42.10.10 Purchase, Consumption or Possession of Alcoholic Liquor by Minors of the Municipal Code.

Roll Call Vote:
Motion passed (7-0)

This ordinance shall become effective January 1, 2018 following publication in the Eccentric newspaper.

PUBLIC COMMENTS

None.

MANAGER'S REPORT

Quarterly Financial Statements – The Revenue and Expenditure Report for the 1st quarter of FY 2017-18 ending September 30, 2017 was provided to the Council. This report provides revenues for each fund and expenditures by each department. Revenues vs expenditures for each fund are compiled and measured against the original budget. The report also includes a report on the cash held by each fund as of September 30. Finance Director Sheila McCarthy can answer any questions Council may have regarding these reports. More detailed reporting is also available if desired.

Firetruck Update – Public Safety has been working with the dealer on the specifications for the two new pieces of fire equipment as directed by Council. Village Administration has been provided an updated cost and purchase options for the pumper truck. Once a final price and purchase options are provided for the mini-pumper, Village Administration will review the purchase options that best fit with the dedicated funds that we have available at this time. The Village will then move forward with an agreement to purchase these two vehicles. Completion is anticipated by the end of this year.

Leaf Pick-Up – The last day currently scheduled for leaf pick up is Tuesday, December 12th. This has been a very late season for the leaves to fall. Residents are advised to have all leaves, in bags and cans, at the curb in time to be collected by December 12th. In years past the Village has been able to extend leaf collection. With the current renovations to the recycling facility there is no

guarantee that we will be able to extend leaf collection this year. If the collection period is extended it will be for only one additional week.

Village Offices Closed – Village Offices will be closed on Thursday, November 23rd and Friday November 24th in observance of Thanksgiving. November water bills will be accepted until November 27th without penalty.

Peddie reminded residents that leaves will not be vacuumed off the street, but must be bagged and placed at the curb on normal pick up day.

Mooney explained that the December *Villager* contains a notice that during routine testing of the Village water quality, the Department of Environmental Quality found a trace of lead in one randomly tested home. It was determined that the home, built in the 1920s, had galvanized pipes leading into it. The pipes were replaced, the home was retested with no traces of lead found. Homes on either side were tested, and they were lead free. There is no problem with the Village water, it is completely safe. More information can be found in the winter edition of *The Villager*.

COUNCIL COMMENTS

Abboud reported Premier Pets was granted a variance for their sign and will go before the Planning Commission.

Delaney reported the Cable Board approved Beverly Hills' grant request to cover the cost of redesigning and updating the Village website.

Peddie reminded residents that Council and library staff are available to residents at any time should they have concerns about the Library.

Mooney announced that the winter tax bill will be mailed next week.

Motion by Abboud, second by Peddie, to adjourn the meeting at 9:38 pm.

Motion passed.

John G. Mooney
Council President

Ellen E. Marshall
Village Clerk

Elizabeth M. Lyons
Recording Secretary