

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

Absent: Member: Mueller

Also Present: Village Manager and Clerk, Wilson  
Village Attorney, Ryan  
Finance Director, McCarthy

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 led by Scouts from Troop 1024, and recited by those in attendance.

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

Motion by Delaney, second by Oen to move Consent Agenda Item #1: Review and consider approval of minutes of a regular Council meeting held October 2, 2018 to Business Item #4.

Motion passed.

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

Motion passed.

#### **COMMUNITY ANNOUNCEMENTS**

Honorable Representative Sander Levin (MI-9th) spoke, thanking the Village for years of support and encouraged them to provide continued support for bi-partisan politics.

Walter Briggs, Reedmere, thanked Levin for his guidance and friendship over many years. Levin served as mentor to Briggs, and guided him in civility, respect, and bi-partisanship.

Mooney recognized Levin years of service and wished him the best in his retirement.

Scout Luke DaSilva, Locherbie, reported that the supplies had been delivered, and the gazebo renovation project will begin October 20, 2018.

Scout Josh Ziegele, Troop 1024, presented his plan to create a Butterfly Garden in Beverly Park for his Eagle Scout project. The garden would be approximately 15x15 feet. He would have planting assistance from fellow Troop members, and hopes to secure donations from nearby nurseries and the Village Council.

#### **PUBLIC COMMENTS**

None.

**CONSENT AGENDA**

Motion by Oen, second by Delaney, be it resolved that the Council for the Village of Beverly Hills approve the consent agenda.

1. Review and file bills recapped as of Monday, October 15, 2018.
2. Set public hearing date of November 20, 2018 to receive comments on the Program Year 2019 Community Development Block Grant application.

Roll Call Vote:

Motion passed (6-0)

**BUSINESS AGENDA**

**PRESENTATION, REVIEW, AND FILE OF JUNE 30, 2018 AUDIT BY PLANTE AND MORAN**

Council members are in receipt of the audited financial statements of the Village of Beverly Hills for the fiscal year ended June 30, 2018. 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.

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 relative to the minimum target shows that the Village is above 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 related to controls over reconciliations and general ledgers.

In November 2010, a Charter Amendment was passed to increase the maximum authorized charter limit from 11.0000 mills to 12.9184 mills, effective July 1, 2011 for 10 years. The mills were split as follows: 9.900 for public safety, 2.100 for general administration, and .9184 for library. This 10 year amendment runs through July 1, 2021, at which point the limit is set to revert to 11.0000 mills. If the Village has not already done so, they Village should begin planning for the maximum reverting to 11.0000 mills, absent another amendment.

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 and Abdallah for presenting the audit report. He recognized the Village staff for a job well done.

Motion by Oen, second by Peddie, to receive and file the June 2018 audit as conducted and submitted by Plante & Moran.

Motion passed.

#### **REVIEW AND CONSIDER LIABILITY AND PROPERTY INSURANCE RENEWAL**

On the agenda for Council to review and consider is the renewal of the Village's Liability Insurance Policy. This policy renews on November 1, 2018. The terms of this 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 on page 3. There is new coverage related to data breach and privacy liability that is detailed on page 4. There is also 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 \$4,353.

The total cost for the liability policy for one year is \$130,480. This is a slight increase of our premium for last year of \$123,150. Our carrier, Michigan Municipal Risk Management Authority (MMRMA) is also requesting a contribution to our loss retention fund of \$40,000 upon renewal. The total premium and retention fund contribution is \$174,833. Upon renewal, the Village will be eligible for a disbursement through MMRMA. Our disbursement for this year is \$85,057. Our retention fund balance as of June 30th was more than \$200,000. Contributing the recommended \$40,000 to the retention fund will leave this fund in a solid position. Administration recommends that the Village retain the disbursement amount to use for other Village expenses. Village Administration has reviewed the liability insurance renewal and recommends approval at this time.

Motion by Oen, second by Nunez, be it resolved that the Beverly Hills Village Council approve and authorize the Village Manager to sign the Michigan Municipal Risk Management Authority Liability and Property Insurance renewal effective November 1, 2018 through November 1, 2019 in the amount of \$174,833.00. 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 REQUEST BY MICHIGAN GROWLER CO. TO EXTEND BUSINESS HOURS**

The Village is in receipt of a request from Michigan Beer Growler to extend their operating hours by one hour each day. As set forth in their request, their revised hours of operation if approved would be as follows: Monday: 3PM – 9 PM; Tuesday – Thursday: 11 AM – 9 PM; Friday – Saturday: 11 AM – 10 PM; Sunday: Noon – 6 PM.

The current operation hours were established as part of an agreement with the Village for approval of their Tavern and Specially Designated Merchant (SDM) licenses with the Liquor Control Commission in 2014. A similar request to extend operating hours was made and denied in 2015. Public Safety has reviewed their records for any issues relating to the operation of this establishment and none were found.

Owner Jane Condit spoke explaining that the request was driven by the customers, the majority being Beverly Hills residents.

Council congratulated Condit on the success of the business, thanked her for being a good neighbor, and expressed support of the extension.

Motion by Oen, second by Abboud, be it resolved that the Beverly Hills Village Council approves the revised hours of operation for Michigan Growler Co., to be Monday: 3pm – 9pm; Tuesday - Thursday: 11 am – 9 pm; Friday – Saturday: 11 am – 10 pm; Sunday: Noon – 6 pm.

Motion passed.

**REVIEW AND CONSIDER APPROVAL OF MINUTES OF A REGULAR COUNCIL MEETING HELD SEPTEMBER 18, 2018.**

There are two corrections to the Council minutes from a meeting held September 18, 2018.

Motion by Delaney, second by Peddie, that the Village of Beverly Hills Council approve the changes as follows; Pg 2 – The minutes should reflect that Sara Bresnahan was appointed to the Birmingham Area Cable Board as opposed to reappointed. Pg 4 – There was no motion or second to set the Public Hearing date of November 6, 2018 for Special land use request at 22440 W. Thirteen Mile Rd. This meeting was set by council without objection.

Motion passed.

Motion by Delaney, second by Oen, that the Village of Beverly Hills Council approves the minutes from a regular Council meeting held September 18, 2018 as amended.

Motion passed.

**PUBLIC COMMENTS**

None.

**MANAGER'S REPORT**

**Letter from resident** - Sarkis Soutanian, Sunset. Sometime in May 11-18, 2018, at approximately 2:00 a.m., a severe wind and rain incident triggered a defective brick wall about 4-5 feet high to fall onto my property. This wall was owned by the Beverly Manor located on the north side of their property at 19710 13 mile road in Beverly Hills Michigan. This wall was over 200-230 feet that toppled onto my property. A remaining section of wall is still standing and propped up with a board. This wall fragment is a hazard to the community and should be removed. Because of the fact it was constructed with the rest of the wall one has to assume that it is also defective. An act of god such as a rain storm and wind doesn't usually blow down a brick wall unless the wall is substandard. No trees or shrubs were damaged in the area due to this weather event. The wall ruined a few evergreen trees and left a mess of debris of uncleaned up brick and mortar fragments. It's been about 2-3 months now and the Beverly Manor continues to clean up their property planting new shrubs and landscaping while they have neglected ours. We would like someone to come out and evaluate the remaining wall and decide its fate as well as determine how much compensation we are due for the damage that was done to our property. We would like the remaining debris field removed and the obvious damaged cedar trees trimmed by a professional to save them and the small shrubs that were crushed and still on the ground replaced.

**Road Commission Construction Projects** – The Road Commission is currently engaged in construction projects on 14 Mile between Greenfield and Southfield and Southfield Rd. between 12 Mile and 13 Mile. There is a perceived lack of communication and coordination of these RCOG projects with the Village and other local governments. Representatives from the Road Commission did reach out and admit that there were some oversights in the outreach process with some of these fall projects. There is a need for them to expand their oversight to include local trash haulers as these construction projects have a major impact on their operations. This suggestion was well

received. The construction schedule for RCOC was significantly disrupted by the recent labor stoppage/lockout. They have had to bring many projects back on line in a short period of time as well as schedule a significant number of projects to be completed in the limited remaining construction season. Administration is confident these oversights were a one-time occurrence.

**Former Albanian Church Site** – Village Administration is in receipt of conceptual plans for a residential development on the site of the former Albanian Church on the south side of 13 Mile. Planning and Zoning Administrator Saur and LSL Planning are working with the applicants on their initial submission and suggested revisions for compliance with Village Zoning Codes. It is possible that a compliant submittal will be in hand in November for referral to the Planning Commission.

**Consumers Energy Gas Line Replacement** – Consumers Energy has completed the permit process for their gas main replacement program at 14 Mile and Evergreen. The Village has been informed that this project will begin around November 1st. The Village is coordinating the logistics of the lane closures related to this project with the adjoining Home Owners Associations, Birmingham Public Schools and the Department of Public Safety. A separate project, smaller in scope will occur around the intersection of Saxon and Beaconsfield on or around October 22. Consumers also has plans for a gas line replacement project on 14 Mile near the water tower. They have been advised to coordinate any plans for this project with the Road Commission due to ongoing road work on 14 Mile.

**Thirteen Mile Sidewalk Estimate** – Village Administration has received a cost estimate the installation of a sidewalk along 13 Mile that would connect the existing sidewalk at Groves High School to the intersection of 13 Mile and Lahser, and further to the subdivision of North Georgetown at Old Stage. A copy of the estimate was provided for review and direction of Council. As you will note, the cost is quite high at just over \$1.1 million, with over half of that cost for a pedestrian bridge over a river crossing.

#### **COUNCIL COMMENTS**

Mooney reminded residents to vote November 6, 2018, and expressed his support for the four incumbent members of Council.

Abboud thanked Mooney for his support. He reported updates from the MML, SEMCOG, and SOCMA.

Delaney thanked Mooney for his support. He reported that the Joint Senior Services Commission had their first meeting and are excited for the progress they will make.

Oen thanked Mooney for his support.

Peddie reported the Baldwin Library Board of Directors would be at a December meeting to provide an update.

Motion by Abboud, second by Oen, to adjourn the meeting at 9:05 p.m.

Motion passed.

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

**Chris Wilson**  
**Village Clerk**

**Elizabeth M. Lyons**  
**Recording Secretary**