

Village of Beverly Hills
Regular Village Council Meeting
Tuesday, October 20, 2020

Municipal Building
18500 W. 13 Mile Road
7:30 p.m.

Zoom link: <https://us02web.zoom.us/j/87656160329>

Meeting ID: 876 5616 0329

Dial in Number: 1-646-876-9923 (US)

AGENDA

Roll Call/Call to order

Pledge of Allegiance

Amendments to Agenda/Approve Agenda

Community Announcements

Special Order of Business: Update from Representative Kyra Harris Bolden

Public Comments on items not on the published agenda

Consent Agenda

1. Review and consider approval of [minutes](#) of a regular Council meeting held October 6, 2020.
2. Review and file [bills](#) recapped as of Monday, October 12, 2020.
3. Review and consider renewing liability and property insurance [policy](#) with Michigan Municipal Risk Management Authority.

Business Agenda

1. Receive and file Fiscal Year 2019-20 [Audit](#) from Plante Moran.
2. Set organizational [meeting](#) for November 10, 2020.
3. [Overview](#) of Village's 2020 millage renewal proposal.
4. Review and consider Parks & Recreation Board's [request](#) to host Village Wide Scavenger Hunt.

Public comments

Manager's [report](#)

Council comments

Adjournment

Please note: This meeting will be broadcast live from the Council Chambers, but the public has the option of participating via Zoom as well. Due to COVID-19, social distancing guidelines must be followed while inside the Village Office building. Please maintain at least six feet between yourself and others. Face masks must be worn while inside the building. Written comments to the Council may be submitted prior to the meeting to 18500 W. Thirteen Mile Road, Beverly Hills, MI 48025 or via email to the Village Clerk: krutkowski@villagebeverlyhills.com.

The Village of Beverly Hills will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting, to individuals with disabilities attending the meeting upon three working days' notice to the Village. Individuals with disabilities requiring auxiliary aids or services should contact the Village by writing or phone, 18500 W. Thirteen Mile Beverly Hills, MI 48025 (248) 646-6404.

REGULAR COUNCIL MEETING MINUTES – OCTOBER 6, 2020 – PAGE 1

Present: President Peddie; President Pro-Tem Abboud; Members: George, Hrydziusko, Mooney, and Mueller

Absent: Member: Nunez

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

Peddie called the regular Council meeting to order at 7:30 p.m. at the Village of Beverly Hills municipal building located at 18500 W. Thirteen Mile Road and virtually via Zoom per Executive Order 2020-154. The Pledge of Allegiance was recited by those in attendance.

AMENDMENTS TO AGENDA/APPROVE AGENDA

Motion by Mooney, second by Mueller, be it resolved, the agenda is approved as published.

Roll Call Vote:
Motion passed (6-0)

COMMUNITY ANNOUNCEMENTS

None.

PUBLIC COMMENTS

Peddie read comments into the record from the following residents, who all expressed concern that a candidate for Village Council used the Groves High School email directory for political purposes:

Rosanne Koss; Tim Mercer; Thomas Nowland; Cynthia Brody, Ronsdale Drive; and Michael Zainea.

CONSENT AGENDA

Motion by Mooney, second by Abboud, be it resolved, the consent agenda is approved as published.

1. Review and consider approval of minutes of a regular Council meeting held September 15, 2020.
2. Review and file bills recapped as of Monday, September 28, 2020.

Roll Call Vote:
Motion passed (6-0)

BUSINESS AGENDA**REVIEW AND CONSIDER APPROVAL OF NOLAN LAMPHERE'S EAGLE SCOUT PROJECT PROPOSAL**

At the September 17, 2020 Parks & Recreation Board meeting, Nolan Lamphere, Troop 1024, presented his Eagle Scout Project Proposal to the Board. The details of Mr. Lamphere's proposal were provided to the Council and include the construction and installation of 13 bat houses and 2 barn owl houses at Beverly Park. Mr. Lamphere estimated the cost of the materials for the project would be \$225.00.

THESE MINUTES ARE NOT OFFICIAL. THEY HAVE NOT BEEN APPROVED BY THE VILLAGE COUNCIL.

The Parks & Recreation Board recommended approval of this project.

Nolan's father, Jim Lamphere, spoke on his behalf during the meeting.

Motion by Mueller, second by Mooney, be it resolved, the Beverly Hills Village Council approves Nolan Lamphere's Eagle Scout Project to install 13 bat houses and 2 barn owl houses at Beverly Park. Be it further resolved, the Council authorizes a Village contribution not to exceed \$250.00 to cover the cost of materials. Funds for this expense are available in account #101-751-778.03.

Roll Call Vote:
Motion passed (6-0)

RECEIVE AND FILE GASB 74/75 INTERIM ACTUARIAL VALUATION FYE JUNE 30, 2020.

This item was tabled from the September 15, 2020 meeting. A copy of the Village's Interim Actuarial Valuation for Other Post Employment Benefits (OPEB) was provided to the Council and Wilson gave an overview. This report is through the period of June 30, 2020. The Village received a full Actuarial Valuation report as of FYE 06/30/19. This Interim Report uses the data of that report and makes adjustments based upon changes in demographics, investment performance and expected future performance and costs. One significant adjustment reflected in this report is a reduction of the expected future rate of return on investments, or discount rate, from 7.75% to 7.35%.

As of June 30th, the Village has set aside 65% of all future projected OPEB liabilities. The Village's total OPEB liability, while up slightly over last year, is down over \$4.4 million from June 30th, 2018. Notably, the Village's annual costs for benefit payments have declined over the last two years by over \$120,000, an annual reduction of 13.7%.

Motion by Mooney, second by Mueller, to receive and file the GASB 74/75 Interim Actuarial Valuation Report for FYE June 30, 2020.

Roll Call Vote:
Motion passed (6-0)

REVIEW AND CONSIDER COST PARTICIPATION AGREEMENT WITH THE CITY OF SOUTHFIELD FOR 13 MILE ROAD RESURFACING PROJECT

As Council is aware, the Village is the lead agency on the 13 Mile Road Resurfacing Project. We are Participating in this project with the City of Southfield and the Road Commission of Oakland County. As we have begun processing payments to vendors the City of Southfield has requested a Cost Participation Agreement between the Village and the City. The Village entered into a similar agreement with the Road Commission for their participation in the project.

The attached document has already been approved by City of Southfield. Exhibit "A" details the total cost of the project and the cost shares amongst the different participants. The Costs for the City of Southfield are higher than the Village's costs due to the extra sidewalk work on the Southfield portion of the right-of-way. Village Administration has reviewed the proposed contract and Exhibit "A" and

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recommends approval. Approval of this agreement does not commit the Village to any additional costs or expenses.

Motion by Abboud, second by Mooney, the Village Council resolves to approve and authorize the Village President and Village Clerk to execute the Cost Participation Agreement between the City of Southfield and Village of Beverly Hills for the 2020 13 Mile Road Resurfacing Project from Evergreen to Southfield Road.

Roll Call Vote:
Motion passed (6-0)

DISCUSSION ON FLOODING AND BACKUPS

Wilson reported that the Village has received about 250 reports of basement backups from the August 28th rain event. He thanked HRC for putting the map together of impacted properties. He stated the impacts were widespread throughout the Village and it was not just one pocket or neighborhood that was affected. Wilson talked about the significant amount of rain the Village received in a 24 hour period, which was about four and a half inches, and in a one hour period, which was 2.88 inches. For comparison, that is more rain that would generally fall in one month. Wilson stated that administration has sent claim forms to residents who contacted the Village about any backups and that many forms have been completed and returned back to the Village. Those claim forms will then be sent to the Village's liability carrier, MMRMA. MMRMA will review the claims, make determinations, and coordinate directly with the individual homeowner.

Mooney suggested that the Village conduct a study of impacted properties.

George would like to talk about other things that can be done to help the system through peak times, such as aerating lawns and planting rain gardens.

Hrydziuszko suggested rain barrels and stricter guidelines in regards to the building code to help alleviate backups.

Ken Flaherty, 17166 Beechwood, stated he had about ten inches of water/waste in his basement. He claimed that the sewer backups did not occur as a result of an unusual rain event, rather they were caused by an improperly designed, constructed, maintained and operated combined sewage/stormwater system. He is concerned about property values in the Village going forward.

Patricia Schneider, 17116 Dunblaine, spoke on behalf of herself and her neighbor, Mr. Bartley. She stated the Village turned a blind eye to the sewer system issues. She expressed concern for elderly residents dealing with both the COVID-19 pandemic and basement backups.

Peddie read comments into the record from Michael and Colleen Wilberding, 32275 Verona Circle, which discussed the damage that occurred in their basement and their anxiety that it will happen again.

Peddie read comments into the record from Jim and Phyllis Williams, 19800 Riverside, which discussed the damage from the rain event and the amount of restoration that will be required. The letter urged Council to find a solution.

DISCUSSION ON VILLAGE'S FUTURE CAPITAL NEEDS

Wilson gave an overview of the Village's future capital needs. He discussed capital improvements for roads, Public Safety Department vehicle expenditures, other capital improvements on Village buildings and lots, and capital park expenditures. He recommended setting funds aside for future capital projects.

Mooney stated it is a good investment to spend money on parks, roads, and the Public Safety Department.

Peddie read a comment from Tom Maxwell, 15921 Lauderdale, into the record, which inquired about capital park improvements/replacements for village wide parks.

REVIEW AND CONSIDER REQUEST FROM THE PUBLIC SAFETY DEPARTMENT TO PURCHASE BODY CAMERAS AND IN CAR CAMERAS

Lieutenant Chad Trussler spoke on behalf of the Public Safety Department, which respectfully wishes to purchase Body Cams (30) along with (6) in car video cameras at this time. We currently do not have body cams and the old in car cameras needs to be replaced, as that they are sometimes inoperable and spotty (over 14 years old). Three major professional companies were contacted, Axon, Watch guard and Getac. We received all three bids and re-verified the bids two weeks later.

Bid #1 Axon was for \$193,486.70 with a five-year spread for cost.

Bid #2 Watch Guard, \$224,365.80.

Bid #3 Getac, \$183,481.00.

At this time we are requesting the Axon bid be accepted. They were not the lowest bid \$193,486.70 but are willing to work with us by spreading the cost over a five year period. After that period of time Axon will start over again with new equipment. The in car cameras will be integrated with the body cams at no cost. Axon is widely used by professional police agencies and are recognized as the top quality for in car cameras and Body cams. The funds are already budgeted in year 2020-2021 for radio's and equipment under account 205-900-980-00.

We are also eligible to receive funds for reimbursement from MMRMA and possibly the Cable Board.

Trussler answered questions from the Council.

Motion by Abboud, second by Mooney, the Beverly Hills Village Council authorizes the purchase of 30 body cameras along with 6 in car video cameras by Axon. Funds are available in account number 205-900-980-00. The amount not to exceed the \$193,486.70 over a five-year period. The second lowest bid was deemed the best option and was selected per the Public Safety Department's recommendation because Axon was willing to spread the cost out over a five-year period.

Roll Call Vote:

Motion passed (6-0)

DISCUSS GROUP EVENTS DURING COVID-19 RESTRICTIONS

A. HALLOWEEN HOOT

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Molly Borgon, Pebblestone Court, Parks & Recreation Board Chairperson, spoke about the modified Halloween Hoot idea, Creepy Crawl, that the Board had been discussing and how they tried to make it COVID compliant. She provided an overview of the plan to have a drive thru event at Groves High School. She expressed her disappointment with the lack of communication between the Council and the Board regarding how this event could have proceeded.

Peddie acknowledged that everyone wants their lives to go back to normal, but that the hosting a Halloween event is not a risk that the Village should be willing to take during the COVID-19 pandemic.

Hrydziuszko, who was at the September Parks & Recreation Board meeting, stated that she thought the event would have been safe and thought that it was unfortunate that it will not be carried out.

Mueller apologized that communications were not better. He expressed concern over the risk during the COVID-19 pandemic. He was concerned about crowd control and placing that responsibility on the Public Safety Department. He does not want anyone to get sick and is looking out of the health and welfare of the public, so is not in support of a Halloween event this year. He stated that at the September Board meeting, there were not enough details worked out to make a recommendation to the Council. He took the concept to members of Council and halted the planning of the event once he determined that there would not be sufficient support of a Halloween event.

George was concerned about how poor the communication was around having a modified event. He said the default each year is that the annual events happen without going to Council for approval each time. He believes Council owes the Parks & Recreation Board an apology for how it was handled.

Mooney stated that the modified event and location was not brought to Council for approval. He said the Board had a wonderful idea, but that we are in the middle of the worst pandemic and does not want anyone to get sick. He had several concerns over safety, social distancing, enforcement, and traffic control.

Peddie said that everyone will learn from this and will do better going forward.

Abboud thanked Borgon for her service on the Parks & Recreation Board.

B. TREE PLANTING

The Board discussed the ReLeaf Michigan tree planting grant event and the COVID-19 safety protocols they have in place. ReLeaf has been successfully hosting tree planting events in several communities.

Mueller suggested a temperature screen for participants.

Motion by Peddie, second by Hrydziuszko to approve moving forward with the tree planting event scheduled for October 17, 2020, with the safety protocols in place.

Roll Call Vote:

Abboud – No
George – Yes
Hrydziusko – Yes
Mooney – Yes
Mueller – Yes
Peddie – Yes

Motion passed (5-1)

C. OTHER VILLAGE SPONSORED EVENTS

George thinks that during the pandemic, no other event should move forward without prior Council approval.

Peddie emphasized that we are in a pandemic and we have not run into the same issues in the past with event planning. She encouraged better communication.

Mueller concurred with George's suggestion that until further notice, every Village sponsored event needs Council approval.

PUBLIC COMMENTS

None.

MANAGER'S REPORT

13 Mile Road Construction Update – Concrete curbing and driveway work is ongoing on the north side of the project. As a result of this work, the east driveway to the Village and Township offices is closed. Traffic to the Village or Township office will need to enter and exit through the Chelton St. driveway. From the last meeting with all contractors we have an anticipated re-opening to all traffic of Saturday, October 24th. Per the current schedule all lanes would be opened to traffic and pavement markings would be in place. Based upon the progress on concrete work this week I feel this date is achievable, but this is still weather-dependent.

Consumers Energy Gas Line Project – Consumers Energy has an ongoing gas line replacement project in various places on the west side of the Village. The Village is not directly involved in this project. Consumers is working to replace some of their infrastructure in the road right-of-way. The Village does have regular contact with the project manager for Consumers and can respond to issues. If residents have a concern relative to this project, they can contact the Village offices.

Fiscal Year 2019-20 Audit – The auditors have provided Village Administration with a first draft of the audit for Fiscal Year Ending June 30, 2020. Village Administration anticipates a final report and presentation to Council by the meeting of October 20th.

Offices Open – Village Offices will not be closed on Monday, October 12th for Columbus Day. There will be no interruption in trash service.

Assistant to the Village Manager – Karrie Marsh's last day with the Village is this Friday. She has been an instrumental part of the team and we thank her for her service to the Village.

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COUNCIL COMMENTS

George appreciates the good activity on the Code Enforcement reports, especially in regards to buckthorn removal. In terms of communication, he thinks all around the Council could do better. He wants to be sure they are doing the best things for the community.

Hrydziuszko wished Marsh the best of luck in her new endeavor and stated that she had always been a joy to be around. She thanked Administration for putting speed signs around the village.

Mooney appreciates hearing different points of view. He said the Council does support the Parks and Recreation Board and does not think the members should take this incidence as an insult.

Abboud wished Marsh all the best and thanked her for her service. He updated the Council on the Senior Advisory Council and SEMCOG meetings. He expressed his gratitude to the outgoing Executive Director of SEMCOG, Kathleen Lomako. He talked about the MML virtual conference sessions he attended. He stated that Senator Bayer is holding a webinar on October 14th at 9:00 a.m. He expressed sympathy for people who have lost anything valuable in the flooding event. He thinks applying for the DIA Inside/Out program is a good idea. He encouraged everyone to vote on November 3rd and stated that there is the millage renewal proposal on the ballot. He explained that he voted against the tree planting event because he is concerned that people could be carrying the virus without realizing it.

ADJOURNMENT

Motion by Peddie, second by Mooney to adjourn the meeting at 11:01 p.m.

Motion passed.

Lee Peddie
Council President

Kristin Rutkowski
Village Clerk



TO PRESIDENT PEDDIE & MEMBERS OF THE VILLAGE COUNCIL. THE FOLLOWING IS A LIST OF
EXPENDITURES FOR APPROVAL. ACCOUNTS PAYABLE RUN FROM 9/28/2020 THROUGH 10/12/2020.

ACCOUNT TOTALS:

101	GENERAL FUND	\$61,181.40
202	MAJOR ROAD FUND	\$138,173.47
203	LOCAL STREET FUND	\$12,604.17
205	PUBLIC SAFETY DEPARTMENT FUND	\$23,145.79
592	WATER/SEWER OPERATION FUND	\$271,368.45
	TOTAL	<u>\$506,473.28</u>
	MANUAL CHECKS- COMERICA	\$0.00
	MANUAL CHECKS- INDEPENDENT	\$0.00
	ACCOUNTS PAYABLE	<u>\$506,473.28</u>
	GRAND TOTAL	<u><u>\$506,473.28</u></u>

Check Date	Bank	Check	Vendor	Vendor Name	Invoice Vendor	Amount
Bank COM COMERICA						
10/12/2020	COM	82678	53536	AERO FILTER, INC.	AERO FILTER, INC.	165.00
10/12/2020	COM	82679	51160	ALLIANCE MOBILE HEALTH	ALLIANCE MOBILE HEALTH	148.00
10/12/2020	COM	82680	60343	ANNA CLARK	ANNA CLARK	100.00
10/12/2020	COM	82681	60341	ANNE HAMMOND	ANNE HAMMOND	100.00
10/12/2020	COM	82682	31164	APOLLO FIRE APPARATUS	APOLLO FIRE APPARATUS	1,636.75
10/12/2020	COM	82683	53284	APPLIED IMAGING	APPLIED IMAGING	182.94
10/12/2020	COM	82684	51802	ARROW OFFICE SUPPLY CO.	ARROW OFFICE SUPPLY CO.	214.96
10/12/2020	COM	82685	30920	BELLE TIRE	BELLE TIRE	1,037.38
10/12/2020	COM	82686	58906	BENJAMIN MCKINNEY	BENJAMIN MCKINNEY	100.00
10/12/2020	COM	82687	51409	BEVERLY HILLS ACE	BEVERLY HILLS ACE	153.12
10/12/2020	COM	82688	50913	BEVERLY MCCOTTER	BEVERLY MCCOTTER	100.00
10/12/2020	COM	82689	59347	CINTAS CORPORATION #31	CINTAS CORPORATION #31	42.38
10/12/2020	COM	82690	50392	CITY OF BIRMINGHAM	CITY OF BIRMINGHAM	3,890.50
10/12/2020	COM	82691	59323	CLEANNET	CLEANNET	858.00
10/12/2020	COM	82692	51439	COMCAST	COMCAST	144.94
10/12/2020	COM	82693	04500	COMEAU EQUIPMENT CO INC.	COMEAU EQUIPMENT CO INC.	23,222.14
10/12/2020	COM	82694	MISC	CREGGER MECHANICAL SYSTE	CREGGER MECHANICAL SYSTE	500.00
10/12/2020	COM	82695	60338	DAVID LAZOR	DAVID LAZOR	100.00
10/12/2020	COM	82696	51385	DTE ENERGY	DTE ENERGY	3,077.38
10/12/2020	COM	82697	60323	EDWARD SHIGLEY	EDWARD SHIGLEY	200.00
10/12/2020	COM	82698	60340	ELIZABETH DOWNEY	ELIZABETH DOWNEY	100.00
10/12/2020	COM	82699	30685	ERIC KOENIG	ERIC KOENIG	1,050.00
10/12/2020	COM	82700	60339	GREGORY WEEKS	GREGORY WEEKS	100.00
10/12/2020	COM	82701	31202	HOME DEPOT CREDIT SERVICE	HOME DEPOT CREDIT SERVICE	119.98
10/12/2020	COM	82702	59010	HUNT SIGN COMPANY	HUNT SIGN COMPANY	462.00
10/12/2020	COM	82703	58950	HYDROCOP	HYDROCOP	290.00
10/12/2020	COM	82704	39070	J.H. HART URBAN FORESTRY	J.H. HART URBAN FORESTRY	4,373.50
10/12/2020	COM	82705	59423	JAMES HEALY	JAMES HEALY	820.00
10/12/2020	COM	82706	60333	JARED SMITH	JARED SMITH	524.00
10/12/2020	COM	82707	60348	JOHN GAENSSLE	JOHN GAENSSLE	613.13
10/12/2020	COM	82708	60345	JOHN LANIGAN	JOHN LANIGAN	100.00
10/12/2020	COM	82709	30521	JOHN MILLIRON	JOHN MILLIRON	1,050.00
10/12/2020	COM	82710	60337	JULIA MUMBIRO	JULIA MUMBIRO	170.00
10/12/2020	COM	82711	60332	KATHRYN BARTZ	KATHRYN BARTZ	150.23
10/12/2020	COM	82712	60334	LATOYA TILLMAN	LATOYA TILLMAN	100.00
10/12/2020	COM	82713	60347	LAURIE ALLEN	LAURIE ALLEN	100.00
10/12/2020	COM	82714	51792	LEXISNEXIS RISK SOLUTION	LEXISNEXIS RISK SOLUTION	150.00
10/12/2020	COM	82715	31794	MICHAEL MILES	MICHAEL MILES	1,050.00
10/12/2020	COM	82716	60335	MICHAEL ZIEGELE	MICHAEL ZIEGELE	100.00
10/12/2020	COM	82717	60140	MICHIGAN ASSOC. OF CHIEF	MICHIGAN ASSOC. OF CHIEF	115.00
10/12/2020	COM	82718	58953	MICHIGAN ASSOCIATION OF	MICHIGAN ASSOCIATION OF	390.00
10/12/2020	COM	82719	51408	MICRO CENTER A/R	MICRO CENTER A/R	159.98
10/12/2020	COM	82720	59330	MIKE SAVOIE CHEVROLET	MIKE SAVOIE CHEVROLET	1,617.04
10/12/2020	COM	82721	59073	NATIONAL ASSOC. OF CHIEF	NATIONAL ASSOC. OF CHIEF	60.00
10/12/2020	COM	82722	MISC	NCS CONSTRUCTION SERVICE	NCS CONSTRUCTION SERVICE	700.00
10/12/2020	COM	82723	51182	NELSON BROTHERS SEWER &	NELSON BROTHERS SEWER &	435.00
10/12/2020	COM	82724	59112	NEXT	NEXT	784.00
10/12/2020	COM	82725	51799	NYE UNIFORM EAST	NYE UNIFORM EAST	388.50
10/12/2020	COM	82726	50830	OAKLAND COUNTY TREASURER	OAKLAND COUNTY TREASURER	198,348.59
10/12/2020	COM	82727	60184	OAKLAND MACOMB FIRE PREV	OAKLAND MACOMB FIRE PREV	500.00
10/12/2020	COM	82728	49769	OFFICE EXPRESS	OFFICE EXPRESS	97.85
10/12/2020	COM	82729	53279	PACIFIC TELEMAGEMENT	PACIFIC TELEMAGEMENT	60.00
10/12/2020	COM	82730	59622	PARAGON LABORATORIES	PARAGON LABORATORIES	75.00
10/12/2020	COM	82731	60346	PATRICIA WATANABE	PATRICIA WATANABE	100.00
10/12/2020	COM	82732	MISC	PETRUCCI JOHNSON HOMES	PETRUCCI JOHNSON HOMES	900.00
10/12/2020	COM	82733	30035	PLANTE & MORAN, PLLC	PLANTE & MORAN, PLLC	8,125.00
10/12/2020	COM	82734	59289	RACHEL ROBINSON	RACHEL ROBINSON	100.00
10/12/2020	COM	82735	MISC	RASHID CONSTRUCTION COME	RASHID CONSTRUCTION COME	300.00
10/12/2020	COM	82736	MISC	RENEWAL BY ANDERSEN	RENEWAL BY ANDERSEN	1,200.00
10/12/2020	COM	82737	16100	ROAD COMMISSION FOR OAKI	ROAD COMMISSION FOR OAKI	2,721.87
10/12/2020	COM	82738	16500	S.O.C.R.R.A.	S.O.C.R.R.A.	34,690.00
10/12/2020	COM	82739	16600	S.O.C.W.A.	S.O.C.W.A.	65,701.10
10/12/2020	COM	82740	60344	SARA GANNON	SARA GANNON	300.00
10/12/2020	COM	82741	59791	SHANNON LOHR	SHANNON LOHR	100.00
10/12/2020	COM	82742	59366	SLC METER, L.L.C.	SLC METER, L.L.C.	247.36
10/12/2020	COM	82743	38145	SOUTHFIELD POSTAL SERVICE	SOUTHFIELD POSTAL SERVICE	393.59
10/12/2020	COM	82744	39048	SOUTHFIELD TOWNSHIP	SOUTHFIELD TOWNSHIP	211.50
10/12/2020	COM	82745	60293	STATE OF MICHIGAN	STATE OF MICHIGAN	128,112.53
10/12/2020	COM	82746	17700	SUNSET MAINTENANCE SERVICE	SUNSET MAINTENANCE SERVICE	1,000.00
10/12/2020	COM	82747	60336	SUSAN ARNOULD	SUSAN ARNOULD	200.00
10/12/2020	COM	82748	59900	SUZANNE CORY	SUZANNE CORY	100.00
10/12/2020	COM	82749	31043	THOMAS J RYAN PC.	THOMAS J RYAN PC.	8,500.00
10/12/2020	COM	82750	59540	TOWN SQUARE PUBLICATION	TOWN SQUARE PUBLICATION	425.00
10/12/2020	COM	82751	MISC	TRESNAK CONSTRUCTION, IN	TRESNAK CONSTRUCTION, IN	200.00
10/12/2020	COM	82752	50767	VERIZON WIRELESS	VERIZON WIRELESS	311.02
10/12/2020	COM	82753	60342	WILLIAM NEWMAN	WILLIAM NEWMAN	100.00
10/12/2020	COM	82754	53572	WOW! BUSINESS	WOW! BUSINESS	1,249.02
10/12/2020	COM	82755	20900	ZIP ETC INC	ZIP ETC INC	58.00

10/08/2020 03:15 PM
User: KARRIE
DB: Beverly Hills

CHECK REGISTER FOR VILLAGE OF BEVERLY HILLS
CHECK DATE FROM 10/12/2020 - 10/12/2020

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Check Date	Bank	Check	Vendor	Vendor Name	Invoice Vendor	Amount
COM TOTALS:						
Total of 78 Checks:						506,473.28
Less 0 Void Checks:						0.00
Total of 78 Disbursements:						<u>506,473.28</u>

Memorandum

To: Honorable President Peddie; Village Council
CC: Sheila McCarthy; Finance Director
From: Chris D. Wilson, Village Manager
Date: 10/16/2020
Re: Liability Insurance Renewal

On the consent agenda for Council to review and consider is the renewal of the Village's Liability Insurance Policy. This policy renews on November 1 of this year.

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 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 \$4,767. The stop-loss policy is detailed on page 8.

The total cost for the liability policy for one year is \$130,034. This is a slight decrease of our premium for last year of \$132,927. 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, stop loss cost and retention fund contribution is \$174,801. With the contribution of \$40,000 to our loss retention fund the Village will have approximately \$300,000 retained to cover losses.

Upon renewal, the Village will be eligible for a disbursement through MMRMA. I will report to Council upon receipt of our annual distribution. Given the current strong position of our retention fund I am recommending that the disbursement amount be allocated back to the General Fund. Village Administration has reviewed the liability insurance renewal and recommends approval at this time.

Suggested Resolution – *Resolve 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, 2020 through November 1, 2021 in the amount of \$174,801.00. Funds for these expenditures are available in accounts 101.248.910.00, 205.345.910.00, 205.346.910.00, 592.540.910.00.*

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

Member:	Village of Beverly Hills	Proposal No: Q000012747
Date of Original Membership:	November 1, 2000	
Proposal Effective Dates:	November 01, 2020 To November 01, 2021	
Member Representative:	Chris Wilson	Telephone #: (248) 646-6404
Regional Risk Manager:	Ibex Insurance Agency	Telephone #: (248) 538-0470

A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. **Village of Beverly Hills** (hereinafter "Member") is eligible to be a Member of MMRMA. **Village of Beverly Hills** agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

Village of Beverly Hills is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Proposal summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Proposal, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

B. Member Obligation - Deductibles and Self Insured Retentions

Village of Beverly Hills is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). **Village of Beverly Hills's** SIR and deductibles are as follows:

Table I
Member Deductibles and Self Insured Retentions

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	N/A	\$75,000 Per Occurrence
Vehicle Physical Damage	\$1,000 Per Vehicle	\$15,000 Per Vehicle \$30,000 Per Occurrence
Fire/EMS Replacement Cost	\$1,000 Per Occurrence	N/A
Property and Crime	\$1,000 Per Occurrence	N/A
Sewage System Overflow	N/A	\$75,000 Per Occurrence

The member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

Member's Motor Vehicle Physical Damage deductible applies, unless the amount of the loss exceeds the deductible. If the amount of loss exceeds the deductible, the loss including deductible amount, will be paid by MMRMA, subject to the Member's SIR.

The **Village of Beverly Hills** is afforded all coverages provided by MMRMA, except as listed below:

1. Specialized Emergency Response Expense Recovery Coverage
- 2.
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

Village of Beverly Hills agrees to maintain the Required Minimum Balance as defined in the Member Financial Responsibilities section of the MMRMA Governance Manual. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

Table II
Limits of Coverage

Liability and Motor Vehicle Physical Damage	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Liability	10,000,000	N/A	N/A	N/A
2 Judicial Tenure	N/A	N/A	N/A	N/A
3 Sewage System Overflows	500,000	N/A	500,000	N/A
4 Volunteer Medical Payments	25,000	N/A	N/A	N/A
5 First Aid	2,000	N/A	N/A	N/A
6 Vehicle Physical Damage	1,500,000	N/A	N/A	N/A
7 Uninsured/Underinsured Motorist Coverage (per person)	100,000	N/A	N/A	N/A
Uninsured/Underinsured Motorist Coverage (per occurrence)	250,000	N/A	N/A	N/A
8 Michigan No-Fault	Per Statute	N/A	N/A	N/A
9 Terrorism	5,000,000	N/A	N/A	5,000,000

Property and Crime	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Buildings and Personal Property	7,105,051	350,000,000	N/A	N/A
2 Personal Property in Transit	2,000,000	N/A	N/A	N/A
3 Unreported Property	5,000,000	N/A	N/A	N/A
4 Member's Newly Acquired or Constructed Property	10,000,000	N/A	N/A	N/A
5 Fine Arts	2,000,000	N/A	N/A	N/A
6 Debris Removal (25% of Insured direct loss plus)	25,000	N/A	N/A	N/A
7 Money and Securities	1,000,000	N/A	N/A	N/A
8 Accounts Receivable	2,000,000	N/A	N/A	N/A
9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	5,000,000	10,000,000	N/A	N/A
10 Fire and Emergency Vehicle Rental (12 week limit)	1,000 per week	N/A	N/A	N/A
11 Structures Other Than a Building	15,000,000	N/A	N/A	N/A
12 Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
13 Marine Property	1,000,000	N/A	N/A	N/A
14 Other Covered Property	10,000	N/A	N/A	N/A
15 Income and Extra Expense	5,000,000	N/A	N/A	N/A
16 Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
17 Faithful Performance	Per Statute	N/A	N/A	N/A
18 Earthquake	5,000,000	N/A	5,000,000	100,000,000
19 Flood	5,000,000	N/A	5,000,000	100,000,000
20 Terrorism	50,000,000	50,000,000	N/A	N/A

Table III

Network and Information Security Liability, Media Injury Liability, Network Security Loss, Breach Mitigation Expense, PCI Assessments, Social Engineering Loss, Reward Coverage, Telecommunications Fraud Reimbursement.			
	Limits of Coverage Per Occurrence/Claim	Deductible Per Occurrence/Claim	Retroactive Date
	\$5,000,000		
Coverage A Network and Information Security Liability: Regulatory Fines:	Each Claim Included in limit above Each Claim Included in limit above	\$25,000 Each Claim	7/1/2013
Coverage B Media Injury Liability	Each Claim Included in limit above	\$25,000 Each Claim	7/1/2013
Coverage C Network Security Loss Network Security Business Interruption Loss:	Each Unauthorized Access Included in limit above Each Business Interruption Loss Included in limit above	\$25,000 Each Unauthorized Access Retention Period of 72 hours of Business Interruption Loss	Occurrence
Coverage D Breach Mitigation Expense:	Each Unintentional Data Compromise Included in limit above	\$25,000 Each Unintentional Data Compromise	Occurrence

Coverage E PCI Assessments:	Each Payment Card Breach \$1,000,000 Occ./\$1,000,000 Agg. Included in limit above	\$25,000 Each Payment Card Breach	Occurrence
Coverage F Social Engineering Loss:	Each Social Engineering Incident \$100,000 Occ./\$100,000 Agg. Included in limit above	\$25,000 Each Social Engineering Incident	Occurrence
Coverage G Reward Coverage	Maximum of 50% of the Covered Claim or Loss; up to \$25,000 Included in Limit above	Not Applicable	Occurrence
Coverage H Telecommunications Fraud Reimbursement	\$25,000 Included in limit above	Not Applicable	Occurrence

Annual Aggregate Limit of Liability

Member Aggregate	All Members Aggregate
\$5,000,000	\$25,000,000

The total liability of MMRMA shall not exceed \$5,000,000 per Member Aggregate Limit of Liability for coverages A, B, C, D, E, F, G, and H, in any Coverage Period.

The total Liability of MMRMA and MCCRMA shall not exceed \$25,000,000 for All Members Combined Aggregate Limit of Liability for coverages A, B, C, D, E, F, G, and H, in any Coverage Period.

It is the intent of MMRMA that the coverage afforded under the Subjects of Coverage be mutually exclusive. If however, it is determined that more than one Subject of Coverage applies to one coverage event ensuing from a common nexus of fact, circumstance, situation, event, transaction, or cause, then the largest of the applicable Deductibles for the Subjects of Coverage will apply.

Table IV

Specialized Emergency Response Expense Recovery Coverage

Limits of Coverage

Specialized Emergency Response Expense Recovery	Limits of Coverage per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
	N/A	N/A	N/A	N/A

Table V

Specialized Emergency Response Expense Recovery Coverage

Deductibles

Specialized Emergency Response Expense Recovery	Deductible per Occurrence	
	Member	
	N/A	

D. Contribution for MMRMA Participation

Village of Beverly Hills

Period: November 01, 2020 To November 01, 2021

Coverages per Member Coverage Overview:	\$130,034
Stop Loss Coverage:	\$4,767
Member Loss Fund Deposit:	\$40,000
TOTAL ANNUAL CONTRIBUTIONS:	\$174,801

E. List of Addenda

- 1. Stop Loss Program Participation Agreement

This document is for the purpose of quotation only and does not bind coverage in the Michigan Municipal Risk Management Authority, unless accepted and signed by both the authorized Member Representative and MMRMA Representative below.

Accepted By:	Proposal No:	
Village of Beverly Hills	Q000012747	MMRMA

Member Representative

MMRMA Representative

Date

Date

ADDENDUM

STOP LOSS PROGRAM PARTICIPATION AGREEMENT

Optional

The Stop Loss Program limits the Member's cash payments during a July 1 - June 30 year for those costs falling within the Member's SIR. The Stop Loss Program responds only to cumulative Member SIR payments, including damages, indemnification, and allocated loss adjustment expenses, within a July 1 - June 30 calendar year. The paid costs include payments for any coverage provided to the Member by MMRMA provided that the costs are actually paid within the July 1 - June 30 period. On July 1 of each year, the Member's paid costs accumulate from zero.

If the Member has chosen to participate in the Stop Loss Program, and if the Member's paid costs exceed the member's entry point, the Stop Loss Program will pay, until July 1, all costs that would, in the absence of the Stop Loss Program, be paid from the Member's SIR. **Village of Beverly Hills's** entry point is **\$150,000**. Withdrawing Members do not participate in the Stop Loss Program after the date of withdrawal.

The Member agrees to be bound by MMRMA rules relating to the Stop Loss Program.

Accepted by:

Member Representative

Date: _____

MMRMA

Authorized Representative

Date: _____

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

Member: Village of Beverly Hills
QUOTE NUMBER Q000012747
QUOTE PROPERTY LIST REPORT
EFFECTIVE DATES 11/1/2020 To 11/1/2021

Location Address		Location Description		
1.	18500 W. 13 Mile Rd., Beverly Hills, MI 48025	Village Office		
	Building Description	Building Value	Contents Value	Total Value
	Office	\$1,286,113	\$119,180	\$1,405,293
	DPW Garage	\$250,800	\$75,750	\$326,550
	Salt Barn	\$95,342	\$0	\$95,342
	Carport/Storage	\$82,295	\$11,110	\$93,405
Location Totals		\$1,714,550	\$206,040	\$1,920,590

Location Address		Location Description		
2.	18600 W. 13 Mile Rd., Beverly Hills, MI 48025	Public Safety Building		
	Building Description	Building Value	Contents Value	Total Value
	Public Safety Building	\$3,449,373	\$322,190	\$3,771,563
Location Totals		\$3,449,373	\$322,190	\$3,771,563

Location Address		Location Description		
3.	30110 Lahser, Beverly Hills, MI 48025	Electric Power Supply Station		
	Building Description	Building Value	Contents Value	Total Value
	Pump Station 3	\$27,204	\$2,261	\$29,465
Location Totals		\$27,204	\$2,261	\$29,465

Location Address		Location Description		
4.	18801 Beverly Rd., Beverly Hills, MI 48025	Beverly Park		
	Building Description	Building Value	Contents Value	Total Value
	Restroom/Office	\$374,343	\$9,090	\$383,433
Location Totals		\$374,343	\$9,090	\$383,433

Grand Totals		
Building Value	Contents Value	Total Value
\$5,565,470	\$539,581	\$6,105,051

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

QUOTE NUMBER Q000012747
QUOTE AUTO SCHEDULE REPORT
EFFECTIVE DATES 11/1/2020 To 11/1/2021

Scheduled Vehicles						
Year	Make	Model	VIN	License Plate	Type	Department
2019	Sutphen	Pumper PA-15	1S9A1BND4K1003089	005x093	Fire Vehicles Large	N/A
2017	Alexis	Mini Pumper	1FDAW5HT4JEC25911	005x098	Fire Vehicles Large	N/A
2012	Pierce	Ladder	4P1CV010394010441	005x090	Fire Vehicles Large	N/A
2011	GMC	2500 HD	1GT120CG4BF221138	005X094	Police - All Other	Police
2015	Chevrolet	Tahoe	1GNSK3EC8FR539131	005X096	Police PPT	Police
2007	Dodge	Charger	2B3KA436X7H750986	DCG1554	Police PPT	Police
2015	Chevrolet	Tahoe	1GNSK3EC6FR539645	005x091	Police PPT	Police
2017	Chevrolet	Tahoe	1GNSKFEC9HR191206	005X100	Police PPT	Police
2017	Chevrolet	Tahoe	1GNSKFEC9HR190257	005X089	Police PPT	Police
2011	Ford	Taurus	1FAHP2HW6BG165876	DAD5161	Police PPT	Police
2013	Chevrolet	Tahoe	1GNSK2E00DR251942	020X772	Police PPT	Police
2015	Chevrolet	Tahoe	1GNSKAEC2FR527562	DGC1578	Police PPT	Police
2018	Chevrolet	Tahoe	1GNSKDEC2JR386650	005X099	Police PPT	Police
2018	Chevrolet	Tahoe	1GNSKDEC9JR386211	005X095	Police PPT	Police
2020	Chevrolet	Tahoe	1GNSKDEC6LR294041	005x094	Police PPT	Police
2020	Chevrolet	Tahoe	1GNSKDEC0LR294102	005x097	Police PPT	Police
2010	Ford	F150	1FTFW1EV2AFA21532	8JGL13	Service Trucks	Administration

Summary	
Vehicle Group	Vehicles
All Other Vehicles	0 Vehicles
Buses	0 Vehicles
Commercial - Historical	0 Vehicles
EMS/Ambulance	0 Vehicles
Fire Vehicles Large	3 Vehicles
Fire Vehicles - Other	0 Vehicles
Garbage Trucks	0 Vehicles
Motorcycles	0 Vehicles
Motorcycles - Historical	0 Vehicles
Police - All Other	1 Vehicles
Police PPT	12 Vehicles
Private Passenger	0 Vehicles
Private Passenger - Historical	0 Vehicles
Service Trucks	1 Vehicles
Vans	0 Vehicles

Grand Totals
Vehicles
17 Vehicles



BLANKET FAITHFUL PERFORMANCE BOND CERTIFICATE OF PROTECTION

KNOW ALL MEN BY THESE PRESENTS:

This certificate is issued as a matter of information only and confers no rights upon the certificate holder unless amended below.

This certifies that Village of Beverly Hills as a member of this Authority

has Blanket Faithful Performance Bond Protection in the amount of One Million Dollars

(\$ 1,000,000.00).

Blanket Faithful Performance Description of Protection

Fidelity

- (1) The Scope of Loss Fund Protection includes loss caused to the member by conversion to personal use or through the failure of any of the employees, acting alone or in collusion with others, to perform faithfully his duties or to account properly for all monies and property received by virtue of his position or employment during the period of membership in the Authority, the amount of indemnity of each of such employees being the amount indicated on the Limits of Liability.

Section 2

General Agreement-Loss Under Prior Bond

- (1) If the protection of this provision is substituted for any prior coverage carried by the member which prior bond is terminated, cancelled or allowed to expire as of the time of such substitution, the member agrees that such agreement applies to loss sustained by, or caused to, the member, as the case may be, prior to or during the bond period, provided that such loss is discovered after the beginning of the period of membership and that such loss would have been recoverable by the member under such prior bond except for the fact that the time within which to bring suit, action or proceeding of any kind thereunder had expired, and provided further:
 - (a) The indemnity afforded by this agreement shall be a part of and not in addition to the limit afforded above;
 - (b) Such loss would have been covered under such insuring agreement had such insuring agreement with its agreements, conditions and limitations as of the time of such substitutions been in force when the acts or defaults causing such loss were committed;
 - (c) Recovery under this agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such insuring agreement in the amount for which it is written as of the time of such substitution, had such insuring agreement been in force when such acts or defaults were committed, or the amount which would have been recoverable under such prior bond had such prior bond continued in force until the discovery of such loss if the latter amount be smaller.

Section 3

Definitions

- (1) "Employee" means person while in the employ of the member during the period of membership.

Section 4

Conditions

- (1) In case a loss is alleged to have been caused to the member through acts or defaults by an employee and the member shall be unable to designate the specific employee causing such loss, the member shall nevertheless have the benefit of this provision provided that the evidence submitted reasonably establishes that the loss was in fact caused by an employee through such acts or defaults and provided, further, that regardless of the number of such employees concerned or implicated in such loss, the aggregate liability for any such loss shall not exceed the limit of liability.
- (2) The limit of liability shall not be cumulative from year to year.
- (3) This provision shall be deemed to be cancelled as to any employee:
- (a) Immediately upon discovery by the member of any act on the part of such employee which would constitute a liability under this provision covering such employee; or
 - (b) Upon the death, resignation or removal of such employee; or
 - (c) Upon termination of membership in the Authority.

Should the member indicated below withdraw from the Authority prior to the expiration date shown, the Authority shall notify the certificate holder in writing thirty (30) days in advance of such withdrawal, but failure to mail such notice shall impose no obligation or liability of any kind upon the Authority.

Certificate Holder:

Village of Beverly Hills

18500 W. Thirteen Mile Road

Beverly Hills, MI 48025-5267

Member:

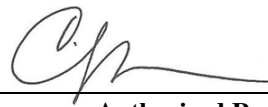
Village of Beverly Hills

18500 W. Thirteen Mile Road

Beverly Hills, MI 48025-5267

Expiration Date of Membership Continuous Until Cancelled

Date Issued: November 1, 2020



Authorized Representative

CERTIFICATE OF NO FAULT SECURITY

7/01

STATE OF MICHIGAN

-NAME AND ADDRESS OF ORGANIZATION

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

14001 Merriman, Livonia, Michigan 48154

An authorized Michigan Self-Insurance Association certifies that it has accepted as a member pursuant to Act 138 P.A., 1982 the following Governmental entity.

Village of Beverly Hills

NAME OF MEMBER

Covers all vehicles owned/leased by Member

PENALTY FOR OPERATION WITHOUT INSURANCE

Michigan Law (MCLA 500.3101) requires that the owner or registrant of a motor vehicle registered in this state must have insurance or other approved security for the payment of no-fault benefits on the vehicle at all times. An owner or registrant who drives or permits a vehicle to be driven upon a public highway without proper insurance or other security is guilty of a misdemeanor.

An owner or registrant convicted of such a misdemeanor shall be fined not less than \$200.00 nor more than \$500.00, or imprisoned for not more than 1 year, or both.

A PERSON WHO SUPPLIES FALSE INFORMATION TO THE SECRETARY OF STATE OR WHO ISSUES OR USES AN INVALID CERTIFICATE OF INSURANCE IS GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 1 YEAR, OR A FINE OF NOT MORE THAN \$1,000, OR BOTH.

Member No. M0000900

Expiration Date Continuous Until Cancelled

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

By


EXECUTIVE DIRECTOR

on this 1st November 2020
Day Month Year

WARNING: KEEP THIS CERTIFICATE IN YOUR VEHICLE AT ALL TIMES. If you fail to produce it upon a police officer's request, you will be responsible for a civil infraction.

CERTIFICATE OF NO FAULT SECURITY

7/01

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By


EXECUTIVE DIRECTOR

on this 1st November 2020
Day Month Year

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CERTIFICATE OF NO FAULT SECURITY

7/01

STATE OF MICHIGAN

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Member No. M0000900

Expiration Date Continuous Until Cancelled

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

By


EXECUTIVE DIRECTOR

on this 1st November 2020
Day Month Year

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**MICHIGAN MUNICIPAL
RISK MANAGEMENT
AUTHORITY**

Village of Beverly Hills
REPLACEMENT COST NOTICE
Motor Vehicle Physical Damage
(Available for Fire and Rescue Units Only)

Coverage Period: November 1, 2020 - November 1, 2021

<u>#</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN #</u>	<u>License Plate #</u>	<u>Replacement Value</u>
1	2012	Pierce	Ladder	4P1CV010394010441	005X090	\$1,100,000
2	2017	Alexis	Mini Pumper	1FDAW5HT4JEC25911	005X098	\$313,931
3	2019	Sutphen	Pumper PA-15	1S9A1BND4K1003089	005X093	\$630,000

Total Value \$2,043,931

*The above vehicles are to be adjusted on the identified basis, subject to the limit shown.

Please remember, the maximum amount the MMRMA will pay for loss of the specified vehicles is the value listed above.



September 11, 2020

Village of Beverly Hills

Type of Bond	Name	Title	Expiration Date / Bond Amount *
Notary	Jean E. Malik	002-2	7-12-20PENDING
Notary	Erin E. LaPere Formerly (Wilks) Saur	003	7-22-21
Notary	Kristin T. Rutkowski	004	1-20-26
POB Deputy	James Balagna	Officer, exp: 12-31-20	\$5,000

* Notary bonds are issued at \$10,000

* Bolded names have not returned a fully executed copy.

RISK

**MICHIGAN MUNICIPAL
RISK MANAGEMENT
AUTHORITY**

CERTIFICATE OF COVERAGE

This certificate is issued as a matter of information only and confers no rights upon the certificate holder except to the extent shown below. This certificate does not amend, extend, or alter the coverage contained in the Authority's Joint Powers Agreement and coverage attachments thereto.

This is to certify that a Self-Insured Program has been undertaken by the member listed below through the Authority pursuant to Act 138 P.A. 1982.

The coverage provided by the Authority is as follows:

1. Liability coverage for general liability, automobile (including Michigan No-Fault), law enforcement, and public officials liability; in the sum of \$10,000,000 each occurrence inclusive of loss adjustment and defense costs.
2. Property Coverage including loss to real & personal property, to amounts stipulated in coverage documents and overview for this member.
3. Motor Vehicle Physical Damage Coverage for the vehicles stipulated in the Coverage Document.
4. ☒ Information only.
5. ☐ The entity named below is included in the scope of protection as respects claims arising from a COVERED CONTRACT as defined in the MMRMA Liability and Motor Vehicle Physical Damage Coverage Document.
6. ☒ Other (as described here): **REPLACES STATE FORM: BHS-EMS-0092 FOR LIFE SUPPORT AGENCIES.**

This certificate is issued in accordance with and is subject to all provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulation and administrative procedures. Should the member identified below withdraw from the Authority, or its Authority Membership be otherwise terminated, the Authority shall endeavor to notify the certificate holder in writing thirty (30) days in advance thereof, but failure to furnish such notice shall impose no obligation or liability of any kind upon the Authority, or its representatives.

Certificate Holder:

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
EMS & TRAUMA SYSTEMS SECTION
201 TOWNSEND STREET
LANSING, MI 48913**

Member:

**VILLAGE OF BEVERLY HILLS
18500 W. THIRTEEN MILE ROAD
BEVERLY HILLS, MI 48025-5267**

Certificate Expiration Date: November 1, 2021

Date Issued: November 1, 2020

Member Number: # M0000900

Effective Date of Membership: November 1, 2000

Distribution:

**Mr. Chris Wilson, Manager, Village of Beverly Hills
MMRMA Underwriting**


Authorized Representative



RISK

**MICHIGAN MUNICIPAL
RISK MANAGEMENT
AUTHORITY**

CERTIFICATE OF COVERAGE

This certificate is issued as a matter of information only and confers no rights upon the certificate holder except to the extent shown below. This certificate does not amend, extend, or alter the coverage contained in the Authority's Joint Powers Agreement and coverage attachments thereto.

This is to certify that a Self-Insured Program has been undertaken by the member listed below through the Authority pursuant to Act 138 P.A. 1982.

The coverage provided by the Authority is as follows:

1. Liability coverage for general liability, automobile (including Michigan No-Fault), law enforcement, and public officials liability; in the sum of \$10,000,000 each occurrence inclusive of loss adjustment and defense costs.
2. Property Coverage including loss to real & personal property, to amounts stipulated in coverage documents and overview for this member.
3. Motor Vehicle Physical Damage Coverage for the vehicles stipulated in the Coverage Document.
4. ☐ Information only.
5. ☒ The entity named below is included in the scope of protection as respects claims arising from a COVERED CONTRACT as defined in the MMRMA Liability and Motor Vehicle Physical Damage Coverage Document.
CITY OF BIRMINGHAM PISTOL RANGE CONTRACT DATED 2017.
6. ☐ Other (as described here):

This certificate is issued in accordance with and is subject to all provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulation and administrative procedures. Should the member identified below withdraw from the Authority, or its Authority Membership be otherwise terminated, the Authority shall endeavor to notify the certificate holder in writing thirty (30) days in advance thereof, but failure to furnish such notice shall impose no obligation or liability of any kind upon the Authority, or its representatives.

Certificate Holder:

**CITY OF BIRMINGHAM
151 MARTIN STREET, P.O. BOX 3001
BIRMINGHAM, MI 48012-3001
ATTN: DIRECTOR OF FINANCE**

Member:

**VILLAGE OF BEVERLY HILLS
18500 W. THIRTEEN MILE ROAD
BEVERLY HILLS, MI 48025-5267**

Certificate Expiration Date: November 1, 2021

Date Issued: November 1, 2020

Member Number: # M0000900

Effective Date of Membership: November 1, 2000

Distribution:

**Mr. Chris Wilson, Manager, Village of Beverly Hills
MMRMA Underwriting**


Authorized Representative



SECTION 4 DEFINITIONS

A. The following meanings shall apply to all coverages in this Coverage Document.

1. **ACTUAL CASH VALUE**
means cost of replacing damaged or destroyed covered property with comparable new property minus depreciation and obsolescence.
2. **ALLOCATED LOSS ADJUSTMENT EXPENSES**
means all costs to adjust, defend, or settle a specific claim or **lawsuit**, including, by way of illustration but not limitation, attorney fees and related costs, expert witness fees, and any other expense related to the claim or **lawsuit**.
3. **BODILY INJURY**
means **bodily injury**, harm, sickness, or disease sustained by a natural person, including death resulting therefrom.
4. **COVERED CONTRACT**
means any agreement or contract, permissible by law, under which the Member assumes the tort liability only of another to pay **damages** to a third party.

The contract or agreement must precede the **occurrence** and is subject to all of the terms and conditions of this Coverage Document, the Joint Powers Agreement, MMRMA rules and MMRMA administrative procedures.

A **covered contract** shall not:

- a) indemnify any consultant, advisor, or other individual or entity providing professional services, including but not limited to, services of any architect, attorney, engineer, surveyor or other consultant or advisor;
- b) indemnify any independent contractor or employee of any independent contractor;
- c) indemnify any person for damage by fire to premises leased, rented, or loaned to the Member; or
- d) guarantee promise or performance.

The limits of coverage for a **covered contract** shall be the lesser of the coverage limits stated in the Member's Coverage Overview or the minimum amount of coverage required, permitted, or stated in the **covered contract**.

5. **DAMAGES**
means any or all of the following:
 - a. All money **damages** within the Subjects of Coverage stated in Section 1 the Member becomes legally obligated to pay for any claim or **lawsuit** covered and defended by MMRMA. **Damages** also includes all interest on any judgment resulting from a **lawsuit** covered and defended by MMRMA;

RISK

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RISK MANAGEMENT
AUTHORITY**

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2. Property Coverage including loss to real & personal property, to amounts stipulated in coverage documents and overview for this member.
3. Motor Vehicle Physical Damage Coverage for the vehicles stipulated in the Coverage Document.
4. ☐ Information only.
5. ☒ The entity named below is included in the scope of protection as respects claims arising from a COVERED CONTRACT as defined in the MMRMA Liability and Motor Vehicle Physical Damage Coverage Document.
THE ROAD COMMISSION FOR OAKLAND COUNTY PERMIT APPLICATION DATED NOVEMBER 7, 2017 AND REQUIREMENTS FOR PERMIT ISSUANCE FOR COUNTY ROAD(S) MAINTENANCE WORK DONE BY THE VILLAGE OF BEVERLY HILLS PERSONNEL.
6. ☐ Other (as described here):

This certificate is issued in accordance with and is subject to all provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulation and administrative procedures. Should the member identified below withdraw from the Authority, or its Authority Membership be otherwise terminated, the Authority shall endeavor to notify the certificate holder in writing thirty (30) days in advance thereof, but failure to furnish such notice shall impose no obligation or liability of any kind upon the Authority, or its representatives.

Certificate Holder:

**ROAD COMMISSION FOR OAKLAND COUNTY
PERMITS DEPARTMENT
2420 PONTIAC LAKE ROAD
WATERFORD, MI 48328**

Member:

**VILLAGE OF BEVERLY HILLS
18500 W. THIRTEEN MILE ROAD
BEVERLY HILLS, MI 48025-5267**

Certificate Expiration Date: November 1, 2021

Date Issued: November 1, 2020

Member Number: # M0000900

Effective Date of Membership: November 1, 2000

Distribution:

**Mr. Chris Wilson, Manager, Village of Beverly Hills
MMRMA Underwriting**


Authorized Representative



SECTION 4 DEFINITIONS

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means cost of replacing damaged or destroyed covered property with comparable new property minus depreciation and obsolescence.
2. **ALLOCATED LOSS ADJUSTMENT EXPENSES**
means all costs to adjust, defend, or settle a specific claim or **lawsuit**, including, by way of illustration but not limitation, attorney fees and related costs, expert witness fees, and any other expense related to the claim or **lawsuit**.
3. **BODILY INJURY**
means **bodily injury**, harm, sickness, or disease sustained by a natural person, including death resulting therefrom.
4. **COVERED CONTRACT**
means any agreement or contract, permissible by law, under which the Member assumes the tort liability only of another to pay **damages** to a third party.

The contract or agreement must precede the **occurrence** and is subject to all of the terms and conditions of this Coverage Document, the Joint Powers Agreement, MMRMA rules and MMRMA administrative procedures.

A **covered contract** shall not:

- a) indemnify any consultant, advisor, or other individual or entity providing professional services, including but not limited to, services of any architect, attorney, engineer, surveyor or other consultant or advisor;
- b) indemnify any independent contractor or employee of any independent contractor;
- c) indemnify any person for damage by fire to premises leased, rented, or loaned to the Member; or
- d) guarantee promise or performance.

The limits of coverage for a **covered contract** shall be the lesser of the coverage limits stated in the Member's Coverage Overview or the minimum amount of coverage required, permitted, or stated in the **covered contract**.

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means any or all of the following:
 - a. All money **damages** within the Subjects of Coverage stated in Section 1 the Member becomes legally obligated to pay for any claim or **lawsuit** covered and defended by MMRMA. **Damages** also includes all interest on any judgment resulting from a **lawsuit** covered and defended by MMRMA;

RISK

**MICHIGAN MUNICIPAL
RISK MANAGEMENT
AUTHORITY**

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The coverage provided by the Authority is as follows:

1. Liability coverage for general liability, automobile (including Michigan No-Fault), law enforcement, and public officials liability; in the sum of \$10,000,000 each occurrence inclusive of loss adjustment and defense costs.
2. Property Coverage including loss to real & personal property, to amounts stipulated in coverage documents and overview for this member.
3. Motor Vehicle Physical Damage Coverage for the vehicles stipulated in the Coverage Document.
4. ☐ Information only.
5. ☒ The entity named below is included in the scope of protection as respects claims arising from a COVERED CONTRACT as defined in the MMRMA Liability and Motor Vehicle Physical Damage Coverage Document.
THE ROAD COMMISSION FOR OAKLAND COUNTY PERMIT APPLICATION DATED NOVEMBER 7, 2017 AND REQUIREMENTS FOR PERMIT ISSUANCE FOR COMMUNITY EVENT.
6. ☐ Other (as described here):

This certificate is issued in accordance with and is subject to all provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulation and administrative procedures. Should the member identified below withdraw from the Authority, or its Authority Membership be otherwise terminated, the Authority shall endeavor to notify the certificate holder in writing thirty (30) days in advance thereof, but failure to furnish such notice shall impose no obligation or liability of any kind upon the Authority, or its representatives.

Certificate Holder:

**ROAD COMMISSION FOR OAKLAND COUNTY
PERMITS DEPARTMENT
2420 PONTIAC LAKE ROAD
WATERFORD, MI 48328**

Member:

**VILLAGE OF BEVERLY HILLS
18500 W. THIRTEEN MILE ROAD
BEVERLY HILLS, MI 48025-5267**

Certificate Expiration Date: November 1, 2021

Date Issued: November 1, 2020

Member Number: # M0000900

Effective Date of Membership: November 1, 2000

Distribution:

**Mr. Chris Wilson, Manager, Village of Beverly Hills
MMRMA Underwriting**


Authorized Representative



SECTION 4 DEFINITIONS

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means cost of replacing damaged or destroyed covered property with comparable new property minus depreciation and obsolescence.
2. **ALLOCATED LOSS ADJUSTMENT EXPENSES**
means all costs to adjust, defend, or settle a specific claim or **lawsuit**, including, by way of illustration but not limitation, attorney fees and related costs, expert witness fees, and any other expense related to the claim or **lawsuit**.
3. **BODILY INJURY**
means **bodily injury**, harm, sickness, or disease sustained by a natural person, including death resulting therefrom.
4. **COVERED CONTRACT**
means any agreement or contract, permissible by law, under which the Member assumes the tort liability only of another to pay **damages** to a third party.

The contract or agreement must precede the **occurrence** and is subject to all of the terms and conditions of this Coverage Document, the Joint Powers Agreement, MMRMA rules and MMRMA administrative procedures.

A **covered contract** shall not:

- a) indemnify any consultant, advisor, or other individual or entity providing professional services, including but not limited to, services of any architect, attorney, engineer, surveyor or other consultant or advisor;
- b) indemnify any independent contractor or employee of any independent contractor;
- c) indemnify any person for damage by fire to premises leased, rented, or loaned to the Member; or
- d) guarantee promise or performance.

The limits of coverage for a **covered contract** shall be the lesser of the coverage limits stated in the Member's Coverage Overview or the minimum amount of coverage required, permitted, or stated in the **covered contract**.

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means any or all of the following:
 - a. All money **damages** within the Subjects of Coverage stated in Section 1 the Member becomes legally obligated to pay for any claim or **lawsuit** covered and defended by MMRMA. **Damages** also includes all interest on any judgment resulting from a **lawsuit** covered and defended by MMRMA;

RISK

**MICHIGAN MUNICIPAL
RISK MANAGEMENT
AUTHORITY**

CERTIFICATE OF COVERAGE

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The coverage provided by the Authority is as follows:

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2. Property Coverage including loss to real & personal property, to amounts stipulated in coverage documents and overview for this member.
3. Motor Vehicle Physical Damage Coverage for the vehicles stipulated in the Coverage Document.
4. X Information only.
5. The entity named below is included in the scope of protection as respects claims arising from a COVERED CONTRACT as defined in the MMRMA Liability and Motor Vehicle Physical Damage Coverage Document.
6. Other (as described here):

This certificate is issued in accordance with and is subject to all provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulation and administrative procedures. Should the member identified below withdraw from the Authority, or its Authority Membership be otherwise terminated, the Authority shall endeavor to notify the certificate holder in writing thirty (30) days in advance thereof, but failure to furnish such notice shall impose no obligation or liability of any kind upon the Authority, or its representatives.

Certificate Holder:
OAKLAND COUNTY SHERIFF'S OFFICE
1200 NORTH TELEGRAPH RD., BLDG #38 EAST
PONTIAC, MI 48341

Member:
VILLAGE OF BEVERLY HILLS
18500 W. THIRTEEN MILE ROAD
BEVERLY HILLS, MI 48025-5267

Certificate Expiration Date: November 1, 2021
Date Issued: November 1, 2020

Member Number: # M0000900
Effective Date of Membership: November 1, 2000

Distribution:
Mr. Chris Wilson, Village of Beverly Hills
MMRMA Underwriting



Authorized Representative



**RISK**

MICHIGAN MUNICIPAL
RISK MANAGEMENT
A U T H O R I T Y

Mr. Chris Wilson
Village of Beverly Hills
18500 W. Thirteen Mile Road
Beverly Hills, MI 48025-5267

November 1, 2020

Dear Mr. Wilson:

The following is a breakout of annual contribution of your coverage with the Michigan Municipal Risk Management Authority (MMRMA) for the policy period November 1, 2020 to November 1, 2021.

Automobile Liability & Vehicle Physical Damage		\$21,660
1 Police "Other"	\$851	
12 Police	\$10,979	
1 Truck	\$679	
3 Fire w/ Replacement Cost Coverage	\$9,151	
Sewer Liability Coverage		\$4,505
Police Professional Liability		\$64,295
Public Officials Liability		\$18,678
All Other Liability		\$14,507
Property		\$6,389
Stop Loss		\$4,767
Retention Fund		\$40,000
Total Contribution		\$174,801

If you have any questions or if I can be of further assistance, please call.

Sincerely,



Craig S. Manser
Regional Risk Manager



27750 Stansbury, Suite 100
Farmington Hills, Michigan 48334
877-888-IBEX (4239) 248-538-0470

Fax: 248-538-0471 www.ibexagency.com

Community: **Village of Beverly Hills**
Renewal period: Nov. 1, 2020 to Nov. 1, 2021

	<u>Total Contribution</u>	<u>Fixed Costs</u>	<u>Property Totals</u>	<u>Stop Loss</u>
Last Year	\$177,486	\$137,486	\$6,079,745	\$150,000
This Year	\$174,801	\$134,801	\$6,105,051	\$150,000
Total Change	-\$2,685	-\$2,685	\$25,306	\$0
% Change (+ -)	-1.5%	-2.0%	0.4%	0.0%

RAP Grants:

<u>Approved</u>	<u>Issued</u>	<u>Description</u>	<u>Amount</u>	<u>Comments</u>
5/11/06	6/8/09	Ready Buckle System	\$500	\$125 each
5/28/08	3/27/12	In Car Cameras	\$13,000	50% up to \$10K (new) & 1/3 up to \$3K (replace)
3/14/12		Tasers	\$4,000	50% up to \$4,000
3/17/15	8/17/15	Digital Camera & Securit	\$11,660	50% up to \$11,660
3/17/15	5/1/15	In Car Cameras	\$9,000	1/3 up to \$9,000
11/13/17	3/30/18	Tasers	\$5,000	\$500/unit up to \$5,000
3/15/19	5/10/19	Bumper Guard Project	\$305	50% up to \$304.55
5/14/19	6/10/19	NFPA Fire Inspector	\$1,950	75% up t \$1,950
3/6/20	4/15/20	Staff & Command Projec	\$4,875	75% up to \$4,875
			\$52,790	

2006 MMRMA Distribution:	\$3,519	
2007 MMRMA Distribution:	\$8,064	
2008 MMRMA Distribution:	\$25,253	
2010 MMRMA Distribution:	\$15,804	
2011 MMRMA Distribution:	\$32,188	
2012 MMRMA Distribution:	\$49,026	PK
2013 MMRMA Distribution:	\$15,626	PK
2014 MMRMA Distribution:	\$38,113	LZ
2015 MMRMA Distribution:	\$54,745	PK
2016 MMRMA Distribution:	\$69,179	LZ
2017 MMRMA Distribution:	\$58,720	KE
2018 MMRMA Distribution:	\$85,057	LZ
2019 MMRMA Distribution:	\$89,819	LZ
2020 MMRMA Distribution:	\$112,154	KE
\$657,267		



Plante & Moran, PLLC
 27400 Northwestern Highway
 P.O. Box 307
 Southfield, MI 48037-0307
 Tel: 248.352.2500
 Fax: 248.352.0018
 plantemoran.com

October 9, 2020

To the Village Council
 Village of Beverly Hills, Michigan

We have audited the financial statements of the Village of Beverly Hills, Michigan (the "Village") as of and for the year ended June 30, 2020 and have issued our report thereon dated October 9, 2020. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Other Recommendations and Related Information

Section III - Legislative and Informational Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Village Council of the Village of Beverly Hills, Michigan.

Section II presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the Village in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

Section III contains updated legislative and informational items that we believe will be of interest to you.

We would like to take this opportunity to thank the Village's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the Village Council and management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Martin J. Olejnik".

Martin J. Olejnik, CPA

A handwritten signature in black ink, appearing to read "Rumzei A. Abdallah".

Rumzei A. Abdallah, CPA

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 21, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Village. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter related to planning matters dated July 22, 2020.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village are described in Note 1 to the financial statements. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include the recorded net pension liability and related expenses, the liability and expense associated with other postemployment benefits (OPEB), and the estimated unbilled water and sewer charges in the Water and Sewer Fund.

Section I - Required Communications with Those Charged with Governance (Continued)

Management's estimates of the long-term cost of pensions and OPEB benefits is based on actuarial valuations, historical data, and other information. Management's estimate of the unbilled water and sewer charges is based on historical billings. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Village, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 9, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Section II - Other Recommendations and Related Information

During our audit, we noted areas where we believe there are opportunities for the Village to further strengthen internal control or to increase operating efficiencies. Our observations on those areas are presented below for your consideration:

Information Technology and Segregation of Duties Controls

During our review of the Village's information technology general controls and controls over reconciliations, we noted key controls over general ledger access that were not in place. Although the Village does have mitigating controls in place for the items noted, we recommend the Village implement these controls as a best practice measure. The controls include the following:

- Individuals with full administrative access to the general ledger system should not have access to post transactions.
- Individuals performing bank reconciliations should be restricted from accessing cash receipt, cash disbursement, and journal entry functions.
- Individuals with the ability to authorize journal entries should not have the ability to post journal entries, and individuals with the ability to post transactions should not have the ability to modify general ledger account characteristics.

Section III - Legislative and Informational Items

COVID-19 Resource Center

Plante & Moran, PLLC has assembled a COVID-19 task force of leaders across the firm to monitor, address, and mitigate risks presented by the virus. We understand the unique challenges our local governments are facing in providing essential services to protect communities during the COVID-19 crisis while, going forward, they face seemingly impossible choices around staffing, capital projects, pension obligations, and dozens of other items in the face of an uncertain revenue outlook. We are sharing our insights within our government COVID-19 resource center <https://www.plantemoran.com/explore-our-thinking/areas-of-focus/covid-19-government-resource-center>. We will keep you updated with relevant economic analysis, crisis management guidelines, notices of changing regulations, and more to keep the Village running as smoothly as possible amidst uncertainty and unprecedented disruption.

Have questions about the CARES Act? Submit them at <https://www.plantemoran.com/campaigns/firm/cares-act> by simply providing your contact information and agreeing to our terms and conditions, and an expert from our task force will contact you within the next 24 hours.

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities can also potentially be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessment of the system in order to verify that the control environment is working as intended is a key part of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Act 51 Report Due Date

The Michigan Department of Transportation has granted an automatic 60-day extension to cities and villages that are required to file the Act 51 report. The updated policy will extend the Act 51 report deadline to be due within six months of your fiscal year end date, which will align with the due date for the audited financial statements. For cities and villages whose most current fiscal year ends before July 1, the Act 51 report must be submitted by December 31 to be included in the snow payment calculation (if eligible and qualified).

This extension does not apply to counties. Counties are required to submit the Act 51 report to MDOT by May 1 every year, regardless of the fiscal year end.

Section III - Legislative and Informational Items (Continued)

Updated Uniform Chart of Accounts

In April 2017, the State released an updated Uniform Chart of Accounts. Originally, local units of government were expected to comply with the changes beginning with June 30, 2018 year ends. However, the State has extended the deadline for compliance. On April 20, 2020, the State issued a memo that sets an implementation date for fiscal years ending on October 31, 2022 and thereafter. The State has committed to releasing various tools to help local units with implementation, including FAQs and clarification on which accounts should be used when implementing GASB 84. A significant revision to the current version of the chart of accounts will be issued in the future that will incorporate feedback received by the Treasury. This revision will include significant changes to the expenditure accounts 700-999, which will now mirror the old approach that allowed for various numbers within certain ranges. Going forward, the Treasury will issue the following three documents for any future revisions: a revised chart of accounts, a marked-up version of the chart showing the changes, and a summary of the revisions report. Local units can sign up for alerts at this link: https://public.govdelivery.com/accounts/MITREAS/subscriber/new?qsp=MITREAS_1.

Legacy Costs

Legacy costs and the challenge of funding them continue to be topics of discussion. GASB pronouncements of late have placed even more focus on the net long-term liability arising from these benefit promises by now requiring governmental financial statements to reflect the net pension and OPEB liability. For many governments, these net liabilities are significant. In addition, Public Act 202 of 2017 has brought further focus on the funding level of these plans.

The following are the funding levels per the funding valuations for the last three years for both pension and OPEB:

	Pension	OPEB
2020	80%	65%
2019	84%	69%
2018	87%	67%

Maintaining or even improving the funded status of the plans is dependent upon a number of factors, including the government's contribution policies, its amortization policy for funding the unfunded actuarial accrued liability, its benefit levels, and the ability to make future changes to the plan. That said, the challenge here is significant. We are happy to assist you in thinking through alternative ways to manage this liability.

Revenue Sharing

Given the recent COVID-19 pandemic, there are anticipated declines in the state revenue-sharing constitutional portion and an unknown impact on the statutory portion as a result of COVID-19. Please refer to the Plante & Moran, PLLC COVID-19 resource center discussed above to keep updated on the economic analysis and other up-to-date information related to the pandemic.

Section III - Legislative and Informational Items (Continued)

Federal Procurement Threshold Changes

The Office of Management and Budget (OMB) has issued significant reforms to the compliance requirements that must be followed by nonfederal entities. The Office of Management and Budget recently issued Memorandum M-18-18, which provides guidance on changes to micropurchases and simplified acquisition threshold requirements. The key changes are as follows:

- Threshold for micropurchases is increased to \$10,000.
- Threshold for simplified acquisitions (small purchase procedures limit) increased to \$250,000.

Key adoption considerations for micropurchase and simplified acquisition thresholds include the following:

- During the original adoption of UG procurement standards, were specific amounts included within the Village's procurement policy, or were references to the UG sections or amounts as adjusted referenced? If specific amounts were referenced, the procurement policy will need to be updated to take advantage of the changes.
- If the Village's procurement policy was written to allow for changes in amounts, the procedures will need to be updated to conform.
- If this change is inconsistent with other procurement policies within the Village, the Village must decide how the policy will be enacted. Remember, local ordinances in place may limit full utilization of changes.
- If the Village has chosen not to fully adopt the change and maintain a lower threshold, then the Village is not required to use these thresholds but cannot exceed them.

Pension/OPEB Bonds

Originally, the public act allowing for the issuance of pension/OPEB borrowings was set to sunset effective December 31, 2015, but it was extended until December 31, 2018 through Public Act 46 of 2015. Therefore, communities meeting certain criteria, such as maintaining a credit rating of AA or higher and closing or freezing plans, were able to issue bonds up until December 31, 2018. This was further extended through December 31, 2023 by Public Act 575 of 2018. This public act has additional stipulations that can be found in more detail at <http://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0575.pdf>.

Launch of MI Community Financial Dashboard

The Michigan Department of Treasury launched the MI Community Financial Dashboard. This dashboard will provide you and your community members with easy-to-use visual data regarding your municipality. The data presented on the dashboard is pulled from the Annual Local Fiscal Report (F65) submitted by your local unit. The dashboard will present data from fiscal years 2010 through 2017. You can sign in and review the dashboard here: <http://micommunityfinancials.michigan.gov/#/dashboard/COUNTY/?lat=44.731431779455505&lng=-83.018211069625&zoom=5>.

Section III - Legislative and Informational Items (Continued)

Administrative Charges

The services provided by employees that are traditionally charged to the General Fund, like treasury, finance, HR, etc., oftentimes significantly benefit other funds. As a result, it is a fairly common practice to allocate a portion of these costs via an administrative charge to other funds of the government. Administrative charges can take many forms, such as interfund allocations, chargebacks, and payment in lieu of taxes to other funds (such as a golf courses). While the practice of charging for administrative services provided to other funds may certainly be justified, there seems to be a heightened focus lately on the methodology and amount of charges. Given the fact that many cost allocation methodologies were implemented several years ago, it would be prudent to revisit your current methodology and the related inputs to ensure that any administrative charges are fully substantiated.

Legacy Cost Reporting

Public Act 530 of 2016

On December 31, 2016, the governor signed Public Act 530 of 2016, which amends Public Act 314 of 1965, also known as Public Employee Retirement System Investment Act (PERSIA). This act was effective on March 29, 2017.

Under the prior act, communities were required to publish a summary annual report setting forth key information related to pension and retiree health care plans. The amendment requires that this summary annual report also be submitted to the Michigan Department of Treasury within 30 days of publication.

In addition, for any system (either pension or retiree health care) that is not funded at a level of at least 60 percent, the community must now post a report to its website indicating steps that are being undertaken to address the liability. In addition, this report must be submitted to the Department of Treasury within a reasonable time frame.

The legislation calls for the Department of Treasury to accumulate all of the reports and publish a summary of funding levels throughout the state.

Public Act 202 of 2017

On January 5, 2018, the Michigan Department of Treasury released initial reporting requirements under Public Act 202 of 2017 (the "Act"), which were primary components of the Act. These reporting requirements apply to all local units of government that offer or provide defined benefit pension and/or defined benefit OPEB retirement benefits.

Local units began reporting funded ratios and contributions in accordance with these uniform assumptions starting with their fiscal year 2019 if their audited financial statements were based on an actuarial valuation issued after December 31, 2018. If their fiscal year 2019 audited financial statements were based on an actuarial valuation issued prior to December 31, 2018, the local units will begin reporting on these uniform assumptions starting with their fiscal year 2020.

Section III - Legislative and Informational Items (Continued)

On October 21, 2019, the Michigan Department of Treasury released the updated uniform assumptions to be used for fiscal year 2020. Beginning with fiscal year 2020 reporting, all local governments must utilize the updated fiscal year 2020 uniform assumptions. Each year moving forward, the annual uniform assumptions will be updated and are expected to be utilized within Form 5572, where indicated, for that fiscal year. Local governments may utilize roll-forward procedures in nonvaluation years utilizing any updates to the uniform assumptions to calculate the data.

This means that the local unit may potentially need three calculations: a funding valuation (if the local unit chooses to have different assumptions for funding purposes), a valuation that complies with GAAP to be used for financial statement reporting, and a calculation that complies with the State's new uniform assumptions.

The releases by the Department of Treasury include the letters titled "Public Act 202: Selection of the Uniform Assumptions" and "Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2020," Numbered Letter 2018-1, Form 5572, detailed instructions for completion of Form 5572, and a listing of frequently asked questions. All documents can be located at http://www.michigan.gov/treasury/0,4679,7-121-1751_51556_84499---,00.html.

Form 5572 is due annually for both pension and OPEB plans provided by an employer no later than six months after the end of your fiscal year.

In addition to submitting this new form to the Department of Treasury, a local unit must also post this information either on its website or in a public place if it does not have a website. The governing body of a local unit will also need to receive a copy of this form, in accordance with the Act, but the Act does not require approval by the governing body before submission to the Treasury.

Public Act 202 defines that a local unit of government is in underfunded status if any of the following apply:

1. OPEB - Total plan assets are less than 40 percent of total plan liabilities according to the most recent annual report, and, for primary units of government*, the annual required contribution for all of the retirement health systems of the local unit is greater than 12 percent of the local unit of government's governmental funds operations revenue.
2. Retirement pension plans - Total plan assets are less than 60 percent of total plan liabilities according to the most recent annual report, and, for primary units of government, the annual required contribution for all of the retirement pension systems of the local unit is greater than 10 percent of the local unit of government's governmental funds operations revenue.

If, after submission of Form 5572, the Treasury determines your community to have underfunded status, you will have the opportunity to file a waiver under Section 6 of the Act. The waiver needs to provide a plan for how the underfunding is being addressed. This waiver will then be submitted to the Treasury.

*Primary units of government are cities, villages, townships, and counties.

Section III - Legislative and Informational Items (Continued)

In the event that a local unit has underfunded plans and does not submit a waiver or the waiver is not approved, the Treasury will perform an internal review. The local unit will also need to submit a corrective action plan to the newly created Municipal Stability Board (under Section 7 of the Act). The local unit will be responsible for creating the corrective action plan.

For governments with OPEB plans, Section 4(l)(a)(i)(ii) of Public Act 202 of 2017 requires the local unit to pay retiree insurance premiums for the year, as well as the normal costs for the new employees hired after June 30, 2018. The actuary will likely need to calculate this number in order for governments to comply. In addition, if communities must essentially prefund this additional cost, those communities without a qualifying OPEB trust will need to consider where these contributions will go.

Questions should be directed via email to the Treasury offices at LocalRetirementReporting@michigan.gov or by visiting its website at www.Michigan.gov/LocalRetirementReporting.

Numbered Letter 2018-3

On March 13, 2020, the Treasury issued Numbered Letter 2018-3 (Revised) as a revision to Numbered Letter 2018-3 that was first issued in September 2018. This revised numbered letter provides additional clarity and guidance for compliance with Public Act 202 related to the calculation and reporting of the actuarial determined contribution (ADC) for other postemployment benefit (OPEB) systems. The revision emphasized the following two key points:

1. The ADC, regardless of funding policy, must be calculated as the normal cost plus the amortization of the unfunded liability.
2. The ADC, calculated in accordance with the Act, must be reported in the audited financial statements. Note that OPEB plans that are not administrated through a trust are not required by GAAP to disclose the ADC in the required supplemental information section of the audited financial statements, but those plans should disclose this information in the footnotes to the financial statements, as required by this revised numbered letter.

Failure to calculate the ADC in compliance with this Numbered Letter 2018-3 (Revised) will be considered statutory noncompliance, shall be reported in the notes to the financial statements, and will result in an auditor finding for statutory noncompliance. Failure to report a compliance ADC in audited financial statements may result in the rejection of Form 5572 submissions and noncompliance with the Act and/or rejection of the local government's audited financial statements.

Public Act 57 Consolidation of Tax Increment Authorities

Public Act 57 of 2018, otherwise known as The Recodified Tax Increment Financing Act (PA 57), went into effect on January 1, 2019. PA 57 consolidated the ability to create and operate tax increment authorities (other than brownfield redevelopment authorities) into a single statute. All previously created authorities will remain; however, the following acts were repealed, and the corresponding authorities will now operate under PA 57:

- Downtown Development Authority Act (PA 197 of 1975)
- Tax Increment Finance Authority Act (PA 450 of 1980)

Section III - Legislative and Informational Items (Continued)

- Local Development Finance Authority Act (PA 281 of 1986)
- Nonprofit Street Railway Act (PA 35 of 1867)
- Corridor Improvement Authority Act (PA 280 of 2005)
- Water Resource Improvement Tax Increment Finance Authority Act (PA 94 of 2008)
- Neighborhood Improvement Authority Act (PA 61 of 2007)

Note that the above acts were repealed and recodified into PA 57. The acts listed below were repealed; however, they were not recodified:

- Historical Neighborhood Tax Increment Finance Authority Act (PA 530 of 2004)
- Private Investment Infrastructure Funding Act (PA 250 of 2010)

Any obligation, or refunding of an obligation, that was issued by an authority or by the municipality that created the authority, under a statute that was repealed by Public Act 57, will continue in effect under its original terms under the corresponding part of PA 57.

Transparency and Reporting Requirements

1. By April 1, 2019, each authority was required to submit its currently adopted development plan or tax increment finance plan to the Department of Treasury.
2. Annually, after January 1, 2019, each authority must submit a comprehensive annual report to the Treasury, the governing bodies of its related municipality, and each taxing unit levying taxes that are captured by the authority. This report must contain detailed information on the capture and use of tax increment revenue and is due concurrent with the authority's audit report due date (typically six months after the fiscal year end).
3. Within 180 days after the authority's fiscal year end, subsequent to January 1, 2019, the municipality that created the authority must give public access (either on its website or at a physical location within the municipality) to the following documents:
 - Minutes of all authority board meetings
 - Current authority staff contact information
 - Authority's approved budgets and annual audits
 - Currently adopted development and/or tax increment financing plans
 - Current contracts with descriptions
 - Annual synopsis of the authority's activity, which includes the following:
 - For any tax increment revenue not expended within five years of receipt, include the reasoning for accumulating the funds, their expected uses, and a time frame of when they will be expended.
 - For any tax increment revenue not expended within 10 years of receipt, include the amount of those funds, along with a written explanation for the reason the funds have not been expended.
 - For the immediately preceding fiscal year, a list of the authority's accomplishments, projects, investments, events, and promotional campaigns

Section III - Legislative and Informational Items (Continued)

4. The authority must hold, at a minimum, two informational meetings each year and give a 14-day advance notice to the public and to the governing body of each taxing unit. These meetings may be held in conjunction with other public meetings of the authority or municipality.

Any authority not in compliance with the above reporting requirements will receive a notice from the Department of Treasury. If the authority is still in noncompliance status 60 days after receipt of the notice, the authority will be prohibited from capturing tax increment revenue in excess of the amounts needed to pay bonded indebtedness and other obligations of the authority during this period of noncompliance.

Additional Information

To view Public Act 57 of 2018, regarding the consolidation of tax increment authorities and additional reporting requirements, visit the State of Michigan's website: [http://www.legislature.mi.gov/\(S\(nhboq4doz1h4bwbqb0gcxqim\)\)/mileg.aspx?page=GetObject&objectname=mcl-Act-57-of-2018](http://www.legislature.mi.gov/(S(nhboq4doz1h4bwbqb0gcxqim))/mileg.aspx?page=GetObject&objectname=mcl-Act-57-of-2018).

Other New Legislation

Opportunity Zones

The Tax Cuts and Jobs Act of 2017 (TCJA) introduced opportunity zones, a new incentive to encourage investment in low-income communities by providing tax benefits to investors. The new law shares some similarities with other incentives by focusing on specific disadvantaged geographic areas, but, unlike other programs that provide tax credits or accelerated deductions for making investments or creating jobs in distressed areas, the opportunity zone program allows taxpayers to defer and possibly exclude gains from taxable income. To realize the benefits of the program, investments must be made into a new type of investment vehicle known as a qualified opportunity fund (QOF). Any entity, group, or organization can establish a QOF as long as it follows the proper guidelines. The QOFs use these funds to respond to the needs of the community, allowing for investment in businesses, equipment, and/or real property. Opportunity zones were established through a nomination by the State, followed by a certification from the secretary of the U.S. Treasury, via his delegation authority to the IRS. We encourage you to become familiar with where these opportunity zones are located and the potential impact on your community. Local units that will be affected should start to consider a plan for the designated opportunity zone and what types of developments they would like to see come to the area. For more information, please refer to the IRS website at <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions> or to Plante & Moran, PLLC's article at <https://www.plante-moran.com/explore-our-thinking/insight/2018/05/opportunity-zones-offer-tax-benefits-to-invest-in-new-qof>, which addresses some of the details and complexities of the program.

Transformational Brownfields (PA 46-50 of 2017)

This reintroduced legislation became Public Acts 46-50 of 2017 with immediate effect. Public Act 46 of 2017 has created a new type of brownfield, while Public Acts 47-50 of 2017 amend prior acts for this change. The acts grant the ability to create transformational brownfields allowing the capture of income taxes and exemption of sales and use tax from "certain" personal property. In order to qualify, projects must obtain approval from the local brownfield redevelopment authority, the local governing body, and the Michigan Strategic Fund (MSF).

Section III - Legislative and Informational Items (Continued)

Projects should have a transformational impact on local economic development and community revitalization. Each project must meet the definition of a "large-scale investment." This definition varies based upon population. The minimum is \$15 million for communities under 25,000 but increases based upon population (for example, the City of Detroit, Michigan, at over 600,000 in population, would have a minimum of \$500 million).

During the construction, renovation, or improvement phases, projects could capture up to 50 percent of income taxes (state and city, if applicable) related to the wages paid for those physically present and working on the project. Upon completion, the project would capture up to 50 percent of income taxes related to those domiciled within the property. The limit for total tax capture over the life of the bill is \$1 billion, with a maximum of \$40 million per year and a further limit of five projects in any one community prior to December 31, 2022. In addition, in one calendar year, the MSF may not approve more than five transformational brownfield plans (with the exception that, if fewer than five are approved in a year, the unused quota can carry over to the next calendar year). Tax captures per parcel are limited to 20 years.

Public Act 47 amends the Income Tax Act to allow for the income tax captures noted above. Public Act 48 amends the General Sales Tax Act to exempt from sales tax the sale of goods for use in eligible projects. Public Act 49 amends the Use Tax Act and would not apply to goods used in the project. Public Act 50 amends the Michigan Renaissance Zone Act so that income tax exemptions would not apply.

LCSA Act Amendments

Public Acts 247 and 248 of 2018 were signed into law on June 27, 2018 by Governor Snyder. These acts significantly impact the Local Community Stabilization Authority (LCSA) Act, including how personal property tax reimbursements are calculated.

The State Department of Treasury issued a summary of the amendments in July 2018, which can be found at the following link: https://www.michigan.gov/documents/treasury/Overview_of_2018_LCSA_Act_Amendments_627459_7.pdf.

This summary document lists the following changes that resulted from these acts:

1. Accelerate some reporting deadlines and add two new reporting requirements.
2. Change the calculation of the millage rate to be used in the calculation of the PPT reimbursements.
3. Change the calculation of the personal property exemption loss and eliminate the requirements to recalculate prior year taxable values.
4. Change the millage rate to be used in the calculation of a tax increment finance authority's (TIFA) PPT reimbursement.
5. Make the local community stabilization authority responsible for distributing the fire protection services payments.
6. Create a process for correcting PPT reimbursements.

Section III - Legislative and Informational Items (Continued)

7. Allow for a one-time PPT advance for prior year underpayments of \$500,000 or more.
8. Change the payment dates of the PPT reimbursements to allow for corrections to current year reimbursements and delay the payment of qualified loss in excess of 100 percent until May 20.
9. Change how municipalities are required to record and allocate the revenue.

While we strongly recommend reviewing the link provided above for an in-depth look at the changes, highlighted below are the more significant changes:

- PPT reimbursement calculations are changing, as follows:
 - The requirements for recalculation of prior year taxable value have changed. Going forward, prior year property tax values for commercial and industrial personal property will only be modified for municipality boundary changes and to exclude any that was classified in the municipality where it is currently located as utility personal property or real property after 2012.
 - The calculation of PPT reimbursements that are based on the acquisition cost of eligible personal property for two years has been delayed until 2021.
 - Reimbursement for 100 percent of the calculated qualified loss going forward will be received in either October or February.
 - Each year, any remaining balance of the local community stabilization share fund revenue for the calendar year will be distributed to counties, cities, townships, villages, and community colleges. The allocation will be based on each municipality's share of the total reimbursement based on the acquisition cost of all eligible personal property and qualified loss. These reimbursement payments will be a separate payment that will be reimbursed in May. This allows time for any errors in that year's PPT reimbursement calculation to be identified and corrected.
 - There are also changes to the tax increment finance authority PPT reimbursement calculation; please refer to the link above for more details.
- Fire protection service payments were distributed by LCSA to municipalities starting in 2018. The payment distributions will continue to occur by November 30 each year. Each municipality is to continue to complete and submit the required questionnaire to LARA in order to qualify.
- The timing of PPT reimbursements has changed as follows:
 - Tax increment finance authorities - For a TIFA that previously received payments in November, reimbursements will be issued on October 20 of each year. Corrections for the underpayment of a prior year PPT reimbursement or a current year reimbursement will be issued on May 20 of each year.

Section III - Legislative and Informational Items (Continued)

- Municipalities, excluding school districts, ISDs, and TIFAs - For a municipality that previously received payments in November, reimbursements for essential services, small taxpayer exemption loss, and qualified loss up to 100 percent will be issued on October 20 of each year. For municipalities that previously received payments in February, reimbursements for essential services, small taxpayer exemption loss, and qualified loss up to 100 percent will continue to be issued on February 20 of each year. Corrections for the underpayment of a prior year PPT reimbursement or a current year reimbursement will be issued on May 20 of each year, as will the portion of qualified loss exceeding 100 percent reimbursement.

The table below provides a schedule of payment dates for all municipalities.

Description of PPT Reimbursement	Date of Reimbursement
Payment of calculated current year PPT reimbursements up to 100 percent of the calculated losses for county-allocated millage to municipalities that do not levy millage 100 percent in December and TIFAs (payment must be allocated to the funds based on millages)	October 20 (each year)
Payment of calculated current year PPT reimbursements up to 100 percent of the calculated losses for townships, county extra-voted millage, and municipalities that levy millage 100 percent in December	February 20 (each following year)
Payment of prior year underpayment that was not advanced and current year underpayment and prorated qualified loss in excess of 100 percent. (Note that the payment does not need to be allocated based on millages. If the local unit chooses, this can be fully recorded in the General Fund.)	May 20 (each following year)

- Changes to the requirement to restrict revenue - To date, the previous LCSA act had only required a municipality to use the reimbursement amount received for debt millage to pay for debt and to use the essential service reimbursement to pay for the cost of essential services. The newly signed amendment now also requires that each municipality allocate and record the payments received in the same manner as the millage levied, up to 100 percent reimbursement. The October payment represents the 100 percent reimbursement and should be allocated by millages. The May payment does not represent reimbursement and can be receipted into the General Fund at the discretion of the local unit.

In addition, for county road millages levied under Section 20b of 1909 PA 283, MCL 224.20b, a formula for allocating a portion of the PPT reimbursement to each city and village must be decided on by March 31 by the cities, villages, and road commission. If this does not occur, a formula for allocating payments will be determined by the Department of Treasury.

As a reminder, the LCSA reimbursements should not be reported on the financial statements with property taxes; instead, they should be included with other intergovernmental revenue from the State (state-shared revenue, grants, and other). The State has created a new account number for the revenue, 573, and titled it "Local Community Stabilization Share Appropriation." As always, communities should follow the State's guidance related to the Uniform Chart of Accounts.

Section III - Legislative and Informational Items (Continued)

Upcoming Accounting Standards Requiring Preparation

GASB Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance

This new pronouncement was adopted in May 2020 and is effective immediately. This statement postpones the effective dates of the following pronouncements and implementation guides by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update - 2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update - 2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncement and implementation guide are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

GASB Statement No. 84 - Fiduciary Activities

This new pronouncement is effective for reporting periods beginning after December 15, 2018 (December 15, 2019 after extension within GASB Statement No. 95). This statement provides criteria for state and local governments to use in identifying whether an activity is fiduciary and should be reported as a fiduciary fund type in its financial statements. In addition, once fiduciary activities are identified, GASB 84 also provides specific reporting requirements.

This statement has the potential to significantly impact what governments currently report as a fiduciary activity. Upon adoption, we anticipate that some governments' fiduciary activities will need to move to governmental funds, while other activities that previously were not considered fiduciary may now be reported as such under certain circumstances. It is also possible that certain pension and OPEB fiduciary funds will no longer be reported in a local unit's financial statements.

Section III - Legislative and Informational Items (Continued)

Given the potential to have a major impact on many governments, not only to its external financial statements, but also to its accounting system requirements and budget documents, we encourage you to start analyzing the impact of this standard now. The first step to implementation is identifying the types of activities that should be analyzed and then running those activities through the lens of this standard.

GASB Statement No. 87 - Leases

This new accounting pronouncement will be effective for reporting periods beginning after December 15, 2019 (June 15, 2021 after extension within GASB Statement No. 95). This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

We recommend beginning to accumulate information now related to all significant lease agreements in order to more efficiently implement this new standard once it becomes effective.

Plante & Moran, PLLC will be providing trainings and other resources to our clients in the coming months to help prepare for the implementation of all these new standards. In the interim, please reach out to your engagement team for assistance in getting started.

Village of Beverly Hills, Michigan

Oakland County, Michigan

Financial Report
with Supplemental Information
June 30, 2020

Village of Beverly Hills, Michigan

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Independent Auditor's Report

To the Village Council
Village of Beverly Hills, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beverly Hills, Michigan (the "Village") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Village of Beverly Hills, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beverly Hills, Michigan as of June 30, 2020 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Village Council
Village of Beverly Hills, Michigan

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Beverly Hills, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

October 9, 2020

Village of Beverly Hills, Michigan

Management's Discussion and Analysis

As management of the Village of Beverly Hills, Michigan (the "Village"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2020.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Village's basic financial statements. The Village's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private sector business. The statement of net position presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., the cost of pension and other postemployment benefits).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, community and economic development, and culture and recreation. The business-type activities of the Village include providing water and sewage disposal.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into the following three categories:

- **Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.
- **Proprietary Funds** - The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water and sewage disposal activities.
- **Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's fiduciary funds include both the pension and other postemployment benefit trust funds and agency funds.

Village of Beverly Hills, Michigan

Management's Discussion and Analysis (Continued)

Notes and Other Information

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the Village's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. The combining statements in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplemental information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows by approximately \$29 million at the close of the most recent fiscal year.

Charges for services under program revenue decreased by \$748,221. The majority of this net change is a result of trash disposal charges in the amount of \$755,079 being recovered through taxes (and hence reflected in tax revenue) instead of a charge for trash removal. This change took effect at the beginning of fiscal year 2020. Other various charges for services resulted in a net increase of \$6,858. Correspondingly, the increase in tax revenue of \$937,243 is composed of a tax increase for trash removal of \$755,079 and an increase in other property taxes of \$182,164.

The Village's Net Position

	Governmental Activities				
	2018	2019	2020	Change	Percent Change
Assets					
Current and other assets	\$ 4,493,172	\$ 5,443,560	\$ 7,732,240	\$ 2,288,680	42.0
Capital assets	12,324,741	12,400,560	12,903,018	502,458	4.1
Total assets	16,817,913	17,844,120	20,635,258	2,791,138	15.6
Deferred Outflows of Resources	410,157	2,066,193	1,474,821	(591,372)	(28.6)
Liabilities					
Current liabilities	656,523	402,161	1,161,638	759,477	188.8
Noncurrent liabilities	7,430,855	9,509,199	9,873,175	363,976	3.8
Total liabilities	8,087,378	9,911,360	11,034,813	1,123,453	11.3
Deferred Inflows of Resources	2,442,249	968,923	190,434	(778,489)	(80.3)
Net Position					
Net investment in capital assets	11,545,160	11,785,247	12,456,482	671,235	5.7
Restricted	1,243,451	1,873,155	2,453,555	580,400	31.0
Unrestricted	(6,090,168)	(4,628,372)	(4,025,205)	603,167	(13.0)
Total net position	\$ 6,698,443	\$ 9,030,030	\$ 10,884,832	\$ 1,854,802	20.5

Village of Beverly Hills, Michigan

Management's Discussion and Analysis (Continued)

	Business-type Activities				
	2018	2019	2020	Change	Percent Change
Assets					
Current and other assets	\$ 904,629	\$ 1,185,005	\$ 1,491,704	\$ 306,699	25.9
Capital assets	19,767,206	19,210,876	18,650,091	(560,785)	(2.9)
Total assets	20,671,835	20,395,881	20,141,795	(254,086)	(1.2)
Liabilities					
Current liabilities	288,376	286,976	309,469	22,493	7.8
Noncurrent liabilities	1,938,442	1,666,908	1,392,362	(274,546)	(16.5)
Total liabilities	2,226,818	1,953,884	1,701,831	(252,053)	(12.9)
Net Position					
Net investment in capital assets	17,828,764	17,556,468	17,286,629	(269,839)	(1.5)
Unrestricted	616,253	885,529	1,153,335	267,806	30.2
Total net position	<u>\$ 18,445,017</u>	<u>\$ 18,441,997</u>	<u>\$ 18,439,964</u>	<u>\$ (2,033)</u>	-

The Village's Changes in Net Position

	Governmental Activities				
	2018	2019	2020	Change	Percent Change
Revenue					
Program revenue:					
Charges for services	\$ 1,135,598	\$ 1,221,324	\$ 473,103	\$ (748,221)	(61.3)
Operating grants	1,007,846	1,079,134	1,144,985	65,851	6.1
Capital grants	404,414	166,736	248,859	82,123	49.3
General revenue:					
Taxes	6,596,763	6,913,547	7,850,790	937,243	13.6
State-shared revenue and grants	916,399	888,111	932,496	44,385	5.0
Investment earnings	59,075	128,465	113,423	(15,042)	(11.7)
Other revenue	444,263	386,111	444,405	58,294	15.1
Total revenue	10,564,358	10,783,428	11,208,061	424,633	3.9
Expenses					
General government	831,834	987,087	1,237,986	250,899	25.4
Public safety	4,906,726	4,698,778	5,239,997	541,219	11.5
Public works	2,559,144	2,105,091	2,222,970	117,879	5.6
Community and economic development	82,582	92,892	95,666	2,774	3.0
Recreation and culture	507,809	545,642	538,869	(6,773)	(1.2)
Debt service	13,957	22,351	17,771	(4,580)	(20.5)
Total expenses	8,902,052	8,451,841	9,353,259	901,418	10.7
Change in Net Position	1,662,306	2,331,587	1,854,802	(476,785)	(20.4)
Net Position - Beginning of year	5,036,137	6,698,443	9,030,030	2,331,587	34.8
Net Position - End of year	<u>\$ 6,698,443</u>	<u>\$ 9,030,030</u>	<u>\$ 10,884,832</u>	<u>\$ 1,854,802</u>	20.5

Village of Beverly Hills, Michigan

Management's Discussion and Analysis (Continued)

	Business-type Activities				
	2018	2019	2020	Change	Percent Change
Revenue					
Charges for services	\$ 4,462,010	\$ 4,713,159	\$ 4,812,449	\$ 99,290	2.1
Investment income	290	2,165	1,393	(772)	(35.7)
Total revenue	4,462,300	4,715,324	4,813,842	98,518	2.1
Expenses	4,656,783	4,718,344	4,815,875	97,531	2.1
Change in Net Position	(194,483)	(3,020)	(2,033)	987	(32.7)
Net Position - Beginning of year	18,639,500	18,445,017	18,441,997	(3,020)	-
Net Position - End of year	<u>\$ 18,445,017</u>	<u>\$ 18,441,997</u>	<u>\$ 18,439,964</u>	<u>\$ (2,033)</u>	-

Financial Analysis of Individual Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements.

The General Fund pays for the Village's governmental services, including all administrative departments (excluding public safety) and rubbish collection and disposal services. The Public Safety Fund covers all public safety department costs. This represents the largest cost group, which incurred expenses of approximately \$5.24 million in fiscal year 2019-2020.

General Fund Budgetary Highlights

Over the course of the year, the Village amended the budget to take into account events during the year. Village departments overall were slightly under budget, resulting in total expenditures of \$74,141 under the amended budget in the General Fund.

Capital Assets and Debt Administration

At June 30, 2020, the Village had more than \$31.7 million invested in a broad range of capital assets, including buildings, furniture, equipment, roads and bridges, and water and sewer mains (see Note 5 for detail). During the current year, the Village added approximately \$810,000 of governmental capital assets (net of disposals). The majority of the additions related to improvements to village infrastructure. A major road project for the Village began in fiscal year 2020 and will be completed in fiscal year 2021. The reconstruction of 13 Mile Rd. from Evergreen to Southfield Rd. and including the intersection of 13 Mile Rd. and Southfield Rd. is a federally funded project, with the local matching share being paid by the City of Southfield, Michigan; the Village of Beverly Hills, Michigan; and the Road Commission for Oakland County. Total cost for this project as bid is \$2,610,750. The Village's portion of the project is estimated to be approximately \$600,000.

Economic Factors and Next Year's Budgets and Rates

The Village's budget for next year will be similar to the current fiscal year. The General Fund covers the Village Council, village manager, clerk, finance department, building and planning department, and the public services department.

Although the General Fund has continued to increase its unassigned fund balance, the Village is committed to closely monitoring its expenditures and the effects COVID-19 will have on its revenue sources. Recently, the Village received updated projections related to declines in state-shared revenue that will also need to be factored into the budget. In addition, the Village's largest source of revenue is property taxes, and collections may be impacted by the pandemic. While the complete impact of the pandemic is unknown, the Village is closely monitoring information as it is received to determine which adjustments need to be made.

Village of Beverly Hills, Michigan

Management's Discussion and Analysis (Continued)

Future Economic Factors

The Village of Beverly Hills has stable property values. However, due to Proposal A, Headlee rollbacks limit the property tax increase to the rate of inflation by reducing the overall millage rate. The tax base for fiscal year 2020 finally slightly exceeded the tax base of fiscal year 2009 by 2.6 percent. For many years, the tax base declined, resulting in lost tax revenue. State revenue sharing, a major source of revenue, is tied to sales tax receipts and is always at risk of further cuts, especially during this time of COVID-19 and economic uncertainty. The current state budget does not include an increase in road funding. Future decreases in road funding would require increased contributions from the General Fund to road construction or a deferral of projects to future years.

The successful renewal of the millage by voters in November 2020 will allow the Village to continue the path of stabilized operations and investment in infrastructure, roads, and community. Excluding rubbish, the requested millage renewal amount of 12.9184 is equal to the millage approved by the residents 10 years ago. Included in the 12.9184 requested is a park millage request of 0.3200 Mills. The park millage is for the purpose of setting up a dedicated park fund to ensure that our cherished parks, especially Beverly Park, continue to receive funds to maintain, upgrade, and improve the facilities, equipment, and trails for the enjoyment of the Village. The last park millage was requested in 2001 for fiscal year 2002 and expired on June 30, 2006.

Contacting the Village's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office. This report, village budgets, and other financial information are available on the Village's website at www.villagebeverlyhills.com.

Village of Beverly Hills, Michigan

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 3)	\$ 6,794,359	\$ -	\$ 6,794,359
Receivables - Net (Note 4)	516,758	1,441,378	1,958,136
Internal balances (Note 6)	58,353	(58,353)	-
Inventory	-	106,899	106,899
Prepaid expenses and other assets	362,770	1,780	364,550
Capital assets:			
Assets not subject to depreciation (Note 5)	382,552	-	382,552
Assets subject to depreciation (Note 5)	12,520,466	18,650,091	31,170,557
Total assets	20,635,258	20,141,795	40,777,053
Deferred Outflows of Resources			
Deferred pension costs (Note 9)	675,821	-	675,821
Deferred OPEB costs (Note 10)	799,000	-	799,000
Total deferred outflows of resources	1,474,821	-	1,474,821
Liabilities			
Accounts payable	932,366	289,867	1,222,233
Accrued liabilities and other	229,272	19,602	248,874
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 7)	220,484	-	220,484
Current portion of long-term debt (Note 7)	83,294	299,139	382,433
Due in more than one year:			
Compensated absences (Note 7)	146,989	-	146,989
Provision for claims (Note 8)	86,700	28,900	115,600
Net pension obligation (Note 9)	5,139,980	-	5,139,980
Net retiree health care obligation (Note 10)	3,832,486	-	3,832,486
Long-term debt (Note 7)	363,242	1,064,323	1,427,565
Total liabilities	11,034,813	1,701,831	12,736,644
Deferred Inflows of Resources			
Deferred pension cost reductions (Note 9)	70,775	-	70,775
Deferred OPEB cost reductions (Note 10)	119,659	-	119,659
Total deferred inflows of resources	190,434	-	190,434
Net Position			
Net investment in capital assets	12,456,482	17,286,629	29,743,111
Restricted for:			
Streets and highways	869,323	-	869,323
Drug law enforcement	52,519	-	52,519
Library	15,431	-	15,431
Public safety	1,516,282	-	1,516,282
Unrestricted	(4,025,205)	1,153,335	(2,871,870)
Total net position	\$ 10,884,832	\$ 18,439,964	\$ 29,324,796

Village of Beverly Hills, Michigan

		Program Revenue		
		Charges for	Operating	Capital Grants
	Expenses	Services	Grants and	and
			Contributions	Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 1,237,986	\$ 7,268	\$ -	\$ -
Public safety	5,239,997	427,483	14,173	-
Public works	2,222,970	2,878	1,071,566	248,859
Community and economic development	95,666	35,474	20,197	-
Recreation and culture	538,869	-	39,049	-
Interest on long-term debt	17,771	-	-	-
Total governmental activities	9,353,259	473,103	1,144,985	248,859
Business-type activities - Water and sewer	4,815,875	4,812,449	-	-
Total primary government	<u>\$ 14,169,134</u>	<u>\$ 5,285,552</u>	<u>\$ 1,144,985</u>	<u>\$ 248,859</u>
General revenue:				
Property taxes				
State-shared revenue and grants				
Unrestricted investment income				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,230,718)	\$ -	\$ (1,230,718)
(4,798,341)	-	(4,798,341)
(899,667)	-	(899,667)
(39,995)	-	(39,995)
(499,820)	-	(499,820)
(17,771)	-	(17,771)
(7,486,312)	-	(7,486,312)
-	(3,426)	(3,426)
(7,486,312)	(3,426)	(7,489,738)
7,850,790	-	7,850,790
932,496	-	932,496
113,423	1,393	114,816
5,000	-	5,000
439,405	-	439,405
9,341,114	1,393	9,342,507
1,854,802	(2,033)	1,852,769
9,030,030	18,441,997	27,472,027
\$ 10,884,832	\$ 18,439,964	\$ 29,324,796

Village of Beverly Hills, Michigan

Governmental Funds Balance Sheet

June 30, 2020

	General Fund	Major Streets Fund	Local Streets Fund	Public Safety Fund	Library Fund	Nonmajor Funds	Total Governmental Funds
Assets							
Cash and investments (Note 3)	\$ 3,571,929	\$ 348,018	\$ 671,239	\$ 1,554,849	\$ 267,892	\$ 380,432	\$ 6,794,359
Receivables - Net (Note 4)	170,556	247,110	75,403	23,689	-	-	516,758
Due from other funds (Note 6)	86,639	-	-	-	-	-	86,639
Prepaid expenses and other assets	9,310	-	-	52,857	-	-	62,167
Total assets	\$ 3,838,434	\$ 595,128	\$ 746,642	\$ 1,631,395	\$ 267,892	\$ 380,432	\$ 7,459,923
Liabilities							
Accounts payable	\$ 104,332	\$ 100,548	\$ 343,613	\$ 97,381	\$ 252,461	\$ 34,031	\$ 932,366
Due to other funds (Note 6)	-	-	28,286	-	-	-	28,286
Accrued liabilities and other	204,406	-	-	17,732	-	-	222,138
Total liabilities	308,738	100,548	371,899	115,113	252,461	34,031	1,182,790
Deferred Inflows of Resources -							
Unavailable revenue	129,763	139,814	12,164	-	-	-	281,741
Fund Balances							
Nonspendable	9,310	-	-	52,857	-	-	62,167
Restricted:							
Roads	-	354,766	362,579	-	-	-	717,345
Public safety	-	-	-	1,463,425	-	-	1,463,425
Drug law enforcement	-	-	-	-	-	52,519	52,519
Library	-	-	-	-	15,431	-	15,431
Assigned:							
Capital projects	-	-	-	-	-	293,882	293,882
Sick pay severance	183,302	-	-	-	-	-	183,302
Vacation reserve	107,364	-	-	-	-	-	107,364
Scholarship fund	71,776	-	-	-	-	-	71,776
Unassigned	3,028,181	-	-	-	-	-	3,028,181
Total fund balances	3,399,933	354,766	362,579	1,516,282	15,431	346,401	5,995,392
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,838,434	\$ 595,128	\$ 746,642	\$ 1,631,395	\$ 267,892	\$ 380,432	\$ 7,459,923

Village of Beverly Hills, Michigan

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2020

Fund Balances Reported in Governmental Funds	\$ 5,995,392
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	12,903,018
The funds defer recognition of revenue of any amounts not collected within 60 days of the end of the year	281,741
Amounts on deposit with the insurance authority (MMRMA) are not reported as fund assets	300,603
Installment purchase agreements are not due and payable in the current period and are not reported in the funds	(446,536)
Accrued interest is not due and payable in the current period and is not reported in the funds	(7,134)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(367,473)
Pension benefits	(4,534,934)
Retiree health care benefits	(3,153,145)
Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities	(86,700)
Net Position of Governmental Activities	<u>\$ 10,884,832</u>

Village of Beverly Hills, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2020

	General Fund	Major Streets Fund	Local Streets Fund	Public Safety Fund	Library Fund	Nonmajor Funds	Total Governmental Funds
Revenue							
Property taxes and related fees	\$ 1,923,423	\$ -	\$ -	\$ 5,439,258	\$ 504,443	\$ -	\$ 7,867,124
State-shared revenue and grants:							
Federal grants	20,197	-	-	7,326	-	-	27,523
State sources	992,391	723,107	348,459	22,566	1,375	-	2,087,898
Local grants and contributions	1,000	6,374	-	-	-	-	7,374
Charges for services:							
Construction code fees	252,469	-	-	-	-	-	252,469
Charges to other funds	165,000	-	-	-	-	-	165,000
Other charges	-	-	-	91,840	-	-	91,840
Fines and forfeitures	-	-	-	105,119	-	-	105,119
Licenses and permits	16,133	-	-	-	-	-	16,133
Interest and rentals	47,139	3,559	12,460	40,669	3,575	6,021	113,423
Other revenue	473,748	4,628	11,329	11,696	-	-	501,401
Total revenue	3,891,500	737,668	372,248	5,718,474	509,393	6,021	11,235,304
Expenditures							
Current services:							
General government	1,017,553	-	-	-	-	-	1,017,553
Public safety	403,766	-	-	4,635,117	-	-	5,038,883
Public works	955,074	603,421	1,044,015	-	-	-	2,602,510
Community and economic development	94,417	-	-	-	-	-	94,417
Recreation and culture	35,197	-	-	-	504,921	-	540,118
Capital outlay	8,251	-	-	58,818	-	306,933	374,002
Debt service	-	-	-	188,985	-	-	188,985
Total expenditures	2,514,258	603,421	1,044,015	4,882,920	504,921	306,933	9,856,468
Excess of Revenue Over (Under) Expenditures	1,377,242	134,247	(671,767)	835,554	4,472	(300,912)	1,378,836
Other Financing Sources (Uses)							
Transfers in (Note 6)	-	-	450,000	-	-	300,000	750,000
Transfers out (Note 6)	(450,000)	(150,000)	-	(150,000)	-	-	(750,000)
Proceeds from sale of capital assets	-	-	-	5,000	-	-	5,000
Total other financing (uses) sources	(450,000)	(150,000)	450,000	(145,000)	-	300,000	5,000
Net Change in Fund Balances	927,242	(15,753)	(221,767)	690,554	4,472	(912)	1,383,836
Fund Balances - Beginning of year	2,472,691	370,519	584,346	825,728	10,959	347,313	4,611,556
Fund Balances - End of year	<u>\$ 3,399,933</u>	<u>\$ 354,766</u>	<u>\$ 362,579</u>	<u>\$ 1,516,282</u>	<u>\$ 15,431</u>	<u>\$ 346,401</u>	<u>\$ 5,995,392</u>

Village of Beverly Hills, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2020

Net Change in Fund Balances Reported in Governmental Funds	\$ 1,383,836
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(916,010)
Donated assets	88,178
Capital outlay	1,330,289
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	100,718
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	168,777
Interest expense is recognized in the government-wide statements as it accrues	2,434
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(296,436)
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds	(49,200)
Increase in amount on deposit with the insurance authority (MMRMA) is reported as an expenditure on the fund statements but as a reclassification of current to long-term asset at the government-wide level	42,216
Change in Net Position of Governmental Activities	\$ 1,854,802

Village of Beverly Hills, Michigan

Enterprise Fund - Water and Sewer Statement of Net Position

June 30, 2020

Assets

Current assets:

Receivables - Net (Note 4)	\$ 1,441,378
Inventory	106,899
Prepaid expenses and other assets	1,780

Total current assets 1,550,057

Noncurrent assets - Capital assets - Assets subject to depreciation (Note 5) 18,650,091

Total assets 20,200,148

Liabilities

Current liabilities:

Accounts payable	289,867
Due to other funds (Note 6)	58,353
Accrued liabilities and other	19,602
Current portion of long-term debt (Note 7)	299,139

Total current liabilities 666,961

Noncurrent liabilities:

Provision for claims	28,900
Long-term debt (Note 7)	1,064,323

Total noncurrent liabilities 1,093,223

Total liabilities 1,760,184

Net Position

Net investment in capital assets	17,286,629
Unrestricted	1,153,335

Total net position \$ 18,439,964

Village of Beverly Hills, Michigan**Enterprise Fund - Water and Sewer
Statement of Revenue, Expenses, and Changes in Net Position****Year Ended June 30, 2020****Operating Revenue**

Sale of water	\$ 843,318
Sewage disposal charges	2,387,171
Debt service charges	342,232
Infrastructure charge	1,189,161
Interest and penalty charges	30,064
Connection fees	3,792
Meter and other charges	16,711

Total operating revenue 4,812,449

Operating Expenses

Cost of water	667,497
Cost of sewage treatment	2,275,302
Billing and administrative costs	165,000
Repairs and maintenance	1,037,481
Other expenses	74,136
Depreciation	560,783

Total operating expenses 4,780,199

Operating Income 32,250

Nonoperating Revenue (Expense)

Investment interest and FMV changes	1,393
Interest expense	(35,676)

Total nonoperating expense (34,283)

Change in Net Position (2,033)

Net Position - Beginning of year 18,441,997

Net Position - End of year \$ 18,439,964

Village of Beverly Hills, Michigan

Enterprise Fund - Water and Sewer Statement of Cash Flows

Year Ended June 30, 2020

Cash Flows from Operating Activities

Receipts from customers	\$ 4,574,744
Payments for interfund services and reimbursements	(248,398)
Payments to suppliers	(4,024,695)
Other receipts	6,677

Net cash and cash equivalents provided by operating activities 308,328

Cash Flows Used in Financing Activities - Principal and interest paid on capital debt (328,287)

Cash Flows Provided by Investing Activities - Interest income 1,393

Net Decrease in Cash and Cash Equivalents (18,566)

Cash and Cash Equivalents - Beginning of year 18,566

Cash and Cash Equivalents - End of year \$ -

Reconciliation of Operating Income to Net Cash from Operating Activities

Operating income	\$ 32,250
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	560,783
Changes in assets and liabilities:	
Receivables	(231,028)
Due to and from other funds	(83,398)
Inventories	(10,804)
Prepaid and other assets	(35)
Accounts payable	24,160
Estimated claims liability	16,400

Total adjustments 276,078

Net cash and cash equivalents provided by operating activities \$ 308,328

Village of Beverly Hills, Michigan

**Fiduciary Funds
Statement of Fiduciary Net Position**

June 30, 2020

	Pension and Other Employee Benefits - Retiree Healthcare Trust Fund	Trust and Agency Fund
Assets - Cash and cash equivalents	\$ 246,967	<u><u>\$ 418,042</u></u>
Liabilities - Accrued and other	-	<u><u>\$ 418,042</u></u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u><u>\$ 246,967</u></u>	

Village of Beverly Hills, Michigan**Fiduciary Funds
Statement of Changes in Fiduciary Net Position****Year Ended June 30, 2020**

	Pension and Other Employee Benefits - Retiree Healthcare Trust Fund
Additions	
Investment income	\$ 3,424
Contributions:	
Employer contributions	418,461
Employee contributions	19,797
Total contributions	438,258
Net transfer from MERS (Note 11)	346,299
Total additions	787,981
Deductions - Benefit payments	781,049
Net Increase in Net Position Held in Trust	6,932
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	240,035
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 246,967

June 30, 2020

Note 1 - Significant Accounting Policies

Reporting Entity

The Village of Beverly Hills, Michigan (the "Village") is governed by an elected seven-member council. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Jointly Governed Organization

Jointly governed organizations are discussed in Note 12.

Accounting and Reporting Principles

The Village of Beverly Hills, Michigan follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Village:

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Village's water and sewer function and various other functions of the Village. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

June 30, 2020

Note 1 - Significant Accounting Policies (Continued)

Fund Accounting

The Village accounts for its various activities in several different funds in order to demonstrate accountability for how it has spent certain resources; separate funds allow it to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Village reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Major Streets Fund accounts for the resources of state gas and weight tax revenue that are restricted for use on major streets.
- The Local Streets Fund accounts for the resources of state gas and weight tax revenue that are restricted for use on local streets.
- The Public Safety Fund accounts for the resources of property tax revenue that are restricted for use on public safety.
- The Library Fund accounts for the resources of property tax revenue that are restricted for use on library services.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Village reports the following fund as a major enterprise fund:

- The Water and Sewer Fund accounts for the activities of the water distribution system and sewage collection system. The fund is financed primarily by a user charge for the provided service.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The Pension and Other Employee Benefits - Retiree Healthcare Trust Fund accounts for resources accumulated for pension benefit payments to qualified employees and for accumulated resources that have been set aside in a trust to fund postretirement health care costs.
- The agency fund accounts for assets held by the Village in a trustee capacity, primarily consisting of tax withholdings. The agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Note 1 - Significant Accounting Policies (Continued)

Interfund Activity

During the course of operations, the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Village considers amounts collected within two months of year end to be available for recognition. The following major revenue sources meet the availability criterion: property taxes and related fees, licenses and permits, federal grants, charges for services, fines and forfeitures, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Bank Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Note 1 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In accordance with GASB Statement No. 89, interest incurred during the construction of capital assets is expensed in the period it is incurred.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Roads and bridges	10-50
Water and sewer lines	50-100
Meters	20
Buildings and improvements	50
Furniture and equipment	5-10
Vehicles	5-20

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund, Public Safety Fund, and Capital Projects Fund are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Village reports deferred outflows of resources related to the defined benefit pension plan and OPEB plan, which are disclosed in more detail in Notes 9 and 10, respectively. These deferred outflows of resources are reported in the government-wide financial statements.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

June 30, 2020

Note 1 - Significant Accounting Policies (Continued)

The Village has two items that qualify for reporting in this category. The first is unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: state-shared revenue, intergovernmental revenue, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At year end, the Village reported deferred inflows of \$129,763 in the General Fund related to unavailable state-shared revenue, \$139,814 in the Major Streets Fund for unavailable intergovernmental charges, and \$12,164 in the Local Streets Fund for unavailable special assessments revenue. The Village also reports deferred inflows of resources related to the defined benefit pension plan and OPEB plan, which are disclosed in more detail in Notes 9 and 10, respectively.

Net Position Flow Assumption

The Village will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Village will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Village Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Village has, by resolution, authorized the finance director to assign fund balance. The Village Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Note 1 - Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes are levied on each July 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent after the third Monday in September of the following year, at which time penalties and interest are assessed. Taxes unpaid on February 28 of the following year are added to the county tax rolls.

The Village's 2019 property tax revenue was levied and collectible on July 1, 2019 and is recognized as revenue in the year ended June 30, 2020 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2019 taxable valuation of the Village totaled \$604.6 million, on which taxes levied consisted of 1.9099 mills for operating purposes, 0.8351 mills for the library, 1.250 mills for the refuse collection, and 9.0043 mills for public safety. This resulted in \$1,162,000 for operating, \$504,000 for the library, \$755,000 for refuse collection, and \$5,439,000 for public safety. These amounts are recognized in the General, Library, and Public Safety funds financial statements as taxes receivable or tax revenue, net of delinquent tax revenue and administrative fees. The refuse collection is recognized in a charges for services - rubbish account within the General Fund. Personal property taxes that are still unpaid as of June 30, 2020 will be recognized as revenue in the future as they are collected.

Pension

The Village offers a defined benefit pension plan to eligible employees hired before July 1, 2013. The Village records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The Village offers retiree health care benefits to eligible administrative retirees hired before July 1, 2006 and eligible public safety retirees hired before July 1, 2013. The Village records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the Village's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the Village will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation (the General Fund and Public Safety Fund, primarily) are used to liquidate the obligations.

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund is charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Village's financial statements for the year ended June 30, 2020 but were extended to June 30, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Village's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In August 2018, the Governmental Accounting Standards Board issued Statement No. 90, *Majority Equity Interests*. This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The Village is currently evaluating the impact this standard will have on the financial statements when adopted for the year ending June 30, 2021.

Note 1 - Significant Accounting Policies (Continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Village's financial statements for the June 30, 2023 fiscal year.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Village does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Village's financial statements for the year ending June 30, 2023.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending June 30, 2023.

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or other type of employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Village's financial statements for the year ending June 30, 2022.

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

The Village had expenditure budget variances in the following funds:

General Fund

Public safety expenditure - building, planning, and zoning was greater than the amended budget. The budget was significantly reduced due to the COVID-19 pandemic through budget amendments. During the period of mid-March through early May, the Village issued permits only for emergency repairs that were deemed necessary to ensure the safety of a residential property. This temporary cessation of normal permit activity was due to the COVID-19 pandemic and related executive orders, which prohibited in-person work, including most construction activity.

Local Streets Fund

Actual expenditures were approximately \$17,000 over budget due to various projects being higher than originally anticipated.

Major Streets Fund

Actual expenditures were greater than budgeted by approximately \$25,000 due to activity associated with the 13 Mile Southfield/Evergreen federal project, including the timing of expenditures being earlier than originally anticipated and due to tree removal expenditures greater than budgeted.

Construction Code Fees

The Village oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes, through February of the current year. The Village charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2019		\$	(1,258,807)
Current year permit revenue			252,468
Related expenses:			
Direct costs	\$	(403,766)	-
Estimated indirect costs		(4,902)	(408,668)
Cumulative shortfall June 30, 2020		\$	<u>(1,415,007)</u>

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Primary Government		Fiduciary Funds
	Governmental Activities	Business-type Activities	
Deposits with financial institutions	\$ 6,794,359	\$ -	\$ 665,009

June 30, 2020

Note 3 - Deposits and Investments (Continued)

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund and the retiree health care fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Village has designated five banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority, as listed above. The Village's deposits and investment policies are in accordance with statutory authority. The Village has not adopted an investment policy for the retiree health care fund; however, the Village has by resolution set aside advanced funding of this obligation in the Municipal Employees' Retirement System Retiree Health Funding Vehicle (RHFV), which is held in a separate reserve but invested on a pooled basis by MERS with other governmental units.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

The Village's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. At year end, the Village had \$854,582 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Village believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. At year end, the Village did not hold any investments subject to interest rate risk.

Village of Beverly Hills, Michigan

Notes to Financial Statements

June 30, 2020

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Comerica - J Fund	\$ 5,567,550	Not rated	N/A

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Village's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Village did not have any investments valued with Level 1, 2, or 3 inputs at June 30, 2020.

Note 4 - Receivables

Receivables as of June 30, 2020 for the Village's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Primary Government					Business-type Activities
	Governmental Activities					
	General Fund	Major Streets Fund	Local Streets Fund	Public Safety Fund	Total Governmental Activities	Water and Sewer Fund
Receivables:						
Special assessments	\$ -	\$ -	\$ 12,164	\$ -	\$ 12,164	\$ -
Customer billings	-	-	-	-	-	1,441,378
Accrued interest	188	-	-	113	301	-
Other receivables	39,801	-	-	23,576	63,377	-
Intergovernmental	130,567	247,110	63,239	-	440,916	-
Net receivables	\$ 170,556	\$ 247,110	\$ 75,403	\$ 23,689	\$ 516,758	\$ 1,441,378

Village of Beverly Hills, Michigan

Notes to Financial Statements

June 30, 2020

Note 5 - Capital Assets

Capital asset activity of the Village's governmental and business-type activities was as follows:

Governmental Activities

	Balance July 1, 2019	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 209,936	\$ -	\$ -	\$ -	\$ 209,936
Construction in progress	725,251	(725,251)	172,616	-	172,616
Subtotal	935,187	(725,251)	172,616	-	382,552
Capital assets being depreciated:					
Buildings and improvements	3,156,970	117,769	176,204	(1,362)	3,449,581
Roads and bridges	16,576,666	-	938,474	-	17,515,140
Equipment	3,421,052	607,482	126,234	(434,183)	3,720,585
Improvements other than buildings	1,535,729	-	4,939	-	1,540,668
Subtotal	24,690,417	725,251	1,245,851	(435,545)	26,225,974
Accumulated depreciation:					
Buildings and improvements	1,575,907	-	61,160	(1,362)	1,635,705
Roads and bridges	8,125,382	-	578,474	-	8,703,856
Equipment	2,297,075	-	225,724	(434,183)	2,088,616
Improvements other than buildings	1,226,679	-	50,652	-	1,277,331
Subtotal	13,225,043	-	916,010	(435,545)	13,705,508
Net capital assets being depreciated	11,465,374	725,251	329,841	-	12,520,466
Net governmental activities capital assets	\$ 12,400,561	\$ -	\$ 502,457	\$ -	\$ 12,903,018

Village of Beverly Hills, Michigan

Notes to Financial Statements

June 30, 2020

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2019	Additions	Disposals and Adjustments	Balance June 30, 2020
Capital assets being depreciated:				
Water mains	\$ 7,046,211	\$ -	\$ -	\$ 7,046,211
Sanitary sewers and drains	22,216,846	-	-	22,216,846
Service buildings	42,163	-	-	42,163
Meters	823,042	-	-	823,042
Motor vehicles	83,552	-	(46,812)	36,740
Furniture and equipment	141,949	-	(131,615)	10,334
Subtotal	30,353,763	-	(178,427)	30,175,336
Accumulated depreciation:				
Water mains	1,493,015	71,134	-	1,564,149
Sanitary sewers and drains	8,911,246	432,115	-	9,343,361
Service buildings	42,163	-	-	42,163
Meters	470,964	57,534	-	528,498
Motor vehicles	83,552	-	(46,812)	36,740
Furniture and equipment	141,949	-	(131,615)	10,334
Subtotal	11,142,889	560,783	(178,427)	11,525,245
Net business-type activity capital assets	<u>\$ 19,210,874</u>	<u>\$ (560,783)</u>	<u>\$ -</u>	<u>\$ 18,650,091</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 150,347
Public safety	187,189
Public works	578,474
Total governmental activities	<u>\$ 916,010</u>
Business-type activities - Water and sewer	\$ 560,783

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 58,353
	Local Streets Fund	28,286
	Total General Fund	<u>\$ 86,639</u>

Village of Beverly Hills, Michigan

Notes to Financial Statements

June 30, 2020

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Local Streets Fund	\$ 300,000
	Capital Projects Fund (a nonmajor governmental fund)	150,000
Major Streets Fund	Capital Projects Fund (a nonmajor governmental fund)	150,000
Public Safety Fund	Capital Projects Fund (a nonmajor governmental fund)	150,000
	Total	<u>\$ 750,000</u>

The transfers from the General Fund to the Local Streets Fund represent the use of unrestricted resources to finance those programs in accordance with budgetary authorizations. The transfers from the General Fund, Major Streets Fund, and Public Safety Fund to the Capital Projects Fund represent the use of unrestricted and restricted resources to finance capital improvements.

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2020 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -					
Direct borrowings and direct placements					
2013 fire truck installment purchase agreement, maturing through November 2019, with interest rate of 2.06 percent	\$ 88,289	\$ -	\$ (88,289)	\$ -	\$ -
2018 fire truck installment purchase agreement, maturing through 2025, with interest rate of 3.49 percent	527,024	-	(80,488)	446,536	83,294
Total bonds and contracts payable	615,313	-	(168,777)	446,536	83,294
Compensated absences	316,505	240,871	(189,903)	367,473	220,484
Total governmental activities long-term debt	<u>\$ 931,818</u>	<u>\$ 240,871</u>	<u>\$ (358,680)</u>	<u>\$ 814,009</u>	<u>\$ 303,778</u>

Village of Beverly Hills, Michigan

Notes to Financial Statements

June 30, 2020

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Direct borrowings and direct placements -					
2003 Drinking Water Revolving Fund Loan, maturing through April 2025, with interest at 2.125 percent \$	1,237,055	\$ -	\$ (190,000)	\$ 1,047,055	\$ 195,000
County contractual obligations:					
1998 North Arm Relief Drain Contract with the City of Royal Oak, Michigan (to support the Village's portion of Royal Oak bonds), maturing through September 2020, with interest at 2.25 percent	43,585	-	(21,826)	21,759	21,759
2000 George W. Kuhn Drain Bond Series A, maturing through April 2022, with interest at 2.5 percent	26,601	-	(8,650)	17,951	8,851
2001 George W. Kuhn Drain Bond Series C, maturing through April 2024, with interest at 2.5 percent	198,950	-	(37,849)	161,101	38,783
2001 George W. Kuhn Drain Bond Series D, maturing through April 2024, with interest at 2.5 percent	5,260	-	(1,015)	4,245	1,015
2003 Rummel Relief Drainage District Drain Bonds - Series 2003, maturing through May 2023, with interest ranging from 2.6 percent to 4.7 percent	58,728	-	(18,457)	40,271	20,135
2005 George W. Kuhn Drain Bond Series 2005, maturing through April 2026, with interest at 1.625 percent	4,819	-	(619)	4,200	660
2007 George W. Kuhn Drain Bond Series G, maturing through April 2028, with interest at 1.625 percent	7,137	-	(743)	6,394	743
2007 George W. Kuhn Drain Bond Series 2007, maturing through April 2024, refunding 2000B and 2001E (August 2007), with interest ranging from 4.25 percent to 4.375 percent	36,671	-	(8,610)	28,061	8,934
2008 George W. Kuhn Drain Bond Series 2008H, maturing through April 2029, with interest at 2.50 percent	35,602	-	(3,177)	32,425	3,259
Total business-type activities long-term debt	\$ 1,654,408	\$ -	\$ (290,946)	\$ 1,363,462	\$ 299,139

Village of Beverly Hills, Michigan

Notes to Financial Statements

June 30, 2020

Note 7 - Long-term Debt (Continued)

County Contractual Obligations

The above contractual obligations include county contractual obligations payable to Oakland County, Michigan (the "County") and are the result of the issuance of bonds by Oakland County, Michigan on the Village's behalf. The Village has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations. In addition, it has pledged to raise property taxes, to the extent permitted by law, if necessary to fund the obligation to repay the County. Proceeds from the county bonds provided financing for the construction of the George W. Kuhn Drain. The remaining principal and interest to be paid on the bonds total \$272,058. During the current year, net expenses of the system, excluding depreciation, were \$375,502, compared to the annual debt requirements of \$69,015.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities			Business-type Activities		
	Direct Borrowings and Direct Placements			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 83,294	\$ 15,567	\$ 98,861	\$ 299,139	\$ 31,991	\$ 331,130
2022	86,198	12,663	98,861	289,091	24,964	314,055
2023	89,202	9,658	98,860	262,102	17,913	280,015
2024	92,312	6,548	98,860	267,444	11,115	278,559
2025	95,530	3,330	98,860	227,169	5,139	232,308
2026-2030	-	-	-	18,517	545	19,062
Total	\$ 446,536	\$ 47,766	\$ 494,302	\$ 1,363,462	\$ 91,667	\$ 1,455,129

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

The Village's outstanding installment purchase obligations are secured with collateral of the fire trucks purchased through the agreements.

Note 8 - Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Workers' Compensation for claims relating to workers' compensation and the Michigan Municipal Risk Management Authority for general liability claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Village.

Note 8 - Risk Management (Continued)

The Village is self-insured for a portion of its health care reimbursement for the drug program. Active employees are not eligible. Under the plan, eligible retirees are assigned a drug card and pay a \$2, \$3, or \$10 copay. The Village is billed for the amounts exceeding the copay. As of June 30, 2020, all related claims have been accrued.

The Village estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability	
	2020	2019
Unpaid claims - Beginning of year	\$ 50,000	\$ -
Reported claims	5,884	12,780
Estimated claims incurred but not reported	65,600	50,000
Claim payments	(5,884)	(12,780)
Estimated liability - End of year	<u>\$ 115,600</u>	<u>\$ 50,000</u>

Note 9 - Pension Plans

Plan Description

The Village participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS) that covers the administrative staff and public safety officers (see below) of the Village. MERS was established as a state-wide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers general employees (closed to new hires), command and public safety officers (closed to new hires), and general nonunion employees (closed to new hires).

Retirement benefits are calculated as 2.50 percent of the employee's final two-year average compensation times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 25 years of service (reduced benefits) or at 55 with 15 years of service (reduced benefits). Vesting period is 10 years. To be eligible for nonduty disability benefits, employees must have a minimum of 10 years of service, and employees are eligible for duty-related benefits upon hire. The benefits also include nonduty disability benefits and disability retirement benefits in limited situations. An employee who leaves village service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2 percent for general employees and 3 percent for public safety employees.

Benefit terms are generally established and amended by authority of the Village Council, generally after negotiations of these terms with the affected unions. Police and fire employees benefit terms may be subject to binding arbitration in certain circumstances.

Note 9 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2019
Inactive plan members or beneficiaries currently receiving benefits	56
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	17
Total employees covered by MERS	84

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The Village hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Village's required contribution is determined after consideration of the required contribution rate of employees. Eligible public safety employees contribute 5 percent of annual pay. Eligible village administration employees do not contribute to the plan. For the year ended June 30, 2020, the Village contributed \$401,292 for eligible public safety employees and \$64,152 for eligible general administrative employees.

Net Pension Liability

The Village has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2020 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2019 measurement date. The December 31, 2019 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		Net Pension Liability
	Total Pension Liability	Plan Net Position	
Balance at December 31, 2018	\$ 25,165,422	\$ 19,892,519	\$ 5,272,903
Changes for the year:			
Service cost	254,846	-	254,846
Interest	1,955,755	-	1,955,755
Differences between expected and actual experience	24,511	-	24,511
Changes in assumptions	861,687	-	861,687
Contributions - Employer	-	453,554	(453,554)
Contributions - Employee	-	167,465	(167,465)
Net investment income	-	2,654,422	(2,654,422)
Benefit payments, including refunds	(1,691,826)	(1,691,826)	-
Administrative expenses	-	(45,719)	45,719
Net changes	1,404,973	1,537,896	(132,923)
Balance at December 31, 2019	<u>\$ 26,570,395</u>	<u>\$ 21,430,415</u>	<u>\$ 5,139,980</u>

Note 9 - Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Village recognized pension expense of \$1,293,109.

At June 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 12,255	\$ (49,164)
Changes in assumptions	430,844	-
Net difference between projected and actual earnings on pension plan investments	-	(21,611)
Employer contributions to the plan subsequent to the measurement date	232,722	-
Total	<u>\$ 675,821</u>	<u>\$ (70,775)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2021	\$ 300,051
2022	38,787
2023	264,690
2024	(231,204)
Total	<u>\$ 372,324</u>

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00 percent, and an investment rate of return (net of investment expenses) of 7.60 percent. Mortality rates were based on a blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables, all with a 50 percent male and 50 percent female blend. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table with a 50 percent male and 50 percent female blend is used to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2019 actuarial valuation date valuation were based on the results of an actuarial experience study for the period from January 1, 2009 through December 31, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Note 9 - Pension Plans (Continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2019 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	6.15 %
Global fixed income	20.00	1.26
Private Investments	20.00	6.56

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Village, calculated using the discount rate of 7.60 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability of the Village	\$ 8,110,930	\$ 5,139,980	\$ 2,643,171

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The following assumption changes were reflected in the 2019 valuation:

- The investment rate of return, net of pension plan investment expense, including inflation, was decreased from 7.75 to 7.35 percent.
- The rate of wage inflation was changed from 3.75 to 3.0 percent.

June 30, 2020**Note 9 - Pension Plans (Continued)*****Defined Contribution Pension Plans***

The Village of Beverly Hills, Michigan contributes to the Michigan Employees' Retirement System Defined Contribution Plan for Public Safety Officers Union and Command Union employees hired after July 1, 2013 who meet the eligibility requirements. MERS acts as the plan administrator pursuant to the terms and conditions of the plan. Benefit terms, including contribution requirements, for the Michigan Employees' Retirement System Defined Contribution Plan for Public Safety Officers Union and Command Union are established by and may be amended by the Village Council. For each employee in the plan, the Village is required to contribute 12 percent of annual salary, exclusive of overtime pay, to an individual employee account. Employees are vested in their own contributions and earnings on those contributions and become vested in village contributions and earnings on village contributions after completion of five years of creditable service with the Village. Nonvested village contributions are forfeited upon termination of employment. As of June 30, 2020, there were 15 members in the plan (14 active participants and 1 terminated employee with balances). During the year ended June 30, 2020, the Village contributed \$103,429 into the plan, and \$43,067 was contributed to the plan by plan participants.

The Village of Beverly Hills, Michigan also contributes to the Michigan Employees' Retirement System Defined Contribution Plan for General Administration employees hired after July 1, 2013 who meet the eligibility requirements. MERS acts as the plan administrator pursuant to the terms and conditions of the plan. Benefit terms, including contribution requirements, for the Michigan Employees' Retirement System Defined Contribution Plan for General Administration employees are established by and may be amended by the Village Council. For each employee in the plan, the Village is required to contribute 10 percent of annual salary to an individual employee account. Employees are vested in their own contributions and earnings on those contributions, and vesting in village contributions and earnings is immediate. As of June 30, 2019, there were nine members in the plan (eight active participants and one terminated employee with balances). During the year ended June 30, 2020, the Village contributed \$39,844 into the plan, and \$20,217 was contributed to the plan by plan participants.

Note 10 - Other Postemployment Benefit Plan***Plan Description***

The Village provides OPEB for all administrative employees hired before July 1, 2006 and all public safety employees hired before July 1, 2013 who meet eligibility requirements. The benefits are provided through the Village of Beverly Hills Retiree Health Care Plan, a single-employer plan administered by the Village of Beverly Hills, Michigan.

The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the OPEB plan is vested with the Village's administration.

Benefits Provided

The OPEB plan provides health care and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Village of Beverly Hills, Michigan

Notes to Financial Statements

June 30, 2020

Note 10 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Village of Beverly Hills Retiree Health Care Plan
Date of member count	
Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	11
Total plan members	55

Contributions

The Village requires eligible municipal employees to contribute 2 percent of their salary to the retiree health care program. Retiree health care costs are recognized when paid by the Village on a pay-as-you-go basis. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment. The Village made contributions of \$418,461 into the plan to advance fund these benefits, as determined by the Village Council through annual budget resolutions.

Net OPEB Liability

The Village has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2020 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2020 measurement date. The June 30, 2020 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2019.

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Increase (Decrease)		Net OPEB Liability
	Total OPEB Liability	Plan Net Position	
Balance at July 1, 2019	\$ 10,571,185	\$ 7,304,207	\$ 3,266,978
Changes for the year:			
Service cost	72,131	-	72,131
Interest	795,159	-	795,159
Differences between expected and actual experience	(166,909)	-	(166,909)
Changes in assumptions	453,126	-	453,126
Contributions - Employer	-	418,461	(418,461)
Contributions - Employee	-	19,797	(19,797)
Net investment income	-	162,321	(162,321)
Benefit payments, including refunds	(780,970)	(780,970)	-
Administrative expenses	-	(12,580)	12,580
Net changes	372,537	(192,971)	565,508
Balance at June 30, 2020	<u>\$ 10,943,722</u>	<u>\$ 7,111,236</u>	<u>\$ 3,832,486</u>

The plan's fiduciary net position represents 65.0 percent of the total OPEB liability.

Note 10 - Other Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Village recognized OPEB recovery of \$(163,480).

At June 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 91,212	\$ (83,454)
Changes in assumptions	226,563	(36,205)
Net difference between projected and actual earnings on OPEB plan investments	481,225	-
Total	<u>\$ 799,000</u>	<u>\$ (119,659)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2021	\$ 326,825
2022	128,709
2023	145,758
2024	78,049
Total	<u>\$ 679,341</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 3.75 percent; an investment rate of return (net of investment expenses) of 7.35 percent; a health care cost trend rate of 7.5 percent for 2020, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2027 and later years; and the RHP-2018 Total Dataset Mortality Table fully generational using Scale MP-2018. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that village contributions in to the OPEB trust will be \$400,000 annually.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2020 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	5.25 %
Global fixed income	1.25
Private investments	7.25

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Village, calculated using the discount rate of 7.35 percent, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.35%)	Current Discount Rate (7.35%)	1 Percentage Point Increase (8.35%)
Net OPEB liability of the Village of Beverly Hills Retiree Health Care Plan	\$ 5,132,002	\$ 3,832,486	\$ 2,759,813

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Village, calculated using the health care cost trend rate of 7.5 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent, as well as what the Village's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability of the Village of Beverly Hills Retiree Health Care Plan	\$ 2,648,573	\$ 3,832,486	\$ 5,266,892

Assumption Changes

The following assumptions have been updated since the last full valuation, which caused an increase in liabilities:

- Decrease in expected long-term rate of return of the Village's OPEB trust from 7.75 percent as of July 1, 2019 to 7.35 percent as of June 30, 2020.

June 30, 2020

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Policy

The Village has by resolution set aside advanced funding of this obligation in the Municipal Employees' Retirement System Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. During 2020, the Village transferred assets totaling of \$346,299 from the RHFV to the single-employer benefit plan administered by the Village for the payment of plan benefits. The balance as of June 30, 2020 in this restricted plan is approximately \$7,111,000. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

The following was the OPEB board's adopted asset allocation policy as of June 30, 2020:

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private assets	20.00
Total	100.00 %

Concentrations

At June 30, 2020, the plan held 100 percent of its investment portfolio in MERS RHFV.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 2.32 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Pension and Other Employee Benefit Trust Fund

The following are condensed financial statements for the individual pension plans and postemployment health care plans:

	Pension and Other Employee Benefits	Retiree Healthcare Trust Fund	Total
Statement of Net Position			
Cash and cash equivalents	\$ -	\$ 246,967	\$ 246,967
Statement of Changes in Net Position			
Investment income	\$ -	\$ 3,424	\$ 3,424
Employer contributions	-	418,461	418,461
Employee contributions	-	19,797	19,797
Net transfer from MERS	-	346,299	346,299
Benefit payments	79	780,970	781,049
Net change in net position	\$ (79)	\$ 7,011	\$ 6,932

June 30, 2020

Note 12 - Joint Ventures

Birmingham Area Cablecasting Board

The Village is a member of the Birmingham Area Cablecasting Board (BACB), which provides cable program coordinating services to the residents of Birmingham, Bingham Farms, Beverly Hills, and Franklin Village. The Village has no explicit and measurable equity interest in the joint venture. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the BACB can be obtained from the administrative offices at P.O. Box 165, Birmingham, MI 48012.

Southeastern Oakland County Water Authority

The Village is a member of the Southeastern Oakland County Water Authority (the "Water Authority"), which provides a water supply system serving 11 member municipalities in Oakland County. The Village appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2020, the Village expensed \$655,514 of payments made to the Water Authority. The Village has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Water Authority's operations are financially independent of the Village. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Southeastern Oakland County Water Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Southeastern Oakland County Resource Recovery Authority

The Village is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority"), which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The Village appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2020, the Village expensed \$757,116 of payments to the Authority. The Village has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Resource Recovery Authority's operations are financially independent of the Village. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Required Supplemental Information

Village of Beverly Hills, Michigan

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,915,550	\$ 1,923,550	\$ 1,923,423	\$ (127)
State-shared revenue and grants:				
Federal grants	-	10,000	20,197	10,197
State sources:				
State-shared revenue	957,472	942,472	951,944	9,472
Local Community Stabilization Authority	2,000	40,971	40,447	(524)
Local grants and contributions - Operating grants	-	-	1,000	1,000
Charges for services	524,750	405,000	417,469	12,469
Licenses and permits	16,320	16,320	16,133	(187)
Interest and rentals	20,000	40,000	42,751	2,751
Other revenue	348,440	438,218	439,748	1,530
Total revenue	3,784,532	3,816,531	3,853,112	36,581
Expenditures				
Current services:				
General government:				
Village Council	30,518	13,518	9,087	4,431
Village manager	388,232	236,190	232,819	3,371
Village finance and accounting	278,378	287,921	280,473	7,448
Village clerk	-	111,090	105,685	5,405
Buildings and grounds	56,144	56,144	49,022	7,122
General administration	396,048	333,801	332,570	1,231
Public safety - Building, planning, and zoning	451,707	384,830	403,766	(18,936)
Public works - Public services	1,027,864	1,004,956	955,074	49,882
Community and economic development	119,675	99,175	94,417	4,758
Recreation and culture - Parks and recreation	46,975	41,377	35,197	6,180
Capital outlay	16,500	11,500	8,251	3,249
Total expenditures	2,812,041	2,580,502	2,506,361	74,141
Excess of Revenue Over Expenditures	972,491	1,236,029	1,346,751	110,722
Other Financing Uses - Transfers to other funds	(450,000)	(450,000)	(450,000)	-
Net Change in Fund Balance	522,491	786,029	896,751	110,722
Fund Balance - Beginning of year	2,212,444	2,212,444	2,212,444	-
Fund Balance - End of year	\$ 2,734,935	\$ 2,998,473	\$ 3,109,195	\$ 110,722

Village of Beverly Hills, Michigan**Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Funds
Major Streets Fund****Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
State-shared revenue and grants	\$ 752,335	\$ 790,239	\$ 729,481	\$ (60,758)
Investment income	5,500	5,500	3,559	(1,941)
Other revenue	-	-	4,628	4,628
Total revenue	757,835	795,739	737,668	(58,071)
Expenditures - Current - Public works	323,400	578,400	603,421	(25,021)
Excess of Revenue Over Expenditures	434,435	217,339	134,247	(83,092)
Other Financing Uses - Transfers out	(150,000)	(150,000)	(150,000)	-
Net Change in Fund Balance	284,435	67,339	(15,753)	(83,092)
Fund Balance - Beginning of year	370,519	370,519	370,519	-
Fund Balance - End of year	<u><u>\$ 654,954</u></u>	<u><u>\$ 437,858</u></u>	<u><u>\$ 354,766</u></u>	<u><u>\$ (83,092)</u></u>

Village of Beverly Hills, Michigan**Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Funds (Continued)
Local Streets Fund****Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
State-shared revenue and grants	\$ 362,729	\$ 342,729	\$ 348,459	\$ 5,730
Interest and rentals	10,000	10,000	12,460	2,460
Other revenue	-	-	11,329	11,329
Total revenue	372,729	352,729	372,248	19,519
Expenditures - Current - Public works	<u>1,069,600</u>	<u>1,027,100</u>	<u>1,044,015</u>	<u>(16,915)</u>
Excess of Expenditures Over Revenue	(696,871)	(674,371)	(671,767)	2,604
Other Financing Sources - Transfers in	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Net Change in Fund Balance	(246,871)	(224,371)	(221,767)	2,604
Fund Balance - Beginning of year	<u>584,346</u>	<u>584,346</u>	<u>584,346</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 337,475</u></u>	<u><u>\$ 359,975</u></u>	<u><u>\$ 362,579</u></u>	<u><u>\$ 2,604</u></u>

Village of Beverly Hills, Michigan

Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Funds (Continued)
Public Safety Fund

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 5,444,213	\$ 5,439,213	\$ 5,439,258	\$ 45
State-shared revenue and grants	4,000	19,000	29,892	10,892
Charges for services	79,650	99,650	91,840	(7,810)
Fines and forfeitures	80,300	91,300	105,119	13,819
Interest and rentals	20,000	42,000	40,669	(1,331)
Other revenue	15,000	10,900	11,696	796
Total revenue	5,643,163	5,702,063	5,718,474	16,411
Expenditures				
Current services - Public safety	4,996,758	4,688,958	4,635,117	53,841
Capital outlay	116,000	79,000	58,818	20,182
Debt service	188,985	188,985	188,985	-
Total expenditures	5,301,743	4,956,943	4,882,920	74,023
Excess of Revenue Over Expenditures	341,420	745,120	835,554	90,434
Other Financing (Uses) Sources				
Transfers out	(150,000)	(150,000)	(150,000)	-
Proceeds from sale of capital assets	-	5,000	5,000	-
Total other financing uses	(150,000)	(145,000)	(145,000)	-
Net Change in Fund Balance	191,420	600,120	690,554	90,434
Fund Balance - Beginning of year	825,728	825,728	825,728	-
Fund Balance - End of year	<u>\$ 1,017,148</u>	<u>\$ 1,425,848</u>	<u>\$ 1,516,282</u>	<u>\$ 90,434</u>

Village of Beverly Hills, Michigan

Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Funds (Continued)
Library Fund

Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Property taxes	\$ 504,921	\$ 504,921	\$ 504,443	\$ (478)
State sources	200	200	1,375	1,175
Interest and rentals	200	200	3,575	3,375
Total revenue	505,321	505,321	509,393	4,072
Expenditures - Recreation and culture	504,921	504,921	504,921	-
Excess of Revenue Over Expenditures	400	400	4,472	4,072
Net Change in Fund Balance	400	400	4,472	4,072
Fund Balance - Beginning of year	10,959	10,959	10,959	-
Fund Balance - End of year	<u>\$ 11,359</u>	<u>\$ 11,359</u>	<u>\$ 15,431</u>	<u>\$ 4,072</u>

Village of Beverly Hills, Michigan

Required Supplemental Information

Schedule of Changes in the Net Pension Liability and Related Ratios (Schedule is built prospectively upon implementation of GASB 68)

	Last Six Years (Measurement Dates Ended December 31)					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 254,845	\$ 251,631	\$ 243,363	\$ 341,278	\$ 395,718	\$ 410,029
Interest	1,955,756	1,928,824	1,888,095	1,939,231	1,821,548	1,756,681
Differences between expected and actual experience	24,511	(147,490)	329,825	(1,065,216)	527,126	-
Changes in assumptions	861,687	-	-	-	955,924	-
Benefit payments, including refunds	(1,691,826)	(1,704,038)	(2,208,579)	(1,402,509)	(1,621,661)	(1,124,891)
Net Change in Total Pension Liability	1,404,973	328,927	252,704	(187,216)	2,078,655	1,041,819
Total Pension Liability - Beginning of year	25,165,422	24,836,495	24,583,791	24,771,007	22,692,352	21,650,533
Total Pension Liability - End of year	\$ 26,570,395	\$ 25,165,422	\$ 24,836,495	\$ 24,583,791	\$ 24,771,007	\$ 22,692,352
Plan Fiduciary Net Position						
Contributions - Employer	\$ 453,554	\$ 466,194	\$ 611,972	\$ 459,837	\$ 378,302	\$ 364,160
Contributions - Member	167,465	46,821	89,673	65,122	74,509	826,364
Net investment income (loss)	2,654,422	(826,011)	2,682,871	2,195,311	(313,771)	1,274,423
Administrative expenses	(45,719)	(41,816)	(42,650)	(43,366)	(45,714)	(46,937)
Benefit payments, including refunds	(1,691,826)	(1,704,038)	(2,208,579)	(1,402,509)	(1,621,661)	(1,124,891)
Other	-	-	-	(132,415)	-	-
Net Change in Plan Fiduciary Net Position	1,537,896	(2,058,850)	1,133,287	1,141,980	(1,528,335)	1,293,119
Plan Fiduciary Net Position - Beginning of year	19,892,519	21,951,369	20,818,082	19,676,102	21,204,437	19,911,318
Plan Fiduciary Net Position - End of year	\$ 21,430,415	\$ 19,892,519	\$ 21,951,369	\$ 20,818,082	\$ 19,676,102	\$ 21,204,437
Village's Net Pension Liability - Ending	\$ 5,139,980	\$ 5,272,903	\$ 2,885,126	\$ 3,765,709	\$ 5,094,905	\$ 1,487,915
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.66 %	79.05 %	88.38 %	84.68 %	79.43 %	93.44 %
Covered Payroll	\$ 1,465,257	\$ 1,431,207	\$ 1,423,915	\$ 1,905,227	\$ 2,157,414	\$ 2,309,827
Village's Net Pension Liability as a Percentage of Covered Payroll	350.79 %	368.42 %	202.62 %	197.65 %	236.16 %	64.42 %

Village of Beverly Hills, Michigan

Required Supplemental Information Schedule of Pension Contributions

Last Ten Fiscal Years
Years Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 465,444	\$ 441,900	\$ 490,488	\$ 393,492	\$ 511,879	\$ 257,429	\$ 265,305	\$ 117,566	\$ 101,274	\$ 496,465
Contributions in relation to the actuarially determined contribution	465,444	441,900	490,488	462,900	511,879	365,940	265,305	117,566	101,274	496,465
Contribution Excess	\$ -	\$ -	\$ -	\$ 69,408	\$ -	\$ 108,511	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,465,257	\$ 1,431,207	\$ 1,423,915	\$ 1,905,227	\$ 2,157,414	\$ 2,309,827	\$ 1,512,729	\$ 655,135	\$ 739,859	\$ 727,853
Contributions as a Percentage of Covered Payroll	31.77 %	30.88 %	34.45 %	24.30 %	23.73 %	15.84 %	17.54 %	17.95 %	13.69 %	68.21 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported (December 31, 2017 for the current fiscal year).

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll - Open
Remaining amortization period	10-year fixed
Asset valuation method	Five-year smoothed
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	8.00 percent - Net of investment expenses
Retirement age	60, or 50 with 25 years of service or 55 with 15 years of service
Mortality	50 percent female/50 percent male RP-2014 Healthy Annuitant Mortality Tables

Village of Beverly Hills, Michigan

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios (Schedule is built prospectively upon implementation of GASB 74)

	Last Four Fiscal Years			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 72,131	\$ 91,548	\$ 153,337	\$ 154,954
Interest	795,159	779,157	877,479	719,701
Differences between expected and actual experience	(166,909)	273,635	(2,394,561)	-
Changes in assumptions	453,126	(108,614)	-	2,412,873
Benefit payments, including refunds	(780,970)	(837,639)	(904,286)	(720,855)
Net Change in Total OPEB Liability	372,537	198,087	(2,268,031)	2,566,673
Total OPEB Liability - Beginning of year*	10,571,185	10,373,098	12,641,129	12,350,198
Total OPEB Liability - End of year	\$ 10,943,722	\$ 10,571,185	\$ 10,373,098	\$ 14,916,871
Plan Fiduciary Net Position				
Contributions - Employer	\$ 418,461	\$ 994,646	\$ 1,227,868	\$ 1,151,735
Contributions - Active and inactive plan members not yet receiving benefits	19,797	19,872	22,704	26,417
Net investment income	162,321	205,204	463,537	643,833
Administrative expenses	(12,580)	(14,197)	(15,289)	(13,009)
Benefit payments, including refunds	(780,970)	(837,639)	(904,286)	(720,855)
Net Change in Plan Fiduciary Net Position	(192,971)	367,886	794,534	1,088,121
Plan Fiduciary Net Position - Beginning of year	7,304,207	6,936,321	6,141,787	5,053,666
Plan Fiduciary Net Position - End of year	\$ 7,111,236	\$ 7,304,207	\$ 6,936,321	\$ 6,141,787
Net OPEB Liability - Ending	\$ 3,832,486	\$ 3,266,978	\$ 3,436,777	\$ 8,775,084
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	65.0 %	69.1 %	66.9 %	41.2 %
Covered Employee Payroll	\$ 1,223,272	\$ 1,179,057	\$ 1,350,903	\$ 1,337,528
Net OPEB Liability as a Percentage of Covered Employee Payroll	313.3 %	277.1 %	254.4 %	656.1 %

*Beginning of year total OPEB liability for the fiscal year ended June 30, 2018 was restated upon the implementation of GASB Statement No. 75 to align with assumptions used in the June 30, 2018 actuarial valuation.

Village of Beverly Hills, Michigan

Required Supplemental Information Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 360,238	\$ 837,639	\$ 808,536	\$ 720,855	\$ 1,317,680	\$ 1,319,382	\$ 873,022	\$ 873,022	\$ 873,022	\$ 1,212,817
Contributions in relation to the actuarially determined contribution	418,461	994,646	1,227,868	1,151,735	1,140,973	1,089,343	873,467	873,467	1,214,011	723,903
Contribution Excess (Deficiency)	\$ 58,223	\$ 157,007	\$ 419,332	\$ 430,880	\$ (176,707)	\$ (230,039)	\$ 445	\$ 445	\$ 340,989	\$ (488,914)
Covered Employee Payroll	\$ 1,223,272	\$ 1,179,057	\$ 1,350,903	\$ 1,337,528	\$ 2,154,252	\$ 2,154,252	\$ 2,296,226	\$ 2,296,226	\$ 2,476,185	\$ 2,466,105
Contributions as a Percentage of Covered Employee Payroll	34.2 %	84.4 %	90.9 %	86.1 %	53.0 %	50.6 %	38.0 %	38.0 %	49.0 %	29.4 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	25 years
Asset valuation method	Market value
Inflation	2.5 percent
Health care cost trend rates	8.00 percent trend for the first year, then gradually decreasing to an ultimate trend of 4.50
Salary increase	3.75 to 10 percent
Investment rate of return	7.75
Retirement age	55 years of age
Mortality	RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with eight years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement)

Village of Beverly Hills, Michigan

Required Supplemental Information
Schedule of OPEB Investment Returns
(Schedule is built prospectively upon implementation of GASB 74)

	Last Four Fiscal Years Years Ended June 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - Net of investment expense	2.32 %	3.09 %	7.68 %	12.99 %

Village of Beverly Hills, Michigan

Notes to Required Supplemental Information

June 30, 2020

Budgetary Information

The annual budget is prepared by village management and adopted by the Village Council; subsequent amendments are approved by the Village Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2020 has not been calculated. During the current year, the budget was amended in a legally permissible manner. The budget process begins in January when each department head calculates its appropriation request. This is due by the first Monday in March. The budget is submitted to the Village Council at the first meeting in April. During the next month, the Village Council reviews the budget and considers any changes. After a public hearing, the final budget is adopted by resolution no later than the second regular meeting in May.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories rather than as other financing sources (uses), and the budgetary schedules include the use of fund balance as revenue. Also, in accordance with Governmental Accounting Standards Board Statement No. 54, the Tax Collection Fund, Sick Pay Severance Fund, and Vacation Reserve Fund are presented within the General Fund for financial reporting purposes but are not budgeted in that manner.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level. If any department exceeds budget appropriations, the Village Council may, by resolution, amend the department's appropriation. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

A reconciliation of the General Fund budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balance is as follows:

	Total Revenue	Total Expenditures	Fund Balance
Amounts per operating statement	\$ 3,891,500	\$ 2,514,258	\$ 2,472,691
Tax Collection Fund	-	-	(72)
Sick Pay Severance Fund	(12,812)	(2,563)	(173,053)
Vacation Reserve Fund	(25,576)	(5,334)	(87,122)
Amounts per budget statement	<u>\$ 3,853,112</u>	<u>\$ 2,506,361</u>	<u>\$ 2,212,444</u>

Pension Information

Changes in Assumptions

The following assumption changes were reflected in the 2019 valuation:

- The investment rate of return, net of pension plan investment expense, including inflation, was decreased from 7.75 to 7.35 percent.
- The rate of wage inflation was changed from 3.75 to 3.0 percent.

The following assumption changes were reflected in the 2015 valuation:

- The inflation adjustment was decreased from 3.0 to 2.5 percent.
- Salary increases were adjusted.
- The investment rate of return, net of pension plan investment expense, including inflation, was decreased from 8.00 to 7.75 percent.

Village of Beverly Hills, Michigan

Notes to Required Supplemental Information

June 30, 2020

OPEB Information

Changes in Assumptions

The following assumption changes were reflected in the 2020 interim valuation:

- The investment rate of return, net of OPEB plan investment expense, including inflation, was decreased from 7.75 to 7.35 percent.

The following assumption changes were reflected in the 2019 full valuation:

- Mortality table for healthy retirees has been updated from RPH-2016 Total Dataset Mortality Table fully generational using Scale MP-2016 to SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018. This change has caused a decrease in liabilities.
- Health care trend rates have been reset to an initial rate of 8.0 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent. This change has caused a slight increase in liabilities.

The following assumption changes were reflected in the 2017 full valuation:

- Mortality table was updated from RP-2000 Combined Mortality Table fully generational using Scale AA to SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015. The impact of this change is an increase in liabilities.
- Retirement, termination, salary scale, and disability rates for general employees were updated to reflect the most recent tables from the Municipal Employees' Retirement System as of December 31, 2015. The net impact of these changes was a slight increase in liabilities.
- The health care coverage election rate was changed for this valuation based on village experience. The net impact of these changes was a decrease in liabilities.

Other Supplemental Information

Village of Beverly Hills, Michigan

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Funds	Capital Project Funds				Total Nonmajor Governmental Funds
	Drug Law Enforcement	Capital Projects	Capital Projects Infrastructure	Coryell/ Hummel SAD	Special Park Millage	
Assets - Cash and investments	\$ 52,519	\$ 266,425	\$ -	\$ 54,603	\$ 6,885	\$ 380,432
Liabilities - Accounts payable	\$ -	\$ 34,031	\$ -	\$ -	\$ -	\$ 34,031
Fund Balances						
Restricted - Drug law enforcement	52,519	-	-	-	-	52,519
Assigned	-	232,394	-	54,603	6,885	293,882
Total fund balances	52,519	232,394	-	54,603	6,885	346,401
Total liabilities and fund balances	\$ 52,519	\$ 266,425	\$ -	\$ 54,603	\$ 6,885	\$ 380,432

Village of Beverly Hills, Michigan

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2020

	Special Revenue Funds	Capital Project Funds				Total Nonmajor Governmental Funds
	Drug Law Enforcement	Capital Projects	Capital Projects Infrastructure	Coryell/ Hummel SAD	Special Park Millage	
Revenue - Interest and rentals	\$ -	\$ 5,598	\$ -	\$ 316	\$ 107	\$ 6,021
Expenditures - Capital outlay	-	306,920	13	-	-	306,933
Excess of Revenue (Under) Over Expenditures	-	(301,322)	(13)	316	107	(300,912)
Other Financing Sources - Transfers in	-	300,000	-	-	-	300,000
Net Change in Fund Balances	-	(1,322)	(13)	316	107	(912)
Fund Balances - Beginning of year	52,519	233,716	13	54,287	6,778	347,313
Fund Balances - End of year	<u>\$ 52,519</u>	<u>\$ 232,394</u>	<u>\$ -</u>	<u>\$ 54,603</u>	<u>\$ 6,885</u>	<u>\$ 346,401</u>

Village of Beverly Hills, Michigan

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2020

	Pension and Other Employee Benefits	Retiree Healthcare Trust Fund	Total Pension and Other Employee Benefits - Retiree Healthcare Trust Fund
Assets - Cash and cash equivalents	\$ -	\$ 246,967	\$ 246,967
Net Position	\$ -	\$ 246,967	\$ 246,967

Village of Beverly Hills, Michigan

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year Ended June 30, 2020

	Pension and Other Employee Benefits	Retiree Healthcare Trust Fund	Total Pension and Other Employee Benefits - Retiree Healthcare Trust Fund
Additions			
Investment income	\$ -	\$ 3,424	\$ 3,424
Contributions:			
Employer contributions	-	418,461	418,461
Employee contributions	-	19,797	19,797
Total contributions	-	438,258	438,258
Net transfer from MERS	-	346,299	346,299
Total additions	-	787,981	787,981
Deductions - Benefit payments	79	780,970	781,049
Net (Decrease) Increase in Net Position Held in Trust	(79)	7,011	6,932
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	79	239,956	240,035
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ -</u>	<u>\$ 246,967</u>	<u>\$ 246,967</u>



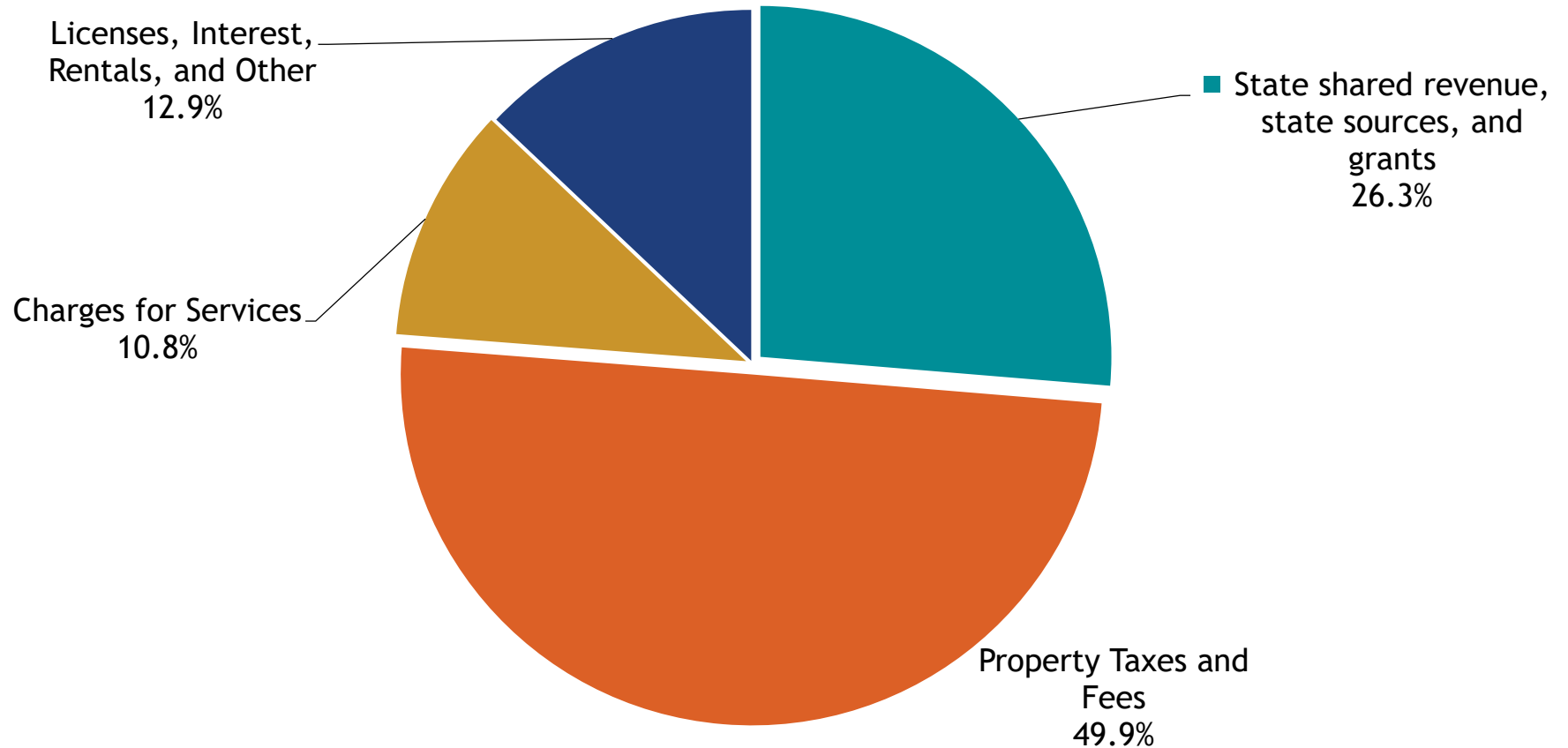
plante moran | Audit. Tax. Consulting.
Wealth Management.

Village of Beverly Hills Audit Presentation to the Village Council

For Year Ended June 30, 2020



Village of Beverly Hills General Fund Revenue Fiscal Year Ended June 30, 2020



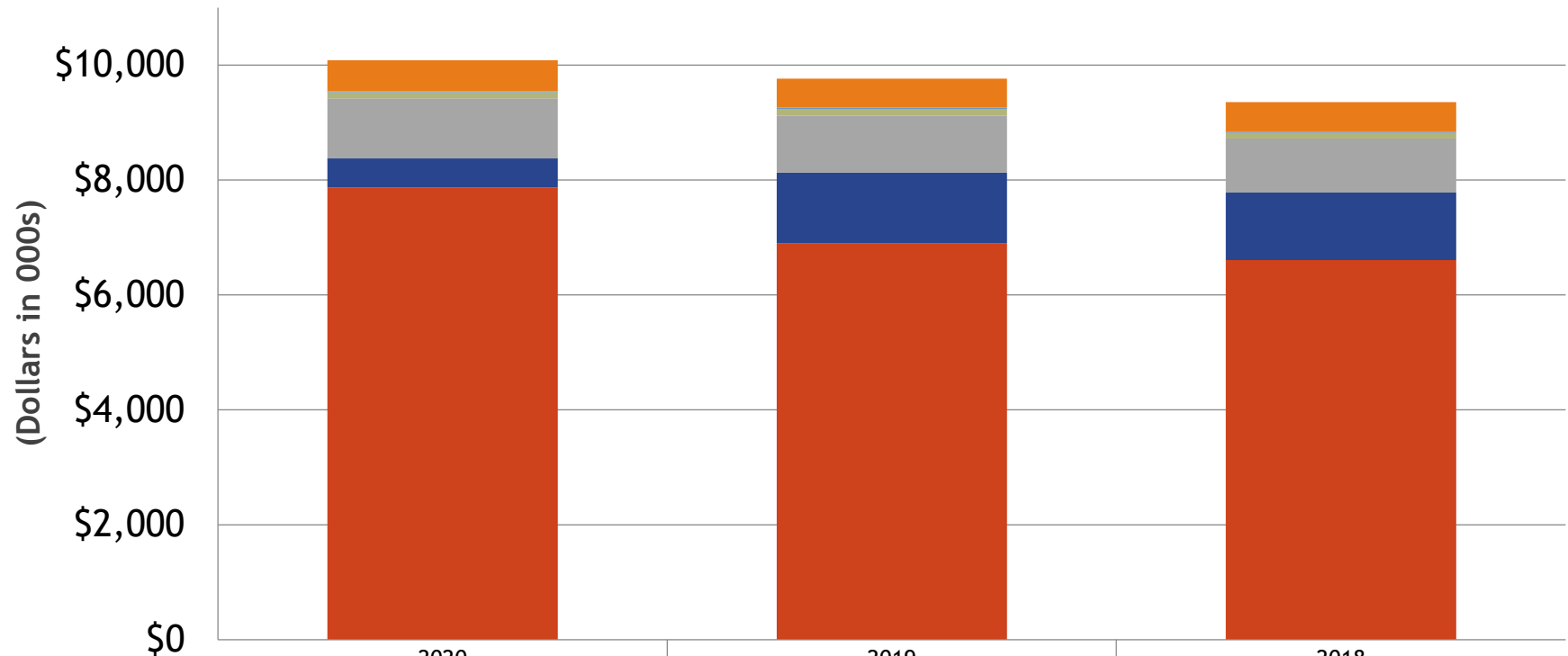
* General Fund activity excludes Sick Pay Severance and Vacation Reserve funds



Village of Beverly Hills

General Fund, Public Safety Fund, Library Fund - Revenue (in thousands)

Years Ended June 30



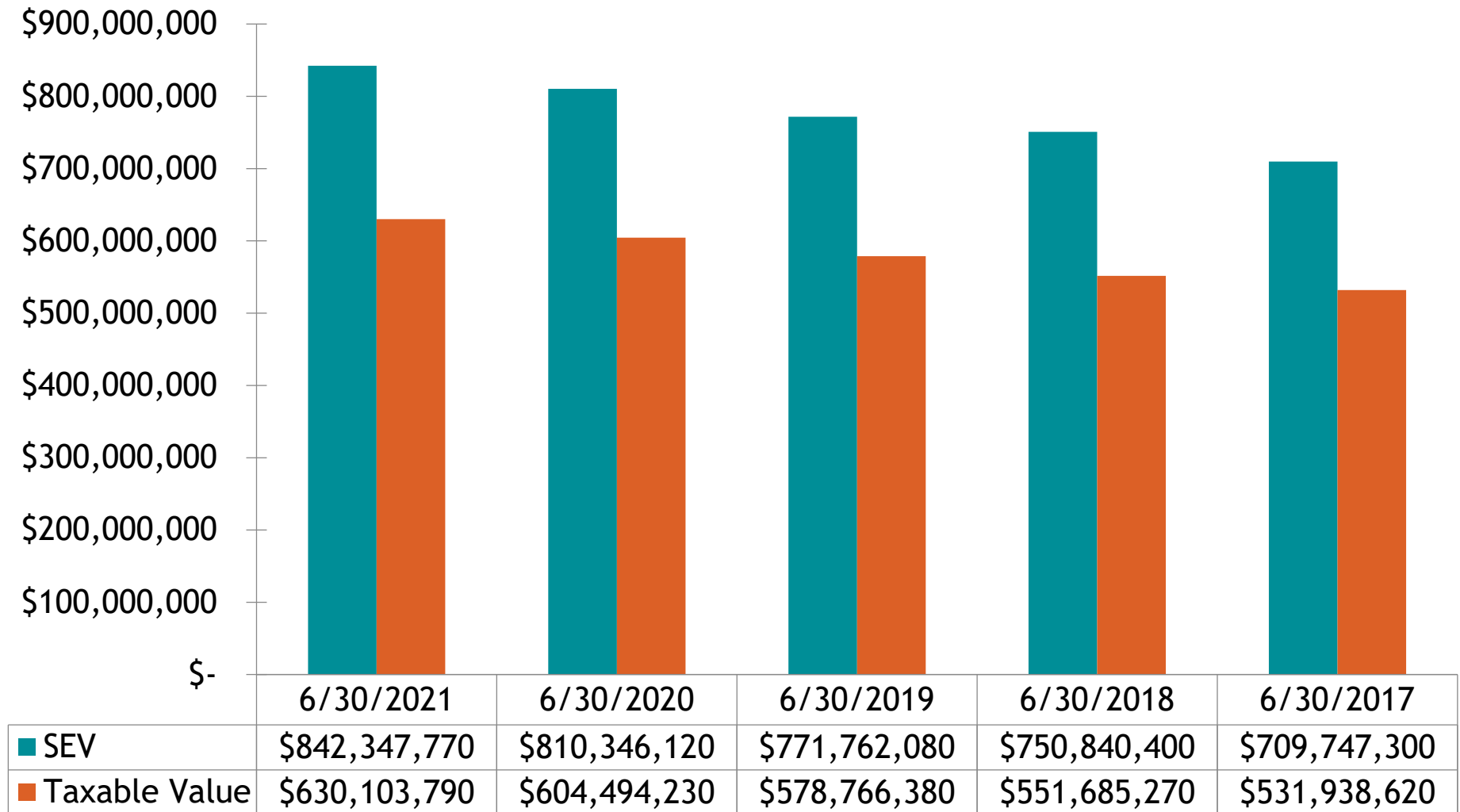
	2020	2019	2018
Interest, Rentals, and Other	\$543	\$504	\$521
Business Licenses and Permits	\$16	\$33	\$16
Fines and Forfeitures	\$105	\$111	\$97
State shared revenue, state sources, and grants	\$1,045	\$988	\$939
Charges for Services	\$509	\$1,234	\$1,175
Property Taxes	\$7,867	\$6,894	\$6,607

* General Fund activity excludes Sick Pay Severance and Vacation Reserve funds



Village of Beverly Hills

Property Taxes - SEV vs. Taxable Value

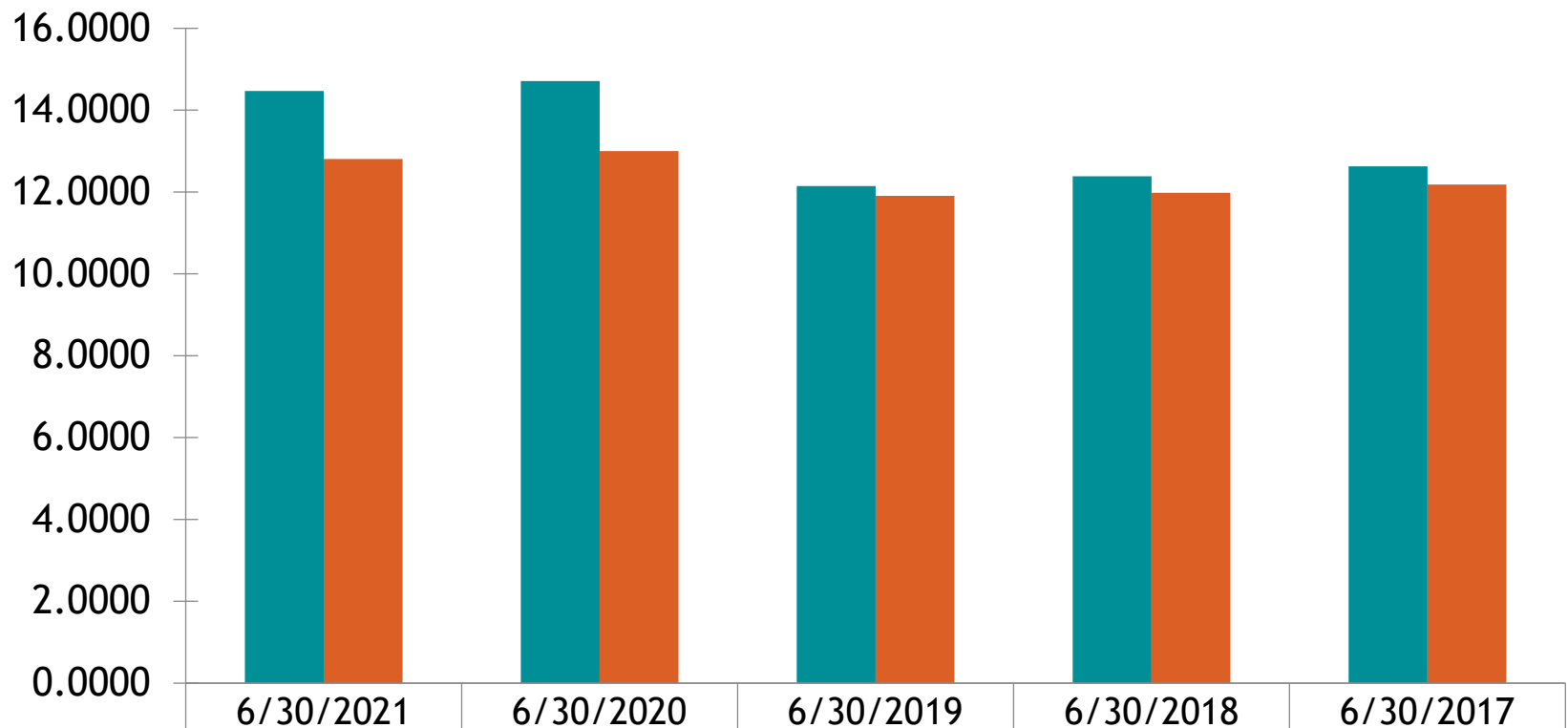




Village of Beverly Hills

Property Taxes

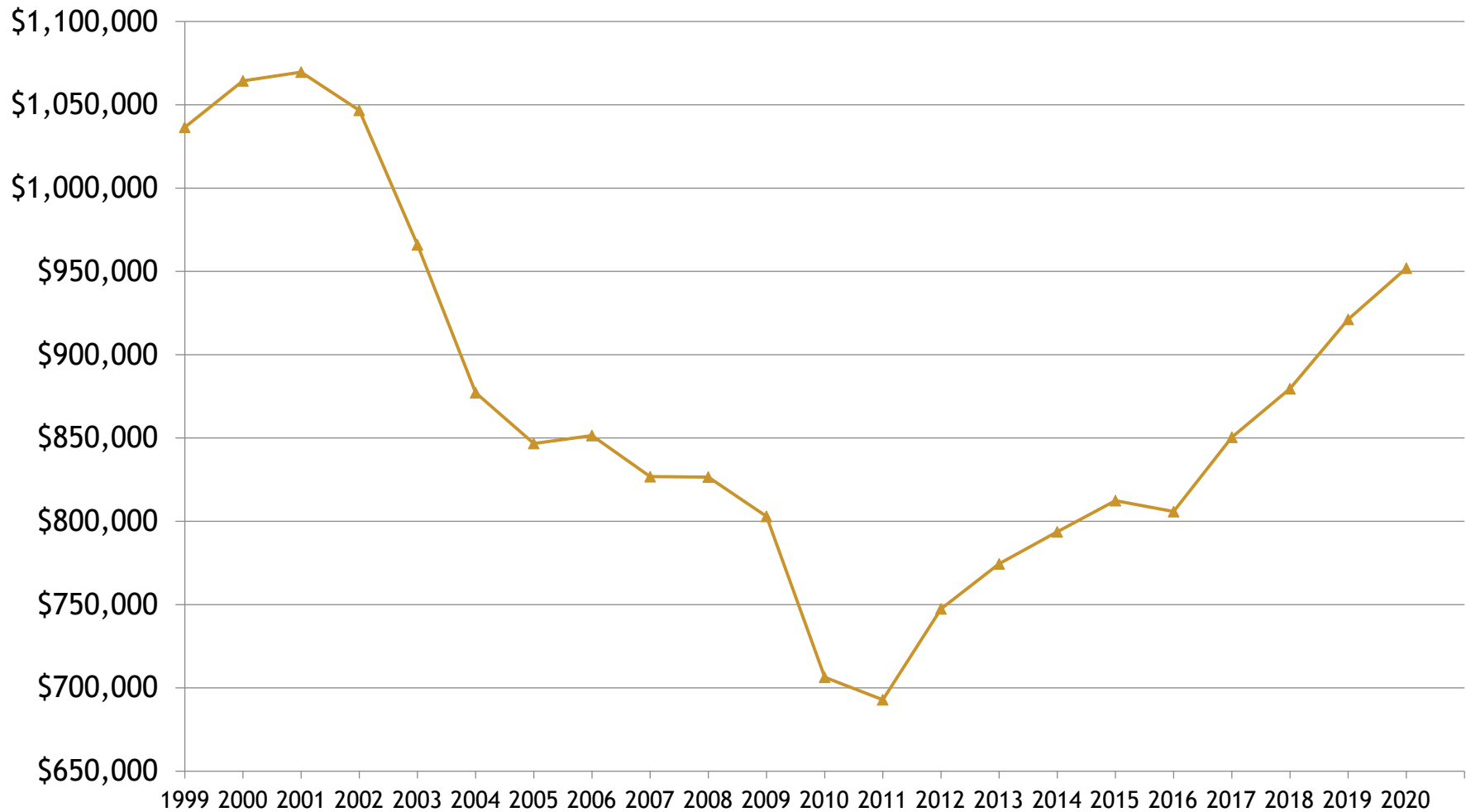
Headlee Maximum Millage versus Actual Levy



■ Maximum Allowable Millage Levy	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
	14.4671	14.7100	12.1423	12.3839	12.6243
■ Tax Rate Levied	12.8053	12.9993	11.9054	11.9785	12.1805



Village of Beverly Hills State Shared Revenue Fiscal Year Ended June 30





Village of Beverly Hills

General Fund, Public Safety Fund, and Library Fund —Expenditures (in thousands)

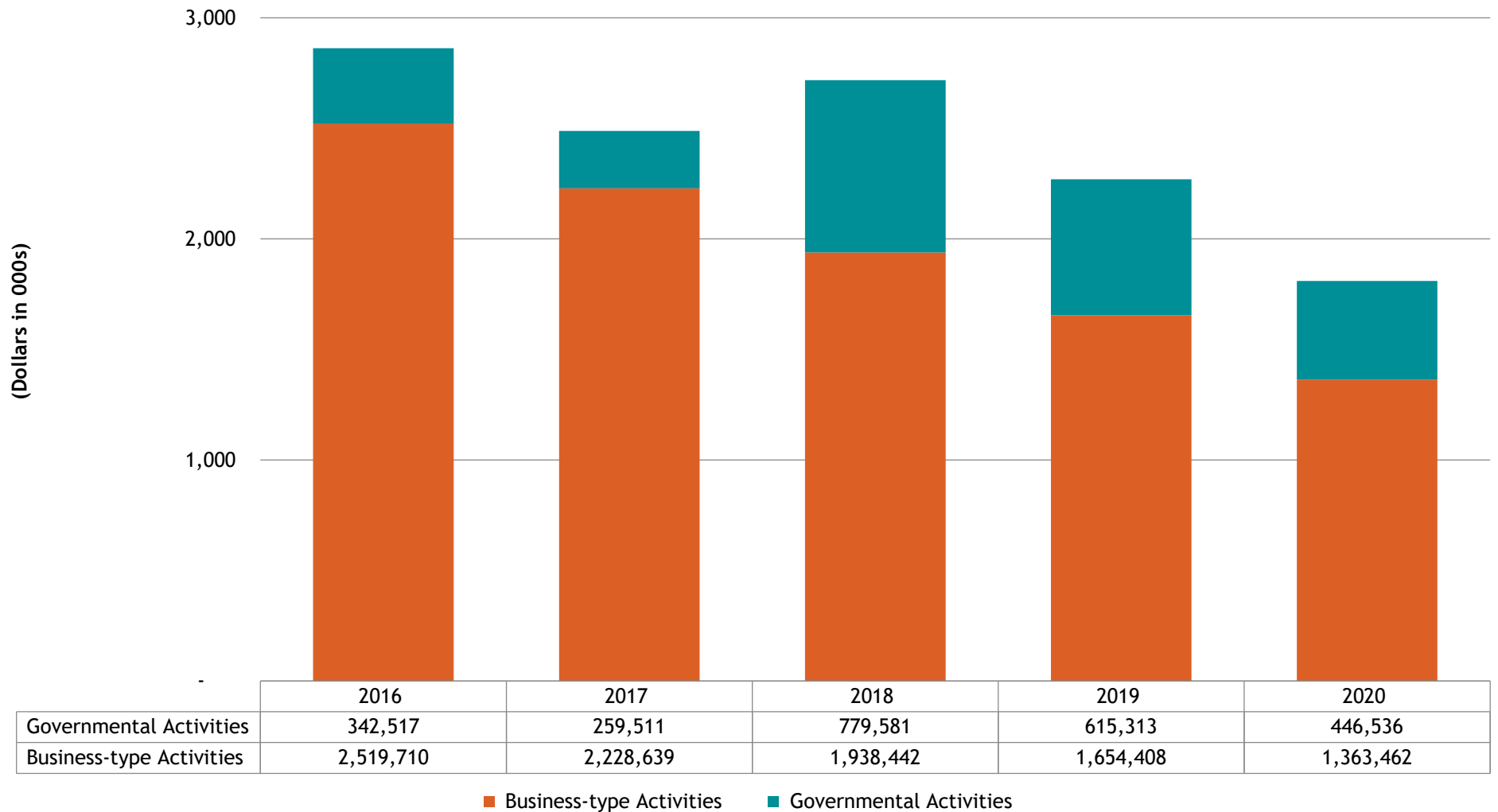
Years Ended June 30



* General Fund activity excludes Sick Pay Severance and Vacation Reserve funds

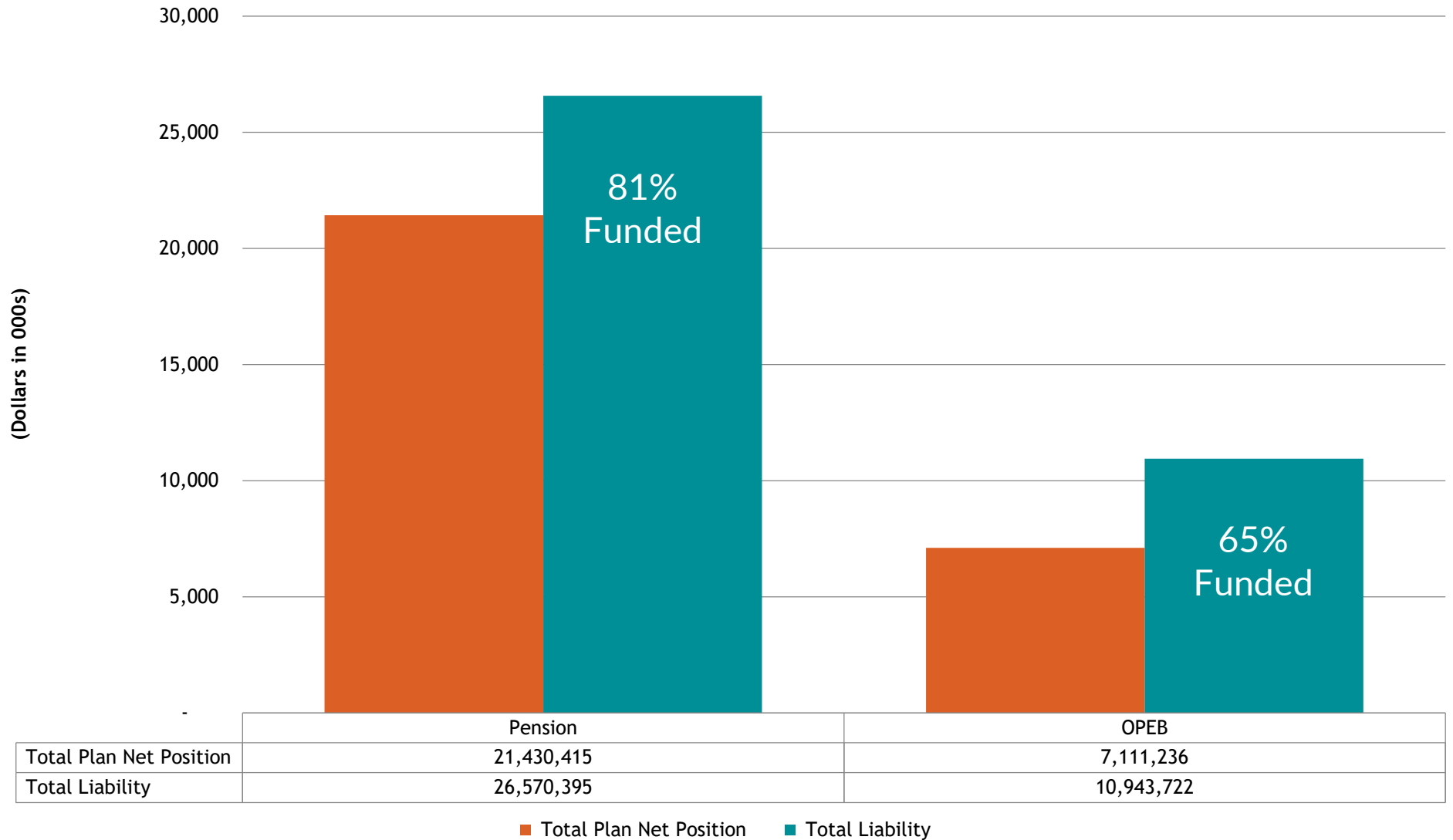


Village of Beverly Hills Long-term Debt Obligations Years Ended June 30





Village of Beverly Hills Pension and OPEB Funding Years Ended June 30





THANK YOU

For more information
contact:

Martin Olejnik, Partner
(248) 223-3662

Rumzei Abdallah, Manager
(313) 496-7232

Memorandum

To: Honorable Lee Peddie, Village President; Village Council
From: Chris D. Wilson, Village Manager
CC: Kristin Rutkowski, Clerk/Asst. Manager; Tom Ryan, Village Attorney
Date: 10/16/2020
Re: Council Organizational Meeting.

After each Village election, the Council has traditionally held an Organizational Meeting on the following Tuesday for the purpose of formally swearing in newly elected Councilmembers and selecting the positions of Village President and President Pro-Tem. For this year, that meeting would be held on Tuesday, November 10th.

This is some concern as to whether the election will be certified by the State of Michigan prior to November 10th. While the results of the Village election will be known by then, its possible that delays in the counting of absentee ballots or recounts in other state or federal races could postpone certification of election results by the Secretary of State.

Should the election not be certified by the evening of November 10th an organizational meeting scheduled for this date could be cancelled and the selection of President and President Pro-Tem moved to the meeting of November 17th. However, if Council does wish to hold the Organizational meeting on November 10th it should be scheduled at this time.

Recommendation -- ...be it resolved that the Village Council schedules an Organizational Meeting for Tuesday, November 10th at 7:30 PM in Council Chambers for the purpose of swearing in Council Members elected in the election of November 3, 2020 and choosing the positions of Village President and President Pro-Tem for the period through November 8, 2022.

MILLAGE RENEWAL 2020

FACT SHEET



When will voters decide on the millage renewal?

The millage renewal will be on the November 3, 2020 General Election ballot.

Visit www.Michigan.gov/vote for voter information.



What is a millage rate?

The millage rate is the number of dollars of tax assessed for each \$1,000 of property value.

The rate of 12.9184 mills means that less than \$13 in tax is levied on every \$1,000 of your assessed property value.



What are the proposed millage rates?

Public Safety:	9.9 mills
General Administration:	1.88 mills
Baldwin Public Library:	0.8184 mills
Village Wide Parks:	0.32 mills
Total:	12.9184 mills



What is the difference between this rate and the Charter mandated rate?

The Charter mandates a millage rate of 11.0 mills. In 2010, voters passed a millage rate of 12.9184 for ten years. This proposal would renew the millage rate of 12.9184. The rate would be the same as the last ten years, which is 1.9184 mills greater than the Charter requirement.



How is the revenue used?

Tax revenue from the renewed rate will ensure that the public services you receive today will continue into the future. Some examples include a top rated Public Safety Department, street repair, chipping services, access to Baldwin Public Library services, and ongoing Village wide park improvements.

MILLAGE RENEWAL 2020

HOW WILL THE MILLAGE RENEWAL AFFECT MY TAXES?



\$300,000 value

12.9184 mills = \$1,938

11.0 mills = \$1,650

That's a difference of \$288/year
or \$24/month

The 12.9184 millage rate renewal means that less than \$12.92 in tax would be levied on every \$1,000 of your assessed property value.

If the millage rate is not renewed, the rate will revert back to the Charter mandated amount of 11.0 mills. In this case, \$11 in tax would be levied on every \$1,000 of your assessed property value.

The examples to the left and right show how much the average property owner in Beverly Hills would pay in Village taxes in either scenario.



\$400,000 value

12.9184 mills = \$2,584

11.0 mills = \$2,200

That's a difference of \$384/year
or \$32/month

VILLAGE OF BEVERLY HILLS BUDGET FORECAST

FISCAL YEARS 2020-21 THROUGH 2025-26

Fiscal Year	20-21*	21-22	22-23	23-24	24-25	25-26
Taxable Value	\$630,103,790	\$661,608,980	\$694,689,428	\$729,423,900	\$765,895,095	\$804,189,850
Public Safety Tax Revenue	\$5,515,932	\$6,549,929	\$6,739,877	\$6,932,445	\$7,127,420	\$7,324,561
Public Safety Total Revenue	\$5,769,837	\$6,749,929	\$6,939,877	\$7,132,445	\$7,327,420	\$7,524,561
Public Safety Expenses	\$5,815,325	\$6,018,861	\$6,229,522	\$6,447,555	\$6,673,219	\$6,906,782
Public Safety Total	(\$45,488)	\$731,068	\$710,355	\$684,890	\$654,201	\$617,779
% of Expenses	-0.78%	12.15%	11.40%	10.62%	9.80%	8.94%
General Fund Tax Revenue	\$1,169,933	\$1,243,825	\$1,279,896	\$1,316,464	\$1,353,490	\$1,390,927
General Fund Total Revenue	\$3,562,135	\$3,843,825	\$3,879,896	\$3,916,464	\$3,953,490	\$3,990,927
General Fund Expenses	\$3,005,644	\$3,110,842	\$3,219,721	\$3,332,411	\$3,449,046	\$3,569,762
General Fund Total	\$556,491	\$732,983	\$660,175	\$584,053	\$504,444	\$421,165
% of Expenses	18.51%	23.56%	20.50%	17.53%	14.63%	11.80%
Park Millage Revenue	\$0	\$211,715	\$217,855	\$224,079	\$230,381	\$241,900

Assumptions

Successful 11/2020 campaign for renewal of millage rates per 2010 Charter Amendment.

.32 mills voter approved for parks millage.

Taxable value increases of 3% annually.

Headlee reductions of 2% annually.

Expenses increase 3.5% annually.

Non-tax revenue for PS and GF remain constant at \$200k and \$2.6M respectively.

"Total" figures in bold represent annual expenses over revenues per fund.

No projected annual park expenses to date.

% of Expenses is annual fund surplus as a % of total expenses.

Assumes maximum legal millage levy annually. This is subject to Village Council approval.

*Current Fiscal Year.

VILLAGE OF BEVERLY HILLS BUDGET FORECAST

FISCAL YEARS 2020-21 THROUGH 2025-26

NO MILLAGE RENEWAL

Fiscal Year	20-21*	21-22	22-23	23-24	24-25	25-26
Taxable Value	\$630,103,790	\$661,608,980	\$694,689,428	\$729,423,900	\$765,895,095	\$804,189,850
Public Safety Tax Revenue	\$5,515,932	\$5,954,481	\$6,127,161	\$6,302,222	\$6,479,473	\$6,658,692
Public Safety Total Revenue	\$5,769,837	\$6,154,481	\$6,327,161	\$6,502,222	\$6,679,473	\$6,858,692
Public Safety Expenses	\$5,815,325	\$6,018,861	\$6,229,522	\$6,447,555	\$6,673,219	\$6,906,782
Public Safety Total	(\$45,488)	\$135,619	\$97,639	\$54,668	\$6,253	(\$48,090)
% of Expenses	-0.78%	2.25%	1.57%	0.85%	0.09%	-0.70%
General Fund Tax Revenue	\$1,169,933	\$1,323,218	\$1,361,591	\$1,400,494	\$1,511,877	\$1,553,695
General Fund Total Revenue	\$3,562,135	\$3,923,218	\$3,961,591	\$4,000,494	\$4,111,877	\$4,153,695
General Fund Expenses	\$3,005,644	\$3,630,842	\$3,757,921	\$3,889,448	\$4,025,579	\$4,166,474
General Fund Total	\$556,491	\$292,376	\$203,670	\$111,046	\$86,298	(\$12,779)
% of Expenses	18.51%	8.05%	5.42%	2.86%	2.14%	-0.31%
Park Millage Revenue	\$0	\$0	\$0	\$0	\$0	\$0

Assumptions

Beginning FY 21-22, 11.00 Mills split with 9.0 mills to Public Safety, 2.0 mills to General Fund

Taxable value increases of 3% annually.

Headlee reductions of 2% annually.

Expenses increase 3.5% annually.

Non-tax revenue for PS and GF remain constant at \$200k and \$2.6M respectively.

"Total" figures in bold represent annual expenses over revenues per fund.

Baldwin Library expenses included in General Fund Budget for FY 2021-22

% of Expenses is annual fund surplus as a % of total expenses.

Assumes maximum legal millage levy annually. This is subject to Village Council approval.

*Current Fiscal Year



To: Honorable Council President Peddie; Village Council Members

From: Kristin Rutkowski, Village Clerk/Assistant Village Manager

Subject: Village Wide Scavenger Hunt Request

Date: October 16, 2020

The Parks & Recreation Board has had several discussions over the last few months about hosting a scavenger hunt in the Village in an effort to promote Village-wide recreational activities for the community. Due to the COVID-19 pandemic, the annual large group events have not been able to take place, so a scavenger hunt would provide a low-risk alternative as it would be an activity that people could participate in on their own or with their immediate family members.

The scavenger hunt instructions are as follows:

Hop in the car for a creepy drive with your family or take a BOO-tiful family walk and see how many items you can spot around the Village! Find at least 10 spooky items and ask your parent or guardian to email a picture of this completed page along with your address to VBHHalloween@gmail.com and you will receive a contactless delivery of a special prize! All entries must be submitted by 10-31-2020, 11:59 pm to receive a prize.

The instruction sheet with the list of scavenger hunt items is attached.

At the October 15, 2020 Parks & Recreation Board meeting, in a 5-0 vote, the Board recommended that the Village Council approve the Village of Beverly Hills Halloween Scavenger Hunt to be held October 21 to October 31, 2020.

Suggested Resolution:

Be it resolved, the Beverly Hills Village Council approves the Parks & Recreation Board's request to host a Village of Beverly Hills Halloween Scavenger Hunt from October 21, to October 31, 2020.

Attachment



HALLOWEEN SCAVENGER HUNT

October 21-31, 2020

Hop in the car for a creepy drive with your family or take a BOO-tiful family walk and see how many items you can spot around the Village!

Find at least 10 spooky items and ask your parent or guardian to email a picture of this completed page along with your Beverly Hills address to VBHHalloween@gmail.com and you will receive a contactless delivery of a special prize! All entries must be submitted by 10-31-2020, 11:59pm to receive a prize.

- ☐ Jack-o-lanterns
- ☐ Skeleton
- ☐ Scull
- ☐ Vampire
- ☐ Cauldron
- ☐ Caution Tape
- ☐ Giant Spiders
- ☐ Spider Web
- ☐ The word BOO
- ☐ Ghost
- ☐ Black Cat
- ☐ Witch
- ☐ Dragon
- ☐ Hearse
- ☐ Orange Lights
- ☐ Frankenstein
- ☐ Cornstalk
- ☐ Zombie
- ☐ Purple Lights

- ☐ Coffin
- ☐ Monster
- ☐ Green Lights
- ☐ Glowing Eyes
- ☐ Black Light
- ☐ The words Trick-or-Treat
- ☐ Hay Bale
- ☐ Cornstalk
- ☐ Moon
- ☐ Bones

Total Creepy
Items Found: _____

VILLAGE MANAGER'S REPORT
CHRIS D. WILSON
OCTOBER 16, 2020

13 Mile Rd. Update – The base paving layer was put down earlier this week. The current schedule has the final paving to be done on Monday or Tuesday the 19th or 20th. Most of the driveway approaches have been completed and should be ready to reopen early the week of the 19th. A couple of approaches on the eastern end of the project will not be ready to reopen until later that week. With the completion of the final paving layer and reopening of the driveway approaches the construction portion of the project will be completed. Prior to reopening we are requiring that all final pavement markings be in place. This is necessary due to the reconfiguration of the roadway and addition of a center turn lane into what was previous a four-lane or two-lane road. Using temporary lane markings could cause confusion. The contractor is scheduling with the pavement marking company to schedule final pavement markings as soon as possible.

Virtual Meetings and Executive Orders – There has been a lot of activity around the issue of virtual public meetings and requirements of the Open Meetings Act and the Michigan Supreme Court's decision on the Governor's Executive Orders. In response to the Supreme Court's Decision, the Legislature has passed Senate Bill 1108. This bill provides retroactive application to March 18, 2020 to cover any activity that has occurred in virtual meetings since then and allows for any public meeting to be held virtually for any reason through December 31, 2020. Beginning January 1, 2021, members of a public body may participate remotely in a public meeting only in instances of a medical condition or required military duty or when there is a local or statewide State of Emergency declaration. As of the writing of this memo, the Act had yet to be signed by the Governor, however all indications are that the Governor will sign the bill. The bill had wide bi-partisan support.

August 28 Flood Update – Village Administration has compiled all the claim forms that were returned to the Village regarding the August 28th rain event and sewer backups. These forms have been submitted to our liability carrier, MMRMA, for their review. MMRMA will be seeing PA 222 notices to all claimants as required, followed by a determination of liability.

Village Administration has started preliminary discussions with HRC regarding analysis of our existing stormwater infrastructure. We will be focusing on combined sewer areas within both the GWK and Evergreen-Farmington and analyzing both capacity issues as well as measures to remove stormwater from the current system.

Beverly Hills Public Safety Activity Report

October 1st – October 15th, 2020

- The Public Safety Department is currently looking for applicants for Public Safety Officer. Please visit our website, www.beverlyhillspolice.com to see if you qualify.
- For more information on Coronavirus Disease please visit;
<https://www.cdc.gov/coronavirus/2019-ncov/index.html>
<https://www.ready.gov/>
<https://www.Michigan.gov/coronavirus>
<https://www.oakgov.com/covid/Pages/default.aspx>

CALLS FOR SERVICE

- 201 Calls for Service.
- 17 Tickets issued.
- 46 Property checks.
- Public Relations event
- 1 Arrest.
- Operation Medicine Cabinet.
- Car Seat Checks.
- Gun Permit.
- Prisoner Transports.
- Traffic Enforcement on Beverly.
- Traffic Enforcement on 14 Mile Rd.
- Traffic Enforcement on Evergreen.
- Traffic Enforcement on Wellesley.
- Traffic Enforcement on Pierce.
- Traffic Enforcement on 13 Mile Rd.
- Traffic Enforcement on Riverside.
- 5 Medicals on 13 Mile Rd.
- Fire Alarm on 13 Mile Rd.
- 3 Alarms on 13 Mile Rd.
- Noise complaint on 13 Mile Rd.
- Larceny on 13 Mile Rd.
- 3 Suspicious Persons complaints on 13 Mile Rd.
- 2 Traffic complaints on 13 Mile Rd.
- 4 Traffic Accidents on 13 Mile Rd.
- Animal complaint on 13 Mile Rd.
- Animal complaint on 14 Mile Rd.

- Hang Up 911 on 14 Mile Rd.
- Medical on 14 Mile Rd.
- 2 Alarms on 14 Mile Rd.
- Traffic Accident on Evergreen.
- Vehicle Lockout on Evergreen.
- Animal complaint on Evergreen.
- Assist Oakland County Water on Evergreen.
- Traffic Accident on Southfield.
- Traffic complaint on Southfield.
- Customer Trouble on Southfield.
- Alarm on Southfield.
- Reckless Driving complaint on Southfield.
- Suspicious Circumstance complaint on Lahser.
- Citizen Assist on Lahser.
- Traffic Hazard on Lahser.
- Suspicious Vehicle complaint on Pierce.
- Medical on Pierce.
- 3 Traffic Accidents on Beverly.
- Animal complaint on Beverly.
- Medical on E. Bellvine Trail.
- Citizen Assist on Kirkshire.
- Medical on Riverside.
- Suspicious Circumstance complaint on Pickwick.
- Lift Assist on Long Bow Ct.
- Lift Assist on Sylvan.
- Traffic Accident on Hampton.
- Citizen Assist on Eastlady.
- Citizen Assist on Huntley Sq. E.
- Medical on Hillview.
- Medical on N. Nottingham.
- Suspicious Persons complaint on Birwood.
- Fraud on Birwood.
- Medical on Verona.
- Lift Assist on Village Pines.
- Loud Party complaint on Crossbow.
- Medical on Kirkshire.
- Medical on Sheridan.
- Alarm on Amherst.
- Medical on Amherst.
- Suspicious Persons complaint on Vernon.
- Suspicious Persons complaint on Huntley Sq. E.
- Assist Birmingham Police with a damage to property complaint.
- Alarm on Robinhood.
- Medical on Hampton.

- Officers stopped a vehicle on Beverly for a traffic violation. The driver was suspected of operating while intoxicated. The driver was arrested without incident.
- Fire Alarm on Kirkshire.
- Carbon Monoxide Alarm on Kirkshire.
- Suspicious Persons complaint on Sheridan.
- Parking complaint on Kirkshire.
- Medical on Hillcrest.
- Animal complaint on Bellvine.
- Suspicious Persons complaint on Nottingham.
- Larceny on Sheridan.
- Traffic Accident on Birwood.
- Family Trouble on Huntley Sq. W.
- Parking complaint on Madoline.
- Assist MDOC.
- Suspicious Vehicle complaint on Ronsdale.
- Medical on W. Chelton.
- Parking complaint on Rivers Edge Ct.
- Citizen Assist on Madoline.
- Harassment complaint on Madoline.
- Medical on Locherbie.
- Suspicious Persons on Dunblaine.
- 2 Suspicious Persons complaints on Locherbie.
- Citizen Assist on Westlady.
- Suspicious Persons on Friartuck.
- Citizen Assist on Locherbie.
- Welfare Check on N. Nottingham.
- Suspicious Circumstance complaint on Dunblaine.
- Alarm on Plantation.
- Suspicious Circumstance complaint on Rosevear.
- Fraud on Bellvine Trail
- Found Property on Kirkshire.
- Vehicle Lockout on Lauderdale.
- Suspicious Circumstance complaint on Cline.
- Welfare Check on Buckingham.
- Medical on S. Waltham.
- Medical on Old Post.
- Neighbor Trouble on Kirkshire.
- Suspicious Persons complaint on Smallwood.
- Alarm on Camelot Ct.

FIRE PREVENTION

- 31 Fire/EMS reports reviewed.

- 2 EMS C/E Sponsorship continuing education courses coordinated/managed.
- 3 Initial/change of occupancy inspection conducted.
- 31015 Southfield Road, British Petroleum
- 31225 Southfield Road, Michigan Coffee & Creamery.
- 32831 Southfield Road, Beverly Hills Veterinary Clinic.
- 4 EMS Training File audits for re-licensure completed.
- 9 EMS Continuing Education courses reviewed and assigned through Fire/Rescue 1 Academy.
- 1 Fire Ground Operations course reviewed and assigned through Fire/Rescue 1 Academy..
- 1 Fire Company Officer course reviewed and assigned through Fire/Rescue 1 Academy.
- Fire training hours entered into ISO records
- EMS training hours entered into continuing education records.
- Upload Bi-Weekly NFIRS data export to FEMA.
- Obtain equipment quotes from Apollo.
- Obtain equipment quotes from 5 Alarm.
- Registered participants, entered grades, completed course paperwork, and submitted BFS-250 Form to SMOKE system for September 17, 2020 OCC Engine Company Operations course hosted by the South Oakland Fire Association
- Annual Fit Tests for Self-Contained Breathing Apparatus (SCBA) masks completed.
- Attend Wednesday Wrap Up with the State Fire Marshal via teleconference.
- Registered participants, entered grades, completed course paperwork, and submitted BFS-250 Form to SMOKE system for September 21, 2020 OCC Engine Company Operations course hosted by the South Oakland Fire Association.
- Supervise Road Patrol.
- Registered participants, entered grades, completed course paperwork, and submitted BFS-250 Form to SMOKE system for September 28, 2020 OCC Engine Company Operations course hosted by the South Oakland Fire Association
- Prepared fiduciary documents and forwarded for invoicing for agencies (Berkley, Huntington Woods, Oak Park and Troy) that participated in the four OCC Engine Company Operations course held in September
- Coordinated annual departmental CPR training with Alliance Mobile Health EMS Coordinator for December, 2020.
- Instruct SOFA Basic Fire ground Resource Management course.
- Submit quarterly run data for the Oakland County Medical Control Authority county wide EMS Quality Improvement Plan (EQIP) program.

- State of Michigan (SOM) FY/2021 Fireworks Training Funds released
- Submit course schedule and funding request of \$220.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Basic Fire Ground Resource Management (one 4-hour day) course.
- Submit course schedule and funding request of \$220.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Basic Fire Ground Resource Management (one 4-hour day) course.
- Submit course schedule and funding request of \$220.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Basic Fire Ground Resource Management (one 4-hour day) course.
- Submit course schedule and funding request of \$220.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Basic Fire Ground Resource Management (one 4-hour day) course.
- Submit course schedule and funding request of \$4400.00 of SOM-FY/2021 Fireworks Training Funds for Fire Instructor I course.
- Submit course schedule and funding request of \$4400.00 of SOM-FY/2021 Fireworks Training Funds for Company Officer course
- Submit course schedule and funding request of \$1760.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Basic Fire Equipment Operator (one 8-hour day) course.
- Submit course schedule and funding request of \$1760.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Basic Fire Equipment Operator (two 4-hour days) course.
- Submit course schedule and funding request of \$2200.00 of SOM-FY/2021 Fireworks Training Funds for Pump Apparatus Operator (one 40 hour) course.
- Submit course schedule and funding request of \$3520.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Advanced Fire Equipment Operator (two 8-hour days) course.
- Submit course schedule and funding request of \$3520.00 of SOM-FY/2021 Fireworks Training Funds for SOFA Basic Fire Equipment Operator (four 4-hour days) course
- Submit course schedule and funding request of \$2250.00 of SOM-FY/2021 Fireworks Training Funds for Chief Rick Lasky Pride & Ownership Leadership Seminar (one 4-hour day) course
- Submit course schedule and funding request of \$2250.00 of SOM-FY/2021 Fireworks Training Funds for Chief Rick Lasky Pride & Ownership Leadership Seminar (one 4-hour day) course.
- Total funding amount requested for consortium training of SOM-FY/2021 training funds \$26,940.00.
- Attend bi-weekly Wednesday Wrap Up with the State Fire Marshal via teleconference.

INVESTIGATIONS

- 215 calls for service closed and reviewed.
- Reviewed 18 case reports for a disposition
- Followed up and reviewed cases of which 8 were closed and 10 remained open.
- 10 Case were assigned.
- 8 Reports written on current cases.
- 37 Current active investigations.
- 5 Current pending investigations.
- Coordinated with Bay City PD, MDOC, ATF, along with 1 OCSD jail inmate interview.
- Call Back, Injury accident 13 Mile/Groves. Follow up w/multiple interviews, search warrant for vehicle and Beaumont medical records.
- Swear to/arraignment on FTD suspect.
- Received warrant on eavesdropping case.
- Met with Oakland County Assistant Prosecutor to review CSC case
- Follow up on retail fraud.
- Follow up on multiple larceny from vehicle complaints.
- Send child neglect case to OCPO. Followed up with social services and APA assigned to case.
- Follow up on multiple fraud/ID theft cases.
- Issued 3 OWI tickets and mailed blood kit.
- Completed court ordered fingerprints.
- Conducted Traffic Conference.
- SLO covered crossing guard detail.
- SLO attended Groves Football game.

Enforcement List - Inspection Summary

10/16/20

Enforcement Number	Address	Filed	Status	Closed	
E200116	18360 DEVONSHIRE DR	09/03/20	Resolved	09/08/20	
PLEASE REMOVE WORK TRAILER. NO TRAILERS CAN BE KEPT ON PROPERTY. PER VILLAGE CODE.					
Code	Date Next Action		Next Action		
22.08.460					
Inspection Type	Status	Result	Scheduled	Completed	Inspector

Enforcement Number	Address	Filed	Status	Closed	
E200117	18269 SAXON DR	09/02/20	Resolved	09/08/20	
PLEASE HAVE COMMERCIAL WORK TRAILER REMOVED FROM PROPERTY, PER VILLAGE CODE. NO TRAILERS OF ANY TYPE ARE ALLOWED					
Code	Date Next Action		Next Action		
22.08.460					
Inspection Type	Status	Result	Scheduled	Completed	Inspector

Enforcement Number	Address	Filed	Status	Closed	
E200120	32255 AUBURN DR	09/08/20	Notice Sent		
1. REPLACE MISSING SHINGLES FROM HOUSE ROOF.					
2. REPLACE BROKEN WINDOWS FROM GARAGE.					
3. REMOVE ANY NON-WORKING NON REGISTERED VEHICLE FROM PROPERTY.					
4. POSSIBLE RAT HARBORAGE IN REAR YARD.					
5. YARD CLEAN UP- JUNK					
Code	Date Next Action		Next Action		
29.302	10/19/2020		TICKET ISSUED		
Inspection Type	Status	Result	Scheduled	Completed	Inspector

Enforcement Number	Address	Filed	Status	Closed	
E200121	32218 ROBINHOOD DR	09/08/20	Notice Sent	09/08/20	
TRASH PLACED OUT EARLY AND FALLING OUT OF CONTAINERS. CLEAN UP FALLEN TRASH SECURE IN CONTAINERS. THE COMPLAINTS ARE EVERY WEEK- TICKET WILL BE ISSUED FOR TRASH ISSUES. FINAL WARNING					
Code	Date Next Action		Next Action		
13.11					
Inspection Type	Status	Result	Scheduled	Completed	Inspector

Enforcement Number	Address	Filed	Status	Closed
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Enforcement List - Inspection Summary

10/16/20

E200122 17311 BEECHWOOD AVE 09/11/20 No Violation 09/11/20
PLEASE CONTACT VILLAGE BUILDING DEPT FOR POSSIBLE PERMITS FOR NEW INSTALLED
SHED. CONTACT ERIN LAPERE AT VBH. WE NEED TO KNOW SIZE AND HEIGHT

Code	Date Next Action	Next Action
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Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
E200123	30895 W LINCOLNSHIRE ST	09/15/20	Notice Sent	09/21/20

FULL DUMPSTER FOUND IN DRIVEWAY WITH NO KNOWN PERMIT ON FILE.

ON 09-21-2020 OFFICER RESPONDED TO LISTED ADDRESS TO CHECK ON THE DUMPSTER.
OFFICER FOUND THE DUMPSTER REMOVED FROM THE DRIVEWAY.

Code	Date Next Action	Next Action
22.08.220	09/29/2020	SITE INSPECTION

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Correction Noti	Scheduled	00	09/29/20		MATT YOUNG
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Enforcement Number	Address	Filed	Status	Closed
E200126	31374 W RUTLAND ST	09/16/20	OPEN	09/21/20

NOTICE TO CUT GRASS PROVIDED AND LEFT IN FRONT DOOR.

09-21-2020, RETURNED TO ADDRESS AND FOUND THE GRASS HAD BEEN CUT.

Code	Date Next Action	Next Action
302.4	09/21/2020	SITE INSPECTION

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
E200127	16943 MARGUERITE ST	09/16/20	Notice Sent	09/21/20

CUT GRASS NOTICE LEFT IN FRONT DOOR AFTER ATTEMPTED CONTACT.

09-21-2020, RETURNED TO THE HOME AND FOUND THE GRASS CUT.

Code	Date Next Action	Next Action
302.4		

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
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Enforcement List - Inspection Summary

10/16/20

E200128 17880 BUCKINGHAM AVE 09/17/20 Closed 09/24/20

PLEASE REMOVE ALL TREE DEBRIS FROM CUT DOWN TREE WHEN PROJECT IS COMPLETED.
TREE BRANCHES AND TREE TRUNKS

Code
17.01
Date Next Action
Next Action

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number Address Filed Status Closed

E200129 32264 SHERIDAN DR 09/17/20 Notice Sent

PLEASE REMOVE DEAD TREE IN THE REAR CORNER OF THE PROPERTY. PER VILLAGE CODE.
OTHER SHRUBS AND TREES SHOULD BE TRIMMED IN A NEAT AND ORDERLY MANNER.

Code
17.01
Date Next Action
10/19/2020
Next Action
SITE
INSPECTION

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number Address Filed Status Closed

E200130 16976 BEVERLY RD 09/21/20 Notice Sent

PLEASE REMOVE OR ELIMINATE THE HAZARDOUS TREE OR SHRUB KNOWN AS "BUCKHORN".
THIS IS AN INVASIVE PLANT WHICH SPREADS QUICKLY WITH LARGE THORNS. THIS PLANT IS
GROWING OVER THE EASTERN FENCE LINE INTO AND OVER THE PROPERTY LINE OF 16970
BEVERLY. THIS PLANT CREATES A HEALTH AND SAFETY HAZARD TO THE RESIDENTS AT THE
EFFECTED ADDRESS.

09-21-2020, 1105 :RESPONDED TO 17290 LOCHERBIE TO DELIVER THE ENFORCEMENT REQUEST.
SPOKE WITH WIFE OF THE OWNER OF THE RENTAL HOME AT 16976 BEVERLY. SHE
INDICATED SHE WILL DEFINATELY TAKE CARE OF THE ISSUE AS SHE CAN RELATE TO THE
ISSUE DUE TO IT BEING PRESENT IN HER OWN BACK YARD. SHE WILL RESOLVE THE ISSUE.

09-28-20, HOME OWNER, LEFT A MESSAGE REQUESTING AN EXTENTION FOR THE
REMEDATION REMOVAL OF THE BUCKHORN. HE REMOVED APPROX 30 FT OF IT DURING A
(4) HR PERIOD AND IS NOW SEEKING PROFESSIONAL ASSISTANCE.
OFFICER YOUNG CALLED AND ADVISED THE GRANTING OF THE EXTENSION UNTIL 10-19-20

Code
17.08(C)
Date Next Action
10/19/2020
Next Action
FIELD
INSPECTION

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

SITE INSPECTI Scheduled 00 10/19/20 MATT YOUNG

Enforcement Number Address Filed Status Closed

E200131 31692 ALLERTON DR 09/18/20 Notice Sent 09/18/20

THE VILLAGE HAS REC'D COMPLAINTS ON A BARKING DOG, DAY AND NIGHT. PLEASE BE
ADVISED THE VILLAGE CODE IS VERY CLEAR ON BARKING DOGS AND DOES NOT ALLOW FOR
DISTURBING THE PEACE OF OTHERS. PELASE MONITOR THE DOG.

Enforcement List - Inspection Summary

10/16/20

Code **Date Next Action** **Next Action**

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number	Address	Filed	Status	Closed
E200132	20242 RONSDALE DR	09/22/20	Closed	09/28/20
GRASS IS IN EXCESS OF CITY CODE. SPOKE WITH THE OWNERS WHO STATED THE MOWER IS IN THE REPAIR SHOP AND WILL RESOLVE THE ISSUE THIS WEEK. BOTH OWNERS PRESENT DURING CONVERSATION.				

09-28-2020, GRASS WAS CUT TO WITHIN VILLAGE CODE.

Code **Date Next Action** **Next Action**
302.4 09/24/2020 SITE INSPECTION

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number	Address	Filed	Status	Closed
E200133	16251 REEDMERE AVE	09/22/20	Notice Sent	09/29/20
NEIGHBOR INQUIRED ABOUT THE FLAG ORDINANCE AND THE PROPERTY AT 16251 REEDMERE. SHE INDICATED THERE WERE THREE POLES AND FOUR FLAGS PRESENT ON THE PROPERTY.				

ON 09-22-2020 CODE OFFICER YOUNG CALLED THE COMPLAINTANT AND EXPLAINED THE ORDINANCE TO HER AS WELL AS PROVIDED HER WITH A COPY OF THE ORDINANCE BY PLACING IT IN HER MAIL BOX AT HER REQUEST. COMPLAINTANT WAS ADVISED A FIELD CORRECTION NOTICE WOULD BE COMPLETED INDICATING THE PROPERTY OWNER HAD ONE TOO MANY FLAGS ON DISPLAY AND REQUESTING A FLAG BE REMOVED IN ORDER TO COMPLY WITH THE CITY CODE. A COPY OF THE ORDINANCE WAS ALSO LEFT WITH A COPY OF THE CORRECTION NOTICE IN THE LISTED HOME OWNERS FRONT DOOR. A CORRECTION DATE OF 09-29-20 WAS MADE.

09-29-2020, EXTRA FLAG AND POLE WERE REMOVED FROM THE FRONT OF THE HOME BY HOMEOWNER.

Code **Date Next Action** **Next Action**
22.32.050 09/29/2020 SITE INSPECTION

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number	Address	Filed	Status	Closed
E200134	18418 BEVERLY RD	09/28/20	Resolved	10/01/20
GRASS IN VIOLATION OF THE 8 INCH CODE RESTRICTION.				

Code **Date Next Action** **Next Action**

Enforcement List - Inspection Summary

10/16/20

302.4

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
E200135	16910 LOCHERBIE AVE	09/29/20	Closed	09/20/20

22.32.090A

PLEASE REMOVE (3) POLITICAL SIGNS OFF EASEMENT TO PRIVATE PROPERTY

Code	Date Next Action	Next Action
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22.32.090A

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
E200136	30007 LAHSER RD	10/01/20	Notice Sent	

1. PLEASE REPAIR ROOF ON SHED, COLLAPSED REAR HALF.
2. REMOVE TALL WEEDS FROM AROUND FRONT PORCH, CLEAR GUTTERS OF DEBRIS-TREES GROWING

Code	Date Next Action	Next Action
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302.4

10/21/2020

SITE
INSPECTION

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
E200137	31174 PICKWICK LN	10/06/20	OPEN	

PLEASE CUT LONG TALL GRASS TO BRING IT IN LINE WITH CODE.

302.4

Code	Date Next Action	Next Action
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302.4

10/19/2020

CORRECTIVE
ACTION

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
E200138	32046 AUBURN DR	10/07/20	Closed	10/07/20

GARBAGE CAN IS LEFT IN FRONT OF HOUSE VISABLE FROM THE STREET ALL WEEK.

Code	Date Next Action	Next Action
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13.11 (A)

Inspection Type	Status	Result	Scheduled	Completed	Inspector
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Enforcement Number	Address	Filed	Status	Closed
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Enforcement List - Inspection Summary

10/16/20

E200139 18444 HILLCREST BLVD 10/07/20 Closed 10/12/20
PLEASE CUT GRASS TO CONFORM WITH VILLAGE CODE

Code
302.4

Date Next Action

Next Action

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number Address Filed Status Closed

E200140 32507 ROBINHOOD DR 10/08/20 Resolved 10/16/20

PLEASE CUT GRASS IN ORDER TO COMPLY WITH VILLAGE CODE. GRASS AND WEEDS MUST BE MAINTAINED UNDER 8 INCHES. NOTICE LEFT ON SOUTHERN DOORWAY OF GARAGE.

Code
302.4

Date Next Action

Next Action

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number Address Filed Status Closed

E200141 31125 SHERIDAN DR 10/13/20 Resolved 10/14/20

REMOVE WORK TRAILER FROM PROPERTY

Code
22.21.010

Date Next Action

Next Action

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number Address Filed Status Closed

E200142 18050 BIRWOOD AVE 10/13/20 Closed 10/15/20

CUT ALL TALL GRASS FRONT AND REAR YARDS. PER VILLAGE CODE.

Code
304.2

Date Next Action

Next Action

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement Number Address Filed Status Closed

E200143 18155 SAXON DR 10/12/20 Notice Sent

THE VILLAGE DOES NOT ALLOW FOR LARGE BANNERS OR SIGNS LIMIT TO 6 SQ FT SIGNS. PLEASE REMOVE BANNER FROM PROPERTY PER VILLAGE CODE.

Code
22.32

Date Next Action
10/19/2020

Next Action
SITE
INSPECTION

Inspection Type **Status** **Result** **Scheduled** **Completed** **Inspector**

Enforcement List - Inspection Summary

10/16/20

Population: All Records

Enforcement.DateFiled Between 9/1/2020 12:00:00 AM AND 10/15/2020 11:59:59 PM



To: Honorable President Peddie; Village Council Members
Chris Wilson, Village Manager

From: Erin LaPere, Planning & Zoning Administrator

Date: October 13, 2020

Re: Redevelopment Ready Communities Program – progress update

The Village Council passed a resolution to engage in the Redevelopment Ready Communities (RRC) program at the meeting held July 27, 2020. Since that time, Administration has worked with representatives from the Michigan Economic Development Corporation (MEDC) to begin the self-evaluation step of the program. This is the first step towards the goal of creating processes that are effective, efficient, and transparent using six Best Practices in Community Plans and Public Outreach, Zoning Regulations, Development Review Process, Recruitment and Education, Community Prosperity, and Redevelopment Ready Sites. Part of the process is periodic progress reports to Council on the status of the Village's progression in the program.

Village staff is working to complete a self-evaluation, after which the RRC staff at MEDC will perform an evaluation of the community practices based on those Best Practices, stakeholder interviews, and observations/data analysis. The Village will use these evaluation tools to target areas of improvement, such as modifications to policies and procedures or updates to ordinances. During this time as an engaged community the Village will be eligible for technical assistance from MEDC to complete these tasks.

Thus far, the Village self-evaluation has identified a few items where we can begin improvements to our processes, such as development of a Capital Improvement Plan (CIP) and creation of a public engagement plan. As we continue our self-evaluation, we will work to identify areas for improvement to meet RRC Best Practices. Additionally, the MEDC review of our processes will result in a detailed Baseline Report that will be presented to Council upon completion. We anticipate the MEDC review will commence by the end of the year with a presentation of the findings later in 2021.

eel