

Present: Chairperson Belaustegui; Members: Fassett, Hitz, Merritt, Mooney, Piotrowicz and Westerlund

Absent: None

Also Present: Council member, Koss
Finance Director, Wiszowaty

Belaustegui called the meeting to order at 7:05 p.m. in the Village municipal building at 18500 W. Thirteen Mile Road.

REVIEW AND CONSIDER APPROVAL OF MINUTES OF THE JOINT COUNCIL & FINANCE COMMITTEE MEETING HELD MARCH 13, 2007

Motion by Merritt, second by Hitz, that the minutes of a joint meeting of the Council and Finance Committee held on March 13, 2007 be approved as submitted.

Motion passed.

PUBLIC COMMENTS

None

REVIEW AND DISCUSS PRESENT STATUS OF FINANCE COMMITTEE ASSIGNMENTS AND WORK PLAN

Belaustegui reviewed the status of outstanding issues included in a handout listing open assignments from previous meetings. The following new items have been added and completed:

- Add Beverly Hills data to comparison of employee benefits for surrounding communities
- Assign a Finance Committee member to the City vs. Village study team

Belaustegui stated that the main purpose of tonight's meeting is to review the work plan discussed at the joint meeting with Council in March. A number of items were brought up and discussed in terms of what the Finance Committee might do. The Village Council held a study session in February to determine what it would like to accomplish in the next year. The original mandate of the Finance Committee was to create a master financial plan. In addition to the five-year financial plan, the following items were suggested for the Committee's review.

- Alternative Revenue Sources
- Grant Research
- Alternative Financing
- Funding Fire truck

At the joint meeting of Council and Finance Committee, three additional items were introduced by those in attendance.

- Evaluate financial benefit of Southfield Corridor improvements (Peddie)
- Anticipating and planning for crisis (Pfeifer)
- Long term (10-20-30 years) visioning (Belaustegui)

The direction to the Finance Committee that was recorded in the minutes of the joint meeting was to proceed with a long term plan to maintain the current level of services in the Village and to address ad hoc issues as assigned by Council.

The Finance Committee had been involved in a work plan whereby it was building a knowledge base that would provide an overview of how the Village functions from a financial point of view so that Council members and others would have an understanding of the budget process. Belaustegui asked for comments from Committee members on the charge from Council to prepare a long term financial plan that would maintain the current level of services. Members agreed that clarification was needed in terms of what Council is asking for and what specific services are being referenced. Committee members talked about how to proceed with a long term plan. It was suggested that studies are meaningless unless the governing body has the will to move forward on the results.

Belaustegui stated that Finance Director Wiszowaty has offered to prepare a five year financial projection beginning with the 2007/08 budget assuming business as usual and maintaining current services. The Finance Committee will work with Wiszowaty on reviewing the assumptions and discussing the financial forecast. This is more in line with what Council is requesting than what the Finance Committee was doing in terms of a financial forecast. The next stage of that analysis was to look at other communities and compare their operations to what the Village does, which would be time consuming.

Westerlund remarked that the level of services comes down to dollars. Council will be concerned about a plan for the financial future of the Village during budget deliberations when it is looking for dollars. The budget process should take the long term financial plan and how to fund current services into account. Hitz remarked that the Finance Committee can identify the key issues that could cause taxes to be raised and, strategically, what is the best year for that to occur.

Motion by Mooney, second by Hitz, that the Finance Committee take the summer off and reconvene in September to look at the budget situation, the state of the Village, and ways to maintain current levels of service in the future.

Motion passed (7 – 0).

Belaustegui noted that Council liaison to the Finance Committee, Dorothy Pfeifer, could not be present this evening. The alternate liaison did not attend. Council member Koss was present.

REVIEW SUMMARY STATUS OF NEXT FISCAL YEAR BUDGET

Wiszowaty stated that the 2007/08 revised budget will come before Council for consideration and approval at its May 15, 2007 meeting. It is a balanced budget that does not transfer money

from the General Fund fund balance. At the end of the June 30, 2007 fiscal year, the fund balance is anticipated to be over 20 percent. The overall combined millage rate will decrease slightly for the ninth consecutive year. Wiszowaty reported on significant increases and decreases in revenue and expenditures. The total budget will be \$6,877,875.

REVIEW SUMMARY STATUS OF CITY STUDY

Merritt stated that a booklet of information compiled by Dorothy Pfeifer was distributed to members of the ad hoc city vs. village committee. The group has been studying the history of the Village, comparing the home rule village system with the city system, and evaluating things that need to be changed. What he took away from the first meeting was that there is a significant need to change from a home rule village to a city to protect our assets in the future against possible annexation.

There is activity in Lansing that predicts that the concept of township government is all but gone. Municipalities are combining services. This may be a time to be proactive. Merritt stated that the ad hoc committee will be looking into the facts.

Mooney commented on his involvement on two previous committees that studied the village vs. city issue. The analysis did not result in a referendum.

Fassett remarked that he was receptive to becoming a city because it is about risks and opportunities going forward. Beverly Hills is exposed to a hostile takeover. Belaustegui added that, if the township structure is eliminated, Beverly Hills may have to annex to a city or become a city.

Belaustegui stated that there are two documents on file that provide a record of the last two studies. In both cases, the decision to remain a village came down to two issues. People like Beverly Hills being called a village. The second issue is that cities can tax at a higher level than home rule villages. Belaustegui encouraged the ad hoc committee to record the facts in the event that incorporating into a city becomes inevitable.

AGREE ON PRIORITY AGENDA ITEMS FOR THE NEXT FINANCE COMMITTEE MEETING

This item was postponed.

PUBLIC COMMENTS

None

COMMITTEE COMMENTS

Members stated that they were sorry to see Gary Piotrowicz leave the committee.

COUNCIL COMMENTS

None

Motion by Mooney, second by Merritt, to adjourn the meeting at 8:11 p.m.
Motion passed.