

Present: Chairperson Belaustegui; Vice-Chair Fassett; Members: Hitz, MacDonald, Merritt, Mooney and Westerlund

Absent: None

Also Present: Finance Director, Wiszowaty
Council liaison, Stearn
Council member, Koss

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

ELECTION OF OFFICERS

MacDonald and Mooney were not present.

Belaustegui asked for nominations to the office of chairperson of the Finance Committee. Merritt nominated Don MacDonald as chairperson. There were no further nominations. MacDonald was elected by acclamation.

Mooney entered the meeting at 7:09 p.m.

Belaustegui nominated Mooney as vice-chairperson of the Finance Committee. Mooney accepted the nomination and was elected by acclamation.

APPROVE/AMEND AGENDA

Motion by Westerlund, second by Merritt, to approve the agenda as published.

Motion passed.

PUBLIC COMMENTS

None

CONSIDER APPROVAL OF MINUTES OF A JOINT FINANCE/COUNCIL MEETING HELD DECEMBER 8, 2007

Motion by Merritt, second by Westerlund, that the minutes of a joint Finance/Council meeting held on December 8, 2007 be approved as submitted.

Motion passed.

CONSIDER APPROVAL OF MINUTES OF THE FINANCE COMMITTEE MEETING HELD DECEMBER 11, 2007

Motion by Merritt, second by Hitz, that the minutes of a Finance Committee meeting held on December 11, 2007 be approved as submitted.

Motion passed.

REVIEW AND DISCUSS STATUS OF THE FINANCIAL IMPLICATIONS OF BECOMING A CITY VERSUS REMAINING A VILLAGE

Fassett and Merritt are in the process of analyzing the financial implications of Beverly Hills becoming a city at the request of the City Study Subcommittee.

Motion by Hitz, second by Merritt, to table review and discussion of financial implications of becoming a city to the next Finance Committee meeting.

Motion passed.

MacDonald entered the meeting at 7:15 p.m.

REVIEW AND DISCUSS PRESENTATION TO COUNCIL OUTLINING THE IMPACT OF LOWER PROPERTY VALUES ON PROPERTY TAXES

Westerlund generated a PowerPoint presentation addressing the impact of lower property values on property taxes, which will be delivered at an upcoming Council meeting. The intent is to educate the public on the affect of the Headlee Amendment and Proposal A on taxpayers and on the Village of Beverly Hills, particularly in view of the declining market value of homes.

Westerlund asked members to offer comments and suggestions throughout his presentation. The material generated discussion among members and resulted in modifications to the report.

Residents will be receiving tax bills this year and will wonder why their taxes are increasing when their property value is decreasing. The intent of the presentation will be to offer an uncomplicated explanation of factors in play that will effect tax bills received by both residents who have been in their homes for a long time and those who are more recent homeowners in the Village.

Members discussed what they wanted the public to take away from the presentation. The key point is that taxes will increase even though home values are going down. Further, even with taxes going up, the cost of running the Village is going up faster. Income is not meeting the rate of inflation. There may be value in exposing the declining Village revenue to the public. There will be two messages. One for individual residents regarding their circumstance and the other related to the Village as a whole.

It was suggested that the presentation focus on these points and then get into details if there are questions. The presentation will compare examples of a tax bill for a 30-year resident to a tax bill of a two-year resident. The comprehensive and technically accurate information prepared by Westerlund will be used as a foundation and will be available for reference and distribution.

The Finance Committee will review the revised presentation at its February 12 meeting and discuss whether to schedule it to be delivered at the second Council meeting in February.

Motion by Mooney, second by Fassett, to table the presentation to Council on the impact of declining property value on property taxes.

Motion passed.

CONTINUE DISCUSSION OF THE FINANCE COMMITTEE’S ROLE AND RESPONSIBILITIES AND DEVELOPMENT OF A FORMAL PROPOSAL TO COUNCIL

Motion by Mooney, second by Fassett, to table this agenda item until the next Finance Committee meeting.

Motion passed.

PUBLIC COMMENTS

Stearn thanked the new chairperson and vice-chair for accepting the responsibilities of those offices.

COMMITTEE COMMENTS

Westerlund commented that Huntington Woods has a financial advisory body that meets on an annual basis to look at the budget. Their committee is continuing its discussion with administration and neighboring communities on the topic of shared services.

MacDonald stated that topics for next month’s agenda will be: 1) Review the property tax presentation; 2) Review and discuss status of the financial implications of becoming a city, and 3) Continue discussion of the Finance Committee’s role and responsibilities and development of a formal proposal to Council.

Motion by Mooney, second by MacDonald, to adjourn the meeting at 8:07 p.m.

Motion passed.