

Present: Vice-Chair Mooney; Members: Calder, Hitz, Jallad, Lanigan and Westerlund

Absent: MacDonald

Also Present: Village Manager, Wilson  
Finance Director, Wiszowaty  
Council members, Koss, Oen, Pfeifer  
Council liaison, Stearn

Vice Chairperson Mooney called the meeting to order at 7:00 p.m. in the Village municipal building at 18500 W. Thirteen Mile Road.

#### **APPROVE/AMEND AGENDA**

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

Motion passed.

#### **PUBLIC COMMENTS**

Koss and Pfeifer welcomed new member Jim Calder.

#### **REVIEW AND CONSIDER APPROVAL OF MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON JULY 8, 2008**

Motion by Hitz, second by Westerlund, that the minutes of Finance Committee meeting held on July 8, 2008 be approved as submitted.

Motion passed.

#### **REVIEW AND DISCUSS CHARTER MILLAGE RESTORATION PROPOSAL AND PREPARE A COMMUNICATION PLAN**

Wiszowaty commented that he drafted information regarding the Charter Millage Restoration proposal for the Beverly Hills website ([www.villagebeverlyhills.com](http://www.villagebeverlyhills.com)). Also included on the website is a Charter Millage Restoration Calculator, where a homeowner can insert the taxable value of their home to determine their yearly increase if the millage rate is restored to 11 mills from 9.38 mills.

Copies of the information on the website were distributed to Committee members as follows:

##### **CHARTER MILLAGE RESTORATION PROPOSAL**

On the November 4, 2008 general election ballot, the Village of Beverly Hills will have a "Charter Millage Restoration Proposal." This proposal will ask voters to restore the 11.0000 Village Charter Millage that was approved by voters on March 13, 1995.

During the last thirteen years, the Headlee Amendment has reduced our General Operating Millage from 11.0000 mills to 9.3801 mills. Beverly Hills provides the following services with that millage: Public Safety, Rubbish Collection and Disposal, Library Services, General Administration, Capital Purchases and Community Action (Park Events and Maintenance).

Restoring the 11.0000 mills would increase the "maximum allowable millage" by 1.6199 mills.

Based on the 2008 Village taxable value, the restored millage would increase property tax revenue by \$965,554 in 2009.

How will this impact the average homeowner? The average annual cost to a household in Beverly Hills would be \$275.50 or about \$23.00 per month. To determine your cost, multiply your taxable value by 1.6199 then divide by \$1,000. (Use the calculator on the right-hand side of this page to calculate the cost of your home).

For example \$170,072 (BH average taxable value) x 1.6199 / 1,000 = \$275.50 or about \$23.00 per month.

Questions and comments from Committee members were addressed by Wiszowaty. The Charter Millage, which has been decreased by the Headlee Amendment to 9.38 mils, would return to 11 mils. The millage restoration will raise about \$965,000 in revenue if the entire 11 mils are assessed. The Headlee Amendment would apply against the calculation, which may result in a millage rate less than 11 mils (to be determined in April of 2009). During budget deliberations for the next fiscal year, Council will estimate expenses and revenue anticipated in addition to property taxes to determine how much is needed to balance the budget and whether to use the fund balance or change service levels.

Copies of the proposal to be placed on the November 4, 2008 general election ballot were distributed to Finance Committee members.

**“Charter Millage Restoration Proposal”**

Shall the limitation on the amount of taxes which may be imposed on taxable property in the Village of Beverly Hills, County of Oakland, State of Michigan, be increased to restore the 11.00 Village Charter Millage Authorization previously approved by the Village Electors in 1995, which millage has been reduced by the operation of the Headlee Amendment to provide funds for general operating purposes? It is estimated that the 1.6199 mills would raise approximately Nine Hundred Sixty Five Thousand Five Hundred and Fifty Four Dollars (\$965,554) when first levied in 2009.

Koss remarked that Council has requested that the Finance Committee assist with a plan for educating the residents about the ballot proposal.

Mooney stated that Council has decided to place a Millage Restoration Proposal on the ballot for the November election, which would return the millage rate to the 11.0 mil Charter limit that was approved by the voters in 1995. The total 11 mils has never been assessed; the Village has always assessed only as much of the millage cap that was needed to meet expenses. Mooney made the point that the Village needs more money than can be assessed at this time to operate the Village as it has been functioning. If the Village returned to the voter approved 11 mils, it would probably be able to maintain current services for the next three or four years. Mooney did not think it would be difficult to convince the people of this community that the Village is in desperate need of revenue given the fact that the state and federal governments have cut revenue sharing to villages and cities.

Westerlund asked that administration provide the Committee with figures to show the amount of reductions in state revenue sharing since 1995. Wiszowaty responded that the Village received

small increases in state revenue sharing from 1995 to 2000. After 2001, state revenue sharing has decreased each year.

The Finance Committee discussed the charge from Council and what Committee members thought should be included in a communiqué to the voters regarding the Charter Millage Restoration proposal. Consideration was given to the amount of information and length of the message to residents. It was proposed that development of a communication plan should consider the audience and the environment.

Members proposed that a communication plan for a millage restoration proposal should address why more revenue is needed to maintain current services; what has happened since 1995 in terms of inflation, the Headlee Amendment, and current economic conditions, and; what stringencies the Village has put in place. The communication should indicate how much the average taxpayer is going to pay. Another consideration is to set forth what Beverly Hills needs in order to operate in the future. This would encompass larger issues that may effect the community in coming years. Council may want to think about what it is up against in terms of correcting misinformation being disseminated. What other communities are doing would be of interest.

Koss commented that people will need to understand why there is a need to restore the millage rate at the voter approved level and what the community is facing in the future. She emphasized that the millage restoration proposal is a temporary fix, because the millage will start to roll back due to the Headlee Amendment.

Pfeifer thought that the message should be conveyed that, historically, Beverly Hills has been a fiscally conservative community. She concurred that the millage restoration proposal will not address future needs and that the Village should start providing for future expenditures.

Finance Committee members outlined what the communication to voters regarding the Charter Millage Restoration Proposal should include:

- 1) Why is this an issue?
  - Headlee impact on Charter millage cap
  - Reduction in State Revenue Sharing
  - Inflation
  - Increased expenses
  - Other revenue decreases
  - Local housing values/foreclosures
- 2) Alternatives
  - Reduce services
  - Efficiencies
- 3) Why are we at this point?
  - We have been telling you this for years
  - We have been trying to institute efficiencies

4) Future needs

- What is Beverly Hills considering to do?
- What are other communities doing?
- What should the annual budget be?

Motion by Hitz, second by Jallad, that the Finance Committee forward the above outline to Council as talking points to consider in communicating the need for voter approval of a Charter Millage Restoration Proposal on November 4, 2008.

There was discussion on the motion. It was thought that, if Council agrees with the communication plan, they will send it to administration for further work and bring it to the Finance Committee for review at its September meeting.

Roll Call Vote:  
Motion passed (6 - 0).

**PUBLIC COMMENTS**

Wisowaty recognized Village Manager Chris Wilson in the audience.

Council member Dorothy Pfeifer stated that she would like to the opportunity to discuss the Village's City Study Committee report with the Finance Committee at an upcoming meeting. She distributed a handout to Committee members that addressed the issue of state shared revenue received by cities and villages.

**COMMITTEE COMMENTS**

Committee members welcomed new member Jim Calder.

Hitz reviewed that several motions were made by the Finance Committee at its last meeting with respect to investigating efficiencies for the Village. Stearn remarked that this will be an agenda item for the Council meeting of Tuesday, August 19.

Mooney commented that recent Primary Election results approving tax initiatives in Oakland, Macomb, and Wayne Counties demonstrated that there has been a willingness in these harsh economic times for communities to vote to approve not only necessary but nonessential millage increases. Mooney thought that this community will support a reasonable and stopgap request for restoration of the Charter millage cap in order to maintain the current level of services in Beverly Hills.

Motion by Westerlund, second by Hitz, to adjourn the meeting at 8:36 p.m.

Motion passed.