

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

Absent: Westerlund

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

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

**APPROVE/AMEND AGENDA**

The agenda was accepted as published.

**PUBLIC COMMENTS**

None

**REVIEW AND CONSIDER APPROVAL OF MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON AUGUST 12, 2008**

The correction was made on the August 12, 2008 minutes to add Jim Calder to the list of those present and indicate Don MacDonald as being absent.

Lanigan recalled that Wiszowaty stated at the meeting that the Village would still have a few years before it was broke if the millage restoration proposal did not pass. Mooney believed that there may have been reference to the fact that the Village might be able to make it through the next two years if it used all its reserve funds. The following sentence will be added to page 4 above the “Public Comments” heading: “Mr. Wiszowaty indicated that it might be possible for the Village to survive with the present millage level if it used all of its general fund reserves over the next two years.”

Motion by Mooney, second by Lanigan, that the minutes of a Finance Committee held on August 12, 2008 be approved as amended.

Motion passed (6 – 0).

**PRESENTATION BY THE CITY STUDY COMMITTEE REGARDING THE FINDINGS OF BEVERLY HILLS BECOMING A CITY**

Council member Pfeifer, chairperson of the ad hoc City Study Committee, was present to address the Finance Committee on the findings of the group formed to research how becoming a city might impact the Village of Beverly Hills. Copies of the City Study Committee report have been distributed to Finance Committee members. Pfeifer will provide the Committee with background on the study and the current status of the report.

Pfeifer related that the rationale for reconsidering this issue was pending State legislation that could shift most of the services provided by Southfield Township to the County. This legislation is currently inactive, but it seemed prudent to be proactive rather than reactive on these issues.

Pfeifer provided an explanation of how and why the Township of Southfield was formed. She expressed the view that Beverly Hills is supporting a level of government that it does not need. The Township of Southfield no longer provides assessing services, tax billing, a youth officer, or animal control service for the Village. Those services are now contracted.

Pfeifer was asked to comment on the compelling motivation for becoming a city. She responded that Beverly Hills would become self sufficient and would not be open to annexation by an adjoining community. She clarified that it would take an initiative from both communities to agree to annexation. Pfeifer thought that Beverly Hills would receive more State Revenue Sharing funds as a city than as a village. She referred to the complex components of revenue sharing formulas.

Jallad recalled that there was some ambiguity as to how much money would be available from revenue sharing as a city versus a village. He thought that the Committee could look at this and determine whether it is a valid request for further study if there was a sound financial reason behind it. Becoming a city is a time consuming and expensive process.

In answer to an inquiry, Pfeifer stated that the city study report has been presented to Council, but no action has been taken. She indicated that the Village Attorney has been asked to research and establish what might take place in terms of the Boundary Commission in Lansing.

Pfeifer was asked what she would like the Finance Committee to do considering that it has not been directed by Council to review the city versus village issue. Pfeifer responded that the Finance Committee will be assisting Council with creating more efficiencies in operating the Village in terms of economizing and streamlining. She asked that the option of becoming a city be taken into account as a long-range plan.

Mooney raised a number of questions about incorporation from a financial standpoint. He asked Wiszowaty if Beverly Hills would receive more revenue sharing funds than it does now if it became a city. Wiszowaty answered that Beverly Hills would not receive additional revenue by coming a city based on the formula being used by the state of Michigan at this time. Mooney thought that the city study needs more research.

Lanigan questioned the reasons for the previous city studies being voted down.

Pfeifer mentioned that Dave Boerger from SEMCOG (Southeastern Michigan Council of Governments) would be willing to consult with community groups on the topic of incorporation. She has also had conversations with a member of the Citizens Research Council, a non-partisan organization used by the County. Pfeifer questioned why the community is supporting another level of government when Beverly Hills can provide those services on its own.

Motion by Jallad, second by Calder, that the Finance Committee table consideration of Beverly Hills becoming a city until a meaningful or significant piece of legislation comes out of Lansing that gives the Village a financial upside. At that point, the Finance Committee will welcome a request from Council or the public to revisit the issue.

Motion passed (6 – 0).

### **REVIEW AND DISCUSS CHARTER MILLAGE RESTORATION PROPOSAL COMMUNICATION DRAFT**

Manager Chris Wilson stated that administration put together a draft brochure that was distributed to Finance Committee members. He has since had conversations with Council that resulted in reworking and simplifying the information in the leaflet. Wilson distributed the revised edition, which is an attempt to make the information easier to understand. It was a difficult task to provide a brief explanation of how residents pay property taxes and what they are used for. He asked the Committee members for feedback on both proposals.

MacDonald preferred the Village General Fund Expenditures graph in the original brochure to the graph in the revised pamphlet, which includes general fund and non-general fund expenditures. Wilson said that he thought residents might question how the Village pays for other services that are not general fund; however, the proposed millage restoration only affects general fund operating purposes.

Jallad thought that people would want to know where the millage money will be spent, how much it will increase taxes, and what will happen if the ballot proposal does not pass.

Council member Koss related that she asked a Village resident to read and comment on the pamphlet as originally written. After spending some time explaining the information to that individual, Koss realized that the document needed to be simplified in order to appeal to the target audience, who may be unfamiliar with these topics. We are asking the Villagers to restore the Village's operating fund.

Finance Committee members evaluated the content, format and public relations aspect of the brochure. Hitz set forth a number of questions that arise from reading about the ballot proposal that may warrant further explanation. Finance Committee questions and observations on the brochure:

- Front of the flyer should be eye catching and contain text that invites reader to open it up. Replace italicized ballot proposal language with wording that conveys, "We need your support on this. Please read the inside."
- Who is this coming from? Council?
- What have other communities done to address financial issues? Are they restoring millages?
- What happens over the next couple of years? Will the Village tax to the millage cap immediately or set the cap and levy as needed? Will the millage restoration get the Village through the next year or two or is this good for several years?
- These rates do not include the school, county, township, and other millages. Why not?

- Quantify that X number of dollars have been saved by the Village over the past couple of years by stringencies or reductions.
- Words in brochure carry the same weight visually. Emphasize key text with color, underlining, bolded, etc. What should the casual reader focus on?
- It should be neutral. What is going to happen and what are the consequences.

Mooney commented that people will realize that the Village has problems in terms of the increased cost of doing business and providing services to the community. People want all of the services for the least amount of money. The issue that the residents will decide relates to more taxes or reduced services.

Calder distributed a packet of information containing observations with regard to the millage restoration proposal to be placed on the November ballot. Attached graphs, tables and text support the position that Beverly Hills has a comparatively low tax rate for general operating purposes in southeast Oakland County, a low number of administrative personnel, and no dramatic changes in personnel from forty years ago, excluding public safety. Of the total amount of taxes paid by a Villager, approximately 29.5% of that money comes to the Village. Seventy-five percent of Village taxes are spent on what could be considered essential services and 82.5% is spent for just four items – Public Safety, Public Services, Capital Outlay and the Library. Calder reviewed all the information he provided to the Committee and identified its source. He stressed the importance of the millage restoration proposal being approved by the voters at this time.

#### **PUBLIC COMMENTS**

Dorothy Pfeifer reiterated that Council cannot take a position in this brochure because it initiated the referendum. Council can provide information that substantiates the need for restoring the millage cap. It should be kept in mind that absent voter ballots will be mailed out at the end of September. Information should be available to voters before that time.

Bunker Kelly commented that audit reports often do not reflect enterprise funds. Wiszowaty stated that the Village's auditors scrutinize every dollar that comes into the Village including water and sewer funds. Kelly referred to graphs included in the pamphlet and made suggestions as to how to provide accurate comparisons. He commented on the information presented by Calder relative to the number of employees in the Village that the taxpayers are supporting.

#### **COMMITTEE COMMENTS**

Lanigan stated that he will forward information to administration on water quality improvement matching funds available through the Clean Michigan Initiative grant opportunity. Lanigan announced that he has filed his intent to run for Village Council as a write-in candidate.

Hitz reviewed that Council took action at its August 19 meeting to direct administration to investigate certain consolidation or outsourcing suggestions that came from the Finance Committee. Committee members are in receipt of a Manager's report dated August 29 responding to that directive. Hitz questioned whether Council has reviewed or acted on the Manager's report.

Wilson responded that he provided the August 29<sup>th</sup> report to Council and forwarded it to the Finance Committee at Council's request. MacDonald stated that contract services will be an agenda item for the next Finance Committee meeting.

Mooney thanked Jim Calder for his hard work on compiling information for Board members.

Motion by Mooney, second by Calder, to adjourn the meeting at 8:37 p.m.

Motion passed.