

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

Absent: None

Also Present: Village Manager, Wilson
Finance Director, Wiszowaty
Council liaison, Mooney
Council member, Briggs

Vice-Chairperson Hitz 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 Jallad, to approve the agenda as published.

Motion passed.

PUBLIC COMMENTS

None

REVIEW AND CONSIDER APPROVAL OF MINUTES OF THE FINANCE COMMITTEE MEETING HELD JANUARY 13, 2009

Motion by Westerlund, second by Calder, that the minutes of a Finance Committee meeting held on January 13, 2009 be approved as submitted.

Motion passed.

COUNCIL ASSIGNMENTS TO THE FINANCE COMMITTEE

Hitz referred to a memorandum dated February 3, 2009 from John Mooney outlining four assignments to the Finance Committee. Wilson affirmed that Council discussed the assignments at its February 3 meeting and unanimously agreed to delegate those four tasks to the Finance Committee. In addition, Council directed the Committee to prepare an explanation on millage rates.

Committee members discussed how to proceed with the assignments. There was a consensus that members would take on specific tasks and report on their progress at next month's meeting. Westerlund mentioned that the Finance Committee had previously prepared presentations on the Headlee Amendment and the unfunded retiree health care issue. The Committee may want to discuss whether there was a better way to present these topics to make sure that the material is set forth in terms that a lay person can easily understand.

MacDonald entered the meeting at 7:08 p.m.

Update Pat Westerlund's 2008 PowerPoint Presentation

Westerlund volunteered to update the 2008 PowerPoint presentation on the effect 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 commented on how he might modify the presentation to clarify the issues and add more interest.

Kleppert suggested running through this presentation at the March meeting in preparation for a Council presentation.

Research unfunded health insurance for retirees

It was indicated that former member Bob Belaustegui worked with the Committee to prepare a PowerPoint presentation on Retiree Health Care findings and recommendations in early 2007. Jallad volunteered to work on this assignment.

Appoint a subcommittee to research and apply for all grants available to relieve budget problems

Committee member Lanigan was not present but has indicated an interest and understanding of this undertaking.

Appoint sub-committee to research all relevant actions that could be taken by the Village to increase taxable value

Hitz will take this assignment with the help of Kleppert.

Prepare an understandable explanation of millage rates

Calder offered to provide this information.

MacDonald stated that any members who want assistance with their assignment should contact him.

Hitz questioned whether the presentations are intended for viewing by Council or the public. Mooney responded that the presentation should be designed to be presented to the average citizen whether that would be a member of Council or the public. He noted that three of the assignments are intended to be educational; the other two are exploratory.

Kleppert said that the issue of communicating this information to the Village residents will have to be addressed. Consideration should be given to mailings and newspaper articles in addition to a PowerPoint presentation at Council meeting. Hitz suggested that members prepare the message and then discuss tactics for disseminating the information.

MacDonald stated that these items will be placed on the agenda for next month's meeting for an update on the status of the assignments.

Wisowaty commented that the March 10 meeting of the Finance Committee is scheduled to be a joint meeting with Council. Committee members suggested that the joint meeting with Council be rescheduled so that the Finance Committee can complete work on its assignments. It would be left up to Council to decide when and if they choose to include the Finance Committee in the budget process.

Lanigan entered the meeting at 7:30 p.m.

Motion by Hitz, second by Kleppert, to recommend that the Village Council reschedule its joint meeting with the Finance Committee from Tuesday, March 10 to an alternate date.

Motion passed.

Kleppert distributed copies of a chart designating Oakland County Local Millage Rates. The handout indicated a number of communities and separate millages that they levy for services including public safety, pension fund, library, etc. Kleppert made the point that these communities have chosen to fund certain items through independent millages. Taxpayers are given the opportunity in some instances to decide where they want to spend their money. It is one way to guarantee that something is funded.

MacDonald stated that the Village's strategy has been to levy a general operating millage for all expenses with the exception of dedicated millages for a public safety building, retention tank, park improvements, etc. Consideration should be given to what the Village's strategy should be going forward and whether Beverly Hills should have a separate public safety millage and/or a separate garbage millage. The approach has been to lump the millage together and have the Village Council and administration decide how to split it up.

Manager Wilson stated that he has presented a form of this proposal to Council in a recommendation to separate public safety from the general fund operating millage. Council has the discretion to do this within its Charter maximum, which is 9.3802 mills. He is recommending for internal accounting purposes to set a portion of that millage aside specifically for public safety along with any revenue within the general fund that is derived solely from the public safety department. The remainder of the general operating millage would be set aside for everything else along with state revenue sharing and other revenue generated by general fund operations such as building fees. If Council agrees, this proposal will be implemented in the next fiscal year beginning July 1, 2009.

Wilson stated that the Village has an amount of money every year that is divided between public safety, roads, park, etc. The idea is to provide a dedicated source of funding for public safety. It will hopefully provide some cost control and establish a limit with respect to contract negotiations with unions. The Village spends a large portion of its budget on public safety because it is important to the community. There will have to be some tough choices; this helps give parameters to the choices that Council will have to make. The Village needs to establish some mechanisms to protect its vital services. Wilson remarked that the problems facing municipalities for the next two or three years are large.

In response to an inquiry, Wilson stated that Council could reallocate the maximum Charter millage it currently levies to get an increase for public safety. If Council were to exceed the 9.38 mill cap, it would have to be done by a vote.

Calder distributed a handout comparing millage rates between cities including additional millages for library, garbage, fire, recreation, police, etc. He made the point that millage comparisons have to be made using the entire millage levied in addition to the general operating millage.

Hitz cautioned the Committee against making comparisons with other communities in terms of millage rates. Comparing millage rates results in getting lost in the discussion of mills and not the services the community has and needs.

Westerlund commented that separate millages increase the risk of voters saying they want to support one thing and not another, not realizing what kind of obligation the municipality has to support certain services. Hitz added that there are people in the community who are opposed to any kind of increase.

PUBLIC COMMENTS

Mooney stated that the Village government is streamlined and has very little fat. He talked about what could happen this year due to the failure of the millage restoration ballot proposal. Mooney thought that the focus should be on what kind of life we want in Beverly Hills and what we are willing to pay for it. He is interested in what is the least amount of money it will take to keep his life the way it has been for the last 20 years.

COMMITTEE COMMENTS

Jallad commented that the public has to vote to support the services they receive. If they lose services, it is a ramification of their vote.

Hitz commented on the importance of communication. Most people would say that the Village does a good job of being cost effective. Looking at the state and the local economy, it does not appear that Council and administration can somehow introduce stringencies for the next five years that will make everything right. The message needs to get out to the voters. It will be the role of Council with administration to end divisiveness and find ways to build a sense of community and communicate that we are all in this together.

Kleppert remarked that there are communities where people do care, demonstrated by the fact that they voted for millages to fund individual items.

Westerlund said that it will take talking to our neighbors and getting them involved. MacDonald thought that it was important that to remain positive and help Council and administration.

MacDonald stated that next month's agenda will consist of updates on the five assignments from Council.

Motion by Westerlund, second by Calder, to adjourn the meeting at 8:19 p.m.

Motion passed.