

Present: Council President Domzal; President Pro-Tem Woodrow; Members: Koss, McCleary, Pfeifer and Taylor.

Absent: Downey

Also Present: Village Manager, Spallasso
Finance Director, Wiszowaty

President Domzal called the meeting back into session at 7:45 p.m. in the Southfield Township building at 18550 W. Thirteen Mile Road. Council met at 6:30 p.m. in a joint session with the Planning Board at the Beverly Hills municipal building.

ADDITIONS TO THE AGENDA/APPROVE AGENDA

Motion by Pfeifer, second by McCleary, to approve the agenda as published.

Motion passed (6 – 0).

There was agreement to change the order of agenda items #4 and #3 in order to discuss creation of a Village Finance Committee first.

DISCUSS VILLAGE FINANCE COMMITTEE

Domzal reviewed that the Strategic Planning Development Committee prepared a Strategic Plan for the Village. One of the key strategic issues resulting from that document was to establish a long-term financial plan. A strategic objective of that initiative was to create a finance committee of citizens to meet as needed. The discussion on establishing a finance committee has moved forward and was considered by Council at a recent meeting. At Council's request, Strategic Planning Committee member Greg Burry developed a proposal for a finance committee outlining the formation and responsibilities of that body. His report has been distributed and reviewed by Council.

Council members Koss and Domzal presented the following items for Council consideration:

- How many members should the committee consist of?
- Should it be a standing committee like other boards in the Village or have a specific termination date?
- Council needs to direct this group of individuals to tackle specific tasks.

A possible statement of purpose and list of tasks was proposed as follows:

Current economic projections indicate that Village revenues will continue to increase at a lower rate than expenditures if the Village's current cost structure remains unchanged.

The Finance Committee shall study policy options and shall recommend policy alternatives as to matters directed by Council and Administration including the following:

- Evaluation of Village services to determine if any should be eliminated, reduced, privatized or combined with other communities.
- Evaluation of how to contain library costs.
- Evaluation of enhancement of Village revenues, both with and without dedicated or general tax millage increases.
- Evaluation of how to contain increases in health care costs for both current employees and retirees.

Greg Burry recalled that, at a joint meeting of the Strategic Planning Committee and Council, key strategic issues were prioritized with the number one objective being to establish a long-term financial plan. An objective proposed under this strategic issue was to increase and maintain the General Fund while matching expenditures to revenue. Action plans for this item were: 1) Prioritize spending; 2) Adopt a policy of spending reduction and cost containment, and 3) Identify and increase revenue stream.

A further objective was to consider and evaluate the Village's current practices. The action plan included: 1) Identify and review current practices and address financial shortfalls of those practices; 2) Review financial expenditures and projects over the last 10 years; 3) Compare Village practices with similar municipalities, and 4) Set up timing protocol for financial problem resolutions. Burry thought that these objectives should be kept in mind in terms of goals of the finance committee.

Domzal suggested that Council's initial consideration be the number of finance committee members, whether it should be a standing committee or have a specific termination date, and how general the goals of the committee should be. The majority of Council members thought that the finance committee should have specific goals initially and should be task oriented.

Additional suggestions included: The finance committee should begin with studying the four issues listed above with a time frame within which to submit a report to Council; Council could review, update and prioritize the tasks of the committee annually; the committee could come to Council if there are items it would like to add or re-prioritize; it should be an ongoing committee like other Village boards; the standing committee should consist of five to seven people; the finance committee would work closely with Village administration; there should be a member of administration on the committee and a Council liaison.

There was general discussion on the strengths and weaknesses of the past finance committee and how to improve upon a newly formed finance committee. Council members expressed varying opinions on the makeup of the committee in terms of whether it should have representation from each Village precinct and whether members should be required to have a financial background. Council discussed whether the finance committee should have access to professional assistance when necessary.

Motion by Woodrow, second by Koss, that Council form a Finance Committee consisting of seven residents of the Village to be a standing committee that takes direction from Council and reports back to Council.

Questions and comments from residents were addressed by Council. Rose McLennan questioned whether finance committee members will be required to have a background in finance. This led to a discussion on the qualifications that Council would seek for finance committee members and whether they should have some expertise in the area of finance.

Norman Rubin commented on the distinction between financial people and accountants. He expressed the view that the finance committee should have a role in looking at the budget. The committee could project what will happen if the proposed budget is adopted and if the Village continued a certain practice into the next several years.

Bunker Kelly expressed the view that the finance committee should not include a member of Council. He commented on the previous finance committee. Kelly thinks that the Village needs help, and the finance committee should be formed as soon as possible.

Greg Burry understood that the annual budget is prepared by administration and approved by Council. However, the finance committee could be another set of eyes. The former finance committee was helpful to Council and administration in the past.

Gladys Walsh did not think that Council is at a point where it has determined if it needs a finance committee. She cited the time and expense of bringing a group of residents up to speed on the Village's operation. Walsh suggested that it might be more beneficial for the Village's finance director to spend time doing forward planning than to sit at meetings and educate a finance committee. If there is a serious problem in the community, she questioned whether the Village should retain the services of a consultant for help. Walsh does not think that creating a finance committee is the answer. She recognized the need to obtain feedback from people in the community in terms of presenting their ideas about the future of the Village.

Walsh addressed inquiries from Domzal regarding how she would address some of the financial issues facing the Village such as library costs and health care. Walsh thinks that Council needs to begin preparing for the next budget in terms of doing research on how to contain costs. Walsh contends that Council members have the most vested interest in the Village because they are elected by the people. Council needs to carefully examine each department and show the taxpayers that it has done everything it could to exhaust all of the possibilities within its control.

Domzal commented that he agrees with the formation of a finance committee but would like to see the group reviewed after a two-year period. Pfeifer expressed reservations with forming a finance committee.

Vote on Motion:

Ayes – Domzal, Koss, McCleary, Taylor and Woodrow

Nays – Pfeifer

Motion passed (5 – 1).

Council will have further discussions on the structure and responsibilities of the finance committee at an upcoming meeting.

ACTION PLAN/COUNCIL GOALS AND OBJECTIVES

Domzal suggested that Council members take a fresh look at the Council action plan and possibly update and expand it at a later date. Council will be meeting with the Strategic Planning Committee tomorrow night, June 23, to discuss strategic issues in the Village. He asked for general suggestions on how to proceed with reinvigorating the action planning process to establish goals for Council. An action plan should reflect Council's priorities.

Koss and McCleary were asked to update the Council action plan and re-circulate the document to Council in draft form.

PUBLIC COMMENTS

Bunker Kelly made several comments with respect to the Master Plan update process being conducted by the Village Planning Board.

Susan Plummer commented that she agreed with Bunker Kelly's remarks regarding the Planning Board's review of the Village Master Plan.

Motion by Pfeifer, second by Woodrow, to adjourn the meeting at 8:51 p.m.

Motion passed.

Dave Domzal
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary