

GRAND VALLEY METRO COUNCIL
Board Meeting

February 3, 2005
8:30 a.m.
Kent County Building

MINUTES

1. Call to Order

The meeting was called to order at 8:30 a.m. by Chairman Jim Buck.

Members Present

Cindy Bartman	City of East Grand Rapids
Jim Beelen	Allendale Township
Dale Bergman	Sparta Township
Marta Brechting	Alpine Township
Jim Buck	City of Grandville
Bryan Chodkowski	Village of Sparta
Daryl Delabbio	Kent County
Mike DeVries	Grand Rapids Township
Bev Drake	ACSET Council
Tom Fehsenfeld	At-Large Member
Doyle Hayes	At-Large Member
George Heartwell	City of Grand Rapids
Don Hilton	Gaines Township
Dennis Hoemke	Algoma Township
Bill Holland	Georgetown Township
Ron Howell	Village of Middleville
Kurt Kimball	City of Grand Rapids
Pauline Luben	City of Hudsonville
Robert May	City of Hastings
James McIntyre	Courtland Township
Jim Miedema	Jamestown Township
Cy Moore	Treasurer
David Morren	Kent County
Audrey Nevins	Byron Township
Steven Patrick	City of Coopersville
Bob Rinck	Ottawa County
Bonnie Shupe	Cannon Township
Ted Vonk	Kent County
Al Vanderberg	Ottawa County
Bill Wiersma	Tallmadge Township

Members Absent

George Bosanic	City of Greenville
Bryan Harrison	Caledonia Township

Jerry Homminga
Mick McGraw
Deborah Nier
Sandy Frost Parrish
Rick Root
Rob VerHeulen
Tom Wieczorek
Michael Young

Cedar Springs
At-Large Member
City of Wayland
Cascade Township
City of Kentwood
City of Walker
City of Ionia
City of Rockford

Others Present:

Leon Branderhorst
Jim Fetzer
Bob Herr
Abed Itani
Dennis Kent
Gayle McCrath
Marsha Small
Don Stypula
Dan Triezenberg
Peter Varga

Grand Valley Metro Council
ITP
Crowe Chizek
Grand Valley Metro Council
MDOT
Grand Valley Metro Council
MDOT
Grand Valley Metro Council
Crowe Chizek
ITP

2. Approval of Minutes dated January, 2005

**MOTION – To Approve the Minutes of the January, 2005 GVMC Board Meeting.
MOVE – Vonk. SUPPORT – Vanderberg. MOTION CARRIED.**

3. Financial Update

Don Stypula reported that Crowe Chizek had completed its annual audit.

Bob Herr of Crowe Chizek reported on the findings of the audit.

Mr. Herr stated that their report was clean according to government standards which meant internal controls were not shown to have material weakness and the financial information was presented fairly.

The Management Discussion and Analysis included the following synopsis.

Financial Highlights

General Fund Activities

Total fund balance for the General Fund decreased \$106,797 which represents a 15.4% decrease from year-end 2003. Revenues in 2004 increased \$103,028 or 5.9% over 2003 with the increase attributed to revenue from short-term projects, offset by decreases in local funding for the Stormwater Project of approximately \$200,000. The revenue increase was offset by an increase in expenses of \$192,341 with the largest part of this

increase related to the Westrain activities, a one-time project funded by state and local sources and rebate of \$35,002 in member fees.

REGIS Fund Activities

Total fund balance for the REGIS Fund, which is where the Regional Geographic Information System (“REGIS”) activities are recorded, decreased by \$244,891, which represents a 26.5% decrease from year-end 2003. Revenues for the REGIS Fund decreased by \$276,022, which is a decrease of 17.5% over fiscal year 2003. The majority of this decrease was the result of the reduction of the fees charged to the member units. In addition, expenses increased \$350,773 over fiscal year 2003 which represent the planned use of funds accumulated in fiscal year 2003 to support the final phases of the Data Migration Project that was completed in fiscal year 2004.

The deficit amount is accounted for by a member dues rebate, wage increase which was not included in the budget, depreciation, deferred revenue, and unused vacation obligation. 2003-2004 was the first year depreciation expense was mandated; therefore it had not been previously budgeted for.

The audit states on page 4 “In our opinion, the financial statements referred to present fairly, in all material respects, the financial position of the Council as of September 30, 2004 and 2003 and the changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America”.

It also states on page 21 “We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.----- The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*”.

Tom Fehsenfeld questioned the amount that was budgeted for retirement and asked if it was normal.

Kurt Kimball replied that it was normal to low for government entities.

Cy Moore added that the amount dedicated to retirement needed to be looked at in relation to the entire compensation package.

Don Stypula recognized Leon Branderhorst for his fine efforts on the GVMC financials.

MOTION – To Accept the 2003-2004 Audit into Record. MOVE – Hilton. SUPPORT – Bartman. MOTION CARRIED.

MOTION – To Pay the Invoice for the 2003-2004 Audit to Crowe Chizek in the Amount of \$10,000. MOVE – Bechting. SUPPORT – Rinck. MOTION CARRIED.

Budget Look Ahead

Don Stypula reported he started working on the 2005-2006 budget in October, as soon as the 2004-2005 budget was approved. We are still waiting for congress to pass a transportation program. We are very mindful of the economy and our members' financial situations. GVMC is suspending memberships in national organizations; watching travel; and looking for grants. We hope to receive additional funding, especially to support the Land Use area. Mr. Stypula reported he will be sitting down with Cy Moore in a couple of weeks with staff to see where we need to be revenue wise. He will bring that to an executive committee meeting. Then bring what comes from that to the Strategic Planning Meeting on March 30, where the focus will be on traditional Metro Council activities, as well as exploring what else can be done for our members at what additional cost. GVMC is unable to provide a dues rebate this year, and is working to identify as many alternative funding sources as possible.

4. REGIS Update

Don Stypula reported they are making progress on Arc9. There has been good participation by members and the training component is currently being worked on. Training will be available either at the GVMC offices or on site at members' offices.

Progress is being made toward the federated model. We hope to have recommendations from the REGIS Board within the next two months.

5. Legislative Update

Chairman Buck thanked Ted Vonk for his service and his continued commitment as the Chair of the Legislative Committee. Chairman Buck thanked Rick Root for taking on the Vice Chair position of the committee.

Don Stypula reported that the Legislative Committee approved the attached list of legislative priorities. However, there has been question regarding GVMC's position on Act 51 funding "preserving the formula", so this will be taken up again at its next meeting.

MOTION – To Remove #3, Act 51 Funding, from the list of Legislative Priorities and Endorse the Remaining items on the List. MOVE – Hilton. SUPPORT – Bartman. MOTION CARRIED.

David Morren asked what had become of the Governor's commitment to study local government finance and the proposed task force.

Don Stypula indicated no action had been taken on it yet.

George Heartwell reported that he spoke with a representative of the Governor's office who stated it was in the works.

Al Vandenberg stated that Rep. VanderVeen would be willing to propose a resolution to call for the creation of the task force.

6. Public Comment

Peter Varga discussed the need for increased gas tax and more funding for public transportation.

7. Adjournment – 9:35 a.m.

MOTION – To Adjourn. MOVE – Delabbio. SUPPORT – Vandenberg. MOTION CARRIED