

**GRAND VALLEY METRO COUNCIL**  
**Board Meeting**

May 5, 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
Dale Bergman	Sparta Township
Jim Beelen	Allendale Township
Dale Bergman	Sparta Township
Jim Buck	City of Grandville
Daryl Delabbio	Kent County
Mike DeVries	Grand Rapids Township
Tom Fehsenfeld	At-Large Member
George Heartwell	City of Grand Rapids
Don Hilton	Gaines Township
Dennis Hoemke	Algoma Township
Bill Holland	Georgetown Township
Kurt Kimball	City of Grand Rapids
Pauline Luben	City of Hudsonville
James McIntyre	Courtland Township
George Meek	Plainfield Township
Jim Miedema	Jamestown Township
Cy Moore	Treasurer
David Morren	Kent County
Sandy Frost Parrish	Cascade Township
Steven Patrick	City of Coopersville
Jack Poll	City of Wyoming
Bob Rinck	Ottawa County
Rick Root	City of Kentwood
Bonnie Shupe	Cannon Township
Ted Vonk	Kent County
Al Vanderberg	Ottawa County
Rob VerHeulen	City of Walker
Bill VerHulst	City of Wyoming
Bill Wiersma	Tallmadge Township

**Members Absent**

George Bosanic	City of Greenville
Marta Brechting	Alpine Township

Bryan Chodkowski	Village of Sparta
Bev Drake	ACSET Council
Bryan Harrison	Caledonia Township
Doyle Hayes	At-Large Member
Ron Howell	Village of Middleville
Mick McGraw	At-Large Member
Robert May	City of Hastings
Deborah Nier	City of Wayland
Audrey Nevins	Byron Township
Tom Wieczorek	City of Ionia
Michael Young	City of Rockford

**Others Present:**

Andy Bowman	Grand Valley Metro Council
Leon Branderhorst	Grand Valley Metro Council
Pat Capek	City of Cedar Springs
Jim Fetzer	ITP
Abed Itani	Grand Valley Metro Council
Gayle McCrath	Grand Valley Metro Council
Don Stypula	Grand Valley Metro Council
Peter Varga	ITP

**2. Minutes**

**MOTION – To Approve the Minutes of the February, 2005, GVMC Board Meeting.  
MOVE – Kimball. SUPPORT – Delabbio. MOTION CARRIED.**

**MOTION – To Approve the Minutes of the March, 2005, GVMC Board Meeting.  
MOVE – Meek. SUPPORT – VerHeulen. MOTION CARRIED.**

**3. Financial**

**a. Financial Report**

Cy Moore gave the financial report. He stated the report reflects 6 months of this fiscal year, with the summary on the last page. It is the first attempt at the new format, budgeting on a monthly basis. Some expenses are off such as advertising (due to public notice advertising of new member and special advertising); rent (due to timing issues); transportation contractual services (total figure divided by allocated by 12 months, but expenses are not incurred in 12 even payments); land use contractual services (expenses budgeted for in previous fiscal year, but under budgeted for this year. Will look at and bring an answer to the Board next month); and REPA pass through expenses.

**b. Payment of bills**

Chairman Buck stated there were two bills which needed GVMC approval to pay; the \$3,000 to Crowe Chizek as final payment for the 2004 audit; and \$4,431 to

D&D Printing for preparation and printing of GVMC's housing market study report.

**MOTION – To Approve Payment of the \$3,000 Crowe Chizek and \$4,431 D&D Printing Bills. MOVE – Kimball. SUPPORT – Meek. MOTION CARRIED.**

#### **4. Transportation - FY 2005 and 2006 TIP Amendments**

Abed Itani explained the FY 2005 and 2006 TIP amendments requested by MDOT which include adding funds to the General Program Accounts for both FY2005 and 2006 as well as adding a new project to the FY2005 TIP, US-131 North and South Bound over West River Drive, and moving several FY2005 bridge projects to FY2006. Both the Technical and Policy Committees recommended approval.

**MOTION – To Approve the FY 2005 and 2006 TIP Amendments. MOVE – Hilton. SUPPORT – VerHeulen. MOTION CARRIED.**

#### **5. REGIS**

Don Stypula reported REGIS is making great progress on two fronts; completion of the Arc 9 migration, and moving to a federated model.

The Arc 9 software is in place and training is being conducted at the GVMC offices as well as on-site at participants' offices. The REGIS staff is continuing to interface with participants and working out issues.

REGIS participants are reaching consensus on the federated model. Proposals, recommendations, and structure have been approved. A transition team has been appointed and that process has been started. Andy Bowman has been meeting with members individually to determine how much their "must haves" will cost in the budget and staffing. That will then be brought to the REGIS Board. The target date is the beginning of the new fiscal year on October 1, 2005.

#### **6. Legislative**

Don Stypula gave the legislative report. He stated the budget is making progress more on the Senate side than the House.

Revenue sharing is in danger again. The Governor had said she would hold revenue sharing harmless; however the Senate appropriations committee approved a provision to be sent to the full appropriations committee which would cut revenue sharing by 4.5% - 5%. Some entities will see increases (those which have already fallen out of the statutory formula). Grand Rapids will lose over \$500,000.

Don Stypula reported he would bring GVMC members to an event in Lansing like the news conference recently held in Grand Rapids.

Daryl Delabbio stated Kent County would like to be involved in the revenue sharing battle even if they are temporarily out of the formula. They still have an interest and still want to help in the battle.

## 7. GVMC Budget

Don Stypula reported that in March GVMC held a strategic planning session and looked at its challenges and opportunities. He indicated that a summary was included in the agenda packet. Mr. Stypula stated that there were many strong points; however funding was a current challenge.

Mr. Stypula indicated that the office lease was a large and growing expense, and although competitively priced in the area, it is still a big portion of the GVMC budget. He reported there was not an escape clause in the lease. Discussions with the landlord had not proved fruitful.

Mr. Stypula stated that stagnant revenue streams have caused funding problems. GVMC hasn't seen any significant grants for its activities for the past year. He also noted that GVMC has not had a dues increase in ten years. Since that time inflation has gone up 50%.

Mr. Stypula outlined three different budget options. He indicated that Abed Itani had put together the numbers and that the GVMC management team had worked on the options.

Option A – Mr. Stypula reported this option was GVMC's expected financial situation in FY 2006 if nothing was done. It anticipated a 3% inflation rate and shows a deficit of \$258,556.

Option B – Included a reduction in a land use staff member to  $\frac{3}{4}$  time; an increase of 5 cents per capita in transportation dues; and an increase of 5 cents in administration dues. A move to a less expensive office was also factored in at 2009, at which time a surplus is forecasted.

Option C – would include the assumptions of Option B; the elimination of the Land Use Director's position; hiring of the former Land Use Director (currently functioning in the capacity of interim REGIS Director) as the permanent REGIS Director; and allocating part of Don Stypula's time to REGIS.

Mr. Stypula stated he requested the Board to send the issue back to the Executive Committee to be addressed there. He indicated there were time constraints as the transportation portion of the budget needs to be sent to MDOT by June.

George Meek asked Mr. Stypula what the fund balance was.

Mr. Stypula indicated he didn't have that information.

Cy Moore stated the fund balance is approximately \$400,000.

Dave Morren asked if the Metro Council was providing the core services as it was mandated to do, or if there was a lot of additional programs and excessive overhead that needs to be cut.

Don Stypula replied that GVMC consists of three departments: Transportation; REGIS; and Land Use. GVMC has federal mandates it has to adhere to in order to qualify for federal funding. He stated that there are also Land Use considerations in the federal mandates.

Dave Morren stated basically GVMC is bound by mandated functions and has the appropriate amount of staff?

Mr. Stypula replied yes, and there are currently three unfilled positions.

Mike DeVries stated that all member communities have been looking at their budgets and making hard choices. Many are in serious trouble. He said he thinks there are a variety of options. Phased in dues increase does nothing. Option B appears to be a shell game, moving expenses from one department to the other. In Option C if the Planning Director wants to become the REGIS Director, he should apply for it, just like any other candidate. Mr. DeVries stated he was not sure if there was any room to cut in administration. There may need to be consolidation. Option A may be the only viable option. If there is a dues increase, it needs to be an outcome based dues increase.

Al Vanderberg stated that when GVMC was started, land use was a major concern. The Articles show that land use was one of the main reasons the organization was started, however we are not making progress in that area. Members are just keeping an eye on each other. GVMC needs to do strategic planning regarding where it we want to go as a council, and fund for those activities.

Don Hilton raised concerns about transferring costs to REGIS when the current reorganization could result in much higher costs to many members.

Gayle McCrath explained that a certain percentage of administrative expenses has always been allocated to REGIS, Land Use, and Transportation. Allocating for these expenses is not new to any of the before mentioned budget options.

Tom Fehsenfeld stated there seemed to be one component missing from the mix – revenue enhancements other than dues and grants. GVMC should explore providing services for its members which they cannot provide for themselves.

Bill Wiersma stated there is another discrepancy. In Mr. Stypula's statements he reviewed a 10 cent increase. However, the paperwork reflects a 21 cent increase going up to 2009. He indicated his Board would look poorly on having to pay more in dues as they are cutting themselves. He stated he would lean to Option A, unless there is an option D or E.

George Heartwell stated that most members have holes to fill in their budgets. The City of Grand Rapids has continued fiscal problems. This is a 55% proposed increase over 5

years. He stated no one values the work of the Metro Council more than the City of Grand Rapids. He suggested an option D & E be developed. Maybe a combination of dues increase, cuts, and reorganization. He added that he could not sell a 21 cent increase.

Ted Vonk stated that in corporate America they would tell you to just fix it. Come back to us with more options.

Dave Morren added that Kent County has been cutting costs for some time. He doesn't see the County supporting any type of increase. There needs to be some hard decisions made.

Jim Buck stated that the issue would go back to the Executive Committee for more work. He also encouraged anyone who wanted to be heard on this issue to get in touch with him.

Don Stypula stated that he would develop more options to be considered at the next Executive Committee meeting.

#### **8. Public Comment**

None

#### **9. Adjournment – 9:45 a.m.**

**MOTION – To Adjourn. MOVE – Meek. SUPPORT – Beelen. MOTION CARRIED**