

**Grand Valley Metro Council
Executive Committee Meeting**

January 19, 2012

11:30 a.m.

Grand Valley Metro Council
678 Front Ave. NW, Suite 200
Grand Rapids, MI

Minutes

Present

Jim Buck	City of Grandville
Daryl Delabbio	Kent County
Cindy Fox	Cascade Township
Don Hilton, Sr.	Gaines Township
Cy Moore	Council Treasurer
Rick Root	City of Kentwood
Alan Vanderberg	Ottawa County
Rob VerHeulen	City of Walker

Absent

George Heartwell	City of Grand Rapids
Michael Young	City of Rockford

Other

Abed Itani	Grand Valley Metro Council
Leon Branderhorst	Grand Valley Metro Council
Andy Bowman	Grand Valley Metro Council
Gayle McCrath	Grand Valley Metro Council
John Weiss	Grand Valley Metro Council

1. Call to Order

The meeting was called to order at 12 noon by Chair Jim Buck.

2. Approval of Minutes

**MOTION – Approval of GVMC Executive Committee Minutes of December 2011.
MOVE – Root. SUPPORT – Vanderberg. MOTION CARRIED.**

3. Audit

John Weiss distributed the inside memo from MDOT regarding the GVMC audit settlement. The formal letter has not yet been sent. Formal notification will kick in a specific process. GVMC will have 30 days to negotiate a payment plan. After that time, if payment has not yet been made, they will start charging interest and deducting 10% from each payment to GVMC.

Abed Itani reported the settlement brought to MDOT was the one approved by the Executive Committee. DART approved GVMC's proposal, but not that of REGIS (forgiveness of the entire amount). REGIS wants to pursue the matter legally.

Abed is trying to set up a 2nd meeting to negotiate further. If REGIS doesn't pay and MDOT starts deducting, how does that affect GVMC's fund balance vs. REGIS'? REGIS should be responsible per the Executive Committee's previous decision. If it goes to court, GVMC will be the defendant, not REGIS.

Abed Itani reported he, Dharmesh Jain & Don Stypula met with MDOT & Commission Audit for the purpose of adopting a methodology to see what payment would be reasonable. They said point blank they would not accept an offer of zero (forgiveness of entire amount), anything other than that would be negotiable. They adopted a methodology & negotiated GVMC's payment down significantly, which was accepted. REGIS submitted a proposal for zero.

Abed Itani reported Rick Root volunteered Kentwood's attorney, Jeff Sluggett, who looked at the case and said he wasn't sure what the result might be.

Rob VerHeulen asked who REGIS is. Who is making the decisions? This is nonsensical and they probably will lose.

Al Vanderberg said they should try to negotiate with MDOT. It is still in their best interest to do so. We need to know if GVMC has the authority to trump REGIS. Do they have the ability to make us liable?

John Weiss explained the historical background of the audit findings. It pertains to a grant from MDOT that created REGIS. An agreement was signed with contractors by REGIS to pay overhead at 1.7. MDOT reviewed and said they would only pay for 1.3. The .4 difference is the amount MDOT is asking repayment of.

Abed Itani asked MDOT if they can do another petition. Unfortunately, because of mass retirements at MDOT, most of the people involved are gone. It is a learning process for those now involved. Once the official letter comes out, it will go to Treasury and then we will have to fight with them.

Cindy Janes asked if GVMC can ask to intercede as the money is coming from us.

John Weiss stated he would like to formally invite Bob Homan, Dharmesh Jain, Abed Itani and a member of the Executive Committee to meet and discuss.

Jim Buck suggested Treasurer Cy Moore would be appropriate.

John Weiss asked Abed to intercede and ask them to hold off on the letter and see if it can be negotiated.

Cy Moore added that the issue has to be settled before the audit.

A meeting was set between John Weiss, Cy Moore, Abed Itani, Bob Homan, & Dharmesh Jain for Monday, January 23rd at 1:00 p.m.

4. Legislative Advocacy

John Weiss distributed a summary of the Governor's State of the State address. The bridge to Canada is a huge issue. If the PPT reforms go into place, they will not eliminate all the funds. There has been some talk of increasing funding for good governments.

Abed Itani added the Governor has proposed an adjustment to his original transportation funding proposal to make the sales tax a little higher, which would generate \$500 million. He also is suggesting using a sliding scale on registration fees according to the age of the vehicle.

5. Executive Director & Executive Committee Meeting

Staff was excused. John Weiss discussed with the Executive Committee and sought their advice on a variety of topics.

6. Adjournment – 1:30 p.m.