Grand Valley Metro Council
Executive Committee Meeting

Thursday, February 17, 2011
12:00 noon
Grand Valley Metro Council
678 Front Ave. NW, Suite 200
Grand Rapids, MI

MEETING NOTES

Present

Jim Buck	City of Grandville
Daryl Delabbio	Kent County
Mike DeVries	Grand Rapids Township
Cindy Fox	Cascade Township
Don Hilton, Sr.	Gaines Township
Cy Moore (by phone)	Council Treasurer
Rick Root	City of Kentwood
Alan Vanderberg	Ottawa County
Rob VerHeulen	City of Walker
Michael Young	City of Rockford

Absent

George Heartwell	City of Grand Rapids

Other

Andy Bowman	Grand Valley Metro Council
Leon Branderhorst	Grand Valley Metro Council
Abed Itani	Grand Valley Metro Council
Gayle McCrath	Grand Valley Metro Council
Don Stypula	Grand Valley Metro Council

1. **Call to Order**

   The meeting was called to order at 12:15 p.m. by Chair Jim Buck.

2. **Approval of Minutes**

   MOTION – Approval of GVMC Executive Committee Minutes of January 2011.
   MOVE – VerHeulen. SUPPORT - Delabbio. MOTION CARRIED.

3. **Finance**

a. **GVMC FY 2010 Financial Audit**

Don Stypula reviewed the GVMC FY2010 Financial audit. He explained there were unexpected expenses over budget due to hours spent on LGROW rather than transportation. GVMC also exceeded its legal expenses due to billings from attorneys regarding the MDOT audit and bringing GVSU into the Council. He also reported the Task Force on Governance recommended the Finance committee meet once a month and that the finance report be reconfigured. He and the department heads will meet weekly to review financials.

The committee discussed the history of the Finance committee and the benefits of monthly Finance committee meetings.

Rob VerHeulen stated he was concerned that we are asking the Finance committee to make sure we are not spending outside the budget. It is not their responsibility. It is part of common operating duties of Executive Director and staff. It would be a shift of responsibilities.

Al Vanderberg said he agrees and that it needs to be the responsibility of staff. When a budget variance is expected it should be noted and amended immediately.

Daryl Delabbio stated there is no set schedule of the Finance committee and there should be a formalized schedule. We shouldn't be micro managing the staff, but should have known about the budget deviance and acted upon it. We need an identification of responsibilities and formalized structure.

Michael Young asked if the Executive committee was being asked to give staff authorization to pass along the financial audit to the full Board. If we approve this audit, it may not be the final version. His understanding is that it cannot be filed without a notation on the MDOT audit, but the problem is the MDOT audit is not complete yet.

Cy Moore stated this report should be a draft. He wanted the Executive committee to know about the overage. The current notations don't make sense. He thought the note was just supposed to be an example of what it could be. We could only approve this in draft form.

Rob VerHeulen asked if by not approving this are we putting ourselves at risk.

Cy Moore reported the audit must be filed by March 31.

Rob VerHeulen said he didn't want to risk the consequences by putting it off.

Cy Moore reiterated that in his opinion, this version of the report was only a draft and hopefully we will get the answer to our MDOT audit questions by the end of March.

Michael Young reported the Finance committee sent it to the Executive committee for an opinion on how to address the MDOT audit.

Don Hilton asked if the committee doesn't have something final now, how is it going to go through the system and be approved by the full Board in time.

Cy Moore stated he is concerned about that also and feels the committee should approve it in draft form, but add the MDOT figures at a later date.

Daryl Delabbio stated he is not aware of a requirement of a government body to approve an audit before it is filed.

Al Vanderberg agreed that he felt the audit needn't be approved by the Board. He is also concerned about the deadline and the auditor could answer this for us.

Don Stypula stated he will contact the auditors after this meeting.

Rob VerHeulen asked if we should check with MDOT to see if it would put any grants in jeopardy. GVMC will not be going out for bonds. He would rather do it late and right.

Don Stypula asked if he should present the draft version at the March meeting.

Cindy Fox said it has already been reviewed in great detail and needn't be reviewed to such an extent again.

Rob VerHeulen said Don should communicate to all via e-mail that GVMC has extended its authorization and is waiting on MDOT to file the audit.

Mike DeVries said it is important to notice that revenue from grants came in less than expected because the expense of hours in transportation was less. This is what the issue was.

Daryl Delabbio asked if the appropriation was exceeded.

Mike DeVries stated no, it wasn't. It was substantially less. The issue was the grants did not come in from transportation funding as time was spent on LGROW instead.

Rob VerHeulen directed Don to bounce the message off Cy and Mike before he sends it out.

Don Stypula stated he would work with staff to put together a message for the Board and run it by Cy and Mike regarding the status of the financial audit, addressing the expenses over revenue and explaining the reason for the delay. Don will also determine the ramifications for not filing on time.

b. MDOT Commission Audit

Don Stypula reported the 2nd attorney, Jeff Sluggett, researched the question of statute of limitations. It is our hope this can be resolved soon. Don asked for authorization to have a private conversation with the Director of MDOT to see if it will make a difference.

Rick Root asked what the current offer for settlement to MDOT is.

The original request for payback from MDOT was $903,000 for the first phase. Our offer was $300,000 when they were agreeing to do 100% on SPR. Now it is at about $378,000. The initial payback amount requested for phase II is $445,000. Negotiations have not yet started on that amount.

Mike DeVries reviewed the negotiation process up to this point and the thinking that the amount of offer to MDOT should be ethically right.

Jim Buck reported last month the Executive committee wanted additional negotiation, lower than the current offer.

Al Vanderberg said he felt MDOT violated a standard of care. Thirteen years to wait for an audit is ridiculous. That is inherently wrong. They should only go back three years. He felt that was very ethical on our part.

Abed Itani stated the last time they were audited was in 1997. At that time we used the same process and MDOT had no problem with it. We are required to keep records until the grant is closed and the grants are not closed until there is an audit.

Michael Young said that Jeff Sluggett reported there may only be a six year window.

Abed Itani reported the total possible obligation is $520,000. Even if that is paid, we will still have a fund balance.

MOTION – To Authorize Don Stypula to Talk with the MDOT Director to Negotiate the Settlement. MOVE – VerHeulen. SUPPORT – Hilton. MOTION CARRIED.

Mike DeVries added that if Don has authorization to talk with the MDOT Director, he should have authorization to settle.

4. Transportation Department

a. Amendments to the GVMC FY 2011-2014 Transportation Improvement Program for MPO Member Agencies

Due to several changes being requested by ITP The Rapid, the Village of Kent City, the City of Lowell, Hope Network, MDOT and Senior Neighbors to the FY2011-2014 TIP, staff is requesting approval of the following changes:

- ITP The Rapid has several changes to the FY2011 – 2014 TIP specifically to FY2012. An updated list of projects and the requested changes is attached.
- The Village of Kent City is requesting to add an awarded STP Enhancement project for Streetscape of South Main Street from Spring Street to M-46 to FY2011 of the TIP. The cost breakdown is as follows: $315,494 Federal, $128,314 local for a total project cost of $443,808.
- The City of Lowell has received two STP-Small Urban Programs grants and requests that they be added to the TIP. The first project is Bowes Road reconstruction with sidewalks west of Valley Vista Drive, Federal cost: $334,000, local cost: $83,501 for a total cost of $417,501, add to FY2012. The second project is Bowes Road milling and resurfacing with sidewalks from west of Valley Vista to West Main Street, Federal cost: $178,648, local cost: $44,663 for a total cost of $223,311, add to FY2014.
- Hope Network is requesting to have the attached list of projects added to FY2012 of the TIP utilizing 5310 funds.
- MDOT is requesting an amendment to add a Preliminary Engineering (PE) project to FY2011, I-96 at Cascade Road, bridge deck replacement, widening and operational improvements at a total cost of $700,000. The addition of this project is necessary because the estimate for construction of the project is estimated at over $5 Million.
- Senior Neighbors is requesting to have the attached list of projects added to FY2012 of the TIP utilizing 5310 funds.

MOTION – To Amend the GVMC FY 2011-2014 Transportation Improvement Program As Requested. MOVE – Young. SUPPORT – Vanderberg. MOTION CARRIED

b. GVMC 2035 Long-Range Transportation Plan Update

Long Range Transportation Plan

The Grand Valley Metropolitan Council, as the federally designated Metropolitan Planning Organization (MPO) for Kent and Eastern Ottawa Counties, is responsible for the development of a multi-modal Long Range Transportation Plan (LRTP). The purpose of the LRTP is to ensure that transportation investments in our area enhance the movement of people and freight efficiently, effectively, and safely. The LRTP addresses all modes of transportation and uses data such as population projections, traffic count and travel time studies, pavement management data, and results from the travel demand model to provide analysis tools for deficiency identification.

The LRTP must be approved by the Michigan Department of Transportation, Federal Highway Administration, Federal Transit Administration, and U.S. Environmental Protection Agency in order for federal transportation dollars to be expended in our area. The LRTP must also be fiscally constrained, project specific, take into consideration public opinion and environmental justice, and meet established air quality standards. The document is updated every four years and this LRTP has a 25 year horizon, balancing transportation investments through the year 2035.

The primary finding of the 2035 Long Range Transportation Plan is that the needs of the transportation system in our region surpass the resources available to address them. Examples include a 131% increase in ridership on The Rapid since 2000, over a quarter of the pavement on the Federal-Aid system requires an overlay or complete reconstruction, and millions of dollars of identified unfunded non-motorized transportation needs. The funding available for these

improvements is projected to increase between 4.04% and 4.89% a year, but with project costs projected to increase at a similar rate, there is simply not enough funding to address all of the transportation objectives.

That being said, the Final Draft 2035 LRTP document and Project List is complete and available on **www.gvmc.org** website for review.

MOTION – To Approve the Update to the GVMC 2035 Long-Range Transportation Plan. MOVE – Hilton. SUPPORT – VerHeulen. MOTION CARRIED.

5. Adjournment – 1:50 p.m.

MOTION – To Adjourn. MOVE – Fox. SUPPORT – VerHeulen. MOTION CARRIED.