

**Grand Valley Metro Council
Executive Committee Meeting**

July 19, 2012

Noon

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

Minutes

Present

Jim Buck
Daryl Delabbio
Cindy Janes
Don Hilton, Sr.
Cy Moore
Alan Vanderberg
Michael Young

City of Grandville
Kent County
Cascade Township
Gaines Township
Council Treasurer
Ottawa County
City of Rockford

Absent

Mike DeVries
George Heartwell
Rob VerHeulen

Grand Rapids Township
City of Grand Rapids
City of Walker

Other

Abed Itani
Chris Brown
Gayle McCrath
John Weiss

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1. Call to Order

Chair Jim Buck called the meeting to order at 12:15 p.m.

2. Approval of Minutes

**MOTION – To Approve the June Executive Committee Minutes. MOVE – Janes.
SUPPORT – Delabbio. MOTION CARRIED.**

3. GVMC 2012/2013 Budget

John Weiss reported he is currently drafting the budget memo. The Finance Committee has reviewed the overall GVMC budget as well as that of REGIS and LGROW. The overall budget is down due to the brownfield grant completion. There may be a second portion of the 131 MDOT grant, however the budget was based on known dollars not speculative.

Chris Brown reviewed the budget. The format is more simplified than last year.

Michael Young asked if staff replacements were in the budget.

John Weiss replied that within the budget is replacement for 1.5 FTE for Strategic Initiatives.

The budget also includes a 2.7% cost of living increase. There hasn't been one since 2008. The increase will be covered by the savings in staffing (three people vs. 1.5 budgeted for). Also 80% of the GVMC and Transportation salaries are covered by federal funding.

There is little difference in the LGROW budget of last year. It includes all watershed activities. NPDES activities are now included entirely within LGROW. Three grants have been approved for LGROW. It is projected LGROW will have a \$9,000 loss, but they have funds in their balance to offset.

REGIS – Dharmesh Jain presented the REGIS budget. The budget is flat. Their guideline is to keep a 20% fund balance. The REGIS Board has approved the drawdown of the fund balance. Capital budget is a separate budget. Next year they are hoping for better revenue from the private sector. The budget includes a 2.7 COLA and an estimated 10% increase in medical insurance.

Daryl Delabbio asked who approves the REGIS budget.

John Weiss reported GVMC approves it.

Cy Moore reported on the concerns of the Finance committee:

- REGIS is passing a deficit budget showing the drawdown of fund balance as revenue.
- Finance committee wanted to see budgeting for actual activity rather than speculative with the use of amendments if needed.
- There is a five year plan which shown the anticipated spend down of fund balance, but that spend down has not happened the last two years.
- If the anticipated spend down does not occur, members will expect a corresponding reduction in dues.

Al Vanderberg commented on the enormous fund balance. Other entities would be hard pressed to explain such a balance.

Daryl Delabbio stated if they are deliberately moving to spend down the balance, dues shouldn't go up.

Cy Moore stressed that the issue is not that all the money budgeted for should be spent regardless of need, but rather budgeting should be done based on actual planned expenditures, not speculative ones. If money budgeted is not used and the fund balance is not drawn down as anticipated, members will expect a rebate in dues.

Dharmesh Jain reported the REGIS Board is scheduled to approve the budget on July 25.

The Finance Committee asked Dharmesh Jain to convey to the REGIS Board their wishes for future budgets to be developed based on: a balanced budget, showing any drawdown as a negative budget; on planned activity and revenue vs. speculative; and the use of amendments if need be at the appropriate time if additional activity and/or revenue materializes. They would like more transparency and information next year including the long range plan.

MOTION – To Move the Entire GVMC Budget to the GVMC Board Agenda for August. MOVE – Delabbio. SUPPORT – Young. MOTION CARRIED.

4. Other

John Weiss reported the new Wayland City Manager, Mike Selden, will be sworn in at the August GVMC Board meeting.

John also reported Roger Safford of MDOT will do a presentation at the August Board meeting.

5. Staff Excused – 1:15 p.m.