

**Grand Valley Metro Council
Executive Committee Meeting**

Thursday, April 21, 2005
12:00 PM

Grand Valley Metro Council
40 Pearl NW, Suite 410
Grand Rapids, MI

MINUTES

Present

Jim Beelen	City of Allendale
Jim Buck	City of Grandville
Daryl Delabbio	Kent County
Kurt Kimball	City of Grand Rapids
Cy Moore	Council Treasurer
Rick Root	City of Kentwood
Rob VerHeulen	City of Walker

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

Absent

Don Hilton	Gaines Township
Sandy Frost Parrish	Cascade Township
Al Vanderberg	Ottawa County

1. Call To Order

The meeting was called to order at 12:15 by Chair Jim Buck. Chairman Buck indicated that item 2c would be moved to the bottom of the agenda, and perhaps saved for a special meeting as it would entail a lengthy discussion.

2. Approval of Minutes

The minutes of the March Executive Committee meeting were reviewed.

MOTION – To approve the March 2005 minutes of the GVMC Executive Committee Meeting. MOVE – Root. SUPPORT – VerHeulen. MOTION CARRIED.

3. **Financial Update**

Leon Branderhorst stated that other than the Land Use, REPA, and Lower Grand contracts; and the refund of the UCB Grant, which are addressed in the amended budget proposal, the financial report is normal and on track.

Cy Moore commented on the new format of the report. He questioned the amounts of unexpended revenue and expenses for consultants in Transportation.

Mr. Branderhorst and Abed Itani explained that the projected budget amounts for these contracts were evenly divided and allocated over 12 months, and the expenses do not fall exactly in 12 equal segments.

4. **Budget Amendment**

Leon Branderhorst explained the proposed budget amendments.

- There is an entry for \$17,000 depreciation (before the FY 2003-2004 audit, GVMC was not required to depreciate assets).
- An adjustment for \$111,800 was made for contractual services in Land Use which were budgeted in previous years, but not expended.
- An adjustment for REPA for \$263,325 which has offsetting revenues.
- Refund to UCB for \$50,000 for money granted for a Natural Resources position which was not filled.
- An adjustment of \$25,000 out of current revenues for UCB grant for Natural Resources position which has been cancelled.
- Total Net reduction of expected fund balance of \$199,620.

Cy Moore stated he was concerned that when the dues rebate was voted on last year, these situations weren't discussed at that time.

Don Stypula reported that the UCB has stated it would allow usage of \$50,000 of their grant for Lower Grand watershed implementation work as long as they have been presented a clear plan with concrete actions by May 10, 2005. He added that he was meeting with a group of people to form a steering committee on April 22.

Kurt Kimball stated he was concerned about how this transaction should proceed with the UCB. He suggested it would be appropriate to return the check, and then ask for it to be reprogrammed.

Don Stypula asked Leon Branderhorst to issue a refund check to the UCB by Friday, April 22, 2005. He stated that he would then request the money be reissued for Lower Grand watershed implementation, per the outcome of the steering committee meeting.

Rob VerHeulen asked if the \$50,000 was then reissued by the UCB, would it then decrease the deficit by \$50,000?

Don Stypula stated that it would decrease the deficit.

Cy Moore questioned whether deferred revenue is reflected in the budget.

Mr. Branderhorst stated it was. The budget amendment reflects pass through funding for storm water NPDES, Lower Grand e-coli work, and green infrastructure projects. He added there is a deduction for \$25,000 from revenues for the last installment of the UCB natural resources grant, and an addition to revenues for \$3,000 of interest.

Mr. Stypula added that GVMC will receive amended figures from Fishbeck later which will include Grand Rapids for NPDES.

Rob VerHeulen stated that if the bills are from a previous year, that year's financials should be amended.

Mr. Moore questioned how the money for the land use contracts was accounted for. He also asked if they were expenses in the 2003-2004 fiscal year which were invoiced after the close of the year, and therefore should be an adjustment to last year's budget.

Mr. Branderhorst explained that the work was actually done in the 2004-2005 fiscal year, but budgeted and obligated in the previous year. Some of the bills are still coming in at this time.

Abed Itani explained that funding was budgeted for these projects, and since it was not expended at that time it resulted in an increase in the fund balance.

Rob VerHeulen asked if the amendment could be brought back to the Executive Committee next month when they will have the answer from the UCB on the reissuance of the \$50,000?

Cy Moore stated that it needs to be explained that the deficit is coming from the fund balance rather than this year's budget.

Don Stypula stated that the issue would be set aside for this month and brought back in May, and he will meet with Cy Moore to review financials from prior years.

Cy Moore added that perhaps Crowe Chizek needed to restate prior years' financials.

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 – Root. MOTION CARRIED.

5. Transportation

a. 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 – Kimball. SUPPORT – Beelen. MOTION CARRIED.

b. Unified Work Program

Abed Itani explained the request for approval of the FY2006 Unified Planning Work Program activities. Approval of the program is part of the budget process mandated by the FHA and MDOT. The approved program must be forwarded to MDOT by June in order to receive funding.

Mr. Itani also explained there was a transportation dues increase of 5 cents included in the plan which was needed to comply with federal and state regulations and mandates. Mr. Itani reviewed justification for the increase, as well as an need for an increase in the GVMC administration dues to maintain current services.

Mr. Itani stated that per his spreadsheets, GVMC was anticipating a shortfall of \$258,556 in FY 2006 and needed a dues increase of 32 cents to maintain services.

Rick Root questioned whether the money that was requested for transportation dues was also reflected in the spreadsheet on GVMC dues.

Mr. Itani stated that the justification and need for additional transportation funding is reflected in the spreadsheets. GVMC needs to approve the increased transportation dues before it can be forwarded to the feds.

Kurt Kimball stated that there must be backup documentation on what is needed.

Mr. Itani reported the new mandates and cost analysis were on the second page of his paperwork.

Don Stypula added that in reviewing GVMC's lease, there were no provisions made to break the lease. He stated he would meet with the landlord to see if he had other possible tenants who would like to rent the space.

Cy Moore stated that he didn't believe the rent was higher than average at this location.

Abed Itani stated that the rent is not unreasonable for this area, however there were options which would cost considerably less and have free parking. He added that he has spoken with Peter Varga of ITP about leasing space in their new facility.

Mr. Itani reviewed a spreadsheet on the financial projections for GVMC. He discussed the possibility of indexing dues, as well as the mechanisms of funding for other MPOs.

Kurt Kimball asked if it was really necessary to double the dues. He stated a dues increase won't happen at that level. He added that if 4, 2, 2, 2, 2, would pay for transportation needs, maybe GVMC should do that and then make whatever changes necessary. What are the options?

Mr. Itani stated the options depend on what the members want to do.

Mr. Kimball stated he was generally accepting of the increase for transportation, but not for general administration.

Don Stypula reported that the Metro Council never specifically allocated a portion of the dues to Land Planning. Up to this time it had been funded mainly through grants and transportation SPR funds. However the grants have dried up. Mr. Stypula added that he would meet with Cy Moore and go over options before the next Executive Committee Meeting.

Mr. Kimball stated that first they had to ascertain what level of support there was by the Council for any increase. The full membership needs to be apprised of the true nature of the fiscal situation at the next meeting.

Don Stypula stated he will do so, and also meet personally with all members to explain the situation to them before the meeting.

Rob VerHeulen expressed concern that with the dues almost doubling, it may drive members away, which will compound the problem.

Don Stypula stated that in order to stay in the MPO, a member has to pay the full dues.

Abed Itani added that if members want to receive federal funds, they have to be a member. If they are not a member, they wouldn't have a vote.

Kurt Kimball asked if Grand Rapids dropped out of the Metro Council and MPO, would they still get federal transportation funds. He stated that it hasn't always been that members of the MPO had to pay full dues regardless of whether they were members of the Metro Council. Maybe that needs to be addressed.

Don Hilton stated that there needs to be a discussion on how and if Land Use will be supported.

Andy Bowman asked what other MPO's do for Land Planning funding. He speculated that many of them have dedicated dues or are funded through Transportation Planning.

Don Stypula stated he would find out how others are funded and report to the committee.

Kurt Kimball stated it was important to give your comparables.

Mr. Stypula reported he would get on the road and phone and talk to everyone.

Cy Moore added that he didn't think the restatement of the FY 2003-2004 financials should slow up the process.

Kurt Kimball added that the members should be shown what they will get for each increase.

Jim Beelen asked about updating the dues structure to coincide with the growth in population more frequently than the US census (every 10 years).

It was reported that the current dues structure is written into the bylaws, and they would have to be amended in order to accomplish this.

6. Adjourn – 2:00 p.m.

**MOTION – To Adjourn. MOVE – Kimball. SUPPORT – VerHeulen.
MOTION CARRIED.**