

**Grand Valley Metro Council
Executive Committee Meeting**

Thursday, April 22, 2010
12:00 pm

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

MEETING NOTES

Present

Jim Buck
Daryl Delabbio
Cindy Fox
Don Hilton, Sr.
Cy Moore
Alan Vanderberg
Rob VerHeulen

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

Absent

George Heartwell
Jim Miedema
Rick Root

City of Grand Rapids
Jamestown Township
City of Kentwood

Other

Andy Bowman
Leon Branderhorst
Abed Itani
Gayle McCrath
Don Stypula

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1. Call to Order

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

2. Approval of Minutes

**MOTION – Approval of GVMC Executive Committee Minutes of March 2010. MOVE
– VerHeulen. SUPPORT - Delabbio. MOTION CARRIED.**

3. Transportation / MPO

Amendments to the FY 2008-2011 GVMC Transportation Improvement Program

Staff was recently informed by the City of East Grand Rapids of bid savings being realized on a project in the FY2010 TIP utilizing STP-Urban funds in the amount of \$370,807 Federal. In order for GVMC not to lose the funds for this area staff called a TPSG meeting on April 15, 2010 and through the MPO process reprogrammed the \$370,807. As a result of the reprogramming process the following amendments are being requested:

The City of Hudsonville requested a project on 36th Avenue, a former Economic Stimulus "B" list project be funded at \$110,466 Federal funds, \$27,616 local funds for a total project cost of \$138,082. This project is part of the FY2008 – 2011 TIP and was an Illustrative project.

The Kent County Road Commission (KCRC) requested to add \$31,352 Federal to a currently funded STP-Urban FY2010 TIP project, Pettis Avenue from Honey Creek to M-21. The new project costs are as follows: \$168,000 Federal, \$42,000 local for a total of \$210,000.

Finally the Ottawa County Road Commission (OCRC) requested to add \$228,989 Federal to a currently funded STP-Urban FY2010 TIP project, 8th Avenue from M-45 to Ironwood Drive. The new project costs are as follows: \$819,739 Federal, \$680,161 local for a total of \$1,499,900.

The Michigan Department of Transportation (MDOT) made a separate amendment request to increase the amount of their US-131 project under 32nd Street to \$581,000 total.

MOTION – To Approve and Move the Above Described Amendments to the FY 2008-2011 TIP to the GVMC Board. MOTION – Delabbio. SUPPORT – Fox. MOTION CARRIED.

Third Party Contract with RLS to Complete Kent County Transit Study

Over the past nine months the Grand Valley Metro Council in partnership with ITP/The Rapid and our members has applied for and received a Service Development New Technology (SDNT) grant from the Michigan Department of Transportation (MDOT). GVMC pursued the SDNT grant to determine if there is unmet transit need in Kent County to assess the level of this demand, and collect information for the potential expansion of transit service beyond the current scope. The SDNT grant award is for a total of \$150,000. In addition to the grant award, ITP/The Rapid is contributing \$100,000 towards the cost of the study for a total budget of \$250,000.

In October 2009, staff distributed a request for proposals for the Kent County Transit Needs Assessment (KCTNA) from which we received six proposals. The KCTNA Study Group interviewed three consultants and in December 2009 they selected RSL & Associates, Inc. to conduct the needs assessment at a cost of \$223,685. The study duration is estimated to be 10 months, with final presentations in February 2011.

GVMC staff prepared and submitted a Third Party Contract for MDOT approval in January 2010 and MDOT provided the subcontract for GVMC and RLS signatures on April 6, 2010.

Staff is seeking Metro Council approval of a Third Party Contract between GVMC and RLS & Associates, Inc. for the Kent County Transit Needs Assessment.

Daryl Delabbio asked if any local contractors were interviewed.

Abed Itani responded that some were, however they had subcontractors who were not local, and we wanted to make sure the contract was awarded to a reputable and capable organization.

MOTION – To Approve the Third Party Contract with RLS to Complete the Kent County Transit Needs Assessment. MOVE – VerHeulen. SUPPORT – Fox. MOTION CARRIED.

FY1996-2004 MDOT Commission Audit

Don Stypula reported on the conclusion of the FY1996-2004 MDOT audit. \$904,000 of expenditures from that time period were disallowed. The auditor was very helpful. We are now going through the process to appeal and assembling all the time records, schedules of meetings, etc. We will put together a very detailed written appeal to MDOT which will be considered by the Disputed Audit Review Team. We are quite confident we will be able to justify all the expenses and have already taken steps to make sure it doesn't happen again.

Abed Itani stated the MDOT auditor told us our firm was hired to audit revenues when they should have been auditing expenses. The records on Land Use activities charged to Transportation were not detailed enough. Also the way we used to charge for administration (which was approved by the feds.) was disallowed as direct, but allowed under indirect. The Federal Highway Administration will be getting involved. Abed is confident we will get some of the funds back, but probably not all. MDOT's planning department is on our side and will petition on our behalf.

Cindy Fox asked if there was any recourse to be taken against GVMC's previous auditing firm Crowe Chizek.

Abed Itani replied there were three responses which could be taken: Sue MDOT; sue Crowe Chizek, or petition that the statute of limitations has expired.

Al Vanderberg stated he believed there is a limit on the number of years GVMC can be held accountable to repay.

Abed Itani added the auditor stated Leon kept meticulous records which showed GVMC wasn't hiding anything.

Cy Moore stated first we should talk to Crowe Chizek to give them a chance to help. Maybe they have had other situations and they thought of a defense or argument we haven't. Also we

should talk to the current auditors. They have other clients and may know of some ways to address.

Rob VerHeulen asked if we lost, would we have to write a check for \$900,000 + to the feds.

Abed Itani stated yes. It would go to the federal government not MDOT. The auditor said it took 8-9 years to build it up, so they would be willing to give us installments over the next 8 years.

Rob VerHeulen asked if anyone knew of a law firm which had handled similar situations that we could consult to make sure we are not waving or conceding anything we shouldn't be.

Al Vanderberg said we need an advocate on our side A.S.A.P. Warner Norcross is handling a situation for the West Michigan Strategic Alliance and they may be able to think of some remedies for us.

Jim Buck suggested we make contact with other MPOs who have gone through similar situations.

Don Hilton stated we should first talk to our auditors to see if they have thought it through and have any ideas.

Abed Itani added that the issue will not be over with this audit as this is just through 2004.

Cy Moore said first we must get an attorney involved so we don't expose ourselves.

The consensus was to talk with the attorney recommended by Al Vanderberg.

Don Stypula asked if the issue should go to the full Board yet.

The consensus was that it should not go to the full Board at this time.

Cy Moore also stated the meeting of the Finance committee is upcoming and we will have more opportunity to address it there.

Don Stypula indicated he would contact Paul Tate at SEMGOG who has also been through similar situations.

Jim Buck reiterated that the agreed upon actions to be taken were to contact our auditors and the attorney from Warner Norcross. Then contact Crowe Chizek as advised.

4. Resolution to Amend the GVMC Articles of Incorporation to Remove the Township of Jamestown as a Participating Local Unit of Government

**MOTION – To Approve the Resolution to Amend the GVMC Articles of Incorporation to Remove the Township of Jamestown as a Participating Local Unit of Government.
MOVE – Hilton. SUPPORT – Fox. MOTION CARRIED.**

5. Legislative Advocacy

Don Stypula indicated there was nothing new to report in legislative activities.

6. Strategic Initiatives – May 11 Visioning / Goal Setting Meeting

Don Stypula reviewed the draft agenda for the May 11 visioning meeting.

Daryl Delabbio asked if there should be time frames attached to the deliverables.

Don Stypula indicated the time frame would be to report on the action plan at the June 17 GVMC Board meeting.

Abed Itani asked about the time frame for execution of the plan as the Transportation budget needs to be approved by the Council by July. He asked if he should proceed as normal.

Al Vanderberg indicated he didn't anticipate the visioning affecting the MPO activities.

Daryl Delabbio stated he agreed.

Don Hilton said he was O.K. with the agenda as long as we can get closure within that time frame.

Al Vanderberg asked what Lew Bender will give us. Will he deliver a report based on the outcome or just facilitate.

Don Stypula stated Dr. Bender will bring us to our objectives and goals so we have a full understanding of what GVMC should do. Don and staff members will immediately go to work. The action plan will include action items and resources. Don promised he will bring the report back every month and report on the progress made.

Don Hilton stated he was concerned GVMC would only get out of it what we put into it.

Rob VerHeulen stated the question really is if GVMC didn't exist, how you would create it. We need a pie chart of this showing what we do today and the resources allocated.

Cy Moore brought up the issue of whether staff should attend.

Don Stypula stated he would be grateful if sr. staff would be present, but not participate.

Al Vanderberg said he would have no problem with staff giving input, but they should not be part of the voting on consensus.

Don Stypula stated he is having problems getting participation and asked everyone to encourage at least one designate from each member community to attend. He said he will

also make a presentation at the next GVMC Board meeting on the activities GVMC is currently engaged in.

Daryl Delabbio stated he didn't have a problem with staff being at the meeting, but he felt there should be no input unless they were asked. His hope is that everyone will be as candid as possible.

Abed Itani reported he would be proposing a new document on the policy of dues. The discussion has already been held at the TIP committee.

Daryl Delabbio asked if the current dues formula went back to the GRETS organization.

Abed Itani indicated the dues paying structure was just moved from GRETS to GVMC.

7. Next Meeting – May 20, 2010

8. Adjournment – 1:30 p.m.

MOTION – To Adjourn. MOVE – Delabbio. SUPPORT – Buck. MOTION CARRIED.