

**Grand Valley Metro Council
Executive Committee Meeting**

Thursday, August 19, 2004
12:00 PM

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

MINUTES

Present

Daryl Delabbio
Cindy Heinbeck
Don Hilton
Kurt Kimball
Cy Moore
Rick Root
Rob VerHeulen

Kent County
Alpine Township
Gaines Township
City of Grand Rapids
Council Treasurer
City of Kentwood
City of Walker

Absent

Jim Buck

City of Grandville

Other

Andy Bowman
Leon Branderhorst
Jim Brown
Abed Itani
Gayle McCrath
Don Stypula
Matt Wiese

Grand Valley Metro Council
Grand Valley Metro Council
Mika Meyers Beckett & Jones
Grand Valley Metro Council
Grand Valley Metro Council
Grand Valley Metro Council
Grand Valley Metro Council

1. Call To Order

The meeting was called to order at 12:15 by ViceChair Cindy Heinbeck.

2. Approval of Minutes

The minutes of the July Executive Committee meeting were reviewed.

MOTION – to Approve with correction the July 2004 minutes of the GVMC Executive Committee Meeting. MOVE – VerHeulen. SUPPORT – Root. MOTION CARRIED.

3. Finance Report

Treasurer Cy Moore gave the financial report. He reported GVMC is still in good financial shape. It has a fund balance of \$695,000 with \$126,580 revenues over expenses. There is a projected deficit for the current year of approximately \$14,000 which is due largely to the dues rebate approved by the Council.

Mr. Moore reported that REGIS was also in good financial shape.

MOTION – To accept the financial report into record. MOVE – Hilton. SUPPORT – Delabbio. MOTION CARRIED.

4. Conflict of Interest Statement

The proposed conflict of interest statement was reviewed by Jim Brown of Mika Meyers.

After the suggested changes, the statement will read as follows:

GVMC does not encourage employees to hold second jobs or to accept freelance work outside of their responsibilities at GVMC. However, such activities are permitted as long as they comply with the following guidelines:

1. Employees of GVMC or one of its agencies shall not accept any outside employment or freelance work that would interfere in any way with his or her responsibilities at GVMC.
2. Employees of GVMC or one of its agencies shall not solicit or accept any outside employment or freelance work if such work would involve providing transportation planning, land use planning, REGIS, or any other GVMC services to members of GVMC or its agencies.
3. Employees of GVMC or one of its agencies shall not accept any income or material gain from any entity outside GVMC for materials produced or services rendered during GVMC work time.
4. Employees of GVMC or one of its agencies shall not accept any income or material gain from any entity outside GVMC for services rendered using GVMC equipment and materials.
5. Any exception to these guidelines must be agreed to in writing by the employee's supervisor and the Executive Director prior to rendering services. Any questions regarding the interpretation of this policy should be directed to the employee's supervisor and the Executive Director.

MOTION – To approve the proposed conflict of interest statement and forward it on to the Board for approval along with the complete Ethics section of the Polices and Procedures Manual. MOVE –Root. SUPPORT – VerHeulen. MOTION CARRIED.

5. Budget

Don Stypula reported on the proposed FY 2004-2005 budget. A subcommittee of the Executive Committee met on August 4, to review the budget. The proposed budget includes an operating deficit of approximately \$12,000.

Mr. Stypula reported many cuts have been made, including a 15% savings in health care over last year. The deficit is largely due to a decrease in grants over previous years.

MOTION – To accept the proposed FY 2004-2005 deficit budget and move it on to the agenda of the September GVMC Board Meeting. MOVE – Kimball. Support – Delabbio. MOTION CARRIED.

Rick Root asked if changes to the budget needed to come back to the Executive Committee and Board for their approval. Mr. Root suggested passing the proposed budget with a \$20,000 transfer from the fund balance to balance it and cover extra expenses.

Cy Moore stated that mechanically, you can't pass a balanced budget by transferring funds from fund balance. If you have a deficit budget, you pass a deficit budget, and the end result is a lower fund balance.

Rob VerHeulen asked what obligation there was if the budget was deviated from.

Abed Itani stated that each time a change is made to the budget it needs to follow the same approval process.

Cy Moore asked about a dues rebate for FY 2004-2005.

Cindy Heinbeck reported that the course of action agreed upon last year was that the Executive Committee had the option of reviewing GVMC's financial status in January, after the audit is complete, and deciding if another rebate is feasible. However, since GVMC is passing a deficit budget, that seems highly unlikely.

Don Stypula reported that he felt a dues increase was necessary, and he would start working on it shortly after the FY 2004-2005 budget was passed.

6. Transportation

Abed Itani reported on a marketing contract with carry over monies from MDOT. The entire contract is a maximum of \$112,000, with MDOT contributing up to \$100,800 and GVMC agreeing to arrange for the provision of no less than \$11,200. This contract needs to be approved by September 15, 2004 in order to be eligible for the MDOT funds.

MOTION – To approve the WESTRAIN planning and marketing contract and move it to the September GVMC Board agenda. MOVE – Delabbio. SUPPORT – Kimball. MOTION CARRIED.

7. REGIS Update

Don Stypula reported there had been an excellent meeting with the technical staff of REGIS members. Representatives of the City of Grand Rapids and Kent County did a superb presentation of the federated model. Afterwards, we asked everyone to go back to their jurisdictions and talk to their decision makers.

The next step will be to meet again no later than the 2nd week after Labor Day with the technical people and the decision makers. There we will air any additional questions or concerns regarding this model and how we want to move forward. So far, we have been moving along very well.

Arch 9 will be rolled out soon, and it will make a big improvement.

Cindy Heinbeck stated that she felt there needed to be an additional meeting with the elected officials to explain the plan in more detail to them in terms they are familiar with. The Alpine staff came back from the meeting extremely concerned about the direction that REGIS would be going in under the federated model.

Ms. Heinbeck added that she was concerned over who would protect and ensure the integrity of the data, as now it is unreliable. Alpine updates their data, but it is being overridden by outdated County data. There are major reliability problems right now that need to be addressed that are not addressed under the federated model. Now it is unclear if the new model would help or hurt members.

Don Hilton added that members and elected officials need to understand much more fully what is going on. The integrity of REGIS may fall apart if the County or the City goes their separate way.

Don Stypula stated he would bring together the stakeholders and technical staff in the 3rd week of September and hold another presentation from the County and the City and ask them to address the integrity of the data. After that, we will have another meeting and decide how to proceed.

8. Legislative Update

Don Stypula reported that the legislature is scheduled to come back into session on the 25th and continue with budget negotiations. The deal on county revenue sharing stands. Counties will get no revenue sharing this year, but the line item will stay in the budget. Counties will be allowed to move up property tax collection and use these funds to offset the loss of revenue sharing. As of this time, there are no plans to cut city or township revenue sharing any further.

Daryl Delabbio stated he was concerned about the legislation because it was important to keep the formula intact.

The House passed a phased-in increase in mobile home fees from \$3 – 12 per month. There is no telling what will happen in the Senate.

The legislature wants the ability to appoint members to the proposed local government finance task force. It will probably be created by fall, and be comprised of both appointees from the legislature and the Governor.

9. Adjourn – 1:30 p.m.

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