GVMC

GRAND VALLEY METROPOLITAN COUNCIL
METROPOLITAN PLANNING ORGANIZATION

Executive Committee

Thursday February 17, 2011 ● 12 Noon
GVMC Offices – Riverview Center -- 678 Front Ave. NW

Agenda

1. **Approval of Minutes – January 20, 2010**

2. **Finance**

   a. **GVMC FY 2010 Financial Audit *(Action Item)***
   b. **MDOT Commission Audit *(Action Item)***

3. **Transportation Department:**

   a. **Amendments to the GVMC FY 2011-2014 Transportation Improvement Program for MPO-Member Agencies *(Action Item)***
   b. **GVMC 2035 Long-Range Transportation Plan *(Action Item)***

4. **Legislative Advocacy**

   a. **FY 2012 State Budget**
   b. **Report of the GVMC Legislative Committee**

5. **Other Items**

Memorandum

To: **GVMC Executive Committee**

From: **Donald J. Stypula, Executive Director**

Date: **January 18, 2011**

Re: **Agenda items for our January 20, 2011 Executive Committee meeting**

Attached are the agenda and relevant documents for our next GVMC Executive Committee meeting, scheduled for **12 noon Thursday February 17, 2011 here the GVMC offices**. We have a full agenda this month starting with the review of the GVMC FY 2010 annual audit and an update on and a recommendation regarding resolution of the MDOT Transportation Commission Audit. We have two items from the Transportation Department, including a TIP amendment and review and approval of the Metro Council's 2035 Long Range Transportation Plan. If we have the time, we'll also take a first look at Governor Snyder's FY 2101 state budget, which he will deliver to the Legislature as we are meeting on Thursday.

We'll start by reviewing and approving the attached minutes from our January 20, 2011 meeting.

FINANCE: GVMC FY 2010 AUDIT AND FINANCIAL STATEMENTS

I am presenting for your review the Financial Statements and annual audit report of the GVMC General Fund for FY 2010. Please note that the file is very large (more than 4 mb and too large to email) so I am requesting that you click on or insert the following link into your web browser to view and download the 26-page file:

http://www.gvmc.org/documents/GVMCFY2010FinancialStatements.pdf

I also have attached to this packet a briefing memo outlining specific sections of the audit report that are worth noting.

Proposed Action: Review, discuss, endorse and forward to Metro Council the GVMC FY 2010 Financial Statements and Audit.

FINANCE: UPDATE AND STAFF RECOMMENDATION REGARDING THE MDOT TRANSPORTATION COMISSION AUDIT

As you directed at our meeting last month, I asked outside legal counsel to research the facts and offer perspective on our dispute with the MDOT Office of Transportation Commission Audit regarding the audit of GVMC operations from 1998-2009. I have enclosed a briefing memo complete with a staff recommendation, together with the memorandum from counsel at Law Weathers for your review and consideration.

TRANSPORTATION: AMENDMENT TO THE 2011-2014 TRANSPORTATION IMPROVEMENT PROGRAM

ITP The Rapid, the Village of Kent City, the City of Lowell, Hope Network, the Michigan Department of Transportation and Senior Neighbors are requesting amendments to the GVMC FY 2011-2014 Transportation Improvement Program (TIP) to fund various transportation improvement projects. I have attached a briefing memo prepared by GVMC Transportation Planner Darrell Robinson; together with supporting documents from the requesting agencies. The amendments have been reviewed and approved by the GVMC Technical and Policy Committees

Proposed Action: Review, endorse and forward to Metro Council the proposed amendment to the GVMC FY 2011-2014 TIP.

TRANSPORTATION: THE GVMC 2035 LONG-RANGE TRANSPORTATION PLAN

Metro Council's Transportation Department staff has spent the past year working with the general public, MPO-member agencies and other interested parties to develop the GVMC region's 2035 Long-Range Transportation Plan (LRTP). The plan examines the multi-modal transportation needs of the GVMC-MPO region and provides a fiscally-restrained, project-oriented projection of transportation needs for the next 25 years. I have enclosed a briefing memo and background information prepared by GVMC Transportation Planner Andrea Dewey, who coordinated development of the LRTP. The full plan and background information is available on the GVMC web site at http://www.gvmc.org/transportation/longrangeplan.shtml The 2035 LRTP has been reviewed and approved by the GVMC Technical and Policy Committees.

Proposed Action: Review, endorse and forward to Metro Council the proposed GVMC 2035 Long Range Transportation Plan.

LEGISLATIVE ADVOCACY – GOVERNOR RICK SNYDER'S FY 2012 STATE BUDGET

From his very controversial proposal to tax private pensions, to his remake of Michigan's business tax, to his need to plug a $3 billion deficit, Governor Rick will personally deliver his budget and tax proposals for FY 2012 to the House and Senate Appropriations and Taxation Committees on Thursday morning beginning at 11 a.m. As I noted in an earlier email, one notable difference with this year's budget presentation is in the lack of detail. Gone are the thick binders with hundreds of pages of line item details that are handed out to members of the respective Appropriations Committees.

They are being replaced by what the Governor calls a "rolled-up" budget where he will be rolling up departmental budgets and giving administrators the power to spend money on specific programs based on whether those programs are meeting specific goals and measurements. Budget Director John Nixon says huge cuts , across state government, are on the way.

If you've got the time, we'll have the Governor's budget show on in the conference room before our Executive Committee on Thursday. It starts at 11 a.m.

As always, we're looking forward to seeing you and having a fruitful discussion on Thursday. If you have any thoughts, comments, questions or suggestions you can reach me anytime on my cell phone at 616-450-5217, in the office at 776-7604, at home at 257-3372.

Grand Valley Metro Council
Executive Committee Meeting

Thursday, January 20, 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
Cindy Fox	Cascade Township
Don Hilton, Sr.	Gaines Township
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
Cy Moore	Council Treasurer

Other

Andy Bowman	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 December 2010. MOVE – Root. SUPPORT - VerHeulen. MOTION CARRIED.

3. **Finance Committee**

4. **Transportation Department**

   Amendments to the GVMC FY 2011-2014 Transportation Improvement Program (TIP) for MDOT

   MOTION – To Amend the GVMC FY 2011-2014 Transportation Improvement Program (TIP) as Described Above. MOVE – Hilton. SUPPORT – Root. MOTION CARRIED.

5. **Executive Session**

   Staff excused for an executive session.

6. **Adjournment – 1:40 p.m.**

GRAND VALLEY METROPOLITAN COUNCIL
METROPOLITAN PLANNING ORGANIZATION

MEMORANDUM

TO: **GVMC Executive Committee**

FROM: **Donald J. Stypula, Executive Director**

DATE: **February 15, 2011**

RE: **GVMC FY 2010 Audit and Financial Statements**

I am presenting for your review the Financial Statements and annual audit of the GVMC General Fund for FY 2010. Please note that the file is very large (more than 4 mb and too large to email) so I am requesting that you click on or insert the following link into your web browser to view and download the 26-page file:

http://www.gvmc.org/documents/GVMCFY2010FinancialStatements.pdf

The audit was completed on time and within budget, but it the final version was delayed due to our on-going discussions with the Michigan Department of Transportation to resolve the issues surrounding the Transportation Commission Audit. We have inserted a notation on Page 3, Financial Highlights, to call attention to that yet-to-be-finalized Transportation Commission audit.

The financial statements show that while GVMC performed well during the fiscal year, we incurred $93,938 in expenditures over budget. The breakdown is as follows:

Planned Use of Fund Balance:

The budget, as approved by the Metro Council, included $18,000 in expenditures for activities deemed critical by the Council.

Interest Income:

We had budgeted $16,000 in anticipated interest income. Interest earned on the fund balance invested through the Kent County Investment Pool amounted to only $6,342, a difference of $9,658.

LGROW Fund:

A budget for the Lower Grand River Origination of Watersheds (LGROW) Fund was not submitted during the development of the GVMC Budget and there was no budget amendment during the fiscal year. Staff time spent on LGROW – amounting to approximately $44,000 in unreimbursed expenses – was charged to general fund.

Legal Expenses:

We budgeted $3,000 for anticipated legal expenses for the fiscal year. Actual expenditures came in $21,915 due to our engagement of Warner Norcross on the MDOT Commission Audit and services from Mica Myers for amendments to the Bylaws to accommodate a membership request from Grand Valley State University.

Federal Transportation Grants:

We had originally budgeted $1,247,090 in revenue from federal transportation grants. Actual receipts from those federal transportation grants totaled $987,222. Of that, approximately $40,000 was for land use planning activities that were never billed.

Improvements in Procedures

To avoid unbudgeted expenditures during the current and future fiscal years, we are making the following changes in our internal procedures.

1. We will prepare a detailed quarterly finance report and meet with the GVMC Finance Committee on a quarterly basis to review the report and analyze trends.
2. Upon authorization from the Finance Committee, we will forward to the Executive Committee and the full Metro Council suggested budget amendments to ensure that revenues are properly appropriated for GVMC activities. The first of these for the 2011 fiscal year will be brought for Finance Committee consideration on April 15 to include a FY 2011 budget for LGROW and additional revenue from a planning contract with MDOT.
3. We are very carefully monitoring revenues and expenditures to ensure that GVMC is spending budgeted federal funds and other grant funds at the levels authorized by the Council.

GRAND VALLEY METROPOLITAN COUNCIL
METROPOLITAN PLANNING ORGANIZATION

MEMORANDUM

TO: **GVMC Executive Committee**

FROM: **Donald J. Stypula, Executive Director**

DATE: **February 15, 2011**

RE: **Recommendation Regarding GVMC's Approach to MDOT Commission Audit**

Per your direction at our meeting on January 19 – and with the assistance of Kentwood Mayor Rick Root – I asked long-time municipal attorney Jeff Sluggett from Law-Weathers to review our interactions over the past year with the MDOT Office of Commission Audit with respect to both phases of the Commission Audit of GVMC operations from 1998-2008. The questions to Mr. Sluggett were related to the legal duration of data retention, how far back in time the federal grants to GVMC for transportation-related planning could be audited, and if there is a "statute of limitations" provision in federal law regarding reimbursement of federal funds due to overpayments to a MPO by MDOT.

Specifically I asked Mr. Sluggett if we can make an argument with the MDOT Office of Commission Audit that their audit could only cover the period of time going back three fiscal years rather than the entire period covered by the audit. I have attached Mr. Sluggett's response, which was prepared by their top legal researcher (also an attorney). As you can see, there are many twists and turns to this issue. In the attached memorandum, Mr. Sluggett's researcher discusses various sections of federal law which specify differing timetables for maintaining and subsequently surrendering official records and documents.

In addition to seeking Mr. Sluggett's viewpoint and recommendations on this issue, we have talked, extensively, with the Federal Highway Administration and the MDOT Planning Section. Officials from both agencies believe that since we voluntarily surrendered the financial records as requested going back to 1998, MDOT auditors had the legal right to audit GVMC going back to that year. They argue that a) project agreements between state transportation departments and MPOs remain "open" until an audit is conducted, and b) once you turn over the records, you cannot go back and argue for a shorter audit period.

Based on our staff analysis of the facts – as outlined by MDOT and Law Weathers – we have two options:

#1 -- We can continue to challenge the legal right of the MDOT Office of Transportation Commission Audit to audit our project agreements and activities beyond the six-year time horizon outlined in the Law Weathers. This would require us to hire outside counsel and begin a legal action against MDOT and the Office of MDOT Transportation Commission Audit. We believe at the senior staff level that this would be unwise and counterproductive. Taking legal action is costly, carries no guarantee of a positive outcome and carries the strong likelihood that we could irreparably harm our relationship with MDOT.

#2 – We continue to negotiate with MDOT Planning Staff to resolve the issue in a fair and reasonable manner. I would also, personally and only upon your authorization, engage MDOT Director Kirk Steudle in a conversation regarding the impacts that an unfavorable resolution to the audit would have on the GVMC and the ability of the GVMC-MPO to function effectively.

The GVMC Department Directors and I sincerely believe that #2 is the preferred alternative.

I am, therefore, recommending to the GVMC Executive Committee that we proceed with our negotiations with MDOT; that I be authorized to engage MDOT Director Kirk Steudle in a personal conversation toward reaching a fair and reasonable settlement with the agency; and that we agree to pay back MDOT per that negotiated settlement over a period of time to preserve cash flow.

MEMORANDUM

TO: JVHS

FROM: CLM

DATE: February 8, 2011

RE: Grand Valley Metro Council; Department of Transportation Audit

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I. RECORD RETENTION

Part 18 of Title 49 of the United States Code of Federal Regulations establishes uniform administrative rules for federal grants and cooperative agreements and subawards to state and local governments. These rules apply to Grand Valley Metro Council ("GVMC").[1]

The rules require, in part, that grantees and subgrantees maintain accounting records that adequately identify the source and application of funds provided for financially-assisted activities. 18 CFR §18.20(b). Under 49 CFR §18.42, records must generally be retained for three (3) years from the "starting date."[2]

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[1] "Local government" means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government. 49 CFR §18.3.

[2] The "starting date" is defined in 49 CFR §18.42:

> (1) General. When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits to the awarding agency its single or last expenditure report for that period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the Federal fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report. If an expenditure report has been waived, the retention period starts on the day the report would have been due.
>
> (2) Real property and equipment records. The retention period for real property and equipment records starts from the date of the disposition or replacement or transfer at the direction of the awarding agency.
>
> (3) Records for income transactions after grant or subgrant support. In some cases grantees must report income after the period of grant support. Where there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the grantee's fiscal year in which the income is earned.
>
> (4) Indirect cost rate proposals, cost allocations plans, etc. This paragraph applies to the following types of documents, and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).
>
> > (i) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the grantee) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
> >
> > (ii) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the grantee) for negotiation purposes, then the 3-year retention period for the proposal plan, or computation and its supporting records starts from end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

The record retention rule applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are either required to be maintained by Part 18, program regulations or the grant agreement, or are otherwise reasonably considered as pertinent to program regulations or the grant agreement. It does not apply to records maintained by contractors or subcontractors.

49 CFR §18.37(a)(3) requires states to "[e]nsure that a provision for compliance with §18.42 is placed in every cost reimbursement subgrant…." See also 49 CFR §18.46(i)(11), which requires that the grantee's and subgrantee's contracts contain a provision requiring "[r]etention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed."

Further, the record retention rules provide that if any litigation, claim, negotiation, audit or other action involving the records has been started *before the expiration of the 3-year period*, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

Importantly, the rules provide that the awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts. And, "[t]he right of access…must not be limited to the required retention period but shall last as long as the records are retained." 49 CFR §18.42(e).

Thus, the government's right to access records does not expire at the end of the 3-year retention period if the records are retained after that period. Similarly, nothing in the record retention rules prohibits the government from performing an audit or seeking reimbursement after the 3-year period has elapsed. In fact, 49 CFR §18.51, entitled "Later Disallowances and Adjustments," specifically states that even the closeout of a grant[3] does not affect:

> (a) The Federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;
>
> (b) The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
>
> (c) Records retention as required in § 18.42;
>
> (d) Property management requirements in §§ 18.31 and 18.32; and
>
> (e) Audit requirements in § 18.26.

[3] An award is closed out when it has been determined that all applicable administrative actions and all required work of the grant has been completed. 49 CFR §18.50.

II. STATUTE OF LIMITATIONS

Importantly, we have not received or reviewed copies of the actual contract documents. I have assumed for purposes of this memorandum that none of the relevant contracts contain a statute of limitation provision. If one or more of the contracts do contain such a provision, then the following analysis may not apply, or our conclusion may be different.

49 CFR §18.52 states that "[a]ny funds paid to a grantee in excess of the amount to which the grantee is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government." Generally, actions by the federal government involving recovery under a contract or the recovery of money diverted from a grant program are subject to the 6-year statute of limitations set forth in 28 USC §2415. *US v Lutheran Medical Center*, 524 F Supp 421, 424 (DC Neb, 1981); *US v City of Palm Beach Gardens*, 635 F2d 337, 339 (CA Fla, 1981) (the 6-year statute of limitations set forth in 28 USC 2415 applies to any suit by the US founded on an express or implied contract).[4]

To the extent the State of Michigan were to initiate an action seeking reimbursement from GVMC under Act 51 of 1951, which governs state appropriations for most Michigan transportation programs, it appears that the state would similarly be subject to a 6-year statute of limitations. The period of limitation for a breach of contract action is six years. MCL 600.5807(8). This limitations period applies equally to actions brought by the state. MCL 600.5821(3).

A breach of contract claim generally accrues on the date of the breach, not the date the breach is discovered. *Adams v City of Detroit*, 232 Mich App 701, 706; 591 NW2d 67 (1998). Here, the alleged wrongful conduct (breach of contract) would be the submission for reimbursement of disallowed expenses. Accordingly, I would argue that the cause of action would have accrued when the requests for reimbursement were submitted and, therefore, the government is barred from recovering amounts overpaid more than six years before the commencement of an action pertaining to the alleged overpayments.[5]

III. FEDERAL FALSE CLAIMS ACT

Based on the above, GVMC can take the position that the government's request for reimbursement is subject to a 6-year statute of limitations and GVMC is therefore not obligated to repay any alleged overpayments occurring before that time. However, because the government has alleged that overpayments were made more than six years ago and because GVMC is now aware of those alleged overpayments, it raises another issue regarding GVMC's liability under another theory.

Some believe that the 2009 amendments to the federal civil False Claims Act ("FCA") may apply to the discovery of overpayments on federal grants and contracts. The FCA imposes

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[4] The federal statute contains some language that could act to extend the time in which an action may be filed. For example, it states "That in the event of later partial payment or *written acknowledgment of debt*, the right of action shall be deemed to accrue again at the time of each such payment or acknowledgment…."

[5] Again, we have not reviewed the actual contracts. Based on the contractual language, there may be additional grounds for asserting a breach of contract claim against GVMC with regard to the alleged overpayments.

liability (including repayment, treble damages, and attorney fees) for knowingly concealing or knowingly and improperly avoiding an obligation to pay money to the government, including an obligation arising from the retention of any overpayment. It applies to claims made both to the US government, and those made to a recipient of federal funds if the money or property provided to the recipient will "be spent or used on the government's behalf or to advance a government program or interest," and if the government has provided or will reimburse the recipient for any portion of the money or property requested or demanded.

Unintentional violations are not actionable under the FCA. However, some have interpreted the FCA to impose heightened disclosure and repayment obligations on federal grantees and contractors who come across evidence of possible overcharging in connection with their federal awards.[6] The basic purpose of the so-called "reverse false claim" provision, 31 USC §3729(a)(7), is to address situations where an individual or entity has already received funds or material from the government that ought to be returned.

An FCA action must be brought within six years of the date on which a violation was committed, 31 USC § 3731(b)(1), or within three years of the date on which the government knew or should have known that a violation was committed, and in no event more than 10 years after the date on which the violation was committed. 31 USC § 3731(b)(2). Courts are divided about whether the limitations period begins to run from the date a false claim is submitted to the government or from the date a false claim is paid by the government.

Thus, are the amounts claimed owed to the Department in the GVMC audits considered an "overpayment"? If so, does the existence of the overpayment give rise to an obligation to return the money to the government? Would failure to correct the "overpayment" constitute a violation of the FCA? If so, does the 6-year statute of limitations run from the time the claim was paid, or from the date the overpayment was discovered? Unfortunately, there are no clear answers to these questions.

[6] The FCA has been applied in various industries, including healthcare and education, as well as to infrastructure and public works contracts. It has been reported that in January 2008, Bechtel Infrastructure Corp. and PB Americas, Inc. agreed to pay $458 million to settle federal and state claims (which included $23 million to the United States and over $40 million to the Commonwealth of Massachusetts to settle state FCA allegations). The claims arose in connection with a major public transportation infrastructure project in Boston known as the "Big Dig." The government alleged the firms submitted false claims for federal highway funds by failing to provide adequate management and quality assurance services during construction.

GVMC

GRAND VALLEY METROPOLITAN COUNCIL

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MEMORANDUM

DATE: February 9, 2011

TO: Grand Valley Metro Council Board

FROM: Darrell T. Robinson, Transportation Planner

RE: FY2011 TIP Changes

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. (Please see attached).
- 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. (Please see attached).
- 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. (Please see attached).
- Senior Neighbors is requesting to have the attached list of projects added to FY2012 of the TIP utilizing 5310 funds.

If you have any questions please do not hesitate to contact me at (616) 776-7609.

THE rapid
Interurban Transit Partnership
300 Ellsworth Avenue SW Grand Rapids, MI 49503-4005 616.456.7514 • Fax 616.774.1195

January 18, 2011

Mr. Darrell Robinson
Grand Valley Metro Council
678 Front Ave, N.W., Suite 200
Grand Rapids, MI 49504-5319

Dear Darrell,

In preparation of the FY 2012 MDOT grant application The Rapid is requesting an amendment to the Transportation Improvement Program (TIP) for fiscal year 2012.
The Activity Line Items (ALI's) listed reflect the changes all other ALI's will remain the same.

If you have any questions or require additional information please call me at 774-1183.

Sincerely,

Janice Hoekstra
Grants Officer

The Rapid
FY 2012 TIP Amendment
24-Jan-11

Section 5307

Projects	Original Budget	Amendment Requested
Replacement 40' Buses	1,154,274	0
Expansion 40' Buses (14)	0	6,240,000
Associated Capital Maintenance Items	738,050	240,859
Preventive Maintenance	1,625,000	1,000
Bus Tire Lease	225,000	200,000
Shop Equipment	51,375	0
Facility Equipment	2,611,430	0
Storage Units	15,000	12,000
Office Furniture/Equipment	50,000	10,000
Computer Hardware	111,500	89,200
Computer Software	15,000	12,000
Service Vehicles (2)	87,500	70,000
Misc. Support Equipment	12,500	10,000
Security Sureveillance	116,000	79,472
ADA Vehicle Equipment	192,187	0
Rehab Admin Maint Facility	260,000	0
Passenger Shelters	187,500	50,000
ITS	1,250	0
Misc. Contingency	62,500	50,000
Project Admin	100,000	80,000
Capit Cost of Contracting	650,000	520,000
Bus Stop Signs	12,500	10,000
Information Displays	6,250	5,000
Planning	794,540	514,228

Section 5309

BRT	1,503,000	15,931,000
ITS	0	3,125,000

MICHIGAN DEPARTMENT OF TRANSPORTATION
TRANSPORTATION ENHANCEMENT ACTIVITY

Conditional Commitment

Project Number: ENH200900100
Applicant: Village of Kent City
Project Name: Kent City Streetscape

TEA Amount Requested:	$315,494.50	
Original Match:	$197,571.00	
Total Project Cost Requested:	$513,065.50	
TEA Amount Recommended Pending Final Reviews and Approvals:	$315,494.50	71.09 %
(Prorated) Applicant / Sponsor Match:	$128,313.50	28.91 %
TEA Recommended + Prorated Match:	$443,808.00	

Proposed (Participating) Work:

CONDITIONAL COMMITMENT REVISION (5/6/10):
The related road project received funding for fiscal year 2010 (ARRA) instead of 2011 and can no longer be constructed with the Transportation Enhancement (TE) project. The TE project will continue to include all the items listed below. Due to the road project and TE project being constructed in separate years, along with the associated changes in the design plans, the TE project budget must be modified as follows. The total cost of construction is $443,808 with $315,495 in federal TE funds and matching funds of $128,313 from the Village of Kent City. ms

2011 CONDITIONAL COMMITMENT (10/22/09):
The Village of Kent City will streetscape South Main Street from Spring Street to M-46. The design is intended to upgrade the community, with an emphasis on safety improvements, while working within a budget. The project components will include changes in grading, sidewalk placement, and accommodations for the change in road width of a separate road project to provide universally accessible design and safety for residents and visitors. New pedestrian level lighting will replace the aging cobra head lighting currently mounted on leaning electrical poles. Pedestrian areas will be accented with brick paving, screening, and a shade structure, while the public library will gain a new brick plaza. Water quality improvements will be made by channeling storm water into a system of rain cisterns which will use the water to irrigate public green space before impacting the sewer system. Educational signage about the water quality improvements will be incorporated in the library plaza. Additional project components include bicycle loops, trash receptacles, park benches, and decorative trees, shrubs, and planters to enhance and beautify the area. Relocation of the electrical poles in the project area will be a non-participating aspect of this project.

Construction is planned for the 2011 construction season, and is proposed to be paired with the related road project, which will be separately funded. The total cost of construction is $513,066 with $315,495 in federal TE funds and matching funds of $197,571 from the Village of Kent City.

FUNDING CONDITION:
Transportation Enhancement funding is conditional upon the items mentioned in the letter from our office conveying the conditional commitment, supporting documentation, as well as Congress' reauthorization or continued extension of Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) continuing TE program funding. SAFETEA-LU legislation expired at the end of fiscal year 2009 (September 30, 2009). TE Program funding has continued to date via legislative extensions.

Not Funded (Non-Participating) Work:

Non-participating items include: curb and gutter, design engineering, construction engineering, easement acquisition, and relocation of power poles and SBC poles.

Total Non-Participating Amount (Not Recommended) : $222,500.00

301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
Fax (616) 897-4085

January 25, 2011

Mr. Darrell Robinson
Grand Valley Metro Council
678 Front Avenue, N.W., Suite 200
Grand Rapids, Michigan 49504

SUBJECT: FY 2012-2014
TIP Amendment

Dear Darrell,

The City of Lowell has received STP-Small Urban Programs grants through the Michigan Department of Transportation for the following projects:

FY 2012

- Bowes Road reconstruction with sidewalks from 1950 feet to 2950 feet west of Valley Vista Drive, milling and resurfacing from South Hudson to South West Street .77 miles

Federal Small Urban Funding	$334,000.
Local Funding	83,501.
	$417,501.

FY 2014

- Bowes Road milling and resurfacing with sidewalks from 2950 feet west of Valley Vista to West Main Street (M-21) .28 miles

Federal Small Urban Funding	$178,648.
Local Funding	44,663.
	$223,311.

Please include these projects within the TIP for fiscal years 2012-2014.

If there are any questions, please contact me.

Sincerely,

David M. Pasquale

David M. Pasquale
City Manager

/brm

HOPE NETWORK

TRANSPORTATION

January 25, 2011

Andrea Faber
Transportation Department
Grand Valley Metropolitan Council
678 Front Avenue NW, Suite 200
Grand Rapids, MI 49504

Dear Andrea,

Please find the enclosed capital project requests on behalf of Hope Network. These projects need to be added to the FY 2012 TIP using Section 5310 funds.

If you have any questions, please feel free to contact me at 248-5193.

Sincerely,

Joan R Konyndyk

Joan Konyndyk
Director of Specialized Transportation Services
Hope Network

616.248.5900 [P]
616.245.4843 [F]
795 36th Street, PO. Box 141
Grand Rapids, MI 49501-0141
www.hopenetwork.org

A United Way Member Agency
Network Accredited by CARF

Hope Network is a Christian organization that empowers people with disabilities or disadvantages to achieve their highest level of independence.

Hope Network
2012 Capital Requests

Request	Program	Amount	Total
1 Cutaway Bus	Section 5310	@ $71,000	$71,000
Electronic Vehicle Inspection System	Section 5310	@ $75,000	$75,000
Snow Plow For Service Truck	Section 5310	@ $6,000	$6,000
		Total:	$122,000

RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

DATE: February 4, 2011

TO: Abed Itani, Transportation Director
Grand Valley Metro Council

FROM: Dennis Kent, Region Transportation Planner
MDOT/Grand Region

SUBJECT: **FY 2011-14 TIP Amendment #2a / FY 2011 MDOT Project**

MDOT is requesting an amendment to the GVMC FY 2011-14 MPO Transportation Improvement Program (TIP) to begin the Preliminary Engineering (PE) process for the following project. Because the cost estimate for construction is over $5.0 Million, federal guidelines now require the PE phase to be listed separately in the TIP, not as part of a General Program Account (GPA). Actual construction of the bridge is currently planned for 2015.

FY 2011 – Trunkline Project Modifications

JN	Route	Location	Work Description	Phase	Total Cost Est.
N/A	I-96	@ Cascade Road	Bridge deck replacement, widening and operational improvements	Preliminary Engineering	$700,000

Please amend the GVMC FY 2011-14 MPO TIP to include this project phase. Feel free to contact me at 616/451-3091 if you have any questions.

Thank you for your consideration.

cc GVMC MPO Committees
V. Weerstra, MDOT
E. Kind, MDOT
D. Robinson, GVMC
D. McBurrows, MDOT
R. Lenze, MDOT

SENIOR NEIGHBORS, INC.
Enhancing Senior Lives

820 Monroe NW, Suite 460 Grand Rapids, Michigan 49503-1442 616.459.6019
www.seniorneighbors.org

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Executive Director
Robert Barnes

January 13, 2011
Ms. Andrea Faber
Grand Valley Metro Council
40 Pearl Street NW, Suite 410
Grand Rapids, MI 49503

Dear Ms. Faber:

Senior Neighbors Inc. will be submitting an application to MDOT for Section 5310 capital funding in FY'12. We plan to request funds to purchase ADP hardware. This ADP hardware will replace ADP hardware in the "Sparta, Lowell, and Grandville Centers and Administrative Office". The amount of the request is $5422 (See attached summary.)

We are requesting that you include our funding request in your TIP for Urban Applicants. MDOT requires that we present proof of TIP Inclusion for Urban Applicants in order to complete the application process.

If you have any questions please feel free to contact me by telephone at (616) 459-6019, fax (616) 459-6953 or email at rhedberg@seniorneighbors.org. Thank you for your prompt attention to this matter.

Sincerely yours,

Robin Hedberg

Enclosure

SENIOR NEIGHBORS, INC.

Project Name	Total Federal	Federal Source	Total State	State Source	Total Cost	
Section 5310						
ADP Hardware	4,338	5310	1,084	CTF	5,422	5,422
TOTAL (5310)	**$ 4,338**		**$ 1,084**		**$ 5,422**	

GRAND VALLEY METROPOLITAN COUNCIL

ALGOMA TOWNSHIP • ALLENDALE TOWNSHIP • ALPINE TOWNSHIP • BELDING • BYRON TOWNSHIP • CALEDONIA TOWNSHIP • CANNON TOWNSHIP •CASCADE TOWNSHIP • CEDAR SPRINGS • COOPERSVILLE • COURTLAND TOWNSHIP • EAST GRAND RAPIDS • GAINES TOWNSHIP • GEORGETOWN TOWNSHIP • GRAND RAPIDS • GRAND RAPIDS TOWNSHIP • GRANDVILLE • GREENVILLE • HASTINGS • HUDSONVILLE • IONIA • JAMESTOWN TOWNSHIP • KENT COUNTY • KENTWOOD • LOWELL • MIDDLEVILLE • OTTAWA COUNTY • PLAINFIELD TOWNSHIP • ROCKFORD • SPARTA • SPARTA TOWNSHIP • TALLMADGE TOWNSHIP • WALKER • WAYLAND • WYOMING

MEMORANDUM

DATE: February 9, 2011

TO: Executive Committee

FROM: Andrea S. Dewey, Transportation Planner

RE: **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 your review.

LRTP Development Process

Socio-Economic Projections

Development of the LRTP began over two years ago with the collection of socio-economic data or population and employment data. In August 2009, staff used census estimates for 2009 to create "base year" population levels and Claritas data purchased by the state to do the same for 2009 base levels of employment. Staff then engaged all of the jurisdictions in the MPO area in a subregional process to strategically place projected increases in population and employment geographically. The GVMC Planning Dept. assisted in the development of base maps and "chips" so that the elected officials, planners, engineering staff, etc could place growth on a map. The placement showed not only the total number of people and jobs but also the types of jobs and the types of land use development – 2 acre lots verses 1- acre lots, for example. This information was photographed, recorded in GIS, and input into the travel demand model for use in identification of future capacity issues.

In sum, the population of Kent and Eastern Ottawa counties is projected to increase by approximately **135,000 people by the year 2035**. This growth is slowed from the previous LRTP. By 2035 there are estimated to be about **47,000 more retail jobs** and **58,000 more non-retail jobs**. Unfortunately, there is projected to be an **11% decrease in the number of industrial jobs** by 2035.

Vision, Goals, and Objectives

In January 2010, the GVMC Policy Committee began discussions to reevaluate and update the LRTP goals and objectives. There was a particular emphasis on maintaining a sustainable transportation system, preserving the infrastructure investments that have been made, and encouraging the most efficient use of limited resources to sustain the transportation network. The vision statement adopted is:

> **Establish a sustainable multimodal transportation system for the mobility and accessibility of people, goods, and services; it will provide an integrated system that is safe, environmentally sound, socially equitable, economically viable, and developed through cooperation and collaboration.**

Goal 1: **Accessibility, Mobility, Intermodalism, and Efficiency**	Provide access to employment, housing, services, and recreation for people regardless of physical limitations or economic status. Design a transportation system that allows the efficient movement of motor vehicles, buses, pedestrians, bicyclists, buses, trains, and air and freight carriers through the area. Enhance the integration and connectivity of the transportation system, across and between modes. Make the best use of existing transportation facilities by integrating systems, improving traffic operations and safety and providing accurate real-time information, to increase system-wide efficiency.
Goal 2: **System Preservation**	Assure the preservation and maintenance of existing facilities and work to educate decision-makers about the need for adequate transportation funding.
Goal 3: **Safety, Security, and Reliability**	Improve the safety and reliability of the transportation system for motorized and non-motorized users. Improve security measures to protect the region from natural and human threats.
Goal 4: **Land Use and Transportation**	Strengthen the link between transportation and land use policies to encourage people and businesses to live and work in a manner that reduces dependence on single occupancy vehicles.

Goal 5: **Public Participation, Intergovernmental Cooperation, Equity, and Fiscal Responsibility**	Provide information to the public to allow active participation in the transportation decision-making process. Equitably fund transportation based on need and benefit. Coordinate and design transportation improvements for all modes to assure the expenditure of resources in the most cost-effective manner. Implement transportation improvements that foster economic development and vitality, links centers of employment, education, medical facilities, and neighborhoods.
Goal 6: **Environmental Quality, Livability, and Sustainability**	Improve air quality, water quality, reduce vehicular emissions and minimize impacts to the natural environment, social well-being, and cultural heritage. Reduce the demand for single-occupant motor vehicle travel, and conserve energy.

Needs Identification and Deficiency Analyses

Once the goals were in place and the population and employment projections were approved, staff began the process of needs identification by mode. In contrast to previous LRTPs, a new needs identification process was adopted by the Technical and Policy Committees to collect an unconstrained list of needs by program area. For example, a new subcommittee exclusively devoted to safety and security was developed and from this came the Strategic Safety Plan (available from the gvmc.org website) and well thought out safety programs and projects.

A “needs” list was developed for Rail/Freight/Air, Non-motorized transportation, Transit & Passenger Rail, Congestion Management, Safety & Security, and Pavement Asset Management. The needs were introduced to the transportation committees to be narrowed down to the project level and ultimately appear in the LRTP and TIP project lists. The LRTP focuses primarily on regionally significant road projects, as FHWA provides the funding programs, and thus the projects specifically identified in the LRTP are largely road-capacity projects (widening projects). The LRTP Project List was developed to address the deficiencies identified in the plan and are limited by estimated future revenues. The first four years (2011–2014) of the LRTP Project List are equivalent to the Transportation Improvement Program project list, and demonstrate the short-term transportation projects identified for funding in this region.

There are **128 expansion-type projects** in the LRTP Project List. **Twenty-two percent are road reconstruction projects with the addition of a center turn lane**. Center turn lanes are generally added to improve corridor safety and decrease emissions. Only **two percent of the road projects involved widening beyond three lanes**, a decrease in the number of widening projects from previous LRTPs.

Needs for other modes were also incorporated into the LRTP document. In particular, it should be noted that the Pavement Asset Management subcommittee concluded that the current funding (approximately $11 million annually) on road pavement condition is not enough to sustain the road network at even its current condition. **To have a road network in good/fair condition it would take approximately $33 million annually**.

Analyses and Evaluations

The LRTP must be developed openly with the public, include analyses of the environmental, air quality, and social impacts of the projects, and be in consultation with a wide variety of federal, state, and local agencies and organizations.

To engage the public, a total of **sixteen 2-hour public meetings** were incorporated into the development of the LRTP as well as print and radio advertisements, dispersal of the draft document to nearly every municipality, library, and road agency in the MPO, numerous mailings, and an online citizen survey.

An **Air Quality Conformity Analysis** was conducted to assure that the LRTP projects did not damage regional air quality by comparing the projected emissions of nitrous oxides and volatile organic compounds to emission budgets set by the U.S. EPA. An **Environmental Mitigation Analysis** was also used to examine what projects have the potential to impact sensitive resources like wetlands or historic sites. This information was provided to local, state, and federal environmental agencies for their consideration.

GVMC also conducted an **Environmental Justice Analysis** to assure that there are no disproportionate high and adverse human health effects from the proposed projects. Areas within the MPO with higher than average minority populations or low-income populations account for about 57% of the land area, and the LRTP was shown to be in compliance with both Title VI of the 1964 Civil Rights Act and Executive Order 12898.

A financial analysis was also required of the LRTP. The revenues over the life of the LRTP were carefully calculated from information provided by MDOT and the federal government. The corresponding project costs were also carefully calculated and projected into the year they will be expended to ensure that the project list is financially constrained and not a "wish list." In sum, there are projected to be about **$4 billion worth of revenues/expenditures over the life of the plan**. Every dollar projected to be received by the MPO is expended. In fact there is a projected **$1.1 billion dollar shortfall** in funds over the life of the plan in the form of "illustrative projects." Illustrative projects cannot be included in the LRTP Project List because they do not have funding identified and/or are considered "financially unconstrained" – such as the Rapid's Transit Master Plan improvements. The shortfall total is only for those projects that have identified projected costs associated with them. Thus, the total funding shortfall over the life the LRTP is likely closer to **$2 to $3 billion**.

Final Steps

The 2035 Long Range Transportation Plan Update has been recommended by the Technical Committee for approval, and Policy Committee approval is anticipated on February 16, 2011.

Recommended Action:

Metro Council approval of the 2035 Long Range Transportation Plan Update for submission to the Michigan Department of Transportation, the Federal Highway Administration, the Federal Transit Administration, and the U.S. Environmental Protection Agency.

If you have questions, please contact Andrea Dewey, Transportation Planner, at (616) 776-7601 or andrea.dewey@gvmc.org