

**GRAND VALLEY METROPOLITAN COUNCIL
LEGISLATIVE COMMITTEE MEETING**

June 8, 2011

2:00 p.m.

GVMC Offices
678 Front Ave., Suite 200
Grand Rapids, MI 49504

MINUTES

1. Call To Order

Chair Rick Root called the meeting to order at 2:05 a.m.

2. Roll Call

Present:

Haris Alibasic	City of Grand Rapids
Alex Arends	Alpine Township
Daryl Delabbio	Kent County
Carol Hennessey	Kent County
Don Hilton	Gaines Township
Denny Hoemke	Algoma Township
Bob Homan	Plainfield Township
Jim LaPeer	Cannon Township
Rick Root	City of Kentwood
Ken Snow	City of Greenville
Don Stypula	Grand Valley Metro Council
Keith Van Beek	Ottawa County
Don VanDoeselaar	City of Hudsonville

3. Approval of Minutes

MOTION – To Approve the Minutes of the April 27, 2011 GVMC Legislative Committee. MOVE – VanBeek. SUPPORT – LaPeer. MOTION CARRIED.

4. Update from Lansing with Andy Schor of the Michigan Municipal League

Don Stypula reported the state legislature has wrapped up the budget. They will work until the end of the month and then take a couple of months off.

Andy Schor of the MML joined the group via telephone and gave the following report:

The next big issue for the Governor is the new bridge to Canada. He wants it done by the end of June.

Redistricting is to be done by the end of the month.

Implementation bills, policy changes needed to implement the budget, will be forthcoming.

Public Act 312 will be taken up next week along with the Urban Cooperation Act. They hope to have this done this month. There is a lot going on behind the scenes. Unused millage as will be addressed, as well as authorities being added to PA 312 (per firefighter requests).

Don Stypula asked about the personal property tax. GVMC is looking at options along with the Grand Rapids Chamber of Commerce.

Andy Schor stated he didn't feel there would be official language until fall. There has been discussion of slow phase outs and the possibility of regional ability to tax. The plan is to put the new formulas into the constitution.

Rick Root asked if the MML has been having conversations with the MTA and MAC on this.

Andy Schor responded yes they have talks regularly.

Keith VanBeek added the schools would be a powerful partner.

Andy Schor stated they haven't heard anything from the schools. In the past the state has reimbursed schools for cuts in renaissance zones, etc.

Rick Root reported GVMC is trying to formulate recommendations on the PPT with the Chamber and asked if the council of governments (MTA, MML, and MAC) would be a good place to hear our ideas.

Andy Schor said it would probably be the best place.

Haris Alibasic asked about the parking bills hearing.

Andy Schor indicated he will be at the parking bills hearing.

Jim Buck asked for an update on Public Act 312 and the Urban Cooperation Act.

Andy Schor stated the bills are in Senator Jansen's committee. The deal has blown up 2 or 3 times in the past.

Don Stypula asked about infrastructure funding. GVMC has a workgroup studying the issue. What are they considering in Lansing?

Andy Schor said he hasn't heard yet. Everyone is providing comments, but noting specific has been proposed yet.

Keith VanBeek asked about the 80/20 bill. It passed in the Senate. Now in the house there have been 2 or 3 hearings. Some favor a cap rather than 80/20 mandate.

Rick Root said GVMC should talk with Bill Anderson at MTA and someone from MAC to vet the PPT issue.

Regarding the PPT, Don Stypula reported it appears the GVMC/GR Chamber workgroup is going to suggest an increase in sales tax to replace the lost PPT revenues. We will be asking the assistance of GVSU to review scenarios.

Rick Root stated he feels citizens will view an increase in sales tax as a shift from businesses to individuals.

Don VanDoeselaar said it is similar to what has happened with Proposition A. The big problem is the grant will be determined by the level of PPT at that time. If there are any current major closings, it could cause problems.

Keith VanBeek reported it is important to protect replacement revenues from the revenue sharing promise of "we will return it to you." We can't take that chance.

Jim LaPeer said the PPT in Cannon Township is negligible. An increase in the sales tax would result in an increase in our area.

Daryl Delabbio stated, the increase in sales tax is approach one. Do we have an approach two? We should. The increase in sales tax certainly will be considered a tax shift. This needs to be deliberated with the MTA, MML & MAC.

Haris Alibasic reported the PPT workgroup has also considered a service tax.

Rick Root said he doesn't think citizens will accept a shift. We will see a division between us and the Chamber of Commerce.

Haris Alibasic said it is very important the MTA, MML & MAC work together on this. Time is of the essence.

5. Infrastructure Financing

Don Stypula reported they are focusing in on transportation financing as well as water and sewer. The state revolving fund has been cut substantially. They are considering a mandate which would require municipalities or authorities to adjust their fees yearly to maintain and replace infrastructure.

Rick Root reported some of us are already doing that.

Keith VanBeek said it takes the rate increase issue out of the political arena.

Don Stypula reported the ideas which come from this workgroup will eventually be presented to the Governor's staff. He also reported the Governor is going to open up Act 51, but he has no idea what that means.

6. Adjourn – 10:00 a.m.