

**Grand Valley Metro Council
Executive Committee Meeting**

Thursday, June 17, 2004
12:00 PM

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

MINUTES

Present

Jim Buck	City of Grandville
Daryl Delabbio	Kent County
Cindy Heinbeck	Alpine Township
Kurt Kimball	City of Grand Rapids
Cy Moore	Council Treasurer
Rick Root	City of Kentwood
Rob VerHeulen	City of Walker

Absent

Don Hilton	Gaines Township
Mark Knudsen	Ottawa County

Staff

Brian Berdanier	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

1. Call To Order

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

2. Approval of Minutes

The minutes of the May Executive Committee meeting were reviewed.

MOTION – to Approve the May 2004 minutes of the GVMC Executive Committee Meeting. MOVE – Kimball. SUPPORT – Delabbio. MOTION CARRIED.

3. Review of Financial Statements

Treasurer Cy Moore reported on the financial statement. Net revenues over expenditures year-to-date are \$173,565. However, this is largely due to a \$129,000 pass through billing from NPDES in which we have received funds from those participating but have not yet been billed by Fishbeck; and also an unexpended UBC grant. When taking these into consideration, revenues over expenditures are \$19,000.

There was not a report from REGIS.

Chairman Buck noted the financial report was accepted into record.

4. FY 2005 Unified Planning Work Program and Budget

Abed Itani discussed the FY 2005 Unified Planning Work Program and Budget and answered questions.

Mr. Itani stated that this plan and budget needs to be in place in order to receive federal funding. MDOT needs this approved budget by July 15, 2004. Included in the budget are the MPO, ITP, and MDOT.

The budget does not vary much from last year.

Discussion.

FY2005 GVMC Unified Work Program Tasks

Program Areas of Focus:

- Transportation/Land Use Regional Study
- Safety Conscious Planning (Intersection Profile Study)
- Transportation Geographic Information System
- Travel Demand Model Update/calibration/validation
- Transit/Mode Split Model
- Ozone Action! Program
- Congestion Management System (CMS)
- Pavement Management System (PMS)
- 2030 Long Range Transportation Plan Update
- 2004-2006 Transportation Improvement Program Update
- Intelligent Transportation System (ITS Study)
- Non-Motorized Plan
- Public Involvement/Information
- Technical Assistant
- City of Walker/Alpine/Kent County Road Commission Corridor Study

MOTION – To move the FY 2005 Unified Planning Work Program and Budget to the full GVMC Board at its June meeting for their approval. MOVE – Kimball. SUPPORT – Heinbeck. MOTION CARRIED.

5. Recommendations from May 21, GVMC Strategic Planning Retreat

Don Stypula reported on the following recommendations that emerged from the May 21, Strategic Planning Meeting.

There was a question regarding the survey of shared services that was requested previously. Don stated that he would conduct the survey and get the results to all members, legislators and the Governor within the next two weeks.

RECOMMENDATION #1 – THE GVMC VISION AND MISSION

After much discussion, the following Vision was agreed upon at the strategic planning session:

Our Vision

A Council of Governments dedicated to enhancing the quality of life of the people of our metropolitan area through collaboration among regional partners.

GVMC's Mission, remains intact with the exception of one redundant sentence being eliminated:

Our Mission

The mission of the Grand Valley Metropolitan Council is to advance the current and future wellbeing of our metropolitan area by bringing together public and private sectors to cooperatively advocate, plan for, and coordinate the provision of services and investments which have environmental, economic and social impact.

In pursuit of this mission, it is understood that the well-being of the metropolitan community relies on good government and springs from a shared vision that encompasses many elements, including, but not limited to, the following:

- Preparing now for the challenges of the future
- Planning for orderly growth and development
- Minimizing urban sprawl
- Preserving and enhancing the natural, social, and physical environments
- Promoting economic vitality and employment opportunities
- Equitably sharing responsibility for community needs
- Recognizing the strengths and benefits of diversity
- Promoting quality lifelong educational opportunities
- Promoting quality cultural and recreational institutions and facilities
- Developing a sensible and environmentally sound transportation system to serve all population groups
- Vigilantly preserving the health and safety of the general public
- Effectively utilizing and enhancing existing infrastructure
- Eliminating unnecessary duplication of services
- Effectively advocating for financial equity and other assistance with the State and Federal governments
- Conserving and enhancing healthy neighborhoods, business districts and employment centers

- Promoting a high quality of life now and for future generations

RECOMMENDATION #2 – NAME OF COOPERATION COMMITTEE

Change the name of the City-Township Cooperation Committee to the GVMC Regional Cooperation Committee and meet quarterly.

Chairman Buck recognized Cindy Heinbeck’s contribution in recommending this action and thanked her for her suggestion.

RECOMMENDATION #3 – ISSUES AND TOPICS FOR DISCUSSION

The May 21, GVMC strategic planning group recommends the following list of issues as topics for discussion during the quarterly meetings of the new GVMC Regional Cooperation Committee.

1. Affordable Housing
2. Future of Metropolitan Government
3. Future of Public Transportation
4. Interface and relationships between local units and school districts / school election issues
5. Increasing local tax burden
6. Regional cooperation on homeland security issues
7. Institutional racism in metropolitan planning
8. Sustainable funding solutions for local units and school districts
9. Structure of GVMC: Environmental and Watershed initiatives
10. REGIS as a member “service” of GVMC
11. Urban sprawl and planning – all sectors
12. Commerce Centers proposal
13. Relative cost of government
14. Regionalized services – cost/benefit
15. Municipal financing issues raised in the Plante and Moran study

MOTION – To approve the recommendations. MOVE – Heinbeck. SUPPORT – Kimball. MOTION CARRIED.

6. REGIS

a. Resignation of Brian Berdanier as REGIS Director

Don Stypula stated it was with a great deal of regret that he announced Brian Berdanier has submitted his resignation as REGIS Director.

Several members commended Brian on the fine job he has done with REGIS and thanked him for his service.

Brian stated that he enjoyed working with the members and serving as Director of REGIS, but felt that it was time for someone else to take over a leadership role.

b. July 19, REGIS Meeting

Don Stypula announced there would be a meeting on July 19 with the head officials of the REGIS member communities to discuss the vision and direction of REGIS in the future.

7. Legislative Update

Don Stypula gave the legislative update including the following:

It's crunch time at the state capitol as lawmakers struggle to complete action on the FY '05 budget and move other long-stalled legislation before taking a break from session for the July 4th holiday. The House is tentatively scheduled to return to session for the first three weeks of July, and leadership announced that both chambers will return to session for a day on August 4. Budget negotiations (known as budget "target talks to set maximum spending limits) are moving at a snail's pace with Senate Appropriations Chair Shirley Johnson characterizing the legislative leadership and administration as "light years apart" on reaching consensus. Meanwhile, several of our key non-budgetary initiatives, which were gaining ground, are now stalling. Welcome to late June at the "big building."

STATE BUDGET – REVENUE SHARING

The Senate is schedule to vote today on the legislation to hike the state taxes on cigarettes and liquor, together with bills to increase the estate tax and the state tax on casinos. No telling the outcome of those votes, since many Senate GOP caucus members are miffed at the Governor's insistence on using most of the yield from the cigarette tax hike to prop up the state's ailing Medicaid program. Many pundits believe the tax votes will fail, signaling to the Governor that she needs to compromise on several issues regarding the budget. Republicans also want to tie a tax vote to the Governor's support for a package of economic development and job creation bills.

In addition, the Senate has pulled back on legislation to establish a 5-percent entertainment tax. The bill has been sent back to the Legislative Services Bureau for more work, signaling that the issue is dead until the fall.

Meanwhile, a "deal" struck between the administration, leadership and the Michigan Association of Counties to completely cut county revenue sharing (by \$183 million) and phase-in over three years (beginning in July, 2005) a plan to shift county property tax collections from December to July is waiting on the sidelines while other portions of a budget agreement are worked out. As part of the negotiated compromise, the Governor and legislative leaders will appoint representatives to a high-level panel to investigate local government financial constraints and make recommendations to the Governor and Legislature.

MOBILE HOME REFORM PACKAGE

House lawmakers are getting nervous about a long-sought package of legislation to phase-in an ad-valorem property tax on mobile homes located in mobile parks. There was a lengthy and raucous House GOP caucus on the entire manufactured housing reform package yesterday. Members emerged supportive of many parts of the package, but the bill to increase the current \$36-per-year "fee" by \$18 per year over the next seven years and move to a full ad-valorem property tax system in 2011 drew sharp criticism from the more conservative wing of the GOP caucus.

"We believe we have the votes," MTA lobbyist Bill Anderson told reporters at the Capitol. "I think some questions have arisen on the ad valorem issue. But that's not a surprise. Look, it's been 50 years since we tried to do anything like this. We expect the process to take some twists and turns."

MTA, MML and MAC are part of a broad coalition supporting the manufactured housing reforms, which basically phase in a new tax structure for manufactured home owners, establish more rights for the owners, and result in more options and revenue for local governments.

According to observers, after the package was discussed in the House GOP caucus at length, the caucus members were said to be "all over the map" on the issue. New amendments were being crafted and doubts about various aspects of the bills were being raised. Ultimately, these reactions convinced leadership to delay a vote on the bills. There is a possibility that the votes will be delayed until the fall.

For reference, here is a summary of the package provided by MIRS News Service:

- The annual specific tax on manufactured homes in parks would increase by \$18 per year, from \$36 to \$144 by 2010. This would be accomplished by repealing the current specific tax and creating a new Manufactured Housing Specific Tax Act, which itself would be repealed on Dec. 31, 2010.

One-half of the new specific tax would be collected in July and one-half in December, with the revenue to be distributed to local schools, the county, the local unit of government, and the State School Aid Fund. ([HB 4880](#) would create the new specific tax act.)

- After Dec. 31, 2010, manufactured housing would become subject to the General Property Tax Act, and manufactured housing would be considered real property under that act. ([HB 5034](#) would amend the General Property Tax Act to accomplish this.)

- As of Jan. 1, 2011, the sales tax would apply to one-half of the price of a new manufactured home; and the use tax would not apply to a manufactured home transfer, except for new homes purchased out of state, and in those cases the use tax would apply to one-half of the retail dollar value of the home. ([HB 4879](#) would amend the General Sales Tax Act and [HB 4882](#) would amend the Use Tax Act.)

- Also, as of Jan. 1, 2011, the sale or transfer of a mobile home would be subject to a

new state transfer tax of three-quarters of one percent of the total value of the home (the same rate as applies to other property transfers), which would be paid to the Department of Labor and Economic Growth when a certificate of title was transferred to a new owner. The revenue would go to the State School Aid Fund. ([HB 4106](#) would create the transfer tax.)

- Two new acts would be created - the Manufactured Home Owners' Residency Act and the Manufactured Homeowners Association Act - that impose restrictions on the activities of park owners and operators, allow park residents to organize associations, and prohibit owners from harassing or evicting park residents for organizing an association, among other things. ([HB 4868](#) and [HB 4869](#), respectively, would create the new acts.)

- The membership of the Mobile Home Commission would be expanded from 11 members to 13 new members, with changes in membership composition. ([HB 5035](#) would amend the Mobile Home Commission Act.)

- The new specific tax levied through 2010 and, obviously, the general property taxes levied beginning in 2011 would count toward in the owner's calculation of the homestead property tax credit available through the Income Tax Act. Now, site rent for space is considered rent and is also part of the credit calculation. ([HB 5844](#) would amend the Income Tax Act.)

[NOTE: [HB 5098](#), which would have created a new manufactured housing ad valorem specific tax, was at one time part of the package of bills, but has been replaced with [HB 5034](#). Some of the bills in the package contain references to that bill, and some are tie-barred to it, and amendments are anticipated to remedy that.]

It is estimated that the annual increase in the specific tax (through 2010) will not have any direct impact on State revenues, although estimated growth in the number of manufactured homes over this time period could increase State revenues (which are dedicated to the School Aid Fund) by about \$50,000 per year.

Local and county governments should see revenue increases averaging approximately \$470,000 per year through 2010 resulting from growth in the number of manufactured homes as well as the annual increase in the specific tax. Funding for local education will also grow by an estimated \$1.8 million per year over this time period.

The bills of the package are:

[HB 4106](#), [HB 4111](#), and [HB 4869](#) sponsored by Rep. Ruth Ann **JAMNICK** (D-Ypsilanti); [HB 4879](#), [HB 4880](#), [HB 4882](#), and [HB 5844](#), sponsored by House Majority Floor Leader Randy **RICHARDVILLE** (R-Monroe); and [HB 5034](#) and [HB 5035](#), sponsored by Rep. Matt **MILOSCH** (R-Lambertville).

STATE BUDGET – TRANSPORTATION FUNDING

Here we go again! With no advanced notice and no one from MDOT present, Senator Shirley Johnson (R-Troy), chair of the Senate Appropriations Committee, moved to the Senate floor for final passage six transportation-related bills the Granholm administration opposes, including bills that give more legislative oversight over state vehicles, state employee transportation reimbursement the Department of Transportation's (MDOT) five-year plan and MDOT's bonding powers. Committee Democrats were taken by complete surprise, as Johnson ignored their requests to wait 30-minutes so Democratic senators could review the legislation.

The committee also sent to the full Senate legislation that ends current requirements that the Comprehensive Transportation Fund - which helps finance buses and other mass transit systems - get automatic funding from the Michigan Transportation Fund and legislation requiring the state to help support ridesharing programs. I alerted Peter Varga and his ITP staff last night and they were talking with Senators about the legislation this morning.

The bill requiring legislative approval of MDOT's 5-year plan and bonding programs is opposed by GVMC. We have communicated with our senators and representatives about the negative impacts of this legislation, but this bill and the others are expected to pass and likely wind up as points of difference during negotiations on the MDOT budget. If the bills are sent to the Governor, they face a guaranteed veto.

Why did Senator Johnson resort to this tactic? Several reasons, really. First, it's a shot at the administration and MDOT – two of her favorite targets. Second, Shirley was a member of the House Appropriations Committee in the late 80s / early 90s when legendary Committee chair Dominic Jacobetti, a crusty, Upper Peninsula Democrat who used similar surprise tactics a more than a decade ago.

Don't touch that channel changer. There are more action-packed episodes on this issue to come!

CONGRESSIONAL REAUTHORIZATION OF TRANSPORTATION FUNDING

Facing a June 30 deadline to develop an acceptable TEA-21 reauthorization bill, House and Senate conferees have begun meeting to iron out significant differences between the two chambers and the Bush Administration on a new six-year transportation spending plan. Michigan has four House members on the House-Senate conference committee, including our own West Michigan Congressmen Vern Ehlers and Pete Hoekstra. Their task is daunting: bridging the differences between a White House supported six year spending number of \$256 billion, a House-passed spending limit of \$275 billion and a Senate-supported program totaling \$318 billion. At the inaugural meeting, members laid out their priorities, but no movement was made to reach a consensus.

Meanwhile, members from the Northeast and nearby states on Tuesday predicted "absolute war" would break out if a formula for dividing highway funds among states was changed to the benefit of a group of states that includes Michigan and much of the Midwest. But both sides also made it clear that they were interested in avoiding that war

for the sake of getting a transportation reauthorization bill (HR 3550) everyone can live with.

Absent a workable agreement that has the support of all parties, a new continuing resolution, authorizing spending on transportation projects (including our MPO activities) would be forthcoming in both chambers. At this stage, Democrats are pushing for a one-month spending extension to July 31 while Republicans favor a plan to fund transportation projects at current levels until September 30.

We're watching this closely and will report developments to you as they occur.

RECALL LEGISLATION

Despite the daily efforts of MTA, working in consort with GVMC and other groups to get this legislation moving through the Senate, it appears the recall legislation will be delayed until later in the summer or in early fall. We need our own Senate Majority Leader Ken Sikkema, chair of the Senate Government Operations Committee, to conduct a public hearing and report House-passed **HB 4638** to the Senate floor. Budget issues and the lack of remaining time for legislative session are affecting the movement of this legislation. The recall legislation awaiting Committee action prohibits recalls of local officials during the first and fourth years of a four-year term. While not ideal, we believe – as do MTA, MML and MAC – that this is a good start. Hopefully, we can get a hearing in the near future and entice many of our West Michigan officials to travel to Lansing and testify in support of HB 4638.

LEGISLATIVE STRATEGY ON MUNICIPAL FINANCE STUDY RECOMMENDATIONS

Representatives of the MML and Plante and Moran will be joining us at our August Board meeting at the Kent County Commission Chambers on August 5 to give us a detailed briefing on their findings and recommendations. It should be a good opportunity to learn the specifics and develop a legislative strategy for the fall.

As always, if you have any questions, or if we can be of further assistance, please call me directly at 776-7604 or on my cell at 450-4217, or via email at stypulad@gvmc.org.

8. Other

a. Change of date for July Board meeting to July 12, at Millennium Park

Because of conflicts with the 4th of July holiday, it was proposed that the July Board meeting be moved to July 12, 10:30 a.m. preceding the Quarterly Luncheon.

MOTION – To change the July Board Meeting to July 12, at 10:30 at Millennium Park. MOVE – Heinbeck. SUPPORT – Delabbio. MOTION CARRIED.

9. Adjourn – 1:30

**MOTION – To Adjourn. MOVE – Delabbio. SUPPORT – Heinbeck.
MOTION CARRIED.**