

Grand Valley Metro Council Finance Committee Meeting

January 27, 2012

8:30 a.m.

678 Front Ave NW
Grand Rapids, MI

MINUTES

Members Present

Scott Buhner	City of Grand Rapids
Mike DeVries	Grand Rapids Township
Cy Moore	GVMC Treasurer
Mary Swanson	Kent County
Keith VanBeek	Ottawa County

Members Absent

Denny Hoemke	Algoma Township
Bill VerHulst	City of Wyoming

Others

Leon Branderhorst	Grand Valley Metro Council
Peter Haefner	Vredeveld Haefner
Abed Itani	Grand Valley Metro Council
Gayle McCrath	Grand Valley Metro Council
John Weiss	Grand Valley Metro Council

1. Call To Order

The meeting was called to order at 8:40 a.m. by Chair Cy Moore.

2. Audit

Peter Haefner reported on the single audit report and letter to the GVMC Board. The opinion of the audit is an unqualified opinion, the highest that can be received. There was one material weakness noted which was “Grand Valley Metropolitan Council does not have procedures in place to prepare financial statements in accordance with generally accepted accounting principles including procedures to record certain revenue and expenditure

accruals and to present required financial statement disclosures”. This is a very, very common item cited in government audits. Approximately 50% of government audits note this. Internal controls are good. There were neither significant deficiencies nor noncompliances found. It is a great audit; the ideal situation.

Vredeveld Haefner has been holding up on the audit so that the federal transportation audit can be included the final settlement.

John Weiss recapped the Phase I & Phase II federal transportation audits. An internal memo from MDOT accepted GVMC’s proposal for settlement of Phase II at \$159,000. However, REGIS’s proposal for forgiveness of the entire \$165,500 was rejected. Per a meeting between John Weiss, Bob Homan, Dharmesh Jain, & Abed Itani, it was decided that GVMC would try to get the opportunity to renegotiate for REGIS.

There was in-depth discussion on how the REGIS portion of the audit should be addressed.

Abed Itani updated the group on where the issue is currently. MDOT has stopped and is reconsidering, which is encouraging. They are deciding if they will give GVMC / REGIS another chance to go back in front of DART.

John Weiss pointed out that crucial to the negotiations is what new reasoning can be presented to argue the case in favor of GVMC / REGIS.

GVMC / REGIS will further pursue the issue in order to attempt to come to an acceptable settlement.

Cy Moore suggested holding up on the audit reporting if the REGIS part of the audit is expected to be settled soon. GVMC has 18 or 20 days to take care of this and still meet the March 31 deadline.

3. Budget Amendments

GVMC Budget Amendments

Leon Branderhorst reviewed the proposed budget amendments which include increases to revenue for:

PL	\$50,000
SPR	\$75,000
Contrib. Survey	\$2,000
LGROW	\$3,252
Data Collection	\$7,670

Proposed amendments to expenses included:

Administration

Salaries	\$19,390
Social Sec. Tax	\$1,203
Medicare Tax	\$282
Health & Dental Ins	\$125
Pension Plan	\$1,750
Legal	\$1,000
Contractual Serv	\$3,035
Meeting Exp	\$1,000
Mileage	\$1,330
Repair & Maint	\$185

Transportation

Health & Dental Ins	\$335
Contract Serv	\$50,100
Repairs & Maint	495

Regional Planning Services

Health & Dental Ins	\$110
Contract Serv	\$150
Repairs & Maint	\$120

MOTION – To Approve the Proposed FY 2011-2012 GVMC Budget Amendment. MOVE Buhrer. SUPPORT – VanBeek. MOTION CARRIED.

LGROW Budget Amendment

Leon Branderhorst reviewed the proposed FY11-12 LGROW budget amendments.

The amendment includes an increase in revenue of \$44,200 due to a grant from the Wege & Frey Foundations (including an anticipated GRCF \$16,000 grant).

Increases in expenses include \$3,240 in GVMC Staff Services; \$13,860 in Contracting for Communications & Business Plan; and \$755 in printing.

MOTION – To Approve the Proposed FY11-12 LGROW Budget Amendments. MOVE – DeVries. SUPPORT – Dood. MOTION CARRIED.

4. FY 2011-2012 First Quarter Financial Report

Leon Branderhorst reviewed the first quarter financial report.

The report shows \$231,000 revenues over expenditures as member dues have been received and will be expended over the remainder of the year.

Leon will e-mail all Finance Committee members the balance sheet

Cy Moore stated the revised financial statement from the auditors would be forwarded to all Finance Committee members.

Cy Moore also suggested GVMC secure a line of credit from the bank.

5. Adjourn – 9:25 a.m.