

NEWS RELEASE



GRAND VALLEY METROPOLITAN COUNCIL
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Grand Valley Metropolitan Council Board Votes to Enact a 10% Rebate of Dues

GRAND RAPIDS, MICHIGAN – At its March 4th Board meeting, the membership of the Grand Valley Metropolitan Council unanimously approved a resolution for a rebate to dues paying entities in the amount of 10% of their yearly dues. The action came after a recommendation from GVMC’s Executive Committee. Local governments have been hit hard by cuts in state statutory revenue sharing and nearly all Metro Council members have had to slash their budgets to make up for the loss of revenue.

“Being cognizant of multiple cuts that our membership has endured from State Shared Revenues, Grand Valley Metro Council's Executive Board and staff examined a responsible, yet responsive rebate in the dues for fiscal year 2004 and will monitor the budget in 2005,” said Cindy Heinbeck, Alpine Township Supervisor and Vice Chair of the Metro Council.

In the fall of 2003, GVMC adopted a fund balance policy which stated “It is the policy of the Grand Valley Metropolitan Council to strive for both a total fund balance of 30% of expenditures and an unreserved cash balance of 3 months’ operating expense (25% of its total budget). The unreserved cash balance shall be reviewed each year at the first Executive Committee Meeting of the new calendar year (January), provided the annual audit is completed at that time. If the unreserved cash balance and the overall fund balance exceed the recommended amounts, the Executive Committee has the authority to disperse the excess unreserved cash balance in the manner it chooses including the option of a partial refund of dues to members, holding the funds if it deems necessary, or bringing a proposed expenditure before the Board.”

Although this threshold had not been reached, the Board felt that in these circumstances, it was appropriate to by-pass the fund balance policy and draw down the fund balance.

GVMC's financial situation is unique in that receivables typically make up 50 – 90% of its unrestricted fund balance. Recently it has averaged 79%.

The Grand Valley Metro Council (GVMC) is a regional organization dedicated to promoting cooperation and coordination among local governments in the metropolitan Grand Rapids area. Created in 1990, its membership now includes 32 local governments, representing nearly 665,000 people.

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