



GRAND VALLEY METROPOLITAN COUNCIL

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Budget Resolution for Fiscal 2021-2022

Whereas, the Grand Valley Metropolitan Council (GVMC) was organized as a Council of Governments in 1990; and

Whereas, GVMC now has 38 members from West Michigan including cities, villages, townships and counties; and

Whereas, the budgetary process at GVMC is highly transparent and began in April and has had involvement by approximately 70 members or representatives of GVMC members; and

Whereas, GVMC has added many new programs and initiatives in the past few years; and

Whereas, GVMC has completed reorganization of its operations and a fiscal transformation; and

Whereas, GVMC has reached fiscal sustainability through increased revenue and dramatically reduced expenses and through staff reductions, privatization, program expansion, and reorganization we are able to adopt this balanced budget, and

Whereas, GVMC budgets on a functional level not a line item basis; and

Whereas, The Transportation Policy Committee, REGIS Executive Committee, REGIS Board of Directors and GVMC Executive Committee have reviewed and recommend the budget,

Now Therefore be it Resolved, that the Board of Directors of GVMC hereby adopts the Budget for Fiscal 2021-2022.

Be It Further Resolved that our functional budgets are as follows:

Table with 3 columns: Fund Name, Revenue, Expenses. Rows include General Fund, REGIS Fund, REGIS Capital, Environmental Programs, and Infrastructure Asset Mgmt.

At the Regular Board of Directors Meeting held on September 2, 2021 a motion was made by \_\_\_\_\_ supported by \_\_\_\_\_ to adopt this Budget Resolution for Fiscal Year 2021-2022. The vote was \_\_\_\_\_ yes to \_\_\_\_\_ no. Motion Adopted.

Michael DeVries
Chair, Grand Valley Metropolitan Council

Date

**TO: Grand Valley Metropolitan Council**

**FROM: John Weiss, Executive Director**

**DATE: August 1, 2021**

**RE: FY 2021-2022 Budget Message and Budget Resolution**

Below you will find the details of the FY 2021-2022 Budget for all programs at GVMC. As in the past nine years, there are **no** dues increases in this budget except for the small equity recalculations (parcel count) previously approved by the REGIS and GVMC Board of Directors. Because Census Data is not yet available this calculation will be done next year. Please contact me if you have questions or comments.

Most importantly, the Grand Valley Metro Council continues to be in a very strong financial, programmatic, and budgetary position. We continue to be involved in many issues, have developed additional collaboration initiatives, and expanded those that already exist. We are continuing to bring in grants, fees for services and non-dues related revenues and have the highest level of public awareness and regional and state-wide leadership since our founding in 1990. Because we have reached fiscal sustainability through increased revenue and dramatically reduced expenses through staff reductions, privatization, program expansion, and reorganization we are able to present this balanced budget.

Attached for your review and consideration is the GVMC budget for Fiscal Year 2021-2022. The budget utilizes revenues from GVMC general fund dues, transportation allocations, and project-specific grants to fund the activities of the Council's Strategic Initiatives, Transportation, Environmental, Infrastructure Asset Management and REGIS through September 30, 2022. The GVMC Budget is adopted at the function level, not on a line-item basis.

The GVMC Executive Committee, and the REGIS Executive Committee and Board have reviewed this budget and recommend it. In addition, the GVMC Board has already adopted the Transportation/Unified Work Program at our May 2021 meeting. This approval comprises the majority of our General Fund Budget and was recommended by the Transportation and Executive Committees prior to our May approval.

This year we are once again using a very transparent approach to our budget with approximately 70 of our members actively involved in development process for the budget. We have also allowed for one month review and consideration by the Board of Directors. If you have any questions, please feel free to contact me or Chris Brown.

### **Key Budget Highlights for 2021-2022**

- Because of the COVID-19 Pandemic delayed our plans to assist our region's communities in the implementation of Infrastructure Asset Management we will re-engage our efforts in their infrastructure asset management. Revenues for this program were awarded through our leadership in the 21<sup>st</sup> Century Infrastructure Pilot in 2018 and as the Michigan Infrastructure Council continues its work, this budget item will be used to assist local communities to develop or continue or expand their asset management Programs.

- GVMC has completed its fiscal transformation, and this is a balanced budget that continues expansion of our programs and services to our members. We have achieved financial stabilization, budget control, and fiscal sustainability.
- As our programs continue to grow and we have sought and received substantial non-dues related revenues through program and service expansion and calculated program growth. Our growth is funded through grants and fees for service.
- Through collaboration with members, the Transportation Department will be leading two regional planning studies in FY2022: a regional transportation demand management study and an airport access study. Both were incorporated into the expanded work program in a way that will not increase dues.
- The Transportation Department will develop the next four-year Transportation Improvement Program (TIP), working with member to program all federal funding through 2026.
- The pavement data collection van will be replaced to incorporate updated technology and additional capabilities to provide greater value to our member communities and allow for additional contracting opportunities.
- In 2015 during the REGIS reorganization a complete renovation of the REGIS system was completed. This renovation brought back confidence and stability in the system. REGIS has now gone 6 years with no unplanned downtime. A major goal was also achieved to develop a hardware capital improvement plan and software master plan. The plans that are reviewed on a yearly basis now call for a hardware upgrade which we will begin in the Summer of 2021 with added software upgrades in 2022.
- REGIS has assisted with creating many different public-facing online GIS applications for its members. A few examples are an online resource map for the City of Wyoming Veterans Court, an online map showing public Wi-Fi locations created using CARES Act funds for the City of Kentwood along with an online Polling / Precinct Location map for numerous members. Another very popular online map is the cemetery finder created for multiple members that holds data over 20 cemetery locations across Kent County. This site has had 771 site hits this year thru June of 2021 from users across the United States. Other similar online maps that display zoning data had 846 site hits from thru June of this year.
- Over the past 5 fiscal years REGIS has rebated to its members a total of **\$550,000**. These rebates occurred with no increase in dues and saved each of our members about 20% of their total dues. We have a resolution on the September 2, 2021, agenda to authorize another \$100,000 rebate increasing the total to **\$650,000**.
- In 2017, the REGIS Board of Directors and GVMC Board of Directors implemented an equity- based cost structure based on fixed multipliers for population and parcel counts. This policy requires recalculations every 2 years for parcels and 10 years (with the census) for population. This budget reflects Kent & Ottawa County Equalization Report 2021 real parcel count data, which is required by the policy. Census data from the federal government has been delayed due to COVID19 so the population adjustment will occur with the next budget rather than doing a mid-year adjustment.
- In 2017, GVMC was awarded \$8,000,000 in USDA Regional Conservation Partnership Program funding to restore habitat as part of the Grand River Restoration project and reduce erosion and sedimentation in the upstream watersheds of Indian Mill Creek and Rogue River. We are about halfway through this program and will continue meeting the goals of this grant in 2021-2022.
- Work is continuing on existing grants and several new grants that were awarded to GVMC Environmental Programs Department this past year:
  - o Updating Buck Creek and Coldwater River watershed management plans
  - o Stabilizing Alger Ravine severe erosion and monitoring its success

- o Increase tree canopy on multiple school campuses.
- o Providing Rainscaping services to small businesses and neighborhoods
- We continue to support Grand Rapids Whitewater and the Grand River Restoration project by providing project management assistance and applying for and securing grant funding. Our contract with GRWW for the 2021-2022 budget year is \$16,000.
- GVMC continues to work with communities through the NPDES Municipal Separate Storm Sewer System (MS4) permits. Permits for our 24 entities were all issued by the end of fiscal year 2021, with implementation of those permits starting upon issuance. Communities will be adopting the Stormwater Ordinance in the 2021-2022 fiscal year.
- We estimate our environmental educational efforts reached more than the 7,000-goal due to the switch to virtual application of lesson plans this past school year.

This budget reflects the continuing integration of all GVMC programs and operations with multiple collaborations, cost sharing and program efforts occurring between departments. This has resulted in program expansion and improved operational efficiencies.

**The Budget Calendar is as follows:** (Approximately 80 people have been involved in this process).

This year the process is changed slightly to allow for concurrent review of the budget by the REGIS and GVMC Executive Committees and Boards.

- April 21-Transportation Policy Committee Reviewed the Budget and recommended approval by the GVMC Board of Directors.
- May 6-The Unified Work Program (Transportation Budget) was adopted by the GVMC Board
- June 30-REGIS Executive Committee recommends adoption of the 2021-2022 Budget.
- July 15-GVMC Executive Committee Reviews and recommends approval.
- July 28-REGIS Board of Directors reviews the Budget.
- August 2- After Review by the Executive Committees and Boards, the budget is distributed to Board Members and posted on GVMC website.
- September 2- GVMC Board Meeting with public hearing and adoption of the budget
- October 1- Beginning of the new fiscal year.

### **What is GVMC?**

The Grand Valley Metro Council (GVMC) is a regional organization dedicated to promoting cooperation and coordination among local governments in the West Michigan area. Created in 1990, its membership now includes 38 local governments, representing nearly 750,000 people. Our mission is to advance the current and future well-being 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.

Included within GVMC are, Administration and Operations and the area Transportation Metropolitan Planning Organization with revenues of **\$2,167,350.00** and operating expenses of **\$2,100,518.00**. Our REGIS (Regional Geographic Information System) serves 19 governmental units with revenues of **\$753,812.00** and expenses of **\$747,482.25**. REGIS also includes a fixed savings account of approximately **\$163,000** for REGIS Capital Equipment. We will utilize **\$150,000** of those funds for the system re-build and software upgrade in this budget. Finally, GVMC Environmental Programs has proposed revenues of **\$781,033.76** and operating expenses of **\$768,160.00**.

In 2018, GVMC took the lead role as grant recipient and West Michigan chair the 21<sup>st</sup> Century Infrastructure Pilot. This pilot includes a 13 county West Michigan area with a population of over 1.5 million residents. The area covers an area of 8,163 square miles (about the size of New Jersey). There are over 130 miles of Lake Michigan Shoreline, and the region extends 75 miles to the heart of Michigan’s Lower Peninsula. Working in collaboration with southeastern Michigan and over 60 communities from our area, the Infrastructure Pilot was hugely successful. Data on 15,000 miles of drinking water lines, 13,500 miles of sewer pipes and 6,700 storm-water pipes was collected from 163 communities.

To keep this effort moving forward using past grant dollars, GVMC established an Infrastructure Asset Management Budget of **\$350,000** for further data collection and implementation of a regional and state-wide asset management program. The GVMC Executive Director is chair of the Michigan Infrastructure Council and one GVMC Board Member serves on the Water Asset Management Council. We have maintained the Infrastructure Asset Management Budget for 2021-2022 and hope to be able to re-engage our efforts to help local government in asset management self-assessment in this year. In addition, 17 representatives of GVMC communities were able to attend the Asset Management Champion Program sponsored by the Michigan Infrastructure Council.

**What are the major components of GVMC?**

**TRANSPORTATION**

The Transportation Department is responsible for managing long range, Metropolitan Transportation Plan (MTP), the **\$489 million** 2020-2023 Transportation Improvement Program and the Annual Transportation Improvement Program for our region. This budget anticipates projects that will leverage **\$13.1 million** in local match to obtain **\$121.2 million** in state and federal revenues in FY2022. The Department is responsible for administering these programs using strict guidelines established by the Federal Highway Administration (FHWA), and the Michigan Department of Transportation (MDOT). Transportation programs are generally funded on an 80/20 basis with the 20% local match being utilized to leverage 80% state and federal dollars. The 2021-2022 Unified Planning Work Program Activities and Budget below was previously approved by the GVMC Board of Directors on May 6, 2021.

To meet the federal and state requirements of the programs and provide the highest levels of coordination, there are six major focus areas for the Transportation Department. Also, I have provided the degree at which GVMC leverages local funding to obtain state and federal grants.

**1. DATA MANAGEMENT AND ANALYSIS** – GVMC will monitor and analyze area travel characteristics and factors affecting travel such as socioeconomic and land use data, transportation system data, and environmental issues and concerns. Priorities include data collection and analysis, monitoring, and evaluation, including more focus on federal performance measures, development of a nonmotorized count database and collection system, and continued advancement in GIS capabilities.

LOCAL	TOTAL
\$52,451	\$288,987

**2. LONG RANGE PLANNING** – GVMC will work on identifying transportation system planning tasks related to the development of a sustainable multimodal transportation system. Priorities

include maintaining and updating the travel demand model in preparation for the next update to the Metropolitan Transportation Plan (MTP), maintaining and continuing implementation work related to recommendations from the 2045 MTP, identifying long-range needs, developing multimodal investment strategies and project prioritization processes, air quality conformity, environmental justice, environmental mitigation, consultation, and linking land use decision-making and transportation planning throughout the region in a more effective way.

LOCAL	TOTAL
\$44,452	\$244,909

**3. SHORT RANGE PLANNING** – GVMC will identify transportation system planning tasks related to short range transportation systems planning. Priorities include the development of the FY2023-2026 Transportation Improvement Program(TIP), maintenance/update of the FY2020-2023 TIP, providing technical assistance to MPO members, freight planning, safety planning, security, public participation, air quality conformity, and managing the Clean Air Action Program.

LOCAL	TOTAL
\$103,783	\$559,783

**4. TRANSPORTATION MANAGEMENT SYSTEMS** – GVMC will monitor area travel characteristics and factors affecting congestion and pavement conditions. Priorities include collecting and analyzing transportation system data, coordinating with MDOT and local transportation providers, developing congestion and pavement investment plans, maintenance of the congestion management process, continuing development of an asset management system, and implementation and monitoring of ITS solutions as a part of operation and management requirements.

LOCAL	TOTAL
\$35,940	\$222,016

**5. PROGRAM COORDINATION** – GVMC will continue to carry out functions required to manage the transportation planning process on a continual basis, including program administration, development, review, and reporting. Priorities include the UPWP, public involvement, environmental justice, environmental mitigation, Title VI, ADA policy, timely submittal of documents, MPO scheduled meetings, and coordination with all MPO member units. This task will also provide a platform to encourage and support regional cooperation and consolidation of regional transportation services.

LOCAL	TOTAL
\$42,930	\$236,529

**6. SPECIAL PLANNING STUDIES** – In response to member community feedback, GVMC will lead efforts related to special regional planning studies. Priorities for FY2022 include a regional Transportation Demand Management (TDM) study and an Airport Access study.

LOCAL	TOTAL
\$37,500	\$423,208

### **REGIS Regional Geographic Information System**

Since 1997, REGIS has been a single centralized GIS department for 19 local governments. REGIS operates on annual revenues of **\$753,812.00** and expenses of **\$747,482.25**. This budget anticipates the addition of one additional GIS Analyst in the second quarter 2022 and does not replace the REGIS Director position. The REGIS Directors duties have been assumed by the GVMC Executive Director. In addition, REGIS has a Capital Fund of approximately **\$163,000.** for future equipment needs. We budgeted \$150,000 of our Capital Fund to implement our 5-year hardware upgrade in FY 20-21 and another **\$150,000** this budget year for Microsoft Operating System updates on the servers. REGIS is one point of service to local governments, the private sector, the education community and our citizens. Once again, we are anticipating revenues for REGIS beyond the dues structure. In the past member dues were close to 100% of REGIS revenues, that percentage lowers as the REGIS team works as integral part of GVMC and is serving as a resource for the State of Michigan in asset management.

In addition to the significant financial gains and collaborations achieved through the REGIS reorganization, operational changes resulted in the establishment of several very active committees. REGIS has a Board of Directors, Executive Committee, Advisory Committee, and Technical Committee. The Technical Committee are a group of higher skilled GIS leaders that meet to discuss issues, strategies and system and service enhancements. The Advisory Committee is directly involved in operational decisions and service priorities that will improve REGIS services at the user level. Working closely with REGIS staff, the REGIS Board and each other, the committees are helping to determine the future operational direction for REGIS. System leadership and direction is directly determined by the members. REGIS now serves in direct response to the members and works through the committee system to fulfill the needs of the membership.

REGIS/GVMC has also continued collaboration efforts in GIS on both a region and statewide effort. For example, assisting the Michigan Infrastructure Commission with data collection efforts for the “Dig Once Portal” as well as leadership on other GIS efforts.

In July of 2016, the REGIS Board of Directors approved an equity-based dues structure with fixed multipliers for all member based on population and parcel count. This budget continues the equity-based system. In the past four fiscal years REGIS has rebated **\$550,000** to its 19 member communities. **As part of the September 2021 meeting of the GVMC Board of Directors there is a resolution approving another \$100,000 rebate, increasing the rebate to \$650,000 in 5 years.**

### **Environmental Programs Department**

Our goal in creating an Environmental Programs Department was to elevate GVMC and our member communities as significant and recognized environmental leaders in our region. Local government is responsible for wastewater and stormwater management. Our members are very

much at the forefront of these issues. As we worked and planned for, we have experienced tremendous but focused and managed growth in our programs, influence, and public awareness. GVMC is one of the largest and most influential environmental programs in Michigan. Budgets and revenues are cyclical, and grant driven. As such, we anticipate fluctuations in the program and grant opportunities as priorities change.

LGROW is an agency of GVMC managed through our Environmental Programs Department and is dedicated to the preservation, improvement, and monitoring of the Lower Grand River. LGROW is an excellent example of cooperation and collaboration in our area, as a broad stakeholder organization dedicated to the ongoing health, use, and enjoyment of the Grand River. The Lower Grand River Watershed covers 1.8 million acres of property (2,900 square miles) and all or portions of 10 counties in West Michigan.

The 23 municipalities in the Lower Grand River Watershed and Grand Valley State University (four campuses) are required to have NPDES Municipal Separate Storm Sewer System (MS4) permits. They are working together through LGROW to comply with stormwater discharge permits required by the U.S. Environmental Protection Agency and the Michigan Department of Environment, Great Lakes and Energy. Contracts are in place for GVMC to manage the program on behalf of our members into the future. New discharge permits were issued in fiscal 2020-2021 dramatically increasing our responsibilities in assisting our members to maintain compliance with the new regulations. Funding for the Environmental Programs comes as earned revenue from fees for the MS4 program, LGROW memberships, and grants. The total budget for our Environmental Program is **\$781,033.76** with expenses **\$768,160.00**.

LGROW's Annual Grand River Spring Forum saw record attendance even though Covid-19 forced it to be a virtual seminar. Our leadership and involvement have dramatically raised the profile of GVMC as an environmental leader and collaborator while providing additional opportunities and services to our members. Our Environmental Programs staff will continue to expand our GVMC influence and involvement in a wide variety of programs that impact West Michigan's environment.

## **STRATEGIC INITIATIVES and VISION**

In the past, the Board of Directors adopted nine Strategic Initiatives in which to focus our efforts in collaboration and cooperation. Those initiatives are:

1. Managing Emerging Issues
2. Encouraging Collaborative Service Sharing
3. Coordinating a Region-Wide Training Exchange
4. Nurturing a Regional Economic Development Partnership
5. Planning for Sustainable Communities
6. Regional Leader in Collaboration Efforts-Facilitator
7. Communicate/Educate Regarding GVMC and Regions
8. Focus on Core Competencies (Transportation, Environment, GIS, Regional Prosperity Initiative, Council of Governments)
9. Increase Lansing/Washington Connection

By focusing our efforts on these nine strategic initiatives, we have made dramatic improvements to our communications, involvement, transparency, member participation and influence in each of these critical areas.

### **GENERAL FUND BUDGET AT A GLANCE**

**Net Revenue \$2,167.350 to expenses of \$2,100518.00** equals net income of **\$66,832.00**

As in the past, this budget is conservative in nature and no contingent funding is included. Through conservative budgeting and operational controls GVMC has significantly improved our financial stability over the past nine years by leveraging our financial resources and controlling costs. This effort has resulted in improved stabilization of our financial resources.

During Fiscal Year 2021-2022 we will continue to privatize finance resulting in a dramatic decrease in cost for financial administration. We will continue to share the services of our finance director with the Macatawa Area Coordinating Council which is the MPO for the Holland/Zeeland area. This partnership has resulted in a significant reduction in costs for GVMC and even more for MDOT and Federal Highway Administration (FHWA).

### **BUDGET ALIGNS WITH GVMC'S STRATEGIC OBJECTIVES**

This budget includes sufficient resources to support GVMC's strategic goals, objectives and initiatives for the entire fiscal year and all Transportation, Environmental, REGIS and GVMC program needs. Our goal in this budget is to continue to advance the resources, staff skills of GVMC and to align our resources with the needs of our members while bringing increased value. This effort will involve continued evaluation and evolution of GVMC and the Executive Director and Executive Committee are constantly monitoring our programs.

The budget also supports our on-going collaborative initiatives with the other agencies, the Governor's Office and agencies of state government, Members of Congress, federal agencies, the Grand Rapids Area Chamber of Commerce, The Right Place, private business and others. We are also working closely with many of our member governments on a wide variety of issues involving legislation, taxation and discussions on enhanced cooperation and collaboration. Our past leadership of the Regional Prosperity Initiative has also increased our exposure on a regional and state-wide level and has brought increased opportunities for GVMC to participate on broader regional and state-wide issues.

In addition, through the chairmanship of the Michigan Infrastructure Council, the Executive Director has direct contact with infrastructure leaders throughout Michigan in both the public sector and private utilities and senior leaders in state government.

### **MONITORING COSTS AND CUTTING EXPENDITURES**

Employee health care costs are projected to rise ten (10) percent. Estimates for our dental insurance coverage will not be available at this time, but an increase has been factored into our budget. Due to the nature of our policies and coverage's available our increase is not anticipated beyond ten percent. As in the past, we have been very diligent in working with our staff and insurance consultants to hold down employee health care costs. Historically, GVMC's health insurance costs have been held to a minimum because each year, as we prepare the next fiscal year budget, we take steps to modify GVMC's employee health insurance plan to control costs.

To ensure that we maintain financial health long into the future, we continually work at a staff-wide level to limit expenditures and reduce costs, while we aggressively pursue new sources of grants revenues or fees for services for projects that benefit GVMC.

**Additional Sources of Revenue**

In the recent past we have been very successful at increasing revenues through grants and fee for service projects. We will continue to pursue all avenues for funding for both foundation grants and special projects. We meet with regularly with representatives of local, state and regional foundations, representatives of the Governor's office and our state legislators, institutions of higher education, and other groups to seek funding for on-going regional activities that support our strategic goals and initiatives. We are continually searching out, identifying, and pursuing grants, gifts, work contracts and other sources of funding that benefit both GVMC and our strategic partners.

I hope this information is helpful and informative as you review the GVMC Budget for the 2021-2022. If you have any thoughts, comments, questions or suggestions, or if I can be of further assistance, you can reach me anytime at 776-7604, or via email at [john.weiss@gvmc.org](mailto:john.weiss@gvmc.org).