



## MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

### LANSING BOARD OF WATER AND LIGHT

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March 22, 2016

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The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Tuesday, March 22, 2016.

Chairperson David Price called the meeting to order at 5:00 p.m.

Present: Commissioners Mark Alley, Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Ken Ross (arrived at 5:02 p.m.), Tracy Thomas and Sandra Zerkle. Non-Voting Commissioners present: Mike Froh (Meridian Township), Bob Nelson (East Lansing) and Bill Long (Delta Township).

Absent: None

The Corporate Secretary declared a quorum present.

Commissioner Tracy Thomas led the Pledge of Allegiance.

#### APPROVAL OF MINUTES

**Motion** by Commissioner McCloud, Seconded by Commissioner Mullen to approve the Regular Board Meeting minutes of January 26, 2016 with the amendment for the clarification mentioned above.

**Action:** Motion Carried

#### PUBLIC COMMENTS

MEMBERS OF THE PUBLIC ARE WELCOME TO SPEAK TO THE BOARD ON ANY AGENDA SUBJECT. ANYONE WISHING TO COMMENT ON ANY MATTER NOT ON THE AGENDA MAY DO SO IMMEDIATELY PRIOR TO ADJOURNMENT.

Speakers: None

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#### COMMUNICATIONS

- a. Electronic Communication from Angela Sorrells Jones, re: Water Concerns  
*Referred to Management/Received and Placed on File*
- b. Electronic Communication from Lisa Parker, re: Substation Location  
*Referred to Management/Received and Placed on File*
- c. Electronic Communication from Bruce Ardelean, re: Flooded Property  
*Referred to Management/Received and Placed on File*
- d. Electronic Communication from Sparrow Hospital Parking Security, re: Personal Use of a Company Vehicle  
*Referred to Management/Received and Placed on File*

- e. Letter from Jerry Duman, Sparrow Hospital Interim Security and Parking Director, re: Parking Complaint  
*Referred to Management/Received and Placed on File*

**COMMITTEE REPORTS**  
**COMMITTEE OF THE WHOLE**  
**March 8, 2016**

The Committee of the Whole of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, March 8, 2016.

Committee of the Whole Chair Dennis M. Louney called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Dennis M. Louney, Mark Alley, Anthony McCloud, Tony Mullen, David Price, Ken Ross and Tracy Thomas, Sandra Zerkle and Non-Voting Members: Michael Froh (Meridian Township), Bill Long (Delta Township) and Robert Nelson (East Lansing).

Absent: None

Corporate Secretary declared a quorum.

**Public Comments**

None

**Approval of Minutes**

**Motion** by Commissioner Price, Seconded by Commissioner Thomas to approve the Committee of the Whole meeting minutes of January 12, 2016.

**Action:** Motion Carried

**Communication with Local Entities**

Committee Chair, Louney introduced the discussion regarding communication with local government entities within the BWL service territory.

There was an extensive discussion regarding potentially establishing one special meeting per year for local governments within BWL service territory to come to attend. In conclusion, it was decided that Committee Chair will come up with new language and bring it back to the Board for consideration.

**Records Retention Schedule Update**

General Manager Peffley introduced Heather Shawa-DeCook, Chief Financial Officer, who provided a brief background on the Records Retention Policy and its five year review process. Ms. Shawa De-Cook also introduced Jerry Flore, Manager of Enterprise and Content Management, who provided answers to specific questions.

In conclusion, Commissioner Ross requested that BWL Management provide a reference of policies that were removed and not replaced in the proposed Records Retention Policy.

**Motion** by Commissioner Price, Seconded by Commissioner McCloud to approve the Records Retention Schedule Update and forward to the full Board for consideration.

**Action:** Motion Carried

**Safety Presentation**

General Manager Peffley and Michael Flowers, Executive Director of Human Resources introduced Scott Bellack, Senior

Vice President for Marsh, who walked the Board through the Safety Presentation and answered specific questions. Mr. Bellack stated that Marsh was brought in as an outside third party to do a comprehensive review of BWL's safety procedures and to evaluate the holes in the system that were contributing to losses or to unsafe physical environment, and offer recommendations on how we might close those gaps.

Mr. Bellack moreover stated that Marsh looked at six major categories and four Key Performance Indicators (KPIs), including how involved is senior leadership, how engaged are the employees, what types of programs there are, what's the foundation of the safety programs that BWL has and, what happens if there's a failure in that system.

Mr. Bellack stated that Marsh's report can be interpreted through a color factor: *blue* means top performing; *green* means functional; *yellow* means improvement opportunities, and *red* means development opportunities. Mr. Bellack furthermore stated that throughout his career, he has performed hundreds of safety audits and has never come across one that does not have red categories, meaning BWL has a system in place, as it returned blue, green and yellow reports throughout all six major categories and four KPIs.

**OPERATIONAL SAFETY EXCELLENCE GAP ASSESSMENT**

BWL Hometown People. Hometown Power.		TOP PERFORMING COMPANIES	FUNCTIONAL	IMPROVEMENT OPPORTUNITIES	DEVELOPMENT OPPORTUNITIES	MARSH
LEADERSHIP ALIGNMENT	SAFETY AND PREVENTION	ONBOARDING AND EDUCATION	CLAIMS MANAGEMENT	INJURY MANAGEMENT	CONTINUOUS RISK IMPROVEMENT	
1. Senior management expectations	8. Safety and health policies	16. Formal orientation	21. Expectations for vendors	28. Injury management procedures	34. Performance targets	
2. Safety and health goals	9. Effective safety committees	17. Formal job-specific training process	22. Incident reporting	29. Medical provider selection	35. Metrics are appropriate	
3. Senior management participation	10. Employee participation	18. Safety management training	23. Timely incident reporting	30. Management of injured workers	36. Loss and data reporting and analysis	
4. Front-line supervisor participation	11. Safety and health inspection process	19. Employee health and safety training	24. Internal claim handling instructions	31. Return-to-work policy	37. Safety and health process assessments	
5. Safety and WC coordination	12. Ergonomics risk assessment	20. Supervisor health and safety training	25. Claims status updates	32. Transitional duty	38. Claim Management process audits	
6. Staff claim mgmt accountability	13. Industrial hygiene risk assessment		26. Nurse case management	33. Return-to-work disincentives	39. Exposure assessment system	
7. Operations accountability	14. Fraplacement screening process		27. Clinical management process		40. Performance management	
	15. Incident investigation					
LEADERSHIP ALIGNMENT	SAFETY AND PREVENTION	ONBOARDING AND EDUCATION	CLAIMS MANAGEMENT	INJURY MANAGEMENT	CONTINUOUS RISK IMPROVEMENT	OVERALL PROGRAM ASSESSMENT

In conclusion, Commissioner Ross inquired whether specific steps exist that would take an organization from yellow to green category as a reference road map to get to the next level. Mr. Bellack stated that recommended steps are laid out in the comprehensive report.

**Flint Water Update**

General Manager Peffley provided a Flint Water Update and stated that BWL crews went to Flint to train a crew on lead service replacement, and a week later, assisted Flint with their first Lead Service Replacement.

The BWL will serve as advisors to Flint after the Flint crews have been trained. Additionally, BWL is tracking all time rendered on Flint matters and will be reimbursed at such time that Flint receives State funding so that BWL rate payers are not burdened by the costs of Flint matters.

**Central Substation Update**

General Manager Peffley stated that Lansing Energy Tomorrow is BWL's \$101 million T&D project to modernize BWL's T&D system, and part of that is the Central Substation. The Central Substation is part of a plan to replace the Eckert substation prior to its closing in 2020. General Manager Peffley stated that the property on the corner of Malcolm X and Washington is one that is the least cost option. The BWL will put in \$4-5 million in developments such as a fishing platform, river walk extension, pathway from Capital Avenue connecting Cooley Gardens, relocating the Sunken Gardens to an area that is ADA compliant, new parking lot etc.

The BWL is working with Reo Town Association for the design and artwork for the wall around the substation, and also working with the Sunken Garden group.

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### **Security Update**

Committee of the Whole Chair Louney stated that the Administration has provided us with an Exempt Memorandum and discussion of such content is most appropriate in closed session. Is there a motion to go into closed session for the purpose of discussing the Exempt Memo as permitted by the Open Meetings Act, specifically MCL 15.268(h) and MCL 15.243(y)?"

**Motion** by Commissioner Alley, Seconded by Commissioner McCloud to go into closed session.

**Action:** Approved by Roll Call

**Yeas:** Commissioners Dennis M. Louney, Mark Alley, Anthony McCloud, Tony Mullen, David Price, Ken Ross and Tracy Thomas, Sandra Zerkle and Non-Voting Members: Michael Froh (Meridian Township), Bill Long (Delta Township) and Robert Nelson (East Lansing).

**Nays:** None.

The Committee of the Whole went into closed session at 7:10 p.m. Committee of the Whole reconvened to open session at 8:03 p.m.

### **Public Comment**

None

### **Other**

There was discussion regarding BWL's participation in Public Act 95 a low income energy assistance program. It was agreed after much discussion that this matter would be discussed in a Finance Committee meeting at a later date.

### **Excused Absence**

None

### **Adjourn**

**On Motion** by Commissioner McCloud, Seconded by Commissioner Price, the meeting adjourned at 8:15 p.m.

Respectfully Submitted  
Dennis. M. Louney, Chair  
Committee of the Whole

### **FINANCE COMMITTEE**

**March 8, 2016**

The Finance Committee of the Lansing Board of Water and Light met at the BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 8:21 p.m. on Tuesday, March 8, 2016.

Finance Committee Chairperson Ken Ross called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Ken Ross, Dennis M. Louney, Tracy Thomas, David Price. Also, present Commissioners

Mark Alley, Tony Mullen, and Non-Voting Members Michael Froh (Meridian Township), Bill Long (Delta Township).

Absent: None The Corporate Secretary declared a quorum.

**Public Comments**

None

**Approval of Minutes**

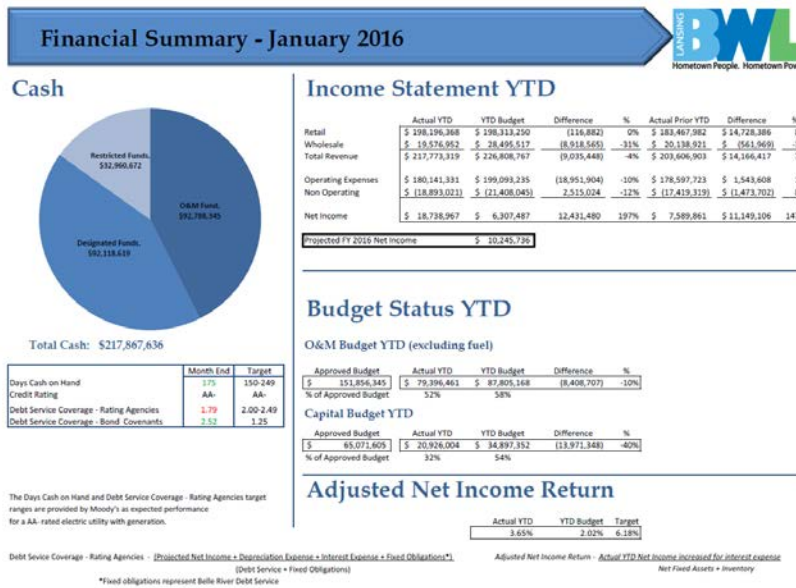
**Motion** by Commissioner Price, Seconded by Commissioner Louney, to approve the Finance Committee meeting minutes of January 12, 2016.

**Action:** Motion Carried

**Financial Update**

Heather Shawa-DeCook, Chief Financial Officer (CFO) discussed BWL’s January 2016 YTD Financial Summary, covering the following:

- Cash
- Income Statement YTD
- Budget Status YTD
- Adjusted Net Income Return
- Ratios
- Employee Data



## Financial Summary - January 2016



### Ratios

#### Operating Ratio

O&M Expense	\$ 156,296,408	=	0.72	APPA Median	0.71
Revenue	\$ 217,773,319				

Measures the proportion of revenues to cover the operations and maintenance costs

#### Current Ratio

Current Assets	\$ 206,232,701	=	4.74	APPA Median	2.07
Current Liabilities	\$ 43,494,383				

Measures whether current assets are sufficient to pay current liabilities within one year

#### Debt to Total Assets

I.T. Debt + Accrued Liabilities	\$ 407,062,020	=	0.40	APPA Median	0.61
Total Assets	\$ 1,016,945,901				

Measures the ability to meet its current and long-term liabilities based on the availability of assets

#### Days' Sales Outstanding

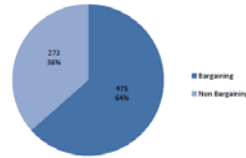
Accounts Receivable	\$ 24,382,174	=	0.80	Prior Year	25
Average Sales	\$ 30,425,353	X	31		Days

#### Bill Debt

Actual YTD	YTD Budget	Over (Under)	% of Revenue	APPA Median	0.24%
\$894,196	\$1,076,694	-\$182,498	0.41%		

### Employee Data

Employee Count YTD	748
Budget YTD	753
Over (Under) #	(5)
Over (Under) %	-0.7%
Prior YTD	720
Difference	28
Temporary Employee YTD	28



#### Payroll Data

	Actual YTD	YTD Budget	Difference	%	Actual Prior YTD	Difference	%
Regular	\$ 31,209,963	\$ 31,728,026	\$ (518,063)	-1.6%	\$ 29,794,674	\$ 1,415,289	4.8%
Overtime	\$ 4,337,794	\$ 3,484,552	\$ 853,242	24.5%	\$ 4,606,076	\$ (268,282)	-5.8%
Total	\$ 35,547,757	\$ 35,212,578	\$ 335,179	1.0%	\$ 34,400,750	\$ 1,147,007	3.3%
Total Hours Worked	776,278		759,898				
Labor/Hours Worked	\$ 45.79		\$ 45.27				

APPA Median \$ 44.13

APPA Median data is based on 2014 numbers and does not reflect subsequent labor inflation.

#### Benefits Cost

(Including Retirees)

	Actual YTD	YTD Budget	Difference
Health	\$ 7,643,330	\$ 8,021,492	\$ (378,162)
Risk	\$ 1,896,532	\$ 1,863,513	\$ 33,019
Dental	\$ 526,134	\$ 787,471	\$ (261,337)
Life	\$ 155,378	\$ 184,280	\$ (28,902)
FICA	\$ 2,635,594	\$ 2,646,083	\$ (10,489)
Other	\$ 1,644,080	\$ 2,090,667	\$ (446,587)
Total	\$ 14,503,049	\$ 15,583,506	\$ (1,080,457)

CFO Heather Shawa-DeCook stated per board policy 15-02 (Capital Project Approval), any approved capital project that is expected to exceed its total budgeted amount by both 15% and \$200,000 or more must have the exceedance approved by the Commissioners prior to completion of the project. Ms. Shawa-DeCook stated that there is a project expected to hit the criteria of the mentioned policy. The project is a video surveillance monitoring system and additional security for the Dye Water Complex. There is a request for supplemental money of \$240,000. The supplemental request would authorize a \$400,000 project be increased up to \$640,000 in order to complete the project this fiscal year. Ms. Shawa-DeCook stated that she would be requesting the Board of Commissioners' approval of a resolution pursuant to the policy and that a resolution would be presented at the upcoming Regular Board meeting on March 22, 2016.

**Motion** by Commissioner Price, Seconded by Commissioner Thomas to support a Resolution to approve a supplemental appropriation request from the Administration in the amount \$240,000 for the current fiscal year Capital Budget.

**Action:** Motion Carried

General Manager Peffley stated that he has encouraged his staff to review and provide honest estimates on capital project and as a result more exceedance reporting may be forth coming.

### Budget Process Update

CFO Heather Shawa-DeCook reported that the O&M and Capital budgets have been submitted and that department managers and executives will start reviewing those budgets next week with Finance. The management team and the directors have really taken a proactive step at meeting on their own and going through the overall capital budget and working amongst themselves to prioritize for this upcoming fiscal year.

### Financial Summary Section Overview

Scott Taylor, Manager of Finance, provided a detailed review of the Ratios section of the Financial Summary. Mr. Taylor stated that roughly 83% of the operations are attributable to electric service and that the Board of Water & Light (BWL) has found that the American Public Power Association (APPA) ratios provide the best measure for a company-wide perspective. The APPA utilities have other utilities, which provides the BWL with the best picture from an overall view and that is what is seen in most of our comparisons. Mr. Taylor stated that additional meaningful comparisons and information may be available from the American Water Works

Association (AWWA) and may be included in future reporting if appropriate.

## Ratios

Operating Ratio			
O&M Expense	\$ 156,296,408	=	0.72
Revenue	\$ 217,773,319		
APPA Median 0.71			
<i>Measures the proportion of revenues to cover the operations and maintenance costs</i>			

Current Ratio			
Current Assets	\$ 206,232,701	=	4.74
Current Liabilities	\$ 43,494,383		
APPA Median 2.07			
<i>Measures whether current assets are sufficient to pay current liabilities within one year</i>			

Debt to Total Assets			
LT Debt + Accrued Liabilities	\$ 407,062,020	=	0.40
Total Assets	\$ 1,016,945,901		
APPA Median 0.61			
<i>Measures the ability to meet its current and long-term liabilities based on the availability of assets</i>			

Days' Sales Outstanding			
Accounts Receivable	\$ 24,382,174	=	0.80
Average Sales	\$ 30,425,353	X 31	
Prior Year 25			
25 Days			

Bad Debt			
Actual YTD	YTD Budget	Over/(Under)	% of Revenue
\$894,196	\$1,076,694	-\$182,498	0.41%
APPA Median 0.28%			

There was discussion with Commissioners and the staff regarding the Bad Debt portion of the Ratio presentation and what components make up the bad debt.

### External Audit RFP and Staff Recommendations/Resolution

Heather Shawa-DeCook, Chief Financial Officer (CFO) presented the committee with a proposed resolution recommending Accounting and Advisory Firm of Baker Tilly as the new external auditors for fiscal years 2016-2020.

### PROPOSED RESOLUTION

#### Lansing Board of Water & Light External Auditor Recommendation

WHEREAS, Lansing City Charter Section 3-404.1 requires an independent audit of all accounts of the City government, including the Board of Water and Light (BWL), at the close of each fiscal year, and all such audits shall be made by a Certified Public Accountant designated by the City Council; and

WHEREAS, BWL staff engaged in its normal public procurement process for the purpose of soliciting and evaluating proposals from a variety of independent public accounting firms that have municipal utility audit experience to perform an audit of the BWL as required by Lansing City Charter Section 3-404 for fiscal years ending June 30 on the following respective years: 2016, 2017, 2018, 2019, and 2020; and

WHEREAS, based on the public procurement evaluation of the proposals received, the BWL staff recommends the firm of Baker Tilly to perform these BWL audits; and

RESOLVED, that the Board of Commissioners support BWL staff's recommendation;

FURTHER RESOLVED, the Board of Commissioners recommends that Lansing City Council approve and designate

Baker Tilly to perform the annual financial audit for each of the fiscal years ending June 30 on the following respective years: 2016, 2017, 2018, 2019, and 2020 in accordance with Lansing City Charter 3-404.1; and

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to submit this resolution on behalf of the Board of Commissioners to City Council requesting their approval of Baker Tilly as recommended by the Board of Commissioners.

*Staff Comments: BWL staff has used their municipal utility industry knowledge and expertise to search for and evaluate qualified firms. Based on the results of this search, staff provides this recommendation for consideration of the Board and, if approved, the City Council.*

Finance Chair Ross for clarification purposes stated that if the Finance Committee recommended the approval to forward the proposed resolution to the full Board of Commissioner and then the full Board approves it, it would then be forwarded to the Lansing City Council for consideration and approval as well. To recap, we (the BWL) will be switching our independent auditors from Plante Moran, a local firm, to Baker Tilly, a national firm that specializes in the utility industry. We will pay a little more due to travel cost, but will be able to take advantage of their specialized professionals, who possess a much deeper utility focus and expertise.

**Motion** by Commissioner Louney, Seconded by Commissioner Price, to forward the proposed resolution for the External Auditor selection to the full Board for consideration.

**Action:** Motion Carried

CFO Heather Shawa-DeCook stated that the BWL has had the same External Auditors for 15 years and that with everything coming down the pipeline (IRP/T&D build-out), it would be very helpful with the utility practice expertise.

### **Internal Audit Status Report**

Phil Perkins, Internal Auditor, provided the Committee with an overview of the FY 2016 Audit Plan Progress Report and the FY 2017 Audit Planning and Risk Assessment. Mr. Perkins' discussion reflected the following:

#### **Engagements Completed:**

1. Training & Development Audit
2. Hiring Process Audit
3. Surprise Cash Count #1
4. Time Reporting Reviews #1 and #2
5. Vehicle Time Reporting Review #1

#### **Engagements Remaining:**

1. IT Security Policies
2. Surprise Cash Count #2
3. Vehicle Time Reporting Review #2

#### **Engagements in Progress:**

1. IT – Change Management Audit (90% complete)
2. Selected CRT/MPSC/BWL Recommendations (90% complete)
3. Billing Audit (just underway)

#### **Other:**

1. Annual Risk Assessment/Audit Planning for FY 2017
2. Other as needed 2016



# Approved FY2016 Audit Plan

Planned Audits:	Completion Status
Follow-up of Selected CRT/MPSC/BWL Recs.	90% complete
Billing	Started 3/16
IT – Information Security Policies	Est Start 4/16
Training & Development	Complete
Hiring Process (replaced Safety Mgt)	Complete
IT – Manage Changes	90% complete
<b>Other Engagements:</b>	
Surprise Cash Counts (2)	1 of 2 completed
Time Reporting Reviews (2)	2 of 2 completed
Central Maintenance & Fleet Vehicle Time Reporting	1 of 2 completed
Other Consulting (NERC/GIP Compliance, IRP/Strat Plan)	No engagements to date

## **FY 2017 Audit Planning & Risk Assessment**

1. Meeting with Executives and Staff to discuss risk and potential audit topics.
2. Risk assessment for each 100-plus auditable activities at the BWL.
3. Consideration of rotational audits, audit areas with risk/scoping assessment, first time audits etc.
4. Draft audit plan will be presented at May or July Finance Committee meeting for approval.

Board Chair David Price stated that the City Council has reached out to the BWL's Internal Auditor for advice on his job structure as they look to re-evaluate their Internal Auditors position. Board Chair Price thanked Internal Auditor Perkins for the standard that he has set and for the possibility of it being emulated by our city's government.

### **Public Comment**

None

### **Other**

None

### **Excused Absence**

None

### **Adjourn**

Meeting adjourned by Finance Chair Ross at 9:02 p.m.

Respectfully submitted

Ken Ross, Chair

Finance Committee

## **HUMAN RESOURCESS COMMITTEE**

**March 15, 2016**

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, March 15, 2016.

Human Resources (HR) Committee Chairperson Tony Mullen called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Sandra Zerkle, Anthony McCloud. Also present: Commissioners Ken Ross and Non-Voting Commissioners Mike Froh (Meridian Township), Bill Long (Delta Township) and Robert Nelson (E. Lansing).

Absent: Commissioner Mark Alley

### **Public Comments**

None

**Approval of Minutes**

**Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes of November 10, 2015.

**Action:** Motion Carried.

**Cafeteria and Post Retirement Benefit Plan Update/Proposed Amendments Resolution**

General Manager Peffley introduced Brandie Ekren, General Counsel, who provided plan update and the proposed changes on the Cafeteria and Post Retirement Benefit Plan.

Proposed Resolution

Adoption of the Amendments to the Cafeteria Plan and Post-Retirement Benefit Plan

WHEREAS, the Lansing Board of Water and Light (the "BWL") maintains the Lansing Board of Water and Light Cafeteria Plan (the "Cafeteria Plan'1) and the Post-Retirement Benefit Plan for Eligible Employees of Lansing Board of Water and Light (the "Post-Retirement Benefit Plan"), for the benefit of certain of its employees and retirees; and

WHEREAS, the BWL desires to amend the Cafeteria Plan (for certain technical regulatory changes) and the Post-Retirement Benefit Plan (for certain plan design changes for consistency with Plan operations and administration).

NOW THEREFORE, the BWL does hereby authorize, approve and adopt the following resolutions:

RESOLVED, that the Amendment and Restatement of the Cafeteria Plan (as of February 1, 2016, in the form attached hereto) is hereby adopted and approved; and

BE IT FURTHER RESOLVED, that the Amendment and Restatement of the Post-Retirement Benefit Plan (as of February 1, 2016, in the form attached hereto) is hereby adopted and approved; and

BE IT FURTHER RESOLVED, that the officers of the BWL, and their designee(s), are hereby authorized and directed to take such actions and to implement and execute such documents and instruments (including the amendments referenced above as well as ancillary documentation) as necessary or desirable to effectuate the intent of these resolutions.

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Commissioner Ross stated that he submitted some question concerning today's Agenda items. Legal Counsel Ekren advised that she would be immediately providing written responses to the submitted questions.

**Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle, to forward the proposed resolution for Adoption of the Amendments to the Cafeteria Plan and Post-Retirement Benefit Plan to full Board for consideration.

**Action:** Motion Carried.

**Defined Contribution Plan Update/Proposed Amendment Resolution**

Brandie Ekren, General Counsel, provided an update to the Defined Contribution Plan for the general employees and for board appointed employees. Ms. Ekren stated that the major proposed change to the plan is to allow

individuals who are on military leave to accrue Defined Contribution payments, opposed to receiving pension contribution at the time of return from military leave.

The second change is concerning the board appointed plan, which removes the General Manager from the plan.

Proposed Resolution  
Restated and Amended Defined Contribution Plan  
With International City/County Management Association (ICMA) Plan

Resolved, that the Board of Commissioners hereby amends and restates the ICMA Retirement Corporation Governmental Money Plan & Trust and any associated amendments provided by the two Plan Adoption Agreements for the Lansing Board of Water & Light (BWL) 401a Defined Contributions for Plan # 106696 and Plan # 108824 respectively.

Further Resolved the Plan Adoption Agreements restate the same benefits as previously adopted, with a change to the Plans that for Active duty in the Military the BWL will continue plan contributions while on Active duty.

Further Resolved that the General Manager is removed from Plan # 108824.

Further Resolved, that the Chair is hereby authorized to execute the above referenced documents on behalf of the Board of Commissioners.

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**Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle, to forward the proposed resolution for Restated and Amended Defined Contribution Plan With International City/County Management Association (ICMA) Plan to full Board for consideration.

**Action:** Motion Carried.

**Other**

None

**Excused Absence**

**Motion** by Commissioner Zerkle, Seconded by Commissioner McCloud, to excuse Commissioner Alley from tonight's meeting.

**Action:** Motion Carried

**Public Comments**

None

**Adjourn**

**Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle, the meeting adjourned at 5:49 p.m.

**Action:** Motion Carried

Respectfully Submitted  
Tony Mullen, Chair  
Human Resources Committee

## Records Retention Policy and Records Retention and Disposal Schedule

WHEREAS, Michigan law (MCL 399.5 and 750.491) requires that all public records be listed on an approved Retention and Disposal Schedule that identifies the minimum amount of time that records must be kept to satisfy administrative, legal, fiscal and historical needs; and

WHEREAS, the Michigan Freedom of Information Act (FOIA) (MCL 15.231-15.246) defines public records as recorded information “prepared, owned, used, in the possession of, or retained by a public body in the performance of an official function, from the time it is created.”

RESOLVED, the Board of Water and Light Policy 18-01 “Records, Retention” is hereby amended as follows:

The Board of Water and Light (BWL) shall only retain records during the period of their immediate use, unless a longer retention period is required by law or for internal or historical reference. A Records Retention and Disposal Schedule, as approved by this Board and the State of Michigan Records Management Services, the Archives of Michigan and the State of Michigan Administrative Board, shall specify the length of time records are to be retained. Where the BWL has knowledge that some records are or may become relevant to a legal action, such records shall not be destroyed except and until the legal issues have been resolved and with the approval of the General Counsel.

FURTHER RESOLVED, that the amended Retention and Disposal Schedule proposed by the General Manager be approved and forwarded to the State of Michigan’s Records Management Services, the Archives of Michigan and the State of Michigan Administrative Board for their approval.

**Motion** by Commissioner Louney, Seconded by Commissioner Zerkle to approve the Resolution for the Records Retention Policy and Records Retention and Disposal Schedules.

**Action:** Motion Carried

### **RESOLUTION 2016-03-02**

#### **Capital Project Budget Exceedance Approval:**

#### **Project PW-10047 Video Surveillance/Monitoring and Additional Security for Dye Cedar Complex**

WHEREAS, Lansing Board of Water & Light’s (BWL) Policy 15-02, entitled Capital Project Exceedance Approval necessitates the BWL Board of Commissioner’s approval for specific capital projects that are expected to exceed their previously approved budget by both 15% and \$200,000 prior to completion of the project; and

WHEREAS, the previously approved budget for Capital Project PW-10047 Video Surveillance/Monitoring and Additional Security for Dye Cedar Complex was \$400,000; and

WHEREAS, the projected final total cost for Capital Project PW-10047 Video Surveillance/Monitoring and Additional Security for Dye Cedar Complex is \$640,000, should the project be completed; and

WHEREAS, BWL staff and management reviewed the project cost in detail, which includes but is not limited to the rationale and circumstances for the increased budget projection; and

WHEREAS, BWL staff and management recommends that the Capital Project PW-10047 Video Surveillance/Monitoring and Additional Security for Dye Cedar Complex be completed despite the projected increased cost; and

WHEREAS, BWL staff and management recommends that the BWL Board of Commissioners approved the Capital Project PW-10047 Video Surveillance/Monitoring and Additional Security for Dye Cedar Complex to be completed as projected.

RESOLVED, the BWL Board of Commissioners approve completion of Capital Project PW-10047 Video Surveillance/Monitoring and Additional Security for Dye Cedar Complex with a projected final total cost of \$640,000.

**Motion** by Commissioner Alley, Seconded by Commissioner Mullen to approve the Capital Project Budget Exceedance for the Dye Water Facility.

**Action:** Motion Carried

### **RESOLUTION 2016-03-03**

#### **Adoption of the Amendments to the Cafeteria Plan and Post-Retirement Benefit Plan**

WHEREAS, the Lansing Board of Water and Light (the "BWL") maintains the Lansing Board of Water and Light Cafeteria Plan (the "Cafeteria Plan") and the Post-Retirement Benefit Plan for Eligible Employees of Lansing Board of Water and Light (the "Post-Retirement Benefit Plan"), for the benefit of certain of its employees and retirees; and

WHEREAS, the BWL desires to amend the Cafeteria Plan (for certain technical regulatory changes) and the Post-Retirement Benefit Plan (for certain plan design changes for consistency with Plan operations and administration).

NOW THEREFORE, the BWL does hereby authorize, approve and adopt the following resolutions:

RESOLVED, that the Amendment and Restatement of the Cafeteria Plan (as of February 1, 2016, in the form attached hereto) is hereby adopted and approved; and

BE IT FURTHER RESOLVED, that the Amendment and Restatement of the Post-Retirement Benefit Plan (as of February 1, 2016, in the form attached hereto) is hereby adopted and approved; and

BE IT FURTHER RESOLVED, that the officers of the BWL, and their designee(s), are hereby authorized and directed to take such actions and to implement and execute such documents and instruments (including the amendments referenced above as well as ancillary documentation) as necessary or desirable to effectuate the intent of these resolutions.

**Discussion:** There was a lengthy discussion regarding at what point the Board gets involved or have dialogue about BWL's pension/retirement plans. In conclusion it was stated that negotiations for the plans is primarily done by staff, but the Board can have discussions and review the overall benefits packages at it Human Resources, Finance Committee or Committee of the Whole meetings.

**Motion** by Commissioner Mullen, Second by Commissioner McCloud to call the question to end the debate, which is not debatable or amendable.

#### **Approved by Roll Call Vote:**

YEAS: Commissioners Alley, Louney, McCloud, Mullen, Price, Ross, Thomas and Zerkle.

NAYS: None

**Motion** by Commissioner Mullen, Seconded by Commissioner Zerkle to approve the Resolution for the

Amendments to the Cafeteria and Post Retirement Benefit Plans.

**Action:** Motion Carried

**RESOLUTION 2016-03-05**

**RESTATED AND AMENDED DEFINED CONTRIBUTION PLAN  
WITH INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION (ICMA) PLAN**

Resolved, that the Board of Commissioners hereby amends and restates the ICMA Retirement Corporation Governmental Money Plan & Trust and any associated amendments provided by the two Plan Adoption Agreements for the Lansing Board of Water & Light (BWL) 401a Defined Contributions for Plan # 106696 and Plan # 108824 respectively.

Further Resolved the Plan Adoption Agreements restate the same benefits as previously adopted, with a change to the Plans that for Active duty in the Military the BWL will continue plan contributions while on Active duty.

Further Resolved that the General Manager is removed from Plan # 108824.

Further Resolved, that the Chair is hereby authorized to execute the above referenced documents on behalf of the Board of Commissioners.

**Motion** by Commissioner Zerkle, Seconded by Commissioner Thomas to approve the Resolution for the Restated and Amended Defined Contribution (ICMA) Plan.

**Action:** Motion Carried

\*Resolutions numbered out of chronological sequence \*

**UNFINISHED BUSINESS**

There was no Unfinished Business

**NEW BUSINESS**

There was no New Business

**RESOLUTIONS**

**RESOLUTION 2016-03-04**

Lansing Board of Water & Light External Auditor Recommendation

WHEREAS, Lansing City Charter Section 3-404.1 requires an independent audit of all accounts of the City government, including the Board of Water and Light (BWL), at the close of each fiscal year, and all such audits shall be made by a Certified Public Accountant designated by the City Council; and

WHEREAS, BWL staff engaged in its normal public procurement process for the purpose of soliciting and evaluating proposals from a variety of independent public accounting firms that have municipal utility audit experience to perform an audit of the BWL as required by Lansing City Charter Section 3-404 for fiscal years ending June 30 on the following respective years: 2016, 2017, 2018, 2019, and 2020; and

WHEREAS, based on the public procurement evaluation of the proposals received, the BWL staff recommends the firm of Baker Tilly to perform these BWL audits; and

RESOLVED, that the Board of Commissioners support BWL staff's recommendation;

FURTHER RESOLVED, the Board of Commissioners recommends that Lansing City Council approve and designate Baker Tilly to perform the annual financial audit for each of the fiscal years ending June 30 on the following respective years: 2016, 2017, 2018, 2019, and 2020 in accordance with Lansing City Charter 3-404.1; and

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to submit this resolution on behalf of the Board of Commissioners to City Council requesting their approval of Baker Tilly as recommended by the Board of Commissioners.

**Motion** by Commissioner Ross, Seconded by Commissioner McCloud to approve the Resolution designating the firm Baker Tilly as the BWL's External Auditors.

**Action:** Motion Carried

#### **MANAGER'S REMARKS**

General Manager Peffley made the following remarks:

- The IRP Team met along with George Stojic, Executive Director of Strategic Planning and Development to work on finalizing recommendations that will be presented to the public at a meeting on April 27<sup>th</sup> at the Depot. Management will then review the recommendations and submit them to the Board.
- BWL employees doubled the amount of United Way contributions this year from last year; \$30,000 to \$60, 0000.

#### **COMMISSIONERS' REMARKS**

Commissioner Mullen thanked the BWL for the support of the Cancer Society Relay for Life; he also thanked General Counsel Brandie Ekren for stepping up to answer questions at tonight's meeting.

#### **PUBLIC COMMENTS**

Ron Byrnes, IBEW Business Manager, spoke about the Post-Retirement Plan. Mr. Byrnes stated that one of the issues is that the benefit cannot be isolated by itself. It is a total compensation issue that the Union has negotiated over a long history of time with the BWL. Some benefits that people may have in the public or private sector are non-existent at this utility, and some benefits may look rich when isolated, but when the benefits are looked at from a total compensation, they are not out of line. There is a long history regarding Retiree health care, and the IBEW would contend that there is an obligation, legal and contractual, to current Retirees with the health care benefits.

Joe (Dudak), Vice President of GRIDLIANCE & Blackstone Company, spoke about his company being interested in assisting the BWL with the electric power transmission portion of the Integrated Resource Planning (IRP).

#### **ADJOURNMENT**

On motion by Commissioner Thomas, Seconded by Commissioner Mullen the meeting adjourned at 5:32 p.m.

**M. Denise Griffin, Corporate Secretary**

Preliminary Minutes filed (electronically) with Lansing City Clerk: 3-31-16

Official Minutes filed (electronically) with Lansing City Clerk: 5-25-16