

#### MINUTES OF THE BOARD OF COMMISSIONERS MEETING

# January 24, 2017

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, January 24, 2017.

Chairperson David Price called the meeting to order at 5:30 p.m.

Present: Commissioners Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, and Sandra Zerkle. Non-Voting Commissioners present: Stuart Goodrich (Dehli Township), and Bill Long (Delta Township).

Absent: Commissioners Tracy Thomas and Bob Nelson (East Lansing).

The Corporate Secretary declared a quorum.

Commissioner Long led the Pledge of Allegiance.

#### **SPECIAL COMMUNICATION**

a. Letter of Resignation from BWL 2<sup>nd</sup> Ward Commissioner Mark Alley

**Motion** by Commissioner Ross, Seconded by Commissioner McCloud to accept, receive and place on File the letter of resignation from Commissioner Mark Alley.

**Action**: Carried Unanimously

#### **ELECTION OF OFFICER FOR THE POSITION OF VICE CHAIRPERSON**

**Motion** by Commissioner McCloud, Seconded by Commissioner Ross to nominate Tony Mullen for the officer position of Vice Chairperson for the remaining of the 2016-2017 fiscal year.

**Action**: Carried Unanimously

#### **APPROVAL OF MINUTES**

**Motion** by Commissioner Mullen, Seconded by Commissioner McCloud, to approve the Regular Board Meeting minutes of November 15, 2016.

Action: Motion Carried

**PUBLIC COMMENTS** 

None.

**COMMUNICATIONS** 

Electronic Mail received from:

- a. Steve Rall re: Before the Flood Film- Received and Placed on File
- b. Kindra Weid re: Health Impact Assessment- Referred to Management-Received and Placed on File
- c. Dave Hayhurst re: Response to Complaint- Referred to Management -Received and Placed on File
- d. Francesca Boville re: Light Speed Internet- Referred to Management -Received and Placed on File

# COMMITTEE REPORTS HUMAN RESOURCES COMMITTEE Meeting Minutes January 10, 2017

The Human Resources Committee (HR) 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 5:15 p.m. on Tuesday, January 10, 2017.

Human Resources 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, Anthony McCloud and Sandra Zerkle. Also present: Commissioners David Price, Ken Ross, and Tracy Thomas; and Non-Voting Commissioner William Long.

#### **Public Comments**

None

#### **Approval of Minutes**

**Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes of November 8, 2016.

Action: Motion Carried.

#### Amendment to 401a Defined Contribution Plan and the 457 Deferred Compensation Plan

Executive Director of Human Resources Michael Flowers explained that the two resolutions presented this evening are for Non-Bargaining Unit employees. The same resolutions were presented and approved by the Board for the Bargaining Unit employees. As previously outlined, the proposed amendments to the 401a are such that the employer contribution for Non-Bargaining Unit employees is increased from 8.1% to 9.5% for employees hired after January 1, 1997. The 457 Deferred Compensation Plan will be amended such that the limit of the employer match for Non-Bargaining Unit Employees is increased from \$1,250 per year to \$1,500 per year.

**Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle to forward the proposed Resolutions to the full Board for consideration.

Action: Motion Carried.

#### Other

None

#### **Public Comments**

None

#### Adjourn

With **Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle, the meeting adjourned at 5:23 p.m.

Respectfully Submitted, Tony Mullen, Chair Human Resources Committee

# FINANCE COMMITTEE Meeting Minutes January 10, 2017

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI, at 5:32 p.m. on Tuesday, January 10, 2017.

Finance Committee Chair Ken Ross called the meeting to order and requested a roll call.

Present: Commissioners Ken Ross, David Price and Sandra Zerkle (Alternate Member). Also present: Commissioners Tony Mullen, Anthony McCloud and Non-Voting Commissioner William Long (Departed at 6:10 p.m.).

Absent: Commissioner Dennis M. Louney

The Corporate Secretary declared a quorum.

#### **Public Comments**

None

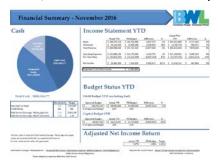
#### **Approval of Minutes**

**Motion** by Commissioner Price, Seconded by Commissioner Ross, to approve the Finance Committee meeting minutes of November 8, 2016.

Action: Motion Carried.

#### **November YTD Financial Summary**

Chief Financial Officer, Heather Shawa-DeCook presented the following:





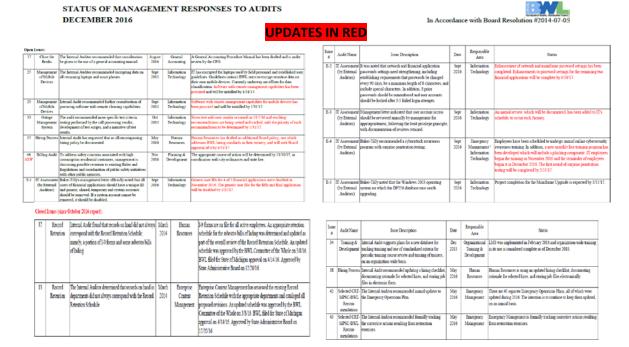
Chief Financial Officer (CFO) Shawa-DeCook announced that the BWL went through an evaluation in December from both Moody's and S&P Credit Rating Agencies and the results are an affirmed AA- rating with stable outlook.

Ms. Shawa-DeCook mentioned that the Bad Debt process is currently being reviewed and special attention is being focused on large commercial customers, as there seems to be an upward trend of their debt.

Ms. Shawa-DeCook also informed the Committee that the BWL will be going out for a Bond reissuance which was approved by the Board last November. She stated that there is a Net Present Value estimated savings of \$3.7 million or 10.7%.

#### **Update on Management Responses to Internal Audits**

Chief Financial Officer Heather Shawa-DeCook presented management's responses to audits as follows:



#### **Internal Audit Status Report**

Internal Auditor Phil Perkins presented the following status report:

#### Revised FY 2017 Audit Plan- Proposed

Planned Audits:	Estimated Hours	Status
Performance Evaluation/Compensation	300	About complete
Collections	400	In progress
Post-Cyber Incident Review	300	In progress
IT - Help/Service-Desk-Management Identity and Access Management*	400	Start Apr 2017
New Service Order Management - Water	300	Start Feb 2017
Payroll Management	400	Start Feb 2017
Follow-up – Hiring Process	100	Start Apr 2017
Follow-up – Training & Development	100	In progress
Other Engagements:		
Cash Counts, Time Reporting Reviews, etc.	300	In progress
Total Estimated Hours	2,600	



Help ticket software is currently being replaced, making a FY 17 audit impractication the proposed replacement audit of Identity and Access Management has been pareed upon with management.

Internal Auditor Perkins proposed a change to the Fiscal Year (FY) 17 Audit Plan due to the fact that the planned audit for Help/Service Desk Management was not practical this FY because of a new software system coming on-line within the next couple of months. Mr. Perkins advised that it would be impractical to audit the old system based on the addition of the new software system. He suggested that the Help/Service Desk Management audit be replaced with an audit of Identity and Access Management.

**Motion** by Commissioner Price, Seconded by Commissioner Ross to approve the revision of the Internal Auditor's Audit Plan as presented in today's report.

**Action:** Motion Carried

#### **Travel Policy Reviews**

The Finance Committee, BWL Management and Appointees reviewed the Travel Policies for the Board of Commissioners, Board Appointees and BWL Employees as well as the Resolution for the Retirement System

Education and Travel Policy. After a very detailed work session several suggested clarifications and amendments were recommended. In conclusion, a draft policy was requested by Finance Chair Ross to be presented which would result in a combined policy with specific sections addressing each BWL representative group.

#### <u>Other</u>

None

#### **Excused Absence**

**Motion** by Commissioner Price, Seconded by Commissioner Ross, to excuse Commissioner Louney from today's meeting.

**Action:** Motion Carried

#### Adjourn

**On Motion** by Commissioner Price, Seconded by Commissioner Louney, the meeting adjourned at 6:51 p.m.

Respectfully submitted
Ken Ross, Chair, Finance Committee

#### MANAGER'S RECOMMENDATIONS

There were no Manager's Recommendations.

#### **UNFINISHED BUSINESS**

There was no Unfinished Business.

#### **NEW BUSINESS**

Board Chair Price acknowledged that with the election of Commissioner Tony Mullen to the Officer position of Vice Chairperson he officially becomes a member of the Executive Committee.

### RESOLUTIONS RESOLUTION 2017-01-01

#### **AMENDMENT TO 401A DEFINED CONTRIBUTION PLAN**

RESOLVED, that the Board of Commissioners hereby amends the Lansing Board of Water & Light 401a Defined Contribution Plan # 106696 such that the Employer Contributions for Non-Bargaining Unit Employees is increased from 8.1% to 9.5%, effective 2/1/2017, for those Non-Bargaining Unit Employees hired after January 1, 1997.

FURTHER RESOLVED, all other provisions of the 401a Defined Contribution Plan # 106696 shall remain in full force and effect.

FURTHER RESOLVED, that the General Manager and Corporate Secretary are hereby authorized to execute the applicable Adoption Agreement or Plan Document that accurately captures the above noted change in Employer Contributions.

**Motion** by Commissioner Mullen, Seconded by Commissioner Zerkle, to approve the amendment to 401a Defined Contribution Plan for Non-Bargaining Unit Employees.

Action: Motion Carried.

### RESOLUTION 2017-01-02 AMENDMENT TO 457 DEFERRED COMPENSATION PLAN

RESOLVED, that the Board of Commissioners hereby amends the Lansing Board of Water & Light 457 Deferred Compensation Plan # 300435 such that the limit of the Employer Match for Non-Bargaining Unit Employees is increased from \$1,250 per year to \$1,500 per year, effective February 1, 2017.

FURTHER RESOLVED, all other provisions of the 457 Deferred Compensation Plan # 300435 shall remain in full force and effect.

FURTHER RESOLVED, that the General Manager and Corporate Secretary are hereby authorized to execute the applicable Adoption Agreement or Plan Document that accurately captures the above noted change in the Employer Match.

**Motion** by Commissioner Mullen, Seconded by Commissioner Zerkle, to approve the amendment to 457 Deferred Compensation Plan for Non-Bargaining Unit Employees.

Action: Motion Carried.

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

General Manager Peffley informed of the following:

The television commercials that were being streamed before tonight's meeting began are part of the BWL's Lansing Energy Tomorrow campaign and will be running through the end of March. He stated that the commercials have had a very positive response from the public.

Here (at the Depot) on display tonight is the last lead pipe that was removed. This is a big mile stone and is something this company and the commissioners should be proud of as we are one of two cities in the County to complete the task of all lead pipes being removed from the service territory.

There were two design charrettes this week. A third charrette will be held in a couple of weeks in which a view of two walls will be presented for fine tuning. This project did fall within the budget and as soon as a decision is made copies of the chosen design for the substation will be distributed.

#### **COMMISSIONERS' REMARKS**

None

#### MOTION OF EXCUSED ABSENCE

**Motion** by Commissioner McCloud, Seconded by Commissioner Mullen, to excuse Commissioners Thomas and Nelson from tonight's meeting.

Action: Motion Carried.

#### **PUBLIC COMMENTS**

On behalf of the Lansing Promise Organization Executive Director Justin Sheehan presented General Manager Peffley and the Board of Commissioners with a plaque inscribed "Investing in a Brighter Future" to express their appreciation for the support received from the BWL over the years to help send Lansing kids to college.

#### **ADJOURNMENT**

Chair Price adjourned the meeting at 5:44 p.m.

Preliminary Minutes filed (electronically) with Lansing City Clerk: February 7, 2017 Official Minutes filed (electronically) with Lansing City Clerk: March 31, 2017