



MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

LANSING BOARD OF WATER AND LIGHT

January 27, 2015

The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, January 27, 2015.

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

Present: Commissioners Margaret Bossenbery, Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Cynthia Ward and Sandra Zerkle.

Absent: Commissioner Tracy Thomas

The Corporate Secretary declared a quorum present.

Commissioner Anthony McCloud led the Pledge of Allegiance.

Chair Price acknowledge and welcomed the newly designated Board of Water & Light non-voting members Mike Froh from Meridian Township and Robert Nelson from E. Lansing.

APPROVAL OF MINUTES

Motion by Commissioner Ward, seconded by Commissioner Mullen to approve the Regular Board Meeting minutes of November 18, 2014.

Action: Motion Carried

Motion by Commissioner Ward, seconded by Commissioner McCloud to approve the Special Board Meeting minutes of January 13, 2015.

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.

There was no Public Comment

COMMUNICATIONS

TO BWL COMMISSIONERS:

Lansing's City Charter allows for a distinct separation of the Board of Water and Light and the Lansing City Government. This separation needs to be maintained with BWL Commissioner's leadership in order to oppose Mayor Bernero's plan to have BWL Management reporting as a City Department. The Board of Water and Light Commission is not like any other Lansing Board which comes under the Mayor's purview.

The current structure of the BWL is absolutely the correct one, as it allows the Mayor's political input by appointing Lansing residents as proposed BWL Commissioners and then allows City Council input by approving or disapproving each proposed Commissioner.

The BWL should maintain its current structure under the 2014 revised Charter to allow it to conduct its business by following city, state and federal regulations that it is required to abide by as a municipality.

R Byrnes, BWL Retiree-Electronic Mail

Referred and Forwarded to All Commissioners
Received and Placed on File

COMMITTEE REPORTS HUMAN RESOURCE COMMITTEE January 20, 2015

The Human Resource Committee Chairperson Cynthia Ward called the meeting to order and asked the Secretary to call the roll. The following members were present: Commissioners Cynthia Ward, Anthony McCloud, Tony Mullen and David Price. Also present: Commissioners Margaret Bossenbery, Dennis Louney, Tracy Thomas and Sandra Zerkle.

Absent: None

Public Comments

There were no public comments

Human Resources (HR) Committee Chair Ward thanked all of the Commissioners who are not part of the HR Committee for attending this evening and welcomed Interim General Manager Dick Peffley to this meeting. As the Chair of the HR Committee Commissioner Ward took privilege to move Agenda item #2(Draft Contract for Interim General Manager) down on the Agenda to become item #4. There is a legal memo associated with the mentioned item therefore the Committee will go into Closed Session pursuant to Michigan Law as well as go into a separate Closed Session for Agenda item #5.

Approval of Minutes

Motion by Commissioner Mullen, seconded by Commissioner Price to approve the Human Resource Committee meeting minutes of September 16, 2014.

Action: Motion Carried

Resolution Designating Commissioners to work with Legal Counsel

HR Chair Ward stated there was a Resolution put forth last week at the Special Board Meeting that included designees for working with legal counsel pertaining to the termination of J. Peter Lark. The purpose of this Resolution is to clarify that it is the Board Chair and the

HR Chair to serve as the point persons to resolve or work with legal counsel to resolve any disputes or to finalize the termination of J. Peter Lark. This resolution clarifies that language; this resolution also makes it clear that any final discussion or terms relative to finalizing the termination of J. Peter Lark is to be presented to the Full Board for consideration and for a vote.

At the request of Commissioner McCloud, HR Chair Ward read the following Resolution into the record.

Proposed Resolution

BE IT RESOLVED, That the official point of contact for the purpose of working with legal counsel to finalize the termination of J. Peter Lark's contract will be Chair David Price and Human Resources Chair Cynthia Ward; and

BE IT FINALLY RESOLVED, That the full Board of Commissioners will be kept appropriately updated by Commissioners Ward and Price of developments; and any proposals for final resolution will be presented to the full Board of Commissioners for consideration and approval.

Motion by Commissioner Price, Seconded by Commissioner McCloud to forward the proposed Resolution to the Full Board for consideration.

Action: Motion Carried

Sample Performance Evaluation Forms

HR Chair Ward stated that at a prior Human Resources committee meeting there was some discussion about making changes to the instrument that is used to evaluate the Board's three appointed employees. Ms. Ward stated that she contacted the American Public Power Association (APPA) and they shared several evaluation samples. She said the evaluations included in the meeting packet is primarily for information and welcomes any thoughts on the documents. Chair Ward stated that she is partial to the APPA evaluation form because the areas that they tend to address would be appropriate in the areas that this Board would want to address in our evaluation form. She said that the samples included is just for the General Manager and is still trying to secure sample evaluations for the Internal Auditor and the Corporate Secretary.

Chair Price said the sample is nice and is in favor of it. It narrows down the choices and the scale is much more reflective of what is being used in many personnel evaluations today. He said that we need different evaluations for our different employees because the questions that need to be asked are significantly different for each of the appointed employees.

HR Chair Ward said that she would like to include on the appointed employee's evaluation forms an area that explicitly indicates goals and objectives going forward in the next year. She stated that she would follow up with the APPA to see if their form can be used due to their copyright status.

Commissioner Mullen said that he would like to have an opportunity to sign the evaluation forms. HR Chair Ward stated that the Board needs to think about whether it makes sense to put forth eight separate evaluations or one Board evaluation. After more discussion regarding this matter, HR Chair Ward stated that she will make sure that Commissioner Mullen's concerns are addressed.

Draft Contract for Interim General Manager

HR Chair Ward stated that the Committee is being provided with an Attorney Client Privileged Memorandum. Considering such a discussion is most appropriate in Closed Session.

Motion by Commissioner Mullen, Seconded by Commissioner McCloud to go into closed session for the purpose of reviewing the contents of the attorney-client privileged memorandum as permitted by the Open Meetings Act, specifically MCL 15.268(h) and MCL 15.243(g).

Roll Call Vote: Yeas: Commissioners Ward, McCloud, Mullen and Price
Nays: None

The Human Resource Committee meeting went into closed session at 5:14 p.m.

Motion by Commissioner Price, seconded by Commissioner McCloud that the Human Resource Committee returned to open session. (6:25 p.m.)

HR Chair requested Members of the HR Committee, All Board of Commissioners and the Board's Attorneys to be include in the Closed Session.

Upon conclusion of the closed sessions, the following motion was made.

Motion by Commissioner McCloud, Seconded by Commissioner Mullen to allowing HR Chair Ward and Board Chair Price to work with the attorneys and Mr. Peffley in finalizing the terms of his contract and said contract to be brought back to the Full Board for review and approval.

Action: Motion Carried

Closed Session Discussion (Attorney-Client Memo)..... (DISCUSSION ONLY)
[MCL 15.268(h) and MCL 15.243(g)]

Motion by Commissioner Price, Seconded by Commissioner McCloud to go into Closed Session for the purpose of reviewing the contents of the Attorney-Client Privileged Memorandum as permitted by the Open Meetings Act, specifically MCL 15.268(h) and MCL 15.243(g).

Roll Call Vote: Yeas: Commissioners Ward, McCloud, Mullen and Price
Nays: None

The Human Resource Committee meeting went into closed session at 6:29 p.m.

Motion by Commissioner McCloud, seconded by Commissioner Price that the Human Resource Committee returned to open session. (7:40 p.m.)

Other

None

Excused Absence

None

Public Comments

None

Adjourn

On Motion by Commissioner Price, seconded by Commissioner McCloud, the meeting adjourned at 7:41 p.m.

Respectfully Submitted
Cynthia Ward, Chair
Human Resource Committee

MANAGER'S RECOMMENDATIONS

Interim General Manager Peffley had no Manager's Recommendations.

UNFINISHED BUSINESS

There was no Unfinished Business

NEW BUSINESS

Commissioner Bossenbery stated her intent to schedule Committee of the Whole meetings every month because she feels it is important during this transitional period.

Finance Committee Chair Louney informed the Board of Commissioners that Internal Auditor Perkins would be performing a review of the books as the new management takes over.

There was a question and discussion period regarding the difference between what the Internal Auditor regularly reports to the Board of Commissioners opposed to the requested review of the books. There was also discussion regarding the way in which the decision to undertake this task was put before the Board without going to the committee first. Finance Chair Louney stated that he wanted to make it very clear that there is nothing wrong, just felt it was important to start this new management off with a fresh slate, which is common when there is a change in leadership. Mr. Louney also stated that there was not time to have a committee meeting and this matter would not have been before the committee until late February.

Internal Auditor Perkins stated that this audit would be more focused and targeted toward the type of transactions that were approved at the General Manager level. The more major expenditures or investments and so forth that we might touch into some of the other audits but certainly would not have focused on that particular type of expenditure investment necessarily that we would have going into this audit where that is going to be our central focus. Mr. Perkins anticipated that the audit would take about six weeks.

Motion by Commissioner Louney, Seconded by Commissioner Mullen to authorize Internal Auditor, Phil Perkins, to do a general audit, which he will define for us on some specifics in regards to our financial structure and report back to the finance committee and the full Board.

Discussion: Commissioner Bossenbery stated her disappointed that this matter did not come before the Finance Committee.

Action: Motion Carried

RESOLUTIONS

RESOLUTION 2015-01-02

BE IT RESOLVED, That the official point of contact for the purpose of working with legal counsel to finalize the termination of J. Peter Lark's contract will be Chair David Price and Human Resources Chair Cynthia Ward; and

BE IT FINALLY RESOLVED, That the full Board of Commissioners will be kept appropriately updated by Commissioners Ward and Price of developments; and any proposals for final resolution will be presented to the full Board of Commissioners for consideration and approval.

Motion by Commissioner McCloud seconded by Commissioner Mullen Ward, to approve the schedule for the 2015 Regular Board Meeting Dates.

Action: Motion Carried

MANAGER'S REMARKS

Interim General Manager Peffley introduced new CFO, Heather Shawa-DeCook. He stated that Heather comes with a wealth of executive management experience in leadership, budgeting and organizational development that will help guide the Board of Water & Light into the future. He asked that everyone welcome her aboard.

Commissioner Bossenbery presented Interim General Manager Peffley with a series of questions regarding his decision to hire the new CFO and potential interest in the merging or consolidation of certain departments with the City of Lansing. Mr. Peffley responded to all questions and noted that the Board of Commissioners would be inform and made aware of any merger or consolidation considerations.

COMMISSIONERS' REMARKS

Commissioner Zerkle thanked Interim General Manager Peffley for immediately responding to the issue regarding tennis shoes being wrapped around electrical wires.

Commissioner Ward announced that each Commissioner was provided with a contact information/assignment list at their sitting area for review and to please submit any changes or corrections to Corporate Secretary Griffin.

EXCUSED ABSENCE

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

PUBLIC COMMENTS

Robert Nelson of E. Lansing stated the he is looking forward to working with the Board of Commissioners come July 1st. He stated that he believes regional representation is a critical element of the reports by the public service commission and the community review team to provide adequate service to the adjoining communities outside the city of Lansing.

Max Zimmer, no address given, stated that this city does not need a politician running the Board of Water and Light. It is not good for the Board of Water of Light, ratepayers,

industrial, small business, residential or anyone. I just want to reiterate that I think that most of the people here are here to say that we do not want a politician running the Board of Water and Light.

Joe Wolf of Lansing, MI stated that he served for 20 years as the Assistant General Manager of the Board of Water and Light. He said the Board of Water and Light is a great organization and it has been successful for 130 years in its current structure, since 1885. The city father's at that time realized how important it was to have this business of the city to be run by business oriented people and not by politicians from City Hall. One of your biggest jobs will be to appoint a new General Manager and you don't need it to be a lawyer or an accountant to run the Board of Water and Light you need somebody with electric utility experience. Somebody that knows and understands the business and the business is not just dollars and cents.

Ronald Burns, Business Manager for the IBW, Local 352, stated that he recently heard from many employees and customers alike that are very upset and concerned with the Mayor's plan to take over the BWL. The City charter is very specific. It designates the BWL as Administrative Board to be operated in the best interest of its customer/owners. The charter gives you, the Commission the authority to approve the utilities budget and rates, which gets reinvested back into the electric and water infrastructure, which makes us the strong utility that it has been so many years. The Charter is specifically written, with the BWL as an independent autonomous board that keeps the changing winds of city government and politics separated from the utility operations here. That is the reason why we have been successful for so many years. He asked that this Board stand up for customers in this regard and oppose the Mayor's plan to take over the BWL. This current structure has served customers well with affordable rates and reliable service for many years and would hate to see that change.

Jan Simpson, President of the Board of Water and Light Retirees Association, stated according to a research study done by Stanford University school of Business, the difference between a truly exceptional company and a less successful company is their home grown management by a factor of more than 6 times. Giving a politician the reigns to the BWL without knowledge of its workings is not the answer. She said it is time to look within the BWL itself for a CEO to stimulate fundamental change since the tenure of the last 3 general managers at the BWL were brought in from outside the organization and or community.

Chair Price thanked everyone for coming out and showing support. He said that on behalf of all of the Commissioners, we do not get a chance to say this very often but we deeply appreciate the work that all of you do. You are the men and women who literally put the rubber to the road and the wires to the pole and we thank you for going out there every day and serving the citizens of this community.

ADJOURNMENT

On motion by Commissioner Bossenbery, seconded by Commissioner McCloud the meeting adjourned at 6:04 p.m.

M. Denise Griffin, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk: February 4, 2015
Official Minutes filed (electronically) with Lansing City Clerk: April 3, 2015