



**LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
HUMAN RESOURCES COMMITTEE MEETING
Tuesday, May 13, 2025 ♦ 5:00 P.M.
Board of Water & Light Headquarters – REO Town Depot
1201 S. Washington Ave., Lansing, MI 48910**

Human Resources Committee: Beth Graham, Committee Chairperson; Chris Harkins, DeShon Leek, Sandra Zerkle; Alternates: Tony Mullen, Dale Schrader; Non-Voting Members: J.R. Beauboeuf, Robert Worthy, Stuart Goodrich

BWL full meeting packets and public notices/agendas are located on the official web site at
<https://www.lbwl.com/about-bwl/governance>.

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

1. Human Resources Committee Meeting Minutes of May 8, 2025 **TAB 1**
2. FY 2025 Board Appointee Performance Reviews
 - a. Corporate Secretary/Proposed Reappointment Resolution **TAB 2a**
 - b. General Manager/Proposed Reappointment Resolution..... **TAB 2b**
 - c. Internal Auditor/Proposed Reappointment Resolution **TAB 2c**
3. Subsequent Steps for Board Appointed Employees Contracts **INFORMATION ONLY**

Other

Adjourn

SPECIAL HUMAN RESOURCES COMMITTEE
Meeting Minutes
May 8, 2025

Human Resources (HR) Committee: Commissioner Beth Graham, Committee Chairperson; Commissioners Chris Harkins, DeShon Leek and Sandra Zerkle; Alternates: Tony Mullen, Dale Schrader; Non-Voting Members: Commissioners J. R. Beauboeuf, Stuart Goodrich, Robert Worthy

The Special 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 Thursday, May 8, 2025.

HR Committee Chairperson Commissioner Beth Graham called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Beth Graham, Chris Harkins, DeShon Leek, and Sandra Zerkle; also present: Commissioners Semone James (arrived @5:36pm), David Price, and Dale Schrader (Alternate); and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Bob Worthy (Delta Township). Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Chris Harkins, to approve the HR Committee meeting minutes of March 18, 2025.

Action: Motion Carried.

FY 2025 Board Appointee Performance Reviews

HR Committee Chairperson Beth Graham opened the floor for the Board Appointee Performance Reviews.

Human Resources Executive Director Michael Flowers stated that the appointed employees have received their evaluation packets.

Corporate Secretary

Corporate Secretary LaVella J. Todd requested a closed session for the purpose of receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Chairperson Beth Graham, **Seconded** by Commissioner Chris Harkins, to go into closed session to discuss the contractual year-end performance evaluation of Corporate Secretary LaVella J. Todd.

Roll Call Vote:

Yeas: Commissioners Beth Graham, DeShon Leek, Sandra Zerkle and Chris Harkins.

Nays: None.

Action: Motion Carried.

All Commissioners present and Human Resources Executive Director Michael Flowers were also requested to go into closed session.

The Human Resources Committee went into closed session at 5:34 p.m.

Motion by Commissioner Chris Harkins, **Seconded** by Commissioner DeShon Leek, to reconvene into open session.

Yeas: Commissioners Beth Graham, Chris Harkins, DeShon Leek, and Sandra Zerkle

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 6:15 p.m.

Upon conclusion of the Closed Session, Chairperson Beth Graham stated that a resolution would be presented at the May 13, 2025 Human Resources Committee meeting.

General Manager

General Manager Richard R. Peffley requested a closed session for the purpose of receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Chairperson Beth Graham, **Seconded** by Commissioner Chris Harkins, to go into closed session to discuss the contractual year-end performance evaluation of General Manager, Richard R. Peffley.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Chris Harkins, DeShon Leek, and Sandra Zerkle

Nays: None.

Action: Motion Carried.

All Commissioners present and Human Resources Executive Director Michael Flowers were also requested to go into closed session.

The Human Resources Committee went into closed session at 6:17 p.m.

Motion by Commissioner Graham, **Seconded** by Commissioner Sandra Zerkle, to reconvene into open session.

Yeas: Commissioners Beth Graham, Chris Harkins, DeShon Leek, and Sandra Zerkle

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 7:03 p.m.

Upon conclusion of the Closed Session, Chairperson Beth Graham stated that a resolution would be presented at the May 13, 2025 Human Resources Committee meeting.

Internal Auditor

Internal Auditor Elisha Franco requested a closed session for the purpose of receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Chairperson Beth Graham, **Seconded** by Commissioner Chris Harkins, to go into closed session to discuss the contractual year-end performance evaluation of Internal Auditor, Elisha Franco.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Chris Harkins, DeShon Leek, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

All Commissioners present and Human Resources Executive Director Michael Flowers were also requested to go into closed session.

The Human Resources Committee went into closed session at 7:04 p.m.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Chris Harkins, to reconvene into open session.

Yeas: Commissioners Beth Graham, Chris Harkins, DeShon Leek, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 7:41 p.m.

Upon conclusion of the Closed Session, Chairperson Beth Graham stated that a resolution would be presented at the May 13, 2025 Human Resources Committee meeting.

Commissioner Zerkle asked if a motion to reappoint the three appointed employees is what was being sent forward. Mr. Flowers responded that contract discussions would be held with the three appointed employees before the presentation of the reappointment resolutions at the May 13, 2025 HR Committee meeting.

Process for Appointee Market Analysis and Compensation

Executive Director of Human Resources Michael Flowers stated that this agenda item is being presented per a request from a couple of the Commissioners for information about market analysis and compensation studies for classifications within the Board, pay grades and individual placements into positions. Mr. Flowers added that BWL has a compensation analysis committee that reviews non-bargaining unit positions. Mr. Flowers introduced Senior Compensation Analyst Jeanie Stittsworth who presented the process for appointee market analysis and compensation. The process included base pay structure, compensation studies, market data, survey data, BWL labor market, and comparison ratios.

Commissioner Harkins asked if the market data for the 500-1000 employees' company size range was for just utilities or all companies. Ms. Stittsworth responded that the data applies to both utilities and all companies.

Commissioner Schrader asked whether the 75% percentile applied to the United States or to just Michigan. Ms. Stittsworth responded that it applied to BWL's market for compensation of utility/energy and all industries nationwide. Mr. Flowers added that prior to the 75% percentile selection for compensation, initially the selection was 25% and then increased to 50% to maintain competitiveness and to attract and retain talent in the organization.

Commissioner Zerkle asked what the pay scales were for the Boards' appointed employees. Mr. Flowers responded that the Corporate Secretary pay grade is 11, the Internal Auditor pay grade is 12, and the General Manager pay grade is 21.

Commissioner Schrader asked how many employees were in the pay grades 16-21. Mr. Flowers responded there were about 8 people in the organization. GM Peffley responded he has about five direct reports and there are senior directors as well. GM Peffley also stated the selection was increased to 75% because BWL was losing employees to other utilities.

Commissioner Harkins asked how often the pay grade ranges change. Ms. Stittsworth responded that a compensation study and trends are evaluated annually in order to keep the comp ratios from reaching the maximum. Commissioner Harkins also asked how often other companies evaluate their pay grade. GM Peffley responded that one large investor owned utility company

evaluates pay grades every other year, and BWL bargaining unit salaries and entry level management salaries match theirs. Mr. Flowers added 2.5% was the increase this year in the range between pay grades.

Commissioner Schrader requested the time frame between the change from the 25% to 50% percentiles and between the change from the 50% to the 75% percentile. Mr. Flowers responded that the 25% percentile was in effect 18 years ago and changed to 50% percentile shortly after, and the 50% percentile was in effect until 2020.

Commissioner Graham asked if high income markets were also compared in addition to similar markets. Ms. Stittsworth responded that the current tool compares the Midwest. Mr. Flowers added that different areas are also compared besides utilities such as positions in finance, accounting, and engineering fields.

Commissioner Leek asked if comparisons are made between same size utilities when the market is searched. Ms. Stittsworth responded that the labor market is based on a company's employee size. Mr. Flowers added that there are several utilities around the country with the same employee size and customer base which are researched. Commissioner Worthy asked if benefits are factored into compensation. GM Peffley responded that total compensation is evaluated. Mr. Flowers confirmed and stated that the analysis is base wage only.

Other

There was no other business.

Adjourn

Meeting adjourned at 8:05 p.m.

Respectfully Submitted,
Beth Graham, Chairperson
Human Resources Committee

RESOLUTION 2025-05-XX

Appointment of the Charter Position of Corporate Secretary

WHEREAS, the Board's Rules of Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Corporate Secretary fiscal year 2025-2026 or until a successor is appointed, whichever last occurs:

LaVella J. Todd, Corporate Secretary

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2025's performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the reappointment of the Charter Position of Corporate Secretary for Fiscal Year 2025-2026 at a Board Meeting held on May 20, 2025.

Roll Call Vote:

Yeas:

Nays:

Action:

RESOLUTION 2025-05-XX

Appointment of the Charter Position of Director and General Manager

WHEREAS, the Board's Rules of Procedure specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of General Manager for fiscal year 2025-2026, or until a successor is appointed, whichever last occurs:

Richard R. Peffley, Director and General Manager

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for fiscal year 2025's performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the reappointment of the Charter Position of Director and General Manager for Fiscal Year 2025-2026 at a Board Meeting held on May 20, 2025.

Roll Call Vote:

Yeas:

Nays:

Action:

RESOLUTION #2025-05-XX

Appointment of the Charter Position of Internal Auditor

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Internal Auditor fiscal year 2025-2026, or, until a successor is appointed, whichever last occurs:

Elisha Franco, Internal Auditor

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2025's performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the reappointment of the Charter Position of Internal Auditor for Fiscal Year 2025-2026 at a Board Meeting held on May 20, 2025.

Roll Call Vote:

Yeas:

Nays:

Action: Motion Carried.