



PUBLIC LIGHTING AUTHORITY
Board of Directors Meeting
August 22, 2018

Board Members in Attendance:

Dr. Lorna Thomas, Chair
Patrick Padgett, Secretary
Rod Parker, Treasurer (**via teleconference**)
Melvin Butch Hollowell
Ric Preuss
Beau Taylor, Executive Director

Legal Representative(s)

Floyd Allen
George Pitchford

Resolution:

Resolution 2018-06
Resolution 2018 -07

Motions Carried/Failed:

Resolution 2018-06 Carried
Resolution 2018-07 Carried

CALL TO ORDER

The Board Meeting of the Public Lighting Authority (PLA) was held August 22, 2018 at the PLA, 65 Cadillac Square, Suite 3100, Detroit, MI 48226. Dr. Lorna Thomas, Chair of the Board, called the meeting to order at 5:10 p.m.

ROLL CALL

Roll call was taken by Patrick Padgett, Secretary and members in attendance included: Dr. Lorna Thomas, Chair; Patrick Padgett, Secretary, Rod Parker, Treasurer; Melvin Butch Hollowell, Ric Preuss, Beau Taylor, Executive Director Floyd Allen and George Pitchford (Legal Counsel). Meeting began at 5:10 p.m.

APPROVE AGENDA

Motion made to approve the Agenda by: Butch Hollowell
Motion seconded by: Patrick Padgett
Motion Carried

APPROVE MINUTES

Motion made to approve the May 16, 2018 – Regular Session Minutes

Motion by: Butch Hollowell

Motion seconded by: Patrick Padgett

Motion carried

Motion made to approve the May 16, 2018 – Closed Session Minutes (distributed and collected)

Motion by: Butch Hollowell

Motion seconded by: Patrick Padgett

Motion carried

DISCUSSION ITEM(S)

2018/2019 Budget Presentation

Beau begins by welcoming new Board members Melvin Butch Hollowell and Ric Preuss.

The 2018/2019 Budget was presented by Beau Taylor, Executive Director, and presented a package for the Board's review. Beau explains that he would like to look at getting an interest bearing account given the amount of Capital PLA has. PLA could garner a significant amount of additional revenue by putting funds in an interest free account other than the one PLA currently has. Beau and Mohamed Hassan are looking for investment options to present at the next Board Meeting.

Dr. Thomas mentions that the reserve replacement (\$2.1M) in Beau's report is a little low and it should be increased in order to avoid being hit all at once when lights need to be replaced. Beau says that amount can be amended to present at the next board meeting.

Butch Hollowell asks if there will be a need for a financial advisor. Beau mentions that our bylaws state the CFO must come from outside, and introduces Mohamed Hassan, CFO.

Floyd Allen mentions that an investment policy has been drafted for board review for the next meeting.

Executive Director's Report

Beau begins by stating overall, the lights are on, and that there were no systemic failures of the lighting system. There was no backlog as of June 1st. Currently the backlog was 127. We're not having a problem with new light outs. We need to watch the amount of major repairs entering into the backlog, because as that number grows, it becomes more labor intensive to fix.

PLA is in a last chance agreement with our contractor, there's about 30 days left in that LCA and will defer to the end of the LCA to write a report and document activities and data that shows performance before bringing it before the Board.

We're working with the City of Detroit (Dave Manardo) - departments that form infrastructure tasks to coordinate activity. There are 2 components; one is letting everyone know what projects are being worked on and what department is working on it. DWSD overlaps with PLA/PLA overlaps with DWSD and the more we communicate the better off we will be. The second component is project planning. It's best when we know what area is being dug up to do all projects related for that area at one time, as opposed to doing one a year after the first project begins.

With the Planning Department there are 23 Streetscapes they're looking to improve. We're communicating with them the types of lighting they can use – consistent with our lighting plan and materials. We do not want them to make the decision for us, and then place the operation of the lights on us after the project. We let them know what their choices are through weekly meetings, visiting the area, and give them pricing for the lights.

GAP Projects are completed or nearly complete with the exception of two: Motor City Casino and West Jefferson, because the contractor may have decided to pull back. We're in talks with them for their decision to either move forward, or to re-bid.

Butch asked a question regarding residential housing units under construction that will generate the need for more lights. Do you work with Maurice Cox, Brad Dick, etc. as these people occupy new areas of the city we've got lights for them?

Beau responds by saying he doesn't know if the lighting plan ostensibly can change without certain steps. But what we're doing right now is pilot areas for next generation LEDs in an area on the east side, where we will have a control with 3 separate blocks of configurations of lights. One of the major complaints is darkness between the midblock and the end. We think we can overcome that by increasing the spread both at the midblock and the end. It may not be eliminated, but it can be shortened. Beau also mentioned PLA's plan to add street lighting in the area of the new Flex N Gate Plant where 450 employees will work, but the nearest bus stop is 350 yards away. It's in an area of town where people will be getting out of work at 3am so we think it's very important in the name of public safety to add some lights there.

PLA Store RFP – Beau gave the Board members copy of the PLA Store RFP Draft. Currently, PLA purchases material from numerous vendors. A lot of them are “pass thru” vendors who purchase from someone else. In addition, all material is kept at our Contractor's yard. We're looking to consolidate all that activity into one warehouse with one vendor acting as the storekeeper, and performing all procurement activities for us. We believe we can get better and have control over pricing. PLA has an RFP in place to have all PLA materials warehoused in one place managed by some vendor that does that for business, we will be able to better track our inventory. We will also give our contractor that does the maintenance better capacity to do what they do best, which is provide maintenance activity. It will help us with efficiency and enable us to barcode our inventory, have separate barcodes for each vendor – all tracked through our City Works system. Also, having one storage facility will reduce costs that we've had to incur from moving material from one place to another. We would like this facility to be in Detroit with a Detroit-based vendor.

Capital Financing – Beau introduces Sridhar Lakshmanan, consultant for PLA who prepared a financial model laying out how much unrestricted Capital PLA has. There is a portion of capital that is restricted to backstop the bonds. Sridhar's presentation used several models as well as PLA historical data giving a regression model to predict when the system would go out.

Safety Management Group Presentation - Beau introduces the Safety Management Group – who is working with PLA to devise a set of standards – which we expect from our contractors as well as ourselves; including a safety manual and a set of procedures. The company is working with DeAndre' Brooks, PLA's Safety Manager. Nick Merchant will now give an overview of his findings and plans for PLA.

Nick Merchant – Safety Management Group – started with internal surveys and looked at PLA's internal policies and procedures.

- SMG looked at 3 of PLA's contractors and management staff. The surveys are being compiled and will be presented as part of a gap analysis report

- They also performed field observations with PLA's day/night shift with respect to the contractors working in the field.
- They also looked at orientation, pre-qualification, pre job planning, task planning, and best practices found in the safety industry, OSHA and other regulatory agencies.

Right now, SMG is building a contractor/safety management program draft for PLA which will be incorporated into an overall corporate safety manual, which will apply not only to PLA, but the contractor safety community PLA will bring on board. SMG recommends:

- Pre-qualification process for contractors/sub-contractors
- Set criteria about what we want to see contractors bring to the table
- Contractor performance – how they perform inside/outside of PLA
 - Have an auditing system to track performance
 - Consistent incident management standards
- Employee orientations for field and contractors

A safety training matrix has been drafted and a safety manual has been delivered to Beau for PLA review.

Dr. Thomas thanks Nick Merchant and looks forward to seeing this developed.

Vernor Highway Lighting Project – Beau explains that Vernor Highway – from Clark Park to Woodmere was not wired properly, so we wanted to get it wired properly prior to the clocks going back an hour in November. PLA had two contractors that came in very close on the RFP, so we decided rather awarding it to one vendor, we could reduce the timeframe to complete the project if it were split in half. We had one contractor going east, the other contractor going west thereby getting it done a couple of weeks early. That is our recommendation.

Ric Preuss asked which contractor did the original installation and would they be the ones fixing this issue. Beau responded by saying no, Dan's Excavating Company would not be working on this project.

ACTION ITEM(S)

Resolution 2018-06 Approving 2018/2019 Budget

Motion made to approve by: Butch Hollowell

Seconded by: Ric Preuss

Motion Carried

Resolution 2018-07 Approving Construction Contract for Vernor Highway Lighting Project – Universal Construction Services and Energy Group, Inc.

Motion made to approve by: Butch Hollowell

Seconded by: Patrick Padgett

Motion Carried

PUBLIC COMMENT

Dr. Thomas takes this opportunity to welcome the two new Board members, Melvin Butch Hollowell, and Ric Preuss, and asks them to tell a little about themselves. Both are thrilled to be a part of the Board. Dr. Thomas agrees by saying they are both a perfect fit.

ADJOURNMENT

Dr. Thomas adjourned the meeting at 6:43 p.m.