



**PUBLIC LIGHTING AUTHORITY**  
**Board of Directors Special Meeting**  
April 17, 2019

**Board Member in Attendance**

**Via Teleconference**

Rod Parker, Treasurer

**Board Members in Attendance**

Dr. Lorna Thomas, Chair

Melvin Butch Hollowell

Patrick Padgett, Secretary

Ric Preuss

Beau Taylor, Executive Director

**Legal Representative(s)**

George Pitchford

**CALL TO ORDER**

The Special Board Meeting of the Public Lighting Authority (PLA) was held on April 17, 2019 at the PLA, 65 Cadillac Square, Suite 3100, Detroit, MI 48226. Dr. Lorna Thomas, Chair of the Board, called the meeting to order at 5:03 p.m.

**ROLL CALL**

Roll call was taken by Patrick Padgett, Secretary. Members in attendance included: Dr. Lorna Thomas, Chair; Melvin Butch Hollowell, Ric Preuss, Patrick Padgett, and Beau Taylor, Executive Director. Member in attendance via teleconference was Rod Parker, Treasurer.

**APPROVE AGENDA**

Motion made to approve the Agenda by: Melvin Butch Hollowell

Motion seconded by: Patrick Padgett

Motion Carried

## **APPROVE MINUTES**

Motion made to approve the December 5, 2018 regular Board Meeting minutes by: Melvin Butch Hollowell

Motion seconded by: Patrick Padgett

Motion Carried.

Rod Parker, Treasurer joined the meeting via teleconference at 5:07 p.m.

## **DISCUSSION ITEMS:**

### **a. 5G – Extent Systems, Inc. Wireless Contract**

Beau Taylor introduces Extenet Systems – proposing to install 5G equipment in the City of Detroit. Their strategy is to attach to streetlight assets similar to the way any other telecommunication companies. AT&T has a similar contract that was approved by the Board in April 2018. The City will have identical contracts for all providers. This does not mean they have carte blanche on anything – it enables them to submit plans for approval. We are working with the City to establish a set of standards for all parties to abide by. Once we get parameters from the City, we will work with them to ensure everyone is compliant. This is a contract all providers will need with PLA and establishes a relationship and recommend passing, due to parity with AT&T.

Melvin Butch Hollowell asked if we are following a model where there is a certain set of pre-approved vendors to be used on an as-needed basis.

Beau Taylor responded, yes. He added after PLA approval, this would go to City Council for approval.

Patrick Padgett asked if PLA can approve or reject proposals.

Beau Taylor responded by saying, PLA is working with the City with design standards - Size of equipment, the way they access power, the weight of the equipment, and color. What PLA is working toward a set of standards for everyone to follow - we don't want each vendor having their own idea of how they want to do it and PLA ad hoc approving it based on what we think; we want delegated parameters through either an elected body, or the leadership of the City approving it for everyone.

Ric Preuss asked, what scope of work will the providers utilize – 1,000 poles, 5000 poles?

Beau Taylor stated there are 3 providers right now and does not know how extensive this will be, but he will work with the city regarding how many will be placed in a certain geographic area. We're trying to not have an instance (downtown) where every pole in certain areas has equipment on them. We're trying to prevent that from happening. From the ones that have come in initially, from Extenet are wood poles that have come

from within the 136 square miles, and not as obtrusive – not one after the other. It allows them to get busy, while we do our homework about how many we want in the downtown area, whether we want them accessing conduit, how they're accessing power. As this interfaces with DTE, this is the first step for them and for us. I think we need to ensure that we apply everything equally, which we have so far.

Ric Preuss asks are we setting the standards before the okay.

Beau Taylor responds - For the downtown, PLA is absolutely setting the standards. We may need to have a bridge put in place they are approved prior to the standard, but PLA would approve and the City would approve. Beau mentions there have been some already installed , and in speaking with the providers they have agreed that if we implement standards after they install, they would go back to retrofit to the standard that we would establish. Some of these standards could be memorialized in a resolution before City Council. He believes that may be the best way to go about it down the road because it becomes more impactful.

Butch Hollowell adds that PLA should establish the standards, and then make sure there is some warranty or provision within the vendor contracts that they have the capacity to be able to meet the standards that PLA will be setting and that they will be state of the art.

Beau Taylor responds – PLA standards will be a lot more restrictive.

Ric Preuss – they need power and will tap into our infrastructure to get power if they do it wrong who's at fault?

Beau Taylor responds - These are things they would have to ensure have taken place prior to any installation.

Ric Preuss asks – in the event poles are knocked down, with their equipment on it, are we going to share that cost?

Beau Taylor responds – PLA will replace the pole only. The equipment will be at the vendor's expense. Beau asks, are you asking that we share in the restoration cost of the pole?

Ric Preuss mentions that the vendor should share in the cost of the pole restorations since so many are knocked down per year.

Dr. Thomas mentions that this is just approving the licensing agreement and that there is a part two to address specific details as mentioned by Ric Preuss.

b. Replacement Lighting Project Procurement

Beau Taylor starts by telling the board that lights from one manufacturer has been failing at an unacceptable rate. So we are in the process of working out a resolution with the manufacturer based on the warranty terms that will take an exceptional amount of time for PLA to wait. There are some areas of the city, especially being impacted by this – Jefferson Avenue, Woodward (between 6 and 8 Mile), and a portion of Gratiot. Beau does not think it's viable for us to try to switch all 20,000 of the lights out, but he believes it is important to show the community that PLA is acting and not waiting for financial terms to come through, and we need to look at the most critical areas of the city where traffic could be impacted and those are the three areas previously mentioned.

We put out an RFP for lights and received 4 bids of various sizes of lights. The lights he would like to start with are the 400 watt equivalents. All bidders came in relatively close with regard to equivalency, and selected General Electric (GE), Cree, and America's Green Line. Beau believes the more we expand our portfolio of lights; the more we diversify away from a single vendor, the more we ensure this risk does not repeat itself. GE and Cree are very large vendors with a great reputation, and America's Green Line is a local company – they have been lobbying the PLA for lights for a long time. We plan to purchase about 1100 lights – 300 per vendor – giving a shot to see how they work out.

The performance will be there. Before any lights are installed in mass, there will be a few installed in a pilot area to see the lighting output. Within the next few months, Gorge and his team will work with the Leotech people to bring resolution to the warranty terms and get busy this summer getting the rest of these switched out to get light back to the neighborhoods.

Butch Hollowell asks if America's Green Line a Detroit based business.

Beau Taylor answers, yes. Then adds that the PLA will issue an RFP for labor to install these fixtures - This is where we will really get our benefit from Detroit based businesses. There are a number of Detroit based firms a couple have recently entered the market that do installation type of work, and we will focus as much as we can within the legal limits of the PLA to extend that work to those firms.

George Pitchford makes the Board aware that we will go about this in a way that preserves our right to seek compensation with regard to these replacements, or already doing, even though we are mid-stroke in terms of trying to work this out from the vendor.

Beau Taylor mentions on a positive note, the generation of lights we are looking at now, are different than the generation of lights we were working with 3-4 years ago, so some of the issues of spread, can be improved further than just the dimming of the lights. We may be able to find a model that spreads even further, to take out some of the dark space of the lights in the corners. They are 4 years old – effectively, is we get full warranty

terms, we will have 4 years longer before we will have to replace them again, which helps us on the Capital side.

Butch Hollowell states maybe we can use a list of pre-approved vendors for the labor when installing the lights.

Beau Taylor states the way the lights are failing in the neighborhoods, we need to go replace them all at the same time. That will bring the unit cost down, because you reach economies of scale, and the problem is so vast that if we attack it on a one off basis, it will take a lot longer to do. When they go out 100% we need to go put something in but, some of these are dim to the point of when we drove under it, and turned off the headlights, we had to look up to see there was a light on. He states it will be “all hands on deck” as soon as we get the lights in; hit the neighborhoods - start where the lights were installed first, then replicate the construction project until done.

c. Vernor Streetscape Project

Beau Taylor - DPW did first phase of this project 5-6 years ago from Woodmere to Clark Park. Due to issues with their configurations we had to go back and spend over \$200K go re-wire to meet PLA standards. When the city went to the Bond Market to receive funds for Streetscape their projects, Vernor was one of the projects they wanted to do. The amount of money they allocated to Vernor was only enough to do the lighting and the sidewalks, so they just told us to go ahead and do it ourselves. They put together a project scope to have it match the current look. We selected two firms, 1 a Detroit based business, and the other is not a Detroit based business. The third firm who bid, Motor City Electric was essentially too high on the price. We could not justify using them as a Detroit based business alone. The Detroit Based business that we did select will be doing the portion from I-75 to Newark St, a little bit less civil centric – meaning the sidewalk work is not as intrusive. The winning bidder for that portion of the project is The Energy Group. The portion of the project from I-75 to Clark Street; the bidder that came in to win was Rauhorn Electric. I felt more comfortable with their approach to the sidewalks; their ability to manage a project of this scale, they have experience doing it. At the same time, I did not want to award the whole project to them because I felt comfortable the Energy Group could do the portion awarded and that would be a good middle ground with the DBB having that portion. Rauhorn, we have not used before, I believed it would be a good opportunity to give them a chance, as they have this type of work extensively. Beau met with their supervisor who will be overseeing the work, he has done work with PLA in the past at a different firm, and is confident that things will not be disrupted in Southwest Detroit and get things done by the project deadline. It is a pass thru from the City of Detroit so we would be given the funds 100 % capped at \$2.4 Million so anything in excess of that the city would not reimburse us for would have to be approved by the Board. Beau does not see this happening, as the bids came in at a level we can stay below, but, if there are some things PLA would like to do to break that threshold, he thinks it would be something a subject for discussion.

Dr. Thomas asks can these projects be done in series, or at the same time.

Beau Taylor responds – These two can be done at the same time. The approach would be for them to start at the middle and work out. We want to get it started relatively close to the 6th of

May so as to not interfere with the Cinco de Mayo festivities. There is also a separate project on Bagley, so Southwest is going to get a nice finished project on two different streets, and expect to be complete before Daylight Saving time. No planned outages after November 1<sup>st</sup>.

Patrick Padgett asks if the decorative poles will match.

Beau Taylor responds – The decorative poles used on the Woodmere end had to be remanufactured because the original vendor went out of business. They will match 100 percent.

Patrick Padgett asks if this will be another additional pole added to our inventory.

Beau Taylor responds – no we have some because of the first project. We will order about 10 to 20 percent additional lights.

Ben Barker responds - 65 lights will be installed, PLA will order 80 as Vernor is a knock down corridor, the extra would be for replacements.

Patrick Padgett suggests that we order more due to the expense tied to re-tooling.

Beau Taylor responds - and asks Ben to check with the manufacturer when we order so we may be able to take advantage of a volume discount if more are ordered, and augment with PLA funds above the 20% and charge back the city for a year's worth.

Ben Barker responds – the Vernor, and Comerica poles are PLA's most expensive poles.

Ric Preuss asks can we standardize the poles – use the same for different areas?

Beau Taylor responds – the business owners in Southwest footed the cost for the entire project so they were able to select their own poles.

Dr. Thomas suggests – going forward, when we get requests of this nature, we need to think very carefully about saying yes.

d. Finance Update

Below is the financial update submitted by Mohamed Hassan, PLA CFO.

Total Assets	\$220,802,579
Total Liabilities	\$184,319,974
Net Position	\$36,482,605
Total Revenue	\$17,254,706
Total Expenditures	\$15,656,075
Change in Net Position	\$1,598,631

**ACTION ITEM(S)**

**Resolution 2019-01 – Resolution to Approve License Agreement between Public Lighting Authority/City of Detroit and Extenet Systems, Inc.**

Motion made to approve by: Butch Hollowell  
Seconded by: Rod Parker

**Motion Carried**

**Resolution 2019-02 – Resolution to Approve Purchase for Replacement Lighting Project Procurement with America’s Green Line (AGL), Cree, and General Electric (GE).**

Motion made to approve by: Butch Hollowell  
Seconded by: Rod Parker

**Motion Carried**

**Resolution 2019-03 – Resolution to Approve Construction Contract for Vernor Streetscape Project (from Clark Park to Newark Street) – Rauhorn Electric, Inc., and The Energy Group, Inc. Contractors.**

Motion made to approve by: Butch Hollowell  
Seconded by: Rod Parker

**Motion Carried**

**PUBLIC COMMENT**

None

**ADJOURNMENT**

Dr. Thomas adjourned the meeting at 5:48 p.m.

