



## Public Lighting Authority



**Dedicated to Keeping Detroit Shining**

In 2019, the Public Lighting Authority continued its dedication to keeping Detroit's streetlights shining and on serving the citizens of our beloved city. Not only is Detroit home to the most modern and efficient public lighting system in the country, but the dedicated team at the PLA once again succeeded in keeping more than 99 percent of streetlights in operation year-round.

On top of that, the PLA continues to respond promptly to address any issue with our lights, and usually have them repaired within a matter of days. We have also made it easier than ever for residents to report an out light, by calling us at (313)324-8290, or reporting it through our website ([pladetroit.org](http://pladetroit.org)), e-mail ([info@pladetroit.org](mailto:info@pladetroit.org)) or through the Improve Detroit app.

One example of the PLA's hard work and dedication that we are especially proud of is our response to an issue affecting nearly 20,000 of our streetlights. Instead of dealing with a lighting crisis across much of our city, the PLA's routine surveys helped identify the issue before it became a major problem. We also completed the replacement process ahead of schedule.

That is a drastic improvement from where the city was just six years ago, when more than 40 percent of the lights did not work at all, and when it could literally take years to get just one light fixed – if it was ever fixed at all.

It is our mission as a board to make decisions that will help maintain that level of performance and customer service for years to come. We are incredibly proud of our team and its accomplishments and dedication, and we look forward to continuing to keep Detroit shining.

I also wanted to take a moment to remember Bob Berg, a Detroit institution and a member of the PLA family since the very beginning. He will be truly missed.



A stylized, handwritten signature in grey ink that reads "Lorna Thomas".

**Lorna Thomas, M.D.**  
*Board chairwoman  
Public Lighting Authority*





The Public Lighting Authority set out in 2019 to successfully maintain Detroit's state-of-the-art streetlighting system, and we were put to the test when we learned that nearly a third of the lights needed to be replaced years before expected.

I am proud to say that our team rose to this challenge and ensured that Detroit's streets would continue to be lit. In fact, despite the issue, we still ended the year with 99.33 percent of the city's streetlights working. Detroit remains a national leader in public lighting.

One of the reasons we were able to address this issue before it became a major crisis was thanks to the emphasis our team places on ongoing maintenance and regular surveys. We were able to identify that there was a problem with the lights before they burned out, had a plan in place and implemented shortly thereafter, and then had 19,500 of the defective luminaires replaced within a matter of four months. This sort of operational efficiency and project management are important hallmarks of what we do on a daily basis.

And the best part is that now many of Detroit's streets are even better off than they were before we had this issue. Advances in LED technology mean that we were able to install lights that are of even better technology than those we put into place six years ago.

In addition, I am proud that the PLA continues to be a leader in championing our city's entrepreneurs and their employees. We are always looking to further promote more opportunities and inclusion in our hiring practices. We continue to seek partnerships with contractors, unions and Detroit-based businesses.

I also would like to thank the mayor and City Council for their continued support. This department continues to be a shining example of how government should work. We respond quickly when there is an issue, operate efficiently, are on guard to avoid major issues, and are constantly looking for ways to improve our service to the people of Detroit.

A handwritten signature in dark ink, appearing to read 'Beau Taylor', written in a cursive style.

**Beau Taylor**  
*Executive Director*  
*Public Lighting Authority*

## Public Lighting Authority Board Members

The Public Lighting Authority is overseen by a five-member board that is appointed by the Mayor and City Council. All board members are residents of Detroit.

### **Lorna Thomas, M.D. | Chair**

Lorna Thomas, M.D., a ninth-generation Detroiter from the east side, has been a physician for more than 31 years while serving as a committed advocate for the City of Detroit, and the city's civic, cultural and social matters. Dr. Thomas completed her internship and postgraduate residency training in dermatology at Henry Ford Hospital, where she became the first African American Chief Resident in Dermatology. She is board-certified in Dermatology and is a Fellow of the American Academy of Dermatology, the American Society for Dermatologic Surgery and the American Society for Laser Medicine and Surgery. She is Chairman of the Board of Trustees of Detroit Receiving Hospital and a member of the boards of the Detroit Medical Center, the Detroit Institute of Arts, Michigan Opera Theatre, MGM Grand Detroit and the New Center Council.



### **Rod Parker, CPA | Treasurer**

Rod Parker is a financial manager with more than 30 years of experience. He started at the Ernst and Young CPA firm where he received his Certified Public Accountant's License. Parker worked at DTE Energy for 30 years where he retired as a manager in the Controllers Area in 2013. While there, he worked in the following areas: General Accounting, Property Accounting, Financial Systems, Interconnection Sales and Division Controller for Distribution Operations and customer service. He also has served as controller for a number of DTE's non-regulated subsidiaries, (i.e. DTE Energy Trading, International Transmission Company). In addition, he was on the system projects for the PeopleSoft and SAP Financial Systems. Parker is a lifetime resident of the City of Detroit and has served on the Boards of several nonprofits including DESC, DAPCEP and Core City Neighborhoods. Rod is currently working as a consultant providing accounting and auditing service to a number of local CPA firms.



### **Patrick L. Padgett, P.E. | Secretary**

Patrick Padgett, P.E., is a professional engineer who is leading the growth of the global manufacturing, installation and service operations for the GE SPINlab product, working with medical research institutions in North America, Europe and Asia. Prior to joining GE in 2007, he was a fuel system engineer with Ford Motor Company working in Germany, Dearborn and Poway, California. He is a veteran of the U.S. Navy and holds two U.S. patents for his development work.



### **Melvin Butch Hollowell | At Large**

Butch Hollowell is managing partner of the Miller Law Firm in Detroit, where he oversees the firm's practice at its new downtown Detroit location. He specializes in complex commercial litigation, municipal and finance law, election law and corporate transactions. He is a graduate of the University of Virginia School of Law, Albion College, and the University of Detroit Jesuit High School and Academy. Prior to his association with the Miller Law Firm, Hollowell served as corporation counsel for the City of Detroit, the city's chief legal officer. Hollowell is a State Bar Foundation fellow, a recognition reserved for the top 5 percent of Michigan lawyers. He also has served as general counsel of the Detroit Branch NAACP and general chairman of the Detroit Branch NAACP Freedom Fund Dinner, the largest sit-down dinner and largest civil-rights fund-raiser in the country.







**Ric Preuss | At Large**

Ric Preuss, a lifelong Detroit resident and Detroit business agent for the International Brotherhood of Electrical Workers Local 58 (IBEW), is a licensed electrician with 21 years of electrical construction and maintenance experience. Preuss has extensive experience in designing and installing electrical systems safely for large infrastructure projects and, in his current role, is involved in every large construction project in the city of Detroit. As the Detroit business agent for IBEW Local 58, Ric works on contract negotiations, dispute resolution and arbitration and building strong collaborative relationships with customers and developers. He spends countless hours solving workforce problems and plays a significant role in the rebuilding of the workforce pipeline into skilled trades. He is passionate about workforce development and providing real, meaningful career opportunities for Detroit residents through electrical apprenticeship programs offered through IBEW and its partner employers at NECA. He also values service to the community and gives back to his lower east side neighborhood community by mentoring young people striving to reach their full potential, and he participates in leadership roles on more than a dozen boards in the city.



**Beau Taylor | Executive Director**

Beau Taylor was named executive director of the Public Lighting Authority in August 2017. He had earlier served three years as director of Detroit's Public Lighting Department – where he played a role in the creation of the PLA – and two years as assistant to the City of Detroit's Chief Operating Officer. His past experience managing the PLD, including revamping Detroit's electrical infrastructure and migrating municipal electric customers to DTE Energy's electric grid, provide the ideal background to assure the PLA operations move ahead seamlessly. Taylor earned an MBA in management and international business from New York University's Stern School of Business and received a bachelor's degree from Michigan State University's Eli Broad College of Business.

**PAST BOARD MEMBERS**

**2018**

David W. Jones  
Donnell R. White

**2015**

Eva Garza Dewaelsche  
Nicole B. Spieles

**2014**

Mark C. Smith

**2013**

Maureen Stapleton  
Marvin Beatty  
John Davis  
Cedric Dargin  
Michael Einheuser



**The PLA team**

*Back row, from left: A. Benjamin Barker, Nathaniel Maycock, Vinson Guider, Beau Taylor, Nathaniel Guider, Kimberly Suchyta*

*Middle row: Fadi Fares, Latrice McKinley, Mark Hall, DeAndre Brooks, Sanad Khalafawi, Mohamed Hassan*

*Front row: Cheryl Clay, Marie Brown, John Vernon, DeAngelo Davis, James Wilson*

*Not pictured: Bradford Pratt and Mukesh Patel*

## The history

**For decades, Detroit's streetlights were a constant problem for the city's residents. More than 40 percent of them just flat-out didn't work. Copper theft, dead bulbs, vandalism and age – and a lack of resources to fix them – left much of the city's neighborhoods in darkness. They were an unavoidable, constant reminder of Detroit's struggles at the time. With no ability to address the issues, the only thing that changed was that the city's streetlight system continued to get worse.**

But in December 2012, legislation was signed allowing for the creation of lighting authorities in Michigan. This allowed Detroit to create the Public Lighting Authority (PLA) and to secure funding. Following the Detroit City Council's approval of the PLA's articles of incorporation, the PLA got to work overhauling the entire streetlighting system across the city's 139 square miles. After months of studies and community engagement, the PLA began installing new energy-efficient LEDs in the neighborhoods in February 2014.

By December 2016, Detroit was fully illuminated by 65,000 new streetlights. The PLA had completed the project in less than three years, which meant the incredible effort was finished ahead of schedule and under budget.



## The mission

With construction completed, the Public Lighting Authority's mission has transitioned to maintaining the streetlights in Detroit, responding to residents' needs and ensuring that the city's new LED streetlight system will continue to shine for years to come.

## The leadership

The PLA is a separate legal entity from the City of Detroit. It is governed by a five-member board comprised of Detroit residents. Detroit Mayor Mike Duggan and the Detroit City Council appoint two board members each, and the fifth is picked by the Council from a list of candidates that is provided by the mayor.



## Maintaining a viable lighting system

**The PLA made several changes from the previous, defective lighting system. This was done to maintain reliability and to fulfill its goal of enhancing, renovating, and maintaining all of Detroit's streetlights.**

First, the city's series circuit lighting system had to be replaced. This type of wiring made it so if one light went down, so did the entire circuit. PLA implemented a new system in which if one light burns out the others stay on. This is essential to improving reliability.

Second, the old high-pressure sodium lights were swapped for state-of-the-art Light Emitting Diode (LED) lights. The new lights burn twice as bright and are more energy-efficient than the old ones, saving Detroit taxpayers money.

Third, the PLA switched from copper wiring, a commonly stolen metal, to aluminum wiring, a metal worth only a fraction of copper. The new lights also do not require the copper coil at the base of each lamp that the old lights did. This switch deters scrap metal thieves and helps keep the lights on.

Finally, a new system for repairs was put into place, addressing most problems within three to five days. This is a massive shift from the old repair operation. In the old system, residents would often wait years for an issue to be dealt with, if it was fixed at all.



## Keeping the lights on

**The PLA is dedicated to keeping Detroit's streets safely lit. From replacing a malfunctioning luminaire to addressing downed poles, we strive to have most problems addressed within a matter of days.**



In 2019, about 1,250 streetlights were replaced in addition to the 19,500 swapped out because of a manufacturing defect. Of those, 430 were caused by motor vehicle accidents. While most of the issues were addressed within three to five days, some problems, such as those where a pole was knocked down, took longer to tackle. There were also rare occurrences in which severe weather acted as a hinderance to the repair process. By the end of 2018, PLA met their goal of maintaining the new light system, showing that 99.33 percent of the streetlights were up and running.

The old lighting system had many flaws. However, the largest hindrance to the system was the city's lack of financial resources. It would often take years for a single issue to be repaired, if at all, simply because there was no source of pay for repairs or basic maintenance. The PLA put an end to that. The revitalized system now has structures in place that assure the quality and reliability of the new system is upheld. That is why we preserve longstanding capital to assure that the resources are available well into the future.



## How to report an out streetlight

Detroit's streetlights have sensors that respond to sunlight, not a timer. This means that they come on at dusk and go off at sunrise throughout the year.



Before reporting streetlights as being out, we ask residents to check to see whether the other lights on their block are on. If they're not, then it's not dark enough yet for the lights to turn on. If the other lights are shining, then residents should call us right away at **(313) 324-8290**, e-mail us at **[info@pladetroit.org](mailto:info@pladetroit.org)**, or report the outage at **[pladetroit.org](http://pladetroit.org)** or on the Improve Detroit app.

Together, we can keep Detroit's streetlights shining while also reducing costs and unnecessary site visits.

Help Us Keep the Lights On

**(313) 324-8290**  
**[info@pladetroit.org](mailto:info@pladetroit.org)**  
**[pladetroit.org](http://pladetroit.org)**

## City-wide luminaire replacement project

**The PLA successfully addressed a potential major challenge in 2019 involving almost a third of the city's new LED streetlights.**

**During one of the PLA's routine surveys in December 2018, designed to identify potential issues before they become significant problems, it was noticed that certain lights were prematurely dimming and yellowing, and that large areas of the city's streetlighting system were failing. The PLA investigated and by March, the full extent of the problem was discovered.**

It was determined that luminaires from one manufacturer, accounting for 30% of all streetlights installed by the PLA, either had failed or were failing. The PLA determined that the problem was caused by excessive heat causing the lenses to melt and the lights to fail.



Using a geographic information system (GIS) and construction data, the PLA compiled a list of all locations that potentially had large concentrations of the failed lights. Extensive surveying, both during the day and at night, confirmed the makes of the luminaires and their locations. This targeted surveying determined that the failures were not limited to a specific batch of luminaires, but instead it was systemic to one model used across the city.

While the surveying proceeded, the PLA needed to select a replacement light. The PLA installed potential replacements to determine the best option for the people of Detroit, using several models and wattages from different manufacturers. Lights were selected based on photometrics, and, thanks to improvements in LED technology, residents now have even better luminaires than they did when the relighting project was initially completed in 2016.



The PLA sent out a Request for Proposals (RFP) to select a contractor to install the work. With the PLA's commitment to hiring local, one company was chosen to be the project's primary contractor, with two more chosen to assist.

By early October, about 19,600 lights were replaced in just four months, ahead of the target of Nov. 1. This means that the PLA was able to complete the replacement project before daylight-saving time, when the city's children would have been walking to school and bus stops in the dark.

This was an incredible amount of work performed by all those involved, and it shows the coordination and dedication of the PLA's team. It was done smoothly and efficiently, with staff and contractors working together and serving the people of Detroit.



## Detroit-based procurement

Employing Detroiters and utilizing resources within the City of Detroit has been a priority for the PLA from the beginning. In fact, efforts must be made to ensure that local companies do the work to stay in accordance with the legal requirement of the legislation that enables the PLA. In the last two years, 85 percent of the PLA's vendors were based in Detroit, up from 79 percent in 2017. About 80 percent of the funds spent on contractors goes to Detroit-based businesses. Furthermore, of the contractors who completed the original PLA project, 63 percent were Detroit-based. This means the PLA is not only keeping Detroiters safe, but also creating jobs and investing in residents.





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## **INDEPENDENT AUDITOR'S REPORT**

October 10, 2019

To the Board of Directors  
Public Lighting Authority

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Public Lighting Authority (the "PLA"), a component unit of the City of Detroit, Michigan, as of, and for the years ended, June 30, 2019 and 2018, as well as the related notes to the financial statements, which comprise the PLA's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

The PLA's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the PLA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PLA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Public Lighting Authority  
October 10, 2019  
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## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the PLA as of June 30, 2019 and 2018, and the changes in financial position and cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### **Adoption of New Accounting Pronouncements**

As discussed in Note A, effective July 1, 2018, the PLA has adopted the disclosure provisions contained in Statement of Governmental Accounting Standards No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

### **Report on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 10, 2019 on our consideration of the PLA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PLA's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS  
Detroit, Michigan



## Financials

### Fiscal Year Ended June 30

	Enterprise funds	
	FY 2019	FY 2018
Revenue	\$ 23,262,820	\$ 26,844,092
Expenditures	\$ 22,214,145	\$ 24,101,681
Net increase in net position	\$ 1,048,675	\$ 2,742,411
Net position, beginning of period	\$ 34,894,842	\$ 32,152,431
<b>Net position, end of period</b>	<b>\$ 35,943,517</b>	<b>\$ 34,894,842</b>



### Public Lighting Authority Statement of Net Position

June 30, 2019

#### ASSETS

##### Current assets

Cash and cash equivalents:

Unrestricted .....	\$ 6,458,740
Reserved for operation and maintenance.....	\$ 4,382,484

**Total cash and cash equivalents ..... \$ 10,841,224**

Accounts receivable .....	\$ 65,931
Prepaid expenses.....	\$ 135,440

**Total current assets ..... \$ 11,042,595**

##### Noncurrent assets

Investments .....	\$ 35,873,122
Capital assets:	
Nondepreciable capital assets .....	-0-
Depreciable capital assets, net.....	\$ 172,644,117

**Total noncurrent Assets ..... \$ 208,517,239**

**Total assets ..... \$ 219,559,834**

#### LIABILITIES

##### Current liabilities

Accounts payable on capital

acquisitions .....	\$ 2,144,332
Other accounts payable and accrued expenses.....	\$ 239,146
Accrued interest payable .....	-0-
Advance from City of Detroit .....	\$ 2,651,379
Bonds payable due or expected to be paid within one year .....	\$ 374,458

**Total current liabilities ..... \$ 5,409,315**

##### Noncurrent liabilities:

Bonds payable due or expected to be paid in more than one year .....	\$ 178,207,002
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**Total liabilities ..... \$ 183,616,317**

##### Net position:

Net investment in capital assets .....	\$ 5,230,263
Restricted .....	\$ 30,713,254

**Total net position ..... \$ 35,943,517**



### Statement of revenue, expenses and changes in net position

*For the six months ended June 30, 2019*

#### Revenue

Utility user tax revenue.....	\$ 12,500,000
Operations and maintenance .....	\$ 10,099,883
Investment income.....	\$ 520,740
Other revenue.....	\$ 142,197

**Total revenue..... \$ 23,262,820**

#### Expenditures

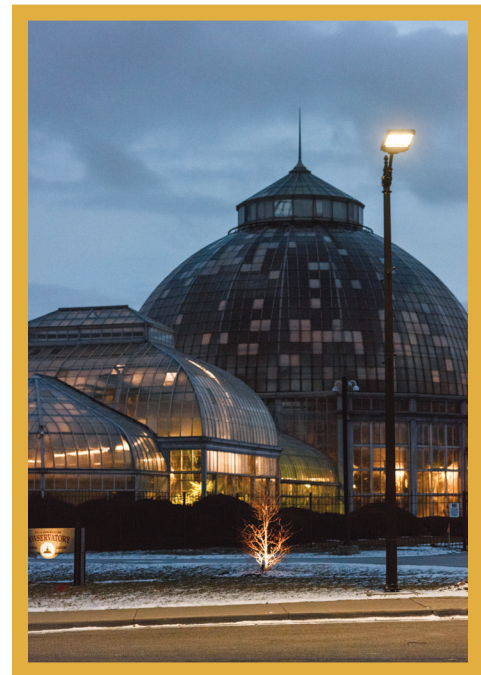
Debt services expenses.....	\$ 8,255,294
Operations and maintenance expenses.....	\$ 4,457,623
Operating expenses.....	\$ 9,501,228

**Total expenditures..... \$ 22,214,145**

**Change in net position..... \$ 1,048,675**

**Net position – beginning of period..... \$ 34,894,842**

**Net position – end of period..... \$ 35,943,517**





## CONTACT US

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