



**PUBLIC LIGHTING AUTHORITY
Board of Directors Regular Meeting
Via Teleconference
May 14, 2020**

Board Members in Attendance

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

Resolution:

Resolution 2020-01

Motions Carried/Failed:

Resolution 2020-01 Carried

Legal Representative(s)

Floyd Allen
George Pitchford

CALL TO ORDER

The Regular Board Meeting of the Public Lighting Authority (PLA) was held on May 14, 2020 via Uber Conference. Dr. Lorna Thomas, Chair of the Board, called the meeting to order at 2:01 p.m.

ROLL CALL

Roll call was taken by Patrick Padgett, Secretary. Members in attendance included: Dr. Lorna Thomas, Chair; Patrick Padgett, Rod Parker, and Ric Preuss. Member Melvin Butch Hollowell entered the meeting at 2:04 p.m. Others in attendance included Beau Taylor, Executive Director and Legal Representatives Floyd Allen and George Pitchford.

Dr. Thomas welcomed everyone to the meeting and asks if there are any members of the public who wish to speak later. Hearing none, Dr. Thomas then asks for the approval of the amended agenda to remove a resolution regarding lease of a yard, which will be brought back upon selection of PLA's maintenance vendor.

APPROVE AGENDA

Motion made to approve the amended agenda by Melvin Butch Hollowell
Motion seconded by Rod Parker
Motion Carried

APPROVE OF MINUTES

Motion made to approve the September 18, 2019 Regular Board Meeting Minutes by Melvin Butch Hollowell

Motion seconded by Rod Parker

Motion Carried

Motion made to approve the October 23, 2019 Special Board Meeting Minutes by Patrick Padgett

Motion seconded by Rod Parker

Motion Carried

EXECUTIVE DIRECTOR'S COMMENTS

Beau thanked all PLA staff for having to pivot from an office base to home base during the pandemic. All calls from our main office line are being forwarded and answered by our Customer Service Representatives, and our internal field staff deploy from home. PLA has not missed a beat as far as operations – everyone is working professionally. We communicate multiple times a week as an office, and we have subgroups that break out on calls as well.

Beau also acknowledged PLA was also instrumental in setting up lighting for the COVID-19 Testing Facility at the State Fair Grounds before the first test was administered. All our staff has been tested; all are clear – still waiting on one result. PLA was ahead of the curve as regards mitigation. We shut down the office and many started working from home about a week before the Governor's Executive Order. We also had intense social distancing guidelines for those who were in the office. We will attempt to slowly re-open the office in a phased approach and will stagger the start times to mitigate risk of having people in the same confined space. Our cars are all assigned individually, they are not allowed to have passengers, nor switch cars. We're paying mileage on a limited basis to those who do not have access to a PLA vehicle. Field staff is given masks to wear, gloves and hand sanitizer.

Marie has put together a comprehensive return to work protocol, that has been distributed to staff, as well as procedures for meetings and office use. Beau is reluctant to bring all staff back full time for the foreseeable future but wants to phase it in, and further mitigate risk by using barriers between cubicles. What we have found so far is that we have a very responsible staff that can get their work done at home, and do not want to expose staff unnecessary risks just for the purpose of posterity. Beau, Mohamed, and Ben have been coming in the office regularly – from that standpoint, we're operating steady state.

One thing we've done with our contractor is move them from unit basis to hourly basis. Initially, we pulled everyone off, except for one crew that was doing emergency work. We slowly phased in additional crews for light repairs. We're at a point now that everything is being done as it was before, except for underground work and cement. We wanted to have more discussions with Stateline about risk mitigation prior to allowing them to work in confined space. The cement work was not essential. We will be releasing that work, but I want to have them continue to work on time and expense as opposed to units – that lets them prioritize safety first and allows us to give them the work we want to give without them having any financial risk.

The RFP will be discussed shortly, but one of the items Beau wanted to talk about was the inclusion program, which will add a pre-apprenticeship program to our next Maintenance contract(s). That will allow us to select 4-6 participants, with an option for a couple of PLA internal staff members to go through a pre-apprenticeship program that will mirror a fellowship program, where they'll work fulltime during the day, and are pulled out for 1-2 days a month; (hopefully, a weather day) and given exposure to various unions, job sites and get training on standardized testing, interviewing, OSHA and things of that nature. What

we're looking to do is pre-qualify people for skilled trades and expand beyond the lineman type of module and allow people exposure to the other skilled trades – maybe we'll end up hiring someone to serve as a mentor and inclusion leader, and they'll work individually to match them with jobs at the end of this year long program.

Patrick Padgett: Has our Contractor shared their COVID-19 risk mitigation safety plan with us?

Beau: Yes. They're distributing masks, providing hand sanitizer, practicing social distancing measures which they've submitted in writing. They also said that testing is available; they're sanitizing their vehicles and doing what is required by the City. We did reach out to them and asked if they were following the legal guidelines to do essential work in the city and they indicated they were. Furthermore, they gave us a list of the things they were doing. So it looks like if all holds true, they're implementing appropriate guidelines.

Patrick Padgett: Yes. I asked because this is a very public activity – working on streetlights, and it's good to set the proper example.

Beau Taylor: There's a safety aspect to this and then there's the posture. The posture isn't just about reputation, it's about leading by example. We've had that discussion with them and understand they're a lot of people on edge out there; so when we see someone out there without a mask, symbolically they tend to draw back. So we've made sure that everyone is not only doing it for their own safety, but also making the public feel safe.

Dr. Thomas asks if Ben or Mukesh had something to ask.

Ben states our contractor has been doing a pretty good job as of late, we've been giving them light outs, wire downs and wood pole settings. Anything that involves major construction, such as foundations, and entering confined space, we're holding off until the stay at home order has been lifted by the Governor.

Mukesh Patel: We are doing everything as if we were in the office. Nothing is being neglected. All calls are answered, all emails answered, every request from the City of Detroit is answered. Nothing getting missed.

Ric Preuss: In the presentation do we have apprenticeship, or job shadowing? Can you give us a little more information on the program?

Beau: We will integrate this into the RFP where we take on the selection and the contractors employ them, and we pull them out of the field for 1-2 days per month, I envision one of those days being a weather day, so we won't hurt production. They'll act as groundmen (unskilled portion of the crew) so they'll come in just as qualified as any other groundman on their first day. We'll provide basic skills training for them as well as exposure in the field. When we pull them out, we're looking to achieve matching them with an apprenticeship program on the back end. There are certain things I think that are key – standardized testing, interview skills, basic math, knowing the mechanics of drug testing and what's expected – all of the things people use as excuses for not going and getting the right people, I want to overcome those through this program. So, when someone interviews, they're prepared. The goal is not limited to linemen and underground and people within one specific union, I want to give them exposure to carpentry, the Operating Engineers – anything. Just because they go through a PLA fellowship or pre-apprentice fellowship for a year doesn't bind them to one. This is providing a pathway to exposure for people who want to be part of skilled trades for Detroiters in Detroit.

Ric Preuss: I'm really excited about this potential and look forward to hearing more about this as we develop it. I think of all the things we accomplish – we can put up lights, but they'll burn out and we have to replace them, but if we can build a workforce, I think that's the greatest asset we can bring to the City and to future generations.

Dr. Thomas: Ric, you and I have been talking about this since Mike ran the first time. You especially, have always had this vision of workforce development. I think Beau is right. Let's get it done! Dr. Stallworth is talking the same thing. So if we can roll all of this together, I think that would be a great contribution.

Beau: We're still working with Dr. Stallworth on the curricula and selection process of this and have a good road ahead.

Melvin Butch Hollowell: How are the lights doing? We were seeing a trajectory for a while of burn out - what are the lights doing in the city?

Dr. Thomas: Are you talking about the problem with the defective lights?

Melvin Butch Hollowell: No. How are we with lighting the city as of today?

Beau: We're doing good. We're getting lights fixed within the same timeframe as before, the only ones on hold are the underground, we also have to follow up on the cement work, although the lights are burning. We were finding back in January, there were some cats and dogs that ended up being Leoteks that were not documented properly, because the contractor took the wrong one out, or it was misclassified in our system, but that's very anecdotal relative to the 66,000 lights we have so, we're not getting the influx of calls we had been getting, it's essentially steady state prior to the outbreak.

DISCUSSION ITEMS:

a. 2020 – 2021 Budget

Below is the 2020-21 Budget submitted by Mohamed Hassan, PLA's CFO.

Public Lighting Authority
Fiscal Year Budget
July 1, 2020 - June 30, 2021

Revenue:

Interlocal Agreement Fees	\$ 10,500,000
Utility User Tax Revenue	12,500,000
Other Income	300,000
Total Revenue	\$ 23,300,000

Expenses:

General Operations	\$ 3,081,900
Street Light Maintenance	3,000,000
Tree trimming	250,000
Materials	1,200,000
Debt Services	12,100,000
Capital Projects	1,000,000
Total Expenses	\$ 20,631,900

Total Expenses \$ 20,631,900

Reserve for future replacement \$ 2,668,100

PUBLIC LIGHTING AUTHORITY
FISCAL YEAR BUDGET
JULY 1, 2020 - JUNE 30, 2021

Revenue			
Interlocal Agreement		10,500,000	
Debt Service		12,500,000	
Investment Income		300,000	
Total Revenue		23,300,000	
Expenses			
<u>Operation & Maintenance Expense</u>			
Compensation		1,480,000	
Professional Fees		1,002,000	
Occupancy		229,900	
Time & Units		3,000,000	
Materials		1,200,000	
Tree Trimming		250,000	
Office Expenses		80,100	
Insurance		140,000	
Travel & Meeting		8,500	
Auto Expenses		101,400	
Public & Community Relations		15,000	
Other Expenses		25,000	
Total Operations & Maintenance		\$ 7,531,900.00	
<u>Debt Service on Bonds Issued</u>			
Bond Interest		8,371,500	
Bond Principal Payment		3,725,000	
Bond Rating Fees		-	
Annual Trust Fees		3,500	
Total Debt Service		12,100,000	
<u>Capital Improvements</u>			
Capital Improvements		1,000,000	
Total Capital Improvements		\$ 1,000,000.00	
Total Expenses		20,631,900	
Excess Revenue over Expenses		2,668,100	

Dr. Thomas stated she likes to compare the current over the preceding year's budget, and last year was a negative number because the Leotek matter had not been resolved.

Beau: Pointed out that was a negative number from a budgetary standpoint. When you look at the offset that the settlement gave us, it brought that number down to around \$600K.

Dr. Thomas: The more detail the better. She brings out the occupancy is a savings – from \$229K - \$230K.

Mohamed Hassan: The \$229K is for this current year.

Beau: I need to qualify this one. The \$118K from last year already integrated the savings from the second part of FY 2019/20 when we're in our current office. What we did was we added enough on the occupancy to accommodate for the yard, which we will be discussing at the next meeting. Part of that expense is pending Board approval.

Dr. Thomas reiterated that having detail is helpful in interpreting the budget. And states that overall we're doing fine.

Mohamed: We're doing fine. We always take care of the business of PLA and at the same time try to save as much money as we can. We're in good shape.

Dr. Thomas: What are we going to do with tree trimming?

Patrick Padgett: That was my question also. There's a significant increase from the current year to next year that brings up my question, is there something that we're not getting done under the current year's budget?

Beau: We didn't do much tree trimming last year. Last summer we were very much focused on the Leotek replacement. I'm not going to use that as an excuse, but I do think making sure that our contractors have capacity in the next contract is paramount to the tree trimming as well because what we had to do last time was enter into special agreement, contract out with a third party, and we didn't end up getting our tree trimming done at the level we would have liked last year. So we kicked some money forward to complete that this year – if need be.

Patrick Padgett: So you feel like the \$250K is more of what the real cost going forward will be?

Beau: We honestly have not done a deep dive into this, it's something we need to do as part of a survey. This summer, I plan on doing a survey of all the poles, because we need to start looking at what poles need to be replaced, and I think it would probably make sense to do a survey around tree trimming. So this is one area that we need to focus on that we haven't as much in the past.

Patrick Padgett: The auto expenses have gone up percentage wise quite a bit also?

Beau: We did purchase a few trucks. But we replaced some and bore that cost all in the same year.

Patrick Padgett: And finally the glaring delta I see is the dramatic change in the investment income?

Beau: Investment income – revenue from the City that came in, we classified that as an investment, but it probably should have been called “other income”. Those were for the streetscape projects, which were fully reimbursed. The \$300K indicates interest income from our reserve fund, which I believe we had before the Board last year allowing us to ship those funds to an interest-bearing account.

Melvin Butch Hollowell: This report was music to my ears. How is that we're doing so well when there are so many furloughs? Are we just not effected by those kinds of shortfalls?

Beau: To date no. If you look at the last 3 years, we had already reduced a lot of our staff, so we were down to essential staff already. I think we were able to pivot to people working remotely so there wasn't a situation where we had people that didn't have anything to do so. We have 1 furloughed due to social distancing reasons as we open the office, but no we haven't been impacted yet and I hope that continues to be the case.

Dr. Thomas: How many people do we have now?

Beau: There are 16 full time employees, and 3 contractors.

Dr. Thomas: To Butch's point 3 to 4 years ago, we had 60 people, plus contractors.



ACTION ITEM(S)

Resolution 2020-01

Dr. Thomas then asks if there are any questions regarding this resolution. Hearing none, Dr. Thomas asks for a motion to approve FY July 1, 2020 – June 30, 2021 Budget.

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

Dr. Thomas asks Beau if he would like to talk about the new Maintenance RFP.

Beau: We are not asking for a resolution or vote, just a brief overview. We plan in 2 weeks to release a Maintenance RFP, as our current maintenance contract runs out in October. Some of the things that we're looking at doing differently is we want to have the contractor submit rates for time and expense as well as units. I think we've had a lot of problems with having units done for maintenance, because you really don't know what the job is until you get to the site. In my opinion, I don't like contractors defining their work on a unit basis then telling us what the units are. So what we want to do is take the true maintenance portion (the ones that are light outs) and put that on a time an expense basis.

This leads into our partnership regarding the pre-apprenticeship program. We want to make sure our contractors are not disaffected by that so paying them on a time and expense basis makes sense. Additionally, we do get a lot of larger underground jobs, some of them are fixed; you'll have a \$30K job and we know all the units. What we want to do is separate those jobs out and do those on a unit basis. We are leaving it open, and encourage having more than one contractor, either divide it up geographically, or by job type. We are encouraging bidders to submit different types of proposals to us. I think dividing the city in half is a good idea, but not being so stern that you can't go from one to the other. We're looking for contractors that are willing to do that; we're are working closely to encourage all of the Detroit Based vendors to submit proposals, and are leaving it open for them to have a partner organization if they don't have the capacity to fully implement the jobs, they can then lean on their partner organization that they see as a mentor to help them with capacity they cannot fill on their own.

Safety and pre-apprenticeship are a big part of this RFP. We also have a certain amount of Capital work that we will try to implement into this as well. I think the bigger jobs we need to go back to market, but part of the reason why we're putting the units in is because we get a lot of jobs \$30-\$40K and if we have the units already set, we can assign the next contractor to do so. So we look to release the RFP June 1st and decide sometime in August, at which point we'll be calling another board meeting to do a deep dive and approve the next round of contracts.

Dr. Thomas: What kind of response are you getting to this impending process?

Beau: It hasn't been released yet, but I can tell you that from a unit perspective they're encouraged and willing to work with us on the pre-apprenticeship program, so that allows us to put it in the RFP. I've talked 30K foot to the vendors in town, and I think we'll get a positive response from them, I think they're willing to participate and are looking to jump on board if they can.

PUBLIC COMMENT

None

ADJOURNMENT

Motion to adjourn made by Melvin Butch Hollowell

Seconded by Rod Parker

Dr. Thomas adjourned the meeting at 2:50 p.m.

