

City of Detroit

Detroit Public Lighting Authority (DPLA)

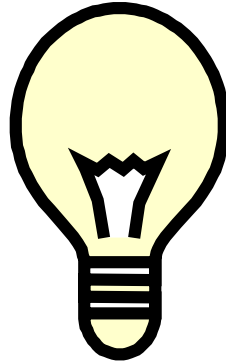
Maureen Stapleton
Chairperson

Marvin Beatty
Vice Chair

Michael Einheuser
Secretary

John Davis
Treasurer

Cedric Dargin
Engineer/Advisor



Committee of the Whole Room ~ 1340 Coleman A. Young Municipal Center ~Detroit,
Michigan 48226

REGULAR MEETING MINUTES

OF

Wednesday – April 24, 2013

Reporter-of-Minutes: Madelyn S. Hurt

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1 DETROIT PUBLIC LIGHTING AUTHORITY
2 2013

WEDNESDAY – APRIL 24,

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5 The Detroit Public Lighting Authority (hereinafter referred to as “The
6 Authority”)
7 held its Regular Public Meeting on Wednesday, April 24, 2013 at the
8 Coleman A. Young Municipal Center, located at 2 Woodward Avenue,
9 Suite 1340, (Committee of the Whole Room) in Downtown Detroit,
10 Michigan 48226.
11

12 PRESENT: DETROIT PUBLIC LIGHTING AUTHORITY BOARD MEMBERS

13 Maureen Stapleton, Michael Einheuser,
14 Chairperson Secretary

15
16 John Davis, Cedric Dargin,
17 Treasurer Engineer/Advisor
18

19 EXCUSED ABSENCE: Marvin Beatty, Vice Chair

20
21 MAYOR’S OFFICE

ALLAN LAW GROUP, P.C.

22 Beau Thomas,
23 Legal Advisor

Floyd E. Allen, Esq.
Ronald C. Liscombe, Esq.
Legal Counsel
for Detroit Public Lighting Authority

24
25
26
27 Also Present:

28 Kenneth Shapiro,
29 Consulting Engineers & Associates
30 Wyoming & Mac Nichols
31 Detroit, Michigan
32 Re: RFQ (Request for Qualifications)

DETROIT PUBLIC LIGHTING AUTHORITY WEDNESDAY – APRIL 24, 2013

I. WELCOME

- The Chair extended a warm welcome to all present.

II. CALL TO ORDER

- There being a quorum present, The Chair called the meeting to order
@5:05 p.m.

III. ROLL CALL

- Roll call was taken by Board Member Einheuser. The following Board Members were present: Maureen Stapleton, John Davis, Michael Einheuser, and Cedric Dargin. Excused absence: Marvin Beatty, Vice Chair

IV. APPROVAL OF AGENDA

- The Chair called for approval of today's Agenda as to form and content.

Board Member Dargin moved for agenda approval.

Board Member Davis entered his support for approval.

Board Member Einhauser seconded the motion.

The Chair: Opposed?

Hearing none,

A CALL FOR THE VOTE:

THE CHAIR: All in favor?

BOARD MEMBER EINHEUSER: Aye.

BOARD MEMBER DAVIS: Aye.

BOARD MEMBER DARGIN: Aye.

THE CHAIR: Opposed?

1 Hearing none, the motion carries.

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3 Approved.

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10 **APPROVAL OF MINUTES**

- 11 • The following minutes have not been approved:
- | | |
|--------------------------------------|----------------|
| 12 Regular Meeting | March 27, 2013 |
| 13 Regular Meeting | April 03, 2013 |
| 14 Regular Meeting | April 10, 2013 |
| 15 Special Meeting | April 17, 2013 |
| 16 Regular Meeting | April 24, 2013 |

17
18 **V. PUBLIC COMMENT**

- 19
20 • The Chair informed the public that due to there being a Closed
21 Session following today's Regular Public Meeting, that Public
22 Comment would be the next item on the agenda. Full Board
23 concurrence.

24
25 THE CHAIR: If there is anyone from the public wishing to
26 make a comment at this time, please come forward.

27
28 -Whereupon Mr. Ken Shapiro came forward-

29
30 KEN SHAPIRO,
31 Consulting Engineer & Associates
32 Location: Wyoming & Mac Nichols area
33 Detroit, Michigan
34 Street Light Design in the City of Detroit: Close to 60 years

35
36 Mr. Shapiro: I don't want to beat a dead horse, but I think
37 the RFQ, being as vague as it is, is backfiring. People who I've

1 been speaking with are not interested in submitting their
2 qualifications because they're afraid it's going to come back and
3 bite them when it comes time to do the actual Engineering and
4 Construction. I think you're going to get a much smaller response.
5 The people who normally would respond to this are not
6 responding. That's all I have.
7
8

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13
- 14 • The Chair, speaking on behalf of the entire Board, thanked Mr.
15 Shapiro
16 for coming down and presenting the above information, and
17 further
18 stating that this particular item is on today's agenda for
19 discussion.

20
21 -Mr. Shapiro returned to public seating-

22
23 THE CHAIR: Is there anyone else from the public that wishes
24 to make public comment?

25
26 -The Chair reiterated twice more in succession the
27 above
28 question. There being no further public comment, the
29 meeting continued as follows-

30
31 VI. OLD BUSINESS

32
33 A. COMMUNICATIONS CONTRACT

34
35 THE CHAIR: As a point of clarification for those present,
36 we
37 have reviewed the contract of the company we have chosen,

1 Berg Muirhead. Some adjustments have been made to that
2 contract.
3 We're waiting for a response to one request, which is to
4 change the number of Public Meetings, and once they've
5 agreed to the changes,
6 we should be able to have them signed and onboard by May 1.
7

8 B. RFQ Project Manager Update

- 9
- 10 • The Chair asked that either Attorney Lipscomb or Attorney
11 Bell provide the board with any and all updates in this
12 matter, taking
13 into consideration today's information provided by Mr.
14 Shapiro.
- 15

16 ATTORNEY LISCOMBE: When we initially published the
17 RFQ we had a flurry of activity. Since then there has been
18 maybe three, four other requests, one follow-up today on the
19 format of references that

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24 were requested, and that's about it. I suspect that the
25 proposals or
26 the qualifications will all be submitted on Friday.
27

28 THE CHAIR: Was there a time limit indicated?

29

30 ATTORNEY LISCOMBE: 5 P.M. They will be submitting
31 them
32 to our office. I can send you out an email Friday evening and
33 let you
34 know – interruption.

35

36 THE CHAIR: And the process of review after that, how
37 should we handle that?

1
2 ATTORNEY LISCOMBE: I think we can do an initial review
3 over-the-weekend and send everything over to you on
4 Monday
5 afternoon with just our initial thoughts. And we would be
6 certainly hopeful, -- whatever the Board's pleasure -- with
7 respect to the formal
8 process. You can always do a subcommittee.
9

10 RECOMMENDATION

11 What I would recommend: We don't need a scoring
12 system,
13 but some sort of formal evaluation that compares apples-to-
14 apples
15 on each submission.

16 FORMAL EVALUATION TOOL

17 THE CHAIR: Is it possible for you to help us create some
18 formal evaluation tool that we'll be able to use?

19 ATTORNEY LIPSCOMB: Certainly.

20 BOARD MEMBER DARGIN TO PARTICIPATE IN DRAFTING RFQ

21 THE CHAIR: I think we would also ask that our engineer
22 take
23 a look at it. Maybe he can help draft that out, because I
24 would like
25 Mr. Dargin's input because of his expertise and background.
26

27 ATTORNEY LISCOMBE: And of course we'd want to keep
28 it somewhat open because obviously someone doing a
29 \$50,000 project
30 is far different than doing a \$50,000,000.00 project.

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34
35 THE CHAIR: Okay. Well, that sounds great. And we'll
36 just look
37 an see what we get on Friday by 5.

1
2
3 C. EXECUTIVE DIRECTOR SEARCH AND TIMELINE
4

5 THE CHAIR: Next on the agenda is the Executive Director
6 search and timeline, and I would like to turn this over to one
7 of the
8 two board members that have been bringing some of the
9 information together.

10
11 Let's talk about not only the number of candidates we have at
12 this
13 point, -- we're making sure today that we actually have them
14 -- but
15 as to the "time," because it's going to become almost
16 apparent, or almost instant that we'll need to do some quick
17 reviews and make a decision to get somebody hired by
18 hopefully, I would think, the middle
19 of next month.

20
21 -off-the-record discussion relating
22 Re Resumes-

23
24 -back-on-the-record-

25
26 THE CHAIR: A two-person subcommittee, -- all of us
27 taking a look and weighing in on who we would like to see
28 interviewed -- I think is appropriate. It was supposed to be
29 you and Board Member Beatty.

30
31 I still question whether or not -- and I'm looking up at
32 Allan and Associates -- we have to do these interviews in
33 public?

34
35 -off-the-record-discussion-

36
37 -back-on-the-record-

THE CHAIR: How do we afford those candidates who are concerned with interviews the privacy that I think they deserve?

ATTORNEY LIPSCOMB: I' rather talk about it in Closed Session directly to you.

THE CHAIR: So, we'll work it out.

SUBMISSION OF RESUMES

And everybody will get their Resumes by tomorrow.

If I can ask that all board members take a look at those Resumes and get your comments back over-the-weekend, then Board Member Einheuser and/or Board Member Beatty can call and set up the interviews with those they think they need to set up interviews with. And then we'll go from there, in terms of Resumes and formal interviews.

If you have a different process in mind, let me know and then we can talk about how we can do reference checks and the like.

-off-the-record discussion
between Board Member Davis and The Chair-

-Back-on the record-

THE CHAIR: We are now at the point of the conversation or the agenda where we talk about New Business, some of which can be discussed publicly, is that correct?

ATTORNEY LISCOMBE: Yes.

1 THE CHAIR: And some of which we will be discussed in
2 Closed Session.

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6
7 I will now turn this over to the Allan Law Group.
8

9 **VIII. NEW BUSINESS**

10
11 **A. Initial Funding Agreement**

12
13 ATTORNEY ALLEN: I just wanted to report that we have
14 in fact
15 had a meeting with the City of Detroit, had discussion with the
16 State, and we are trying to work out initial funding of document
17 facility for The Authority so that it can accomplish this.
18

- 19 • The basic oversight administration of The Authority
20 in terms of the work that it has to do.
21
- 22 • To look at the type of quick fixes that we can engage in,
23 short term.
24

25 So that we can start ball rolling and so that The Authority can get about
26 its business of getting the streetlights on in the City of Detroit.
27

28 **DRAFT-INTERIUM BUDGET**

29 ATTORNEY LISCOMBE: And so we put together a document,
30 along with what I would call a “Draft-Interim Budget,” that the City
31 has asked for.
32

33 **PURPOSE**

34 ATTORNEY ALLEN: The purpose, to be quite frank, which is
35 probably not a secret, is to basically attempt to outlay the dollars that
36 are legally entitled to come to The Authority in a basically phased-in
37 way. And so effectively, because The Authority, the way that it’s hitting

1 the ground, the way that it's going to go about its business, the way it's
2 going to go about obtaining some quick fixes, -- rather than the 12 ½
3 million dollars that we believe the statute absolutely entitles The
4 Authority to -- to have an interim budget, and then the budget, which
5 will be more of the
6 permanent monies coming to The Authority; but more importantly, the
7 debt service of selling bonds.

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12 RFP DRAFT – MFC

13 ATTORNEY ALLEN: It looks like the State – and we've had
14 conversations with the State—is willing to in fact float bonds for The
15 Authority. Those bonds would, in all probability, be purchased by the
16 State, Michigan Finance Corp. And they are in the process, right now, of
17 putting together a draft of an RFP that would begin that process.

18
19 COPY TO BE PROVIDED TO DPLA

20 ATTORNEY ALLEN: You will get a copy of that very shortly. I
21 thought I would have received it before I came. This being this evening,
22 I'm sure it will be there by tomorrow morning.

23
24
25 BASIC APPROACH – MFC

26 ATTORNEY ALLEN: And their basic approach is to try to get
27 this going and get it going very quickly.

28
29 The reason why I mentioned that is in addition to what has
30 been stated in the statute relative to "responsibility of The Authority to
31 be able to receive the
32 12 ½ million dollars from the Utility and Users Tax is that in the event
33 the bonds are floated, the debt service on those bonds will, in fact,
34 come from the 12 ½ million dollars that The Authority is entitled to
35 pursuant to the Act. And as The Authority and the State come together
36 relative to the size of the bond program, there's a couple of concerns
37 that they have, which I'm sure John and others are in fact aware:

1
2 Even if you were only going to use, let's say, 30, 40 million
3 dollars of the bond dollars on an annual basis, the fact is, it doesn't
4 always mean that the bond market is open and ready for business. It
5 fluctuates.

6
7 A NEED FOR DISCUSSION

8 So the discussion which needs to be had with the board here,
9 and with the State relatively quickly, I would say, in the next couple
10 weeks is: Do you go out for all the bonds at one time or do you decide
11 that you're going to do it in a phased manner?

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16
17 So that's something that will need to happen. And the State is ready to
18 engage The Authority as they get the responses back. You know, test
19 the water to see what exactly the temperature is out there for the
20 selling of the bonds.

21
22 BOARD MEMBER EINHEUSER: Who is the State at this point?
23 ATTORNEY ALLEN: The State at this point, both – Treasury,
24 but also the individual that I've been talking to is Thom Saxton.

25
26 Does that basically answer your question? That's basically
27 what's being done. And as soon as I get something, I'll share it with the
28 board in a second.

29
30 While the board is going to have to engage in discussion with
31 the State,
32 There are two things that need to get done. And the State's going to
33 have to talk about what the bond temperature is, and I think collectively
34 there will be a decision made in the not too distant future, assuming as
35 to bonds.

1 And so at this point that is where we are at. It's coming
2 along. Maybe not as easy and as gracefully as we would like, but I think
3 we are moving the stone forward the way we need to move forward. So
4 that the City does in fact appreciate and understand their obligation,
5 and that the state is in fact coming in, as they'd be the entity that by-
6 and-large generally has to be in the process of floating the bonds.

7
8 -Off-the-record-discussion
9

10 THE CHAIR: Thank you. Thank you for that. That's a pretty
11 decent characterization of the last couple days. And I appreciate that.
12

13 If there is no other business, I'll take a motion to go into closed session?
14

15 Board Member Davis: So moved.

16 Board Member Dargin: Support

17 Board Member Einheuser: Seconded.
18

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23 The Chair: Opposed? There being none,
24

25 A CALL FOR THE VOTE:
26

27 THE CHAIR: All in favor?

28 BOARD MEMBER DAVIS: Aye.

29 BOARD MEMBER DARGIN: Aye.

30 BOARD MEMBER EINHEUSER: Aye.

31 THE CHAIR: Opposed? There being none.

32 Motion carries.
33

34 ROLL CALL PRIOR TO GOING INTO CLOSED SESSION

35 Board Secretary Einheuser conducted the roll call. All board members
36 were present.
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The purpose of an Executive Session or Closed Session is to consider information that is exempt from disclosure by statute.

**-Whereupon the Regular Public Meeting
adjourned @5:20 p.m. to go into
Closed Session-**