PUBLIC LIGHTING AUTHORITY
OF THE
CITY OF DETROIT

Special Board Meeting
July 22, 2013
Coleman A. Young Municipal Center Auditorium
5 pm

Proposed Meeting Minutes

Board Members in Attendance:
Marvin Beatty (Joined late); Maureen Stapleton, John Davis, Cedric Dargin, Michael Einheuser

Others in Attendance:
Odis Jones (PLA Executive Director); Ron May (DTE); Jim Hull (DTE); Karen Whitman (DTE); Katina Pike (PLA); Ron Liscombe (Allen Law Group)

The meeting was held in the City of Detroit Auditorium of the City Council.

The Board Chair called the meeting to order at 5:05 pm. Roll call was taken, members in attendance at roll: Maureen Stapleton, John Davis, Cedric Dargin, Michael Einheuser. Marvin Beatty joined during DTE presentation.

Agenda and Discussion

I. Old Business

a. Program Manager Discussion

Executive Director Jones opened the meeting with background regarding the program manager/owner's rep agreement as it relates to implementation of the lighting plan. The owner's rep is being directed to assist with the lighting plan development and implementation with three overarching goals: improving illumination, modernizing the system, and increasing customer service.

Ron May, Senior Vice President of DTE, presents an update on the lighting plan strategy. The strategy encompasses four distinct phases: initiation, design, implementation/commissioning, and closeout. These phases will occur over a three year period.

(Board Vice Chair Beatty joins the meeting.)

There will be both short-term and a long-term projects. The short-term projects will be pilots in the areas of 7 Mile and Gratiot, and Grand River and 96, and will cost approximately $5M. These pilots will be implemented over the next several months, and will form the basis for the long-term, city-wide program. The work will begin with a street level survey of the areas to identify the current state and repair requirements of the infrastructure.

Several Board members asserted the Board policy that all of the work to be performed, including the survey work, be conducted by outside contractors. The Board expressed its understanding and acquiescence to the additional time necessary to obtain outside contractors for this service.

Mr. May continued the presentation with a discussion of the life-cycle warranty DTE will ensure the contractors provide. By way of example, the third-party contractors will be required to warrant that any early repairs due to bad bulbs, wiring, etc. that require replacement early in the process will be performed at no extra cost to the PLA. Longer term, an operations and maintenance agreement will be required to ensure the City of Detroit will be paying for catastrophic losses, or other losses that are not the result equipment or workmanship issues.

DTE will provide community communications before the process begins by placing door hangers at each of the residences to alert residents of the upcoming work. This will be followed up with door hangers after the work is completed, with a DTE contact number for complaints arising from subsequent outages.

Board Chair Stapleton inquired about the service-level agreement as it relates to the turn-around time between receiving a complaint and fixing the outage problem. DTE is willing to provide a guarantee of 7 days, and desires to establish 7 days and over-achieve, as opposed to promising 5 days and under-achieving. Board Treasurer Davis expressed caution as it relates to promising anything regarding service levels when no agreement has been reached between the PLA and the City regarding operations and maintenance of the system after construction. Executive Director Jones expressed confidence that an operations and maintenance agreement with the City is possible.

There was general discussion of oversight of contractors. It was made clear to the Board that the PLA will have ultimate responsibility for the oversight, and DTE will assist with that.

The Board also directed DTE and the Executive Director to meet with the City of Detroit Planning & Development Department and Detroit Public Schools to ensure that the planning is taking place in coordination with any potential school closures, etc.

Mr. May continued with the discussion of standardizing and modernizing the system. In order to reduce long-term maintenance costs, DTE recommends using 100W or 250W High Pressure Sodium bulbs in all lighting fixtures. It also recommended using standard "cobra" fixtures to minimize maintenance costs and maximize illumination. Any existing streetlights that do not meet the design criteria will be removed.

The intent of the lighting plan is to make the street light system consistent and affordable. The proposed approach is for lights to be placed at each street corner, and in the middle of blocks that exceed 800 feet long. The Board expressed concern, and wanted to ensure they will have the final approval of this approach. Board Treasurer Davis expressed concern that this approach may not work on street with a lot of trees that would block the light. Mr. May stated that the intent to have the system be judged against what exists today, and to make the system more effective and illuminating than the existing system. Using this approach, approximately 46,000 lights would be installed, and the entire city could be covered with the $160M available funds.

DTE also recommends prioritizing certain areas in each neighborhoods. For example, primary thoroughfares will have the same number of lights as they do today. Additional consideration will provided in areas around schools, intersections, and parks.

The Board expressed additional concern regarding the standardization approach as it relates to historic districts. Some historic districts desire decorative poles and fixtures, and the Board wants to make sure that the PLA will be able to accommodate those requests, with the understanding that those communities will need to pay the additional costs associated with purchase and replacement. DTE and Executive Director Jones were directed to work with the historical society and individual neighborhood associations in the historic districts to inform them

of the plan and provide such an option. This is time sensitive, as the Rosedale-Grandmont district is included in the pilot areas. DTE agreed to reach out to these associations, and to ensure this data was collected as part of the street surveys.

Board Secretary Einheuser moved to accept the DTE report, and to direct DTE to begin the initial work with the survey, and engaging engineering and construction contractors for the work in the pilot areas, to coordinate with the Detroit Planning & Development Department, and Detroit Public Schools, and to report back to the Board prior to engaging in the actual work.

Board Vice-Chair Beatty seconds the motion. No discussion was held. The motion was approved unanimously.

II. New Business

a. Lewis & Munday, P.C. Retainer Agreement

Executive Director Jones opened the discussion regarding the Lewis & Munday agreement with a general discussion regarding the PLA finances. It appears hopeful that the trust agreement with the city can be executed in the next several days.

Board Chair Stapleton wanted to ensure the Board understood the scope of what Lewis & Munday is being asked to do. The work will be limited to evaluating PLA finances as it relates to the City bankruptcy filing.

David Baker Lewis was introduced and held a brief discussion with the Board, recapping some of the issues the firm has looked at. Board Chair Stapleton expressed her trust with the firm.

Board Vice Chair Beatty moved to retroactively approve the retainer agreement with Lewis & Munday to July 3, 2013. Board Treasurer Davis seconded the motion. No discussion was held. The motion was approved unanimously.

b. IT Consulting Agreement

Executive Director Jones opened the discussion expressing the need for the PLA to have internal operational capacity. The Board held discussion regarding the IT contractor MEC Consulting, and whether it was a Detroit-based business. Ron Liscombe indicated it was based in Southfield. Board Vice Chair Beatty expressed his desire to engage Detroit-based businesses. The Board indicated that is its intent, and that this contractor was recommended by the PLA's communications contractor.

Additional discussion was held regarding the price of the contract. The resolution requested approval of the contract not to exceed $40,000. The price was broken down to $20,000 for services, and approximately $8,000 for equipment. The Board discussed approving the contract at a lower price.

Board Vice Chair Beatty moved to approve the contract at the following price points: $20,000 for services, $8,000 for hardware and software, plus 10% for contingency. Board Secretary Einheuser seconded. No discussion was held. The motion was approved unanimously.

c. Office Space and Lease

Executive Director Jones opened the discussion of the background of office space for the Authority. Executive Director Jones recommends leasing space in Suite 2900 of Cadillac Tower, as it is a more conservative amount of space at a lower price point than the space in Suite 212B. A price comparison of the space was provided to the Board.

Board Vice Chair Beatty moved to approve the lease. Board Secretary Einheuser seconded the motion. Discussion was held. Board Chair discussed the price of the improvements, and wanted to ensure that all costs are included, including any re-wiring that may be necessary to the demolition of a wall in Suite 2900. Executive Director Jones indicated there should not be any cost associated with re-wiring, and that a contractor had already evaluated the space. Board Vice Chair called the question. The motion was approved unanimously.

III. Executive Session

Board Chair Stapleton moved to enter executive/closed session for the Board to receive information exempt from disclosure under the Freedom of Information Act. Board Secretary Einheuser seconded the motion. A roll call vote was held. Board Vice Chair Beatty voted aye. Board Treasurer Davis voted aye. Board Secretary Einheuser voted aye. Board member Dargin voted aye. Board Chair Stapleton voted aye.

The Board entered into closed session at 7:35 pm.

Board Vice Chair Beatty moved to come out of closed session at 8:00 pm. Board Chair Stapleton seconded. No discussion was held. The motion was approved unanimously.

Board Chair Stapleton moved to not accept the organizational chart. Board Vice Chair Beatty moved to amend the motion to allow Executive Director Jones to hire an executive assistant and receptionist/customer service assistant. Board Treasurer Davis seconded the motion. Board members Betty, Davis, Dargin, and Einheuser voted aye. Board Chair Stapleton voted nay. The motion was approved.

The Board approved Board members Davis and Beatty to work with Executive Director Jones to rework the organizational chart and bring it back to the Board for consideration.

Board Vice Chair Beatty moved to adjourn the meeting. Board Secretary Einheuser seconded the motion. The motion was approved unanimously.

The meeting was adjourned.