

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
APRIL 18, 2024

A regular meeting of the Grand Haven Board of Light and Power was held on Thursday, April 18, 2024, at 6:00 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Webinar.

The meeting was called to order at 6:02 PM by Chairperson Westbrook.

Present: Directors Crum, Hendrick, Knoth, Welling and Westbrook.

Absent: None.

Others Present: Interim General Manager Rob Shelley, Secretary to the Board Danielle Martin, Operations & Power Supply Manager Erik Booth, Finance Manager Lynn Diffell, and Austin Gagnon as Technical Support.

24-04A Director Welling, supported by Director Hendrick, moved to approve the meeting agenda.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Welling and Westbrook; Opposed: None.
Motion carried.

Pledge of Allegiance

Public Comment Period:

Jim Hagen, 400 Lake, recommended the BLP conduct a study on time of use rates. Hagen also recommended a community solar project for the roof of the DPW building.

24-04B Director Welling, supported by Director Knoth, moved to approve the consent agenda. The consent agenda includes:

- Approve the minutes of the March 21, 2024 Board meeting
- Receive and file the March Financial Statements, Power Supply and Retail Sales Dashboards
- Receive and File the March Key Performance Indicator (KPI) Dashboard
- Receive and File the MPPA Energy Services Project Resource Position Report dated 03/29/2024
- Approve payment of bills in the amount of \$2,800,686.43 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$180,645.24 from the Renewal & Replacement Fund
- Approve confirming Purchase Order #23008 to Landis & Gyr Technology in the amount of \$18,083 for six months of grid analytics software service

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Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Welling and Westbrook; Opposed: None.
Motion carried.

24-04C Director Welling, supported by Director Hendrick, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order #23002 to C&S Solutions in the amount of \$15,841 for an underground locator
- Purchase Order #23013 to MZH Concrete in the amount of \$7,100 to replace the front concrete at the Service Center
- Purchase Order #23016 to Altec Industries in the amount of \$233,372 for a tree bucket truck

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Welling and Westbrook; Opposed: None.
Motion carried.

24-04D Finance Manager Lynn Diffell presented the Fiscal Year 2025 budget.

Key budget components were reviewed. Sales are budgeted to increase incrementally and to remain below fiscal years 2022 and 2023 levels. Total charges are budgeted to increase slightly due to the PSCA and no rate changes are proposed. Funds are included to conduct a rate study this year. The BLP has a nice mix of sales, with residential, commercial, and industrial sales each representing approximately one-third, plus a small fraction of municipal sales.

Purchased power, presented last month, represents 69% of operating expenses equaling an expected \$20 million in FY25. Payroll and benefits represent 20% of operating expenses. We are planning to maintain 39 full time employees with benefits budgeted at the current levels. Legacy pension expenses represent 2% of operating expenses, or \$500,000. This is a yearly contribution above the employer contribution for current employees. The Energy Optimization program represents 1% of operating expenses at \$325,000. Other departmental expenses represent 8% of operating expenses and are budgeted to remain at current levels. Annual depreciation is budgeted to be \$2.1 million. The 5% of gross monthly sales transferred to the City of Grand Haven is expected to be \$1.8 million. The Environmental Remediation Surcharge is budgeted to continue. Working cash at the end of Fiscal Year 2025 is expected to be \$21.4 million. The minimum working cash level established by the Board is \$18 million.

The Capital Plan includes \$750,000 for building renovations at Eaton Drive. Since the Board has been unable to acquire additional facility space, staff is proposing making changes to our current space to address our needs. Half of the renovations are budgeted to take place in FY2025, and the other half will occur the following year. Renovations include adding an employee locker room in

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the distribution warehouse and adding a new garage in the storage yard to make up for the lost warehouse space. Funds are also budgeted to add back up IT equipment at one of the substations.

The final budget will be brought to the Board at its May meeting for approval. Diffell invited the Board to reach out to her directly with any budget related questions prior to the May meeting.

No formal action taken.

24-04E Rob Shelley announced the BLP has received two APPA awards. We received a gold level safety award and diamond level Reliable Public Power Provider award. These awards place the BLP in the top 10% of participating municipalities in the nation.

No formal action taken.

24-04F Director Welling, supported by Director Knoth, moved to reject the proposed Bylaw changes to Section 31.

At its last meeting, the Board approved several Bylaw changes, except for those proposed to Section 31. In this month's packet, the Board's attorney provided three options to address the concerns in Section 31. After discussion, the Board agreed there is no option that would be able to cover every scenario and to leave Section 31 as is.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Welling and Westbrook; Opposed: None.
Motion carried.

24-04G Chairperson Westbrook, supported by Director Welling, moved to hire Mycoff Fry Partners for Executive Search Services.

Director Hendrick and Chairperson Westbrook served on the subcommittee tasked with recommending an executive search services firm. The committee met on March 6th and narrowed the list to two firms: Mycoff Fry Partners and Preng & Associates. Interviews were held via Zoom on March 19th with both firms. The subcommittee met on April 10th to discuss their thoughts following the interviews. The subcommittee agreed to present both firms to the Board for consideration.

Director Hendrick felt both firms are qualified and either option would be money well spent. She felt the differences between the two were minute. She leaned toward Preng & Associates because of how they discussed stakeholder involvement. She felt the candidate representing Mycoff Fry Partners made a high salary assumption before discussing the skills or type of person desired.

Chairperson Westbrook agreed there is not a bad choice between the two firms but felt Mycoff Fry Partners was the stronger candidate. He appreciated the representative's candor when discussing the struggles the Board may face. He felt the representative had her finger on the pulse

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of the local environment and had positive references from BLP Board members and employees who worked with them in the past.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Welling and Westbrook; Opposed: None.
Motion carried.

24-04H An open discussion was held on Governance Training Lesson 1 “Public Power Governance Models”. Overall, the statement that stuck with the Board was that the best governance structure is likely the one you have. Directors found the number of model variations to be surprising along with the number of utilities run by councils or city managers. Director Hendrick suggested the Board examine the City Charter and if something does not fit, bring the issue to Council. Director Knoth hopes joint meetings become a regular occurrence.

No formal action taken.

24-04I Chairperson Westbrook stated Governance Training Lesson 2 will be on the agenda for discussion in May.

No formal action taken.

24-04J Other Business

Rob Shelley informed the Board he and the City Manager are looking at the weeks of May 27 and June 3 at 6:30pm for the proposed joint meeting. Board member's availability was discussed, and Shelley will work with the City Manager to finalize a date.

Chairperson Westbrook stated it is Lineman Appreciation Day today, and Administrative Professionals Day next Wednesday. The BLP is hosting an all employee luncheon tomorrow to celebrate both days.

Chairperson Westbrook stated he attended the recent Harbor Island event. He thanked the City for putting on this event.

No formal action taken.

Public Comment Period:

Jim Hagen, 400 Lake, invited everyone to attend the Earth Day celebrations at Central Park Place this Saturday. The Community Energy Plan will have a table.

Mayor Bob Monetza, 945 Washington, congratulated the BLP on receiving APPA's safety and reliability awards. He thanked the Board for helping work toward a joint meeting.

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Adjournment

At 7:12PM by motion of Director Hendrick, supported by Director Welling, the April 18, 2024 Board meeting was unanimously adjourned.

Respectfully submitted,



Danielle Martin
Secretary to the Board

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