

# Marquette Board of Light and Power 4-25-17 MINUTES

## 2200 Wright St., Marquette, MI 49855 (906) 228-0311

A regular meeting of the Board of Light and Power was called and held on April 25, 2017 beginning at 4:30 p.m. The meeting was called to order followed by the Pledge of Allegiance.

Present: Tom Tourville, Chair  
David Puskala, Vice Chair/Secretary  
Jerry Irby  
Robert Niemi

Absent: David Carlson

J. Irby made a motion to accept the agenda as presented. R. Niemi gave his support and Board unanimously approved agenda as presented.

1. **Approval of the April 11, 2017 Regular Meeting Minutes:**

R. Niemi made a motion to accept April 11, 2017 regular meeting minutes, as presented. J. Irby gave support and Board unanimously approved.

2. **Approval of Bills Payable:**

R. Niemi made a motion to approve the Bills Payable as presented, totaling \$658,564.80, which J. Irby supported. After discussion, Board unanimously approved the Bills Payable.

3. **Public Comments:**

No Comments at this time.

4. **MERS Pension Presentation:**

T. Tourville introduced Leon Hank and Terra Langham from Municipal Employees' Retirement System. Ms. Langham gave a PowerPoint presentation to the Board explaining the various retirement plans they have available to employers. The three plans are Defined Benefit Plan, Defined Contribution Plan and Hybrid Plan. MERS also has a Deferred Compensation Plan (457) that employees can elect to invest in. Ms. Langham explained how each plan works, what are the costs and the benefits to the employer and employees. She talked about unfunded liabilities, how they are calculated and how the various contributions can be paid out when an employee retires. The MBLP has all three plans at this time with the Defined Benefit Plan closed to some current employees and all new employees. The Deferred Compensation Plan is also used by some of the employees. There was discussion during the presentation and questions asked and answered.

5. **Financial Discussion – Helen LaFayette:**

Controller Helen LaFayette reviewed the Interim Operating Statement for the six months ending March 31, 2017, the Projected Cash Flow Statement, the quarterly Summary of Investments and the kWh Comparison and Revenue charts. At the last meeting, R. Niemi had requested additional detail on the Revenue chart. H. LaFayette stated that they met with R. Niemi to get a full understanding of his request and afterwards, worked with Tobias Smith to design a graph that would separate key revenue components. This process took staff, specifically, Tobias Smith, considerable time to create and R. Niemi thanked him for his additional work. T. Tourville stated that he appreciated the additional information.

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6. **Approval of Budget Schedule – Helen LaFayette:**

Controller Helen LaFayette presented a tentative budget schedule for FY 2017-18. Discussion followed. T. Tourville recommended an additional work session in the middle of July be added to the schedule. The Board discussed the additional time for review of the Utility Financial Solutions and Burns and McDonnell reports. J. Irby made a motion to approve the Budget Schedule with an additional July meeting being added. H. LaFayette will schedule another work session in July. R. Niemi supported the motion and Board unanimously approved.

7. **Recommendation to Award:**

**a. Paving Contract to resurface Wright Street Parking Area**

R. Niemi made a motion to award the contract of resurfacing of the Wright Street Parking area to Payne and Dolan in the amount of \$163,876.25, which was the lowest bid received meeting the minimum quality standards. D. Puskala supported the motion. This is a capital budgeted expenditure for the 2016-17 budget. After discussion, Board approved unanimously.

**b. Emission Testing for Marquette Energy Center**

J. Irby made the motion to award the stack testing program for the MEC to Airtech Environmental Services, Inc. in the lump sum amount of \$44,500.00. They submitted the lowest bid meeting minimum quality standards. D. Puskala supported the motion and it was unanimously approved by the Board.

8. **Sargent & Lundy Update – Ken Mixer:**

Ken Mixer gave the Board an update on the MEC project which is 98 percent complete at this time. The pre-commissioning work is 21 percent completed and the air dryers are expected to be delivered by the end of May. The MEC Project is on schedule and under budget. Technical and Engineering Consultant, J. Reynolds stated that there has been great teamwork with all the various companies throughout the project with all working to have the project done on time and under budget.

9. **Approval of Change Orders on MEC Project:**

**a. General Work Contract Change Order item PCI0018 Rev. 1 (Ken Mixer, S&L – Q&A)**

After Board questions were answered, R. Niemi made the motion to approve and give authorization to pay Miron Construction, Inc. the sum of \$122,371.23 for the General Work Contract (GWC) change order item PCI0018 Rev. 1. This item is from project scopes, specifically for support steel framing for the five large air handling units and six engine charge air units. The details of this were only known after the bids were awarded. J. Irby supported the payment and the Board approved unanimously.

**b. General Work Contract Change Order item PCI0071 (Jason Reith, Miron – Q&A)**

After Board questions were answered, J. Irby made a motion to approve the payment of \$241,815.75 to Miron Construction, Inc. for the GWC change order item PCI0071. This

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change order was related to construction delays incurred due to late equipment deliveries. J. Reynolds stated that liquidated damages will be pursued in the future. R. Niemi supported the motion. After there was discussion with representatives from Wärtsilä, Miron Construction Co. Inc. and Ken Mixer, Board approved unanimously.

**c. Stack Painting and Cladding**

This item is being considered because of comments made from some city commissioners and residents to “do something” about the unattractive “rusty” colored stacks. No motion was made and after much discussion, considering the expense of paying \$287,239.86 to coat the three MEC 100 foot tall exhaust stacks, the Board decided not to do the painting at this time.

10. **Marquette Energy Center Update:**

J. Reynolds stated that the contingency fund amount that is on their report tonight did include the cost of coating the stacks so the contingency fund is closer to \$5 million.

11. **Community Solar Update – David Lynch:**

Assistant Director – Utility Operations, David Lynch stated that a soft roll out was conducted on April 14 where MI Energy Options sent out emails to all the customers who had signed up on the webpage. In the last 11 days, 38 percent of the panels have been sold. There is also a plan to send out information as a bill stuffer in May.

12. **Public Comments:**

No comments made at this time.

13. **Any Additional Business the Executive Director Wishes to Present:**

Assistant Director – Utility Operations, David Lynch stated that the MBLP will be giving two presentations on the Solar Garden in the next few days. One will be given to the Marquette Rotary West and on Saturday, a presentation at the Annual NMU Climate March organization.

14. **Any Additional Business the Board Members Wish to Present:**

T. Tourville shared some information from a 15 month nationwide survey completed by University of Michigan students. He shared that 54 percent of Americans worry about affordability of electricity, 32 percent are concerned about its reliability and 60 percent are concerned about the impact to the environment.

15. **Adjournment:**

The meeting adjourned at 6:26 p.m.

*Tom Towell*  
*in absence of David Puskala*

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David Puskala  
Vice Chair/Secretary