

The HBPW Board of Directors met **Monday, June 29, 2009** at 4:00 p.m.
in the Holland BPW's Service Center Board Room
625 Hastings Ave
Holland, Michigan

Vice Chair Jim Storey called the meeting to order at 4:03 p.m.

Members Present: Rich Cook, Paul Elzinga, Tim Hemingway, and James Storey

Members Absent: None

Staff Present: Loren Howard, Dave Koster, Dan Nally, John Van Uffelen; Jon Hofmann, Andree Keneau, Bob Mihos, Abel Rodriguez, and Lorilyn Bunce

Others Present: City Council Liaison: *Absent*
Media Representative(s): *Holland Sentinel, Lakeshore Press*

09.093 **Consent Agenda**

None

09.094 **Communications from the Audience**

There were no communications from the audience

09.095 **Labor Agreement**

In December 2008, the HBPW entered into contract renewal discussions with Technical, Professional, and Office Workers Association of Michigan (TPOAM) Holland Board of Public Works (HBPW) Utilities Local. TPOAM represents approximately 95 HBPW employees (roughly 54% of the utility's workforce). The existing Labor Agreement was due to expire April 1, 2009.

Using collaborative bargaining techniques, management and union reviewed and reached consensus regarding a wide variety of contractual issues.

When it became apparent that a successor agreement would not be ratified prior to April 1, 2009, the existing Labor Agreement was extended to May 1, 2009, by action of the HBPW Board of Directors and City Council.

On May 5, 2009, management and union reached final consensus on the terms of a tentative agreement. The union successfully ratified this tentative agreement with its membership on June 10, 2009.

The Board of Directors approved the Labor Agreement with the Technical, Professional, and Office Workers Association of Michigan for the term of April 1, 2009 through March 31, 2012, as presented and forwarded it to the City for approval by the City Council.

09.096 **Energy Optimization Agreement**

On April 13, 2009, the Holland Board of Public Works Board of Directors approved a Resolution to join the Michigan Public Power Agency (MPPA) Energy Efficiency Service Committee. This Committee intends to assist the MPPA members in meeting the energy efficiency obligations

** Red italics indicate information or discussion added during the meeting and/or action taken.*

required by Michigan PA 295. The Holland Board of Public Works (HBPW), as a member of MPPA, is interested in entering into an agreement to provide Energy Optimization Implementation Contracting services, through the Energy Efficiency Service Committee.

The Board of Directors approved the MPPA Energy Efficiency Service Committee Agreement, pending city attorney approval

09.097 **Insurance Proposal for Fiscal Year 2010**

Each year the City and the Holland Board of Public Works (HBPW) through our agency, solicits bids from underwriters for insurance coverage for the upcoming fiscal year July 1, 2009 - June 30, 2010. The current proposal from our insurance agency, HUB International, is similar to last year using the package policy coverage for property and boiler with coverage up to \$350,000,000 with Travelers and liability of \$10,000,000 underwritten by Princeton with an additional \$10,000,000 layer of reinsurance called excess liability underwritten by Catlin. The total cost to the HBPW is \$956,530, which is \$16,695 or 1.7% less than last year during FY2009, (not including the workers' comp coverage of \$69,673). \$51,200 (annualized on a three year policy) is the pollution policy premium related to moving to CHUB, a carrier who is able to write a more favorable policy for less cost. The savings on the pollution coverage is \$49,920.

The proposed insurance package, underwritten by Princeton Excess Surplus Lines Insurance Company, continues the All Lines Aggregate coverage for the City and HBPW have maintained for the past 16 years. The package provides for \$100,000 deductible for most lines of coverage for each occurrence and an aggregate deductible of \$372,500 which is the same as last year. The large deductibles result in effectively being self insured with protection from a catastrophic event. The workers compensation coverage is with Accident Fund of Michigan. It provides first dollar coverage with a guaranteed cost to limit our loss exposure and a dividend plan to provide a return of premium when loss experience is less than 40% of premium.

The Board of Directors approved, in support of City Council's approval, the proposal from HUB International for insurance coverage for fiscal year (FY) 2010. The package includes policies for \$10,000,000 liability coverage, an additional \$10,000,000 in excess coverage, property, automobile, boiler, pollution, and workers compensation. The premium for the HBPW portion is \$956,530 for the package and \$69,673 for the workers compensation.

09.098 **Rate Format Modification**

The Energy Optimization (EO) plan, as required by Public Act 295, determined the revenue requirements for residential customers as \$211,900. The recently approved electric residential rates to become effective July 1, 2009, stated the EO Charge as a flat rate. This proposal is to state the EO Charge as a per kWh rate of \$.001373 with the same revenue target and the same July 1, 2009 effective date. This change will fully comply with the statutory requirement.

The Board of Directors approved the tariffs per the residential rate sheets that represent the EO billing of \$.001373 per kWh effective July 1, 2009 for the Electric Utility.

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OTHER BUSINESS

Storm Repair Progress Update

Next meeting – Monday, July 6, 2009

ADJOURNMENT

A motion to adjourn the meeting of June 29, 2009 was made by *Tim Hemingway* supported by *Rich Cook* and agreed upon by the Board of Directors present.

The Board Meeting of June 29, 2009 adjourned at 5:14 p.m.

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board