

**REGULAR MEETING**

The HBPW Board of Directors met  
**July 9, 2018**  
at 4:00 p.m.  
in the Service Center Board Room  
625 Hastings Ave.  
Holland, Michigan

**Chair Hemingway called the meeting to order at 4:02 p.m.**

**Members Present:** Tim Hemingway, Diane Haworth, Phil Miller, Sue Franz, City Council Liaison Brian Lynn, and Ex Officio Members Bob Shilander and Keith VanBeek

**Members Absent:** None

**Staff Present:** Dave Koster, Janet Lemson, Chuck Warren, John Van Uffelen, Becky Lehman, Joel Davenport, Tamara Black, Pete Hoffswell, Jane Monroe, Barry Rutherford, Mark Gipson, Tracy Jousma

19.000 **Board Minutes – Regular Meeting of June 11, 2018, and Special Meeting Minutes of June 25, 2018**

*As part of the Consent Agenda, the Board of Directors approved the minutes as presented.*

19.001 **Insurable Value Study for Property Insurance Coverage**

The HBPW has made significant capital additions in the last several years. It is important to have reliable estimates of insurable values to prevent over or under insuring the HBPW's assets. The last complete appraisal was completed in early 2011. That appraisal was updated in February 2013, using only accounting records with no independent verification or field work. Since that time, significant capital additions have been made, including the Holland Energy Park, Pine Street Substation, water reclamation plant improvements, and water distribution valve and metering system replacements.

With property insurance premium costs approaching \$1 million annually, it is important that proper coverage amounts, limits, and retentions are in place. A recent thorough valuation study is a cornerstone of that process. Marsh, through its risk consulting division, has been chosen to provide the study. Marsh is one of the world leaders in the utility infrastructure risk mitigation space. They have provided various insurance services to the HBPW over the past several years, including the insurance coverage for the Holland Energy Park during construction. The valuation study deliverables include:

- A detailed summary of values along with a comparison to the existing statement of values with deltas for values and percentage movement;
- A single valuation report detailing the scope of work performed, assets included, methods and procedures, and noting significant findings, assumptions, and/or limitations to the work involved.

The report will provide a conclusion of value, supporting exhibits, and photographs as appropriate and applicable.

The fee for the engagement is estimated at \$45,000. Board approval of the agreement is requested for \$49,500, which includes the estimated amount plus a 10% contingency.

*As part of the Consent Agenda, the Board of Directors approved Approve the contract with Marsh Risk Consulting to complete an "insurable value study" by the end of calendar year 2018 in the*

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*amount of \$45,000 with a 10% contingency of \$4,500 for a total of \$49,500. The contract has already been approved as to form by the City Attorney. Subject to the clarification of the \$45,000 amount and whether it may include the 7.5% administrative fee.*

**19.002 Resolution for Insurance Claims Administration FY 2019**

The resolution is to establish and authorize the claims settlement authority for the City and the HBPW within the self-insured retention portion of the City and the HBPW's insurance program. The resolution shall permit the settlement and compromise of claims, actions, and liabilities by the designated adjuster in an amount not to exceed \$5,000 against the City and/or the HBPW. Paragraph 5 grants authority to the designated representative of the HBPW in conjunction with the City Attorney to settle claims against the HBPW, including joint claims with the City, in an amount not to exceed \$10,000. The settled claims shall be reported by the HBPW to the Board as needed during the fiscal year. Paragraph 6 allows claims in excess of \$10,000 to be settled, compromised, and approved upon review and recommendation/approval of the of Directors of the HBPW with referral to City Council for final review and recommendation/approval.

*As part of the Consent Agenda, the Board of Directors adopted the Resolution allowing the designated representative of the HBPW, in conjunction with the City Attorney, the settlement authority, to settle claims in an amount not to exceed \$10,000.*

**19.003 Resolution Authorizing the Signing of Contracts FY 2019**

Prior to the Contract Authorization Resolution, all contracts were submitted to both the Board and the City Council for approval before staff could proceed with work plans. This imposed an unnecessary delay, causing various difficulties, and often did not permit adequate time to address customer requests. After the City Attorney's review, it was determined that the City Charter authorizes the Board to carry out its work plan without further Council approval, once a budget had been approved. However, it is necessary for the Mayor and City Clerk to be authorized to sign such contracts on behalf of the Board.

*As part of the Consent Agenda, the Board of Directors adopted the Resolution authorizing the Mayor and City Clerk to sign contracts that are approved by the Board and within budget and forward the Resolution to City Council for their adoption.*

**19.004 Resolution Authorizing Transfer of Funds for Contribution to the City FY 2019**

This Joint Resolution is pursuant to Section 12.16 of the Charter of the City of Holland. The amount of money appropriated has been approved during the budget process and this Joint Resolution is passed for the purpose of complying with the requirements of Section 12.16 of the Charter of the City of Holland in the event that the amount should exceed or be less than 50% of the net income of the Board of Public Works Electric Utility, as defined therein.

*As part of the Consent Agenda, the Board of Directors adopted the Joint Resolution to appropriate \$6,606,000 from the Electric Utility funds for FY 2019 for the general purposes of the City of Holland.*

**19.005 Action on Consent items:**

Motion to approve, accept, or adopt Consent Agenda items	<i>Haworth</i>
Second	<i>Miller</i>
Favor	<i>4</i>
Oppose	<i>0</i>

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19.006            **Communications from the Audience**

*None*

19.007            **Major Project Update**

*For information only*

19.008            **Financial Review – May 2018**

*For information only*

19.009            **Election of HBPW Board Officers For the 2019 Fiscal Year**

After open discussion among Board Members at the meeting, current Chair and Vice-Chair were nominated as officers on the ballot for the current fiscal year.

*Recommendation: The Board of Directors reelected Tim Hemingway as Chair and Diane Haworth as Vice-Chair of the HBPW Board of Directors for the 2019 fiscal year.*

<i>Motion to approve recommendation</i>	<i>Miller</i>
<i>Second</i>	<i>Franz</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

**BOARD COMMENTS**

*Vice-Chair Haworth shared her notes from the APPA Annual Convention with other BOD members. Main conference theme this year was electrification. Another top point was distribution of electric resources and the profitability of this.*

**ANNOUNCEMENTS**

*Reminder: Next meeting is July 23, 2018, a Study Session. Chair Hemingway will be unable to attend this meeting, so Vice-Chair Haworth will preside.*

**ADJOURNMENT**

A motion to adjourn the meeting of July 9, 2018, was made by *Miller* supported by *Haworth* and agreed upon by the Board of Directors present.

The Board Meeting of July 9, 2018, adjourned at *4:58 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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