

**SPECIAL MEETING**

The HBPW Board of Directors met  
**October 22, 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, Paul Lilly, Ex Officio Members Bob Shilander and Keith VanBeek

**Members Absent:** Brian Lynn

**Staff Present:** John Van Uffelen, Janet Lemson, Ted Siler, Becky Lehman, Chuck Warren, Joel Davenport, Tamara Black, Tracy Jousma, Anne Saliers, Morgan Kelley, Barry Rutherford, Pete Hoffswell, Chris VaDokkumburg, Jon Hofman

**Communications from the Audience**

*None*

**SPECIAL ACTION ITEMS Audited Financial Report for FY 2018**

19.048 Rehmann Robson LLC was retained by the City and HBPW to perform the audit for FY 2018. HBPW's Audit Committee met with the auditors prior to this presentation to facilitate closure of the audit process and to provide the Board an opportunity to directly and independently communicate with the auditors. The Committee reviewed and discussed the results of the audit with the auditors. (Paul Matz)

*Recommendation: The Board of Directors accepted this report for information*

19.049 **FY 2018 HBPW Organizational Results**

Since 1995, the HBPW has included a variable component in its professional employee compensation package. Known initially as The Opportunity Program, this compensation component has provided annual lump-sum compensation opportunities of up to 6% of base wage for participants when the organization and the individual meet or exceed specific performance criteria.

In FY2018, the HBPW achieved 10 of its 12 corporate metric targets. These metrics are summarized on an attachment and cover the areas of customer satisfaction, service reliability, environmental quality, regulatory compliance, cost control and a safe work environment. With 83% of the corporate metrics achieved in FY 2018, it is recommended that 2.50% (0.833\*3.0%) be awarded for this portion of the overall performance criteria.

In FY2018, the HBPW also achieved 12 of its 13 organization-level tactical actions. These tactical actions are summarized in an attachment and were developed to align with and support the HBPW's Critical Issues and Goals. With 92% of the tactical actions completed in FY2018, it is recommended that 2.76% (0.92\*3.0%) be awarded for this portion of the overall performance criteria.

Based upon these results, the performance-based compensation result achieved in FY2018 for all eligible professional employees (excluding Executive Staff) is 5.26% out of a possible 6.0%.

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

In December 2010, the Performance Based Compensation program for HBPW Executive Staff (Director-level employees) was amended by Board and Council action, in conjunction with moving these employees to an “at will” employment status. Consistent with this program, the performance-based compensation result achieved in FY2018 for Executive Staff is 8.55% out of a possible 10.0%.

In April 2012, a Performance Based Compensation program was adopted for HBPW union employees as part of a labor agreement renewal. This program is based solely upon HBPW Corporate Metrics and helps to align all HBPW employees with the organization’s strategic objectives. Consistent with this program, the performance-based compensation result achieved in FY2018 for union employees is 2.5% of a possible 3.0%.

*Recommendation: The Board of Directors, following the review of HBPW's FY2018 annual financial audit earlier this afternoon, approved the FY2018 strategic plan results and variable pay recommendations attached.*

<i>Motion to approve recommendation</i>	<i>Haworth</i>
<i>Second</i>	<i>Lilly</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

19.050 **Financial Update – FY 2019 First Quarter**

*For information only*

**STUDY SESSION ITEMS** **In-House Residential Rebate Processing**

19.051

Over the past several years, Community Energy Services has gradually and effectively brought the implementation of its Energy Waste Reductions programs in-house. It has resulted in increased efficiencies, more dollars from the Energy Optimization surcharge returned to customers, and program customization that better meets customer expectations and advances progress on the Holland Community Energy Plan.

The team has evaluated and made preparations to bring the processing of Residential appliance rebates in-house starting January 2019. It will no longer contract this service from Franklin Energy, which will save an estimated \$20,000 in expenses annually. Other than Community Energy Services staff time, there will be no impact on other departments, and no start-up costs.

*Recommendation: Presented to the Board for information*

19.052 **Energy-Saving Trees Program**

When planted properly, a single tree can save a homeowner up to 20 percent on energy costs and provide multiple community benefits, such as improving air quality, sequestering carbon, helping to manage storm water runoff, and more.

Energy Saving Trees, a program of the Arbor Day Foundation, operates in 37 U.S. states. It is designed to engage and educate homeowners on the benefits of strategic tree planting for energy savings. Using the U.S. Forest Service i-Tree software, homeowners learn the optimum locations to plant a tree in their yards. They also learn about where to dig to avoid overhead electric lines and buried pipes and cables. MissDig is a required call.

Community Energy Services collaborated with a number of internal departments, Hope College, and the City of Holland Parks and Recreation director to plan the selection of tree species to offer, how to provide homeowners with a GIS map of where utilities are located in their yards, and to develop a process for approving the planting locations.

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The City, desiring to increase Holland's urban tree canopy to recommended levels, is matching HBPW's investment of \$55 per tree to double the number of trees that will be made available to homeowners. As a result, 300 potted, 2" diameter trees, will be distributed in a pre-registered pick-up event the day after Arbor Day, on Saturday, April 27. There will be five species from which to choose, equating to 60 of each species that will be reserved on a first come first serve basis through an online ordering portal. The approved FY19 EWR pilot program budget will cover HBPW program expenses of \$8,250, which includes the registration and education portal, marketing materials, i-Tree software, the trees, and delivery to the event location.

*Recommendation: Presented to the Board for information*

#### BOARD COMMENTS

*Our next BOD meeting is November 12, 2018*

*Thursday, College Night at HEP for college students, faculty, and staff.*

*Saturday, drug take back event at the HPD.*

*Tours of JDY on the 27<sup>th</sup> of October and 3<sup>rd</sup> of November. (Saturday) 9:30, 10:30, and 11:30 a.m.  
Waterfrontholland.org is the website for more information and to sign up.*

#### ADJOURNMENT

A motion to adjourn the meeting of *October 22, 2018*, was made by *Haworth* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of October 22, 2018, adjourned at *5:27p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board