

REGULAR MEETING

The HBPW Board of Directors met
May 6, 2019
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, City Council Liaison Brian Lynn, Ex Officio Member Bob Shilander

Members Absent: Keith Van Beek

Staff Present: Dave Koster, Janet Lemson, Chuck Warren, Ted Siler, Joel Davenport, Becky Lehman, John Van Uffelen, Jane Monroe, Andrew Reynolds, Jon Hofman, Steve Bruinsma, Pete Hoffswell, Shawna Vander Yacht, Kevin Koning, Alison , Julie DeCook

19.129 **Board Minutes – Regular Meeting Minutes of April 8, 2019, and Study Session Minutes of April 22, 2019**

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

19.130 Action on Consent items:

Motion to approve, accept, or adopt Consent *Haworth*
Agenda items
Second *Miller*
Favor *5*
Oppose *0*

19.131 **Communications from the Audience**

None

19.132 **Financial Update**

For information only

19.133 **Major Project Update**

For information only

19.134 **Holland Energy Park Property Insurance Renewal**

AJG, the City/HBPW insurance agency of record, has marketed the all risks property coverage for HEP, for the period of May 2019 through June 2020. The 14-month period is to bring the coverage expiration date in line with all other property and liability policies of the City and HBPW.

The marketing effort resulted in three options being presented for consideration:

- Renewal Option 1 (AJG power production specific policy form)
 - Munich Re/HSB Specialty/Price Forbes (incumbents)

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

- 14 month premium \$433,201 (1.94% higher than current coverage for equivalent term)
- Renewal Option 2 (AJG power production specific policy form)
 - Munich Re/HBS Specialty/Zurich American
 - 14 month premium \$420,381 (0.10% higher than current coverage for equivalent term)
- Renewal option 3 (AEGIS form)
 - Aegis US/Axis/Renaissance Re
 - 14 month premium \$412,879 (2.51% less than current coverage for equivalent term)

The overall policy limit is \$245,000,000. The various sub-limits are described in the attached Proposal of Insurance. Deductibles are \$100,000, with the exception of gas turbine generators at \$500,000 (same as current coverage).

Staff has recommended Option 2 due to the essentially flat premium and the utilization of the AJG policy form. The advantages of the AJG policy form are described in the attachment titled "AEGIS versus AJG Policy Form".

AJG has agreed to waive all commissions on the coverages they place for the City and HBPW, and bill only a flat fee. The annual fee for services related to the HEP coverage is \$50,000.

Recommendation: The Board of Directors approved Option 2 in the attached proposal from AJG covering the period May 2019 through June 2020, for all risks physical loss coverage of the Holland Energy Park. Overall policy limit is \$245,000,000 (with the various sub-limits as detailed in the proposal). The premium for the 14-month period May 2019 through June 2020 is \$420,381. Also approve the HEP specific AJG Service Fee for FY2020 in the amount of \$50,000.

<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>

19.135 **Design Build Agreement for Service Center Storage Building and Dock Relocation Project**

In 2018, BPW staff conducted an architectural programming study to address storage needs for electric distribution, water and wastewater services and facilities' vehicles, trailers and equipment located at the Service Center. The study resulted in a conceptual layout for a new storage building and relocation of the warehouse docks. An amount of \$450,000 was added in the fiscal 2020 budget to the \$1,000,000 budget approved in fiscal 2019 for a total project budget of \$1,450,000.

In April, the BPW project team requested design build services proposals from three local contractors qualified in performing design build services. The services requested include design, preconstruction services and construction execution of a storage building and warehouse docks relocation. The team evaluated the proposals based on the weighted evaluation as defined in the request for proposals and the proposed teams from two companies were also interviewed. The table summarizes the quotes received and evaluation results.

The evaluation scores for the top two companies were very close (.03) and the team felt both companies would provide quality services for the project. The team's recommendation is to award the design build services to Elzinga & Volkers (E&V). While it was evident in their interview that Lakewood had put time and effort into developing their project approach and they have in-house design capabilities, the level of E&V's team expertise and construction capabilities combined with their lower price contributed to their selection. E&V has also recently performed quality work in a safe and professional manner on some smaller projects for the BPW. The project team is confident that E&V will be able to successfully execute this project and provide a quality finished product that accommodates staff's storage needs.

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Bidder Name	Business Location	Design Services Fee	Construction Fee %	Evaluation Score
Elzinga & Volkers	Holland MI	\$57,500	3.0	4.3
Lakewood Const	Holland MI	\$105,150	3.9	4.3
GDK Const	Holland MI	\$123,680	5.0	3.5

This contract initially includes the services for design and construction management that will be paid on an as used basis. The Guaranteed Maximum Price (GMP) amount for execution of the construction will be issued as a Change Order after the design is complete, bids are received and it is approved by the Board.

Recommendation: The Board of Directors approved a Design/Build Agreement with Elzinga & Volkers for a not to exceed amount of \$57,500 and a 10% contingency of \$5,750, pending approval as to form from the City Attorney.

Motion to approve recommendation *Haworth*
Second *Miller*
Favor 5
Oppose 0

19.136 Employee Handbook Update

The Employee Handbook requires periodic review and revision to incorporate changes in policies, procedures, laws, regulations, and benefit programs.

Over the past few months, a handbook revision team has performed a comprehensive review of the Employee Handbook. This team consisted of Jennifer Orme (City HR Director), Veronica Esteves (City HR Specialist), Ted Siler (HBPW Business Services Director), Amy Denham (HBPW HR Specialist), and Jon Hofman (HBPW HR Manager). Proposed revisions were subsequently reviewed and approved by legal counsel.

Many of the revisions were matters of format, rather than substance. There were also some clarifications based upon issues that have arisen in the five years since the previous revision (dated 11/2014).

Significant and minor revisions are summarized below:

Significant:

- Rewrote “Harassment and Employee Dignity Policy” as the “Anti-Harassment and Positive Workplace Policy.”
 - o Moved focus of policy away from “unlawful harassment” to also include other unprofessional and discourteous actions.
 - o Clarified prohibition against retaliation.
 - o Clarified expectation of confidentiality.
 - o Clarified reporting procedure and employer investigation process.
- Eliminated Part-Time “A” employment classification, and restructured Part-Time “B” employment classification as either “Part-Time” or “Seasonal”.
- Updated Wellness Program section to conform with recent program changes.
- Included Part-Time PTO program (in compliance with Michigan Paid Medical Leave Act).

Minor:

- Removed organizational charts (they change more frequently than the handbook).
- Replaced “City/HBPW” with “Employer” in most instances (makes for more natural reading).
- Updated City Mission Statement.
- Updated paragraph on “Your City Government” relating to HBPW.

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- Called out marijuana as a controlled substance in Drug Abuse Policy.
- Updated definition of “refusing” to consent to drug testing.
- Updated De Minimis Benefits policy.
 - o Moved all references to years of service and retirement awards to this policy (previously had been in two places in the handbook).
 - o Clarified taxability of retirement gift, if awarded in cash.
 - o Updated retirement gift table.
 - o Added de minimis beverages to policy.
- Clarified that the introductory period for new employees begins upon hire (not after completion of initial training).
- Moved “disability accommodation” from EEO section to its own section.
- Clarified that the employer reserves the right to designate leave as FMLA-qualifying, even if employee does not request the leave as such.
- Updated “Smoke Free and Tobacco Free Work Place Policy” to remove expired language.
- Updated mobile technology examples (removed “Blackberries” and replaced with “other wearable technology”).
- Removed prescriptive language regarding which department of the City coordinates the performance appraisal process (previously stated “Finance Department”).
- Clarified unpaid leave of absence option.
- Simplified and clarified information regarding the Employee Assistance Program (EAP).
- Clarified that orthodontic benefits become available following one year of benefit enrollment.
- Clarified how grandfathered time in an employee’s medical leave bank would be applied during a short-term disability situation.
- Removed paragraph regarding coordination between short-term and long-term disability. (Intent remains to have seamless benefit transition; however, this can’t be guaranteed.)
- Updated information on Life Insurance Coverage options.
- Revised provisions regarding PTO payment upon separation
 - o Consolidated provision regarding PTO payment upon voluntary resignation into the PTO policy (previously had been in two places).
 - o Allow payment to employees in good standing following 90 days of employment (rather than 1 year).
 - o Limit pre-separation use of PTO to not more than 40 hours (no “run out” of PTO balances prior to separation or retirement).
 - o Included statement regarding Paid Time Off IRS “ordering” rule. (Must use accrued time before “purchased” time.)
- Included textbooks in allowable expenses under tuition reimbursement program.

Recommendation: The Board of Directors approved the updated Employee Handbook.

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

19.137 **Closed Door Session – Pending Litigation**
Roberts Pipeline v City of Holland
City of Holland v Western Land Services and Kevin Hackert

Motion to enter Closed Session @ 5:28 p.m.	<Name>
Made by	<i>Miller</i>
Second:	<i>Haworth</i>
Favor	<i>5</i>
Oppose	<i>0</i>

*ROLL CALL: Hemingway, Haworth, Miller, Franz,
 Lilly, Lynn, Shilander*

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Motion to re-enter Open Session @ *6:38 p.m.*
Made by *Haworth*
Second *Miller*
Favor *5*
Oppose *0*

<Name>

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BOARD COMMENTS

- *June Regular BOD Meeting has been changed to June 17*
- *Reminder May 23 MMEA/MPPA meeting in Grand Rapids at Frederick Meijer Gardens*
- *Reminder of May 8 Tulip Time Luncheon, 11:30, Hope Campus, DeVos Fieldhouse*
- *Our May 20 meeting will be a Strategic Planning/Study Session*
- *We had a very successful energy saving tree giveaway April 27.*
- *Congratulations to our own Rene Kalkman. She won the award as Safety Professional of the Year (Utility Practice Specialty) from the American Society of Safety Professionals (ASSP).*

ADJOURNMENT

A motion to adjourn the meeting of *May 6, 2019*, was made by *Miller* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of May 6, 2019, adjourned at *6:44 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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