



MINUTES
Committee of the Whole
Monday, February 10, 2025 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Kost called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Jeffrey Brown
Councilmember Peter Spadafore- excused
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeremy Garza
Councilmember Ryan Kost
Councilmember Adam Hussain
Councilmember Brian T. Jackson

OTHERS PRESENT

Sherrie Boak, Council Staff
Charles Randall, Internal Auditor
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office-
Dick Peffley, LBWL
Heather Shawa, LBWL
Scott Taylor, LBWL
Calvin Jones, LBWL Government Liaison
Roy Plowman, Mayors Office -Construction Manager
John McGraw, River Caddis
Dan Wisinski, River Caddis
Rob Crowe, Christman Company
Loretta Stanaway

Minutes

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE MINUTES FROM JANUARY 27, 2025 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment

Ms. Stanaway spoke on the BWL "green" plan, energy and other sources that BWL has not spoken on in the past.

Presentations

Lansing Board of Water & Light (LBWL) Annual Audit for Fiscal Year Ending June 30, 2024

Mr. Taylor spoke on the annual financial audit, which was what is considered a “clean audit” and they had not outstanding items. Mr. Taylor then summarized the balance sheet with increases due to bond activity. These were to support capitalize interest costs, and energy sources. The refinancing portion was 10% in present value savings. In the income statement, there is a reduction of \$32 million due to change in wholesale sales. Revenues were down, but they did generate a net income, and even though not a for-profit entity those funds are used in maintenance of utility assets at the current costs. Regarding the retirement plans, they are healthy and performing well.

Council Member Jackson asked about the capital expenditures on page 4 of the report, specifically what are the capital improvements to make the green law for 2030. Mr. Taylor stated half was for new energy and the other half was for the current. The new energy including the RICE plants. Council Member Jackson referred to page 6, where it states for the purposes of paying costs and asked if this was for the clean energy bonds recently issued. That was confirmed, but it does not note it would be for clean energy. Not all funds went towards those programs, because if each dollar used towards eligible reduces the tax liability. Mr. Peffley stated that when announced clean energy bonds RICE was labeled “clean” since that time it has changed. They can forward the bond structure to layout what the bonds were used for. The rules and laws with State of Michigan in what they thought was clean energy, so that changed. Council Member Jackson asked if the law for 2024 is producing or using. Mr. Peffley stated in 2023 you have to have 50%, and in 2035 it is 65%. And they have to submit documentation they have that. Council Member Jackson asked if we should anticipate buying, and Mr. Peffley stated they are sources and projects are under construction to have that by that time.

Council Member Kost asked Mr. Randall if he reviewed and had any questions. Mr. Randall stated he reviewed, congratulated on the clean audit. He did not note any deficiencies and had questions on generation; 53% generated and sold. Mr. Taylor stated it is 53%. Mr. Randall asked what the rates on inter-connect will be. Mr. Peffley stated the inter-connect, they have PPA in place the energy is guaranteed to BWL, and rates would be ITC increases. That would be part of the overall plan for 2030 and will use ITC to get the energy back. Mr. Randall asked what the path is for 2030 to get those increments. Mr. Peffley stated law is 15%, and the BWL is at 21%.

Council Member Pehlivanoglu referred to page 20, under custodial risk of investments, the BWL does not have a policy of custodial credit risk and asked why no policy. Mr. Taylor stated there is an investment policy, and even though it does not specific to a policy for that, but it does address in the policy to limit the exposure.

Council President Kost asked about reducing energy use City wide, and looking into streetlight wattage, motion sensors on public lighting. Mr. Peffley stated the main office is LED certified, streetlights are on lumens and converting to LED's, and the City has asked them to follow the standard. They can adjust anything by the City's direction. Council President Kost asked what the cost would be to retro fit all the streetlights to reduce to dark sky compliant. Mr. Peffley stated they did look into for stand-up poles and would be a cost increase for street lights. Council President Kost asked about the streetlights where there are solar lights on the street lights, and asked if BWL has looked into that. Mr. Peffley that they are about \$8000 a streetlight, it comes with battery pack and solar panel. When there is grant money available, they would look into it.

Lansing Board of Water & Light (LBWL) Update on Smart Meters, Shut-Offs – General Manager Dick Peffley

Council President Kost first stated he spoke to Mr. Peffley on the concerns Council has been hearing on shut offs and confusion on SMART Meters.

Mr. Peffley stated that 75% of the country has smart meters. Most area of confusion is that they went to analog to electronic 15 years ago, and only difference between electronic to full Smart Meters, which wrapped up 3 years ago. Mr. Peffley then spoke on the advantages of Smart Meters. Its "talks" to BWL 4 times a day, they do not use batteries so the confusion on fires does not exist, and they are very accurate.

Mr. Randall asked if there are meters for water and a meter for electric, and Mr. Peffley stated they are two separate meters.

Mr. Peffley then spoke on shut offs, and organizations have limits on how much they can assist with, and so prior to 2023 they stopped shut offs. The State of Michigan has a fund, 88 cents per meter, and they worked with BWL to get the money back to the organizations. When it comes to turn offs, send out a bill, 21 days later BWL contacts via phone with a message to provide avenues to pay the bill. After that, a final bill comes, roughly 50-day process, if no payment there is a turn off. They do not turn off winter protection program, no turn offs during Code Blue, no seniors during winter, but that does not include water.

Council President Kost asked about water shut off for seniors, and Mr. Peffley confirmed it is just electric. Council President Kost asked if BWL could look into addressing the water shut offs for seniors. Mr. Peffley stated they have been making increment steps in the rate strategy.

Council Member Hussain stepped away at 6:09 p.m.

Mr. Randall asked if the auditor looked into the PA95, and Mr. Peffley stated that is scheduled to be done this fiscal year. It will be \$100,000 a month.

Council Member Hussain returned to the meeting at 6:11 p.m.

Mr. Randall noted they are building a plant, and with changes in processing the risk, asked if there is someone else to monitor these construction projects. Mr. Peffley stated with project overages they go to the Board, and he would have to explain why.

Update on the City of Lansing Public Safety Complex Project

John McGraw with Caddis, spoke on an update on the project. There is a quarterly update in the packet, and if there are any alterations in the report from Council, he asked for those. He continued that they are on schedule and on budget.

Council Member Garza asked where they are on the bid packages. Mr. Crowe stated 6 is complete and 7, there are pending packages for build out, station 8. Council Member Garza asked if 90% of the underground is complete, and that was confirmed. Council Member Garza asked if there are plans for the old training site. Mr. Plowman stated he is not aware of and not involved with that. For Fire Station 9, the current building and future plan, and Mr. Plowman stated he is not aware of plans and not sure if the city will keep, and could not comment.

Council President Kost noted \$175 million is the projected budget and asked if it was accurate. It was confirmed.

OTHER

Outside Board and Commission Updates from Council Members

Council President Kost asked for updates, and this will continue on the agenda.

Council Member Pehlivanoglu provided updates on Capital Area Michigan Works noted the Chair for 2025 is Robin Anderson- King, they are addressing funding, and their next meeting is 2/12/2025. Regarding the Liaison for City of Lansing and Lansing Township position, she has reached out to the Township and will report out anything in the future. Council Member Pehlivanoglu summarized the TCOA meeting thus far which included federal funding update, nominations of chair, and TCOA is looking to have Congress reauthorize funding for senior aging. There were project updates with home care assistance on care giving with 300 participants, and case management. There is also a my-choice waiver to provide assistance to meet a criterion. Council Member Pehlivanoglu summarized on TCRPC thus far in 2025 and Nathan Triplett was named chair. A project was introduced for place making for art for mural on storm drains.

Council President Kost noted the Planning Commission was canceled and regarding the Community Corrections they appointed officers for the 2025 year.

Adjourn

The meeting adjourned at: 6:23 pm

Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council

Approved by the Committee February 24, 2025