



# BURTON, MICHIGAN

## LED COMMITTEE MEETING

OCTOBER 1, 2018

### MINUTES

---

Council Chambers

LED Committee

10:00 AM

---

4303 S. CENTER ROAD  
BURTON, MI 48519

This meeting was opened by Chair Person Danny Wells at 10:00 AM.

#### A. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Dennis O'Keefe	Councilman	Present	
Vaughn Smith	Councilman	Absent	
Larry Stapleton	Commissioner	Absent	
Marvin Epperson	Fire Chief	Absent	
Danny Wells	Chair Person	Present	

#### B. STAFF PRESENT

Bob Slattery, DPW Director  
Racheal Boggs, Deputy Clerk

#### C. AUDIENCE PARTICIPATION

Greg Fenner, representing the City of Burton Downtown Development Authority (DDA) stated the DDA has been talking about switching the lights in Downtown Burton to LED. We have run into problems regarding the cost and dealing with Consumer's Energy. We are fortunate enough to have a local lighting supplier on our board. We know the cost of the fixtures and we know what the labor would be if he hired a licensed electrician to put them up. This amount is significantly less than what Consumers wants to charge us. There is no future savings for the DDA. The city will benefit from a cost savings and Consumers will benefit from a lower cost in maintenance. If the DDA could get a break down of the actual cost per fixture and work with the city, Consumers and the LED Committee, maybe we could move this forward. It would make a big difference during our events in Downtown Burton.

Bob Florka, Energy Reduction Coalition (ERC) Director of Strategic Development of Ann Arbor stated they have dealt with Consumers and other utility companies quite a bit. They like to keep control of the street lighting infrastructure because it is a big money maker for them. In this situation, it doesn't make any sense for the DDA to put money into this. It is much better lighting; modern and clean and great to have. What ERC does is foot the bill for a project. Consumers tells us the cost to upgrade to LED and we pay for it to get it done. This should result in a lower tariff and that savings is what is shared between the city and ERC. This is a case by case basis so we have to see what Consumers will charge. If there will be a savings, it is worth doing.

Steve Welch, of Grand Blanc and Chamber of Commerce Board Member stated he agrees with Mr. Fenner. I recommend we work this out with ERC so we can start saving money.

Jim Lamerato of Oxford, with ERC stated with utility owned poles they require you to use their lights and their electricians. We are locked into that and they will not budge.

Mr. Wells stated he would like to change the format of the meeting to an open discussion.

**D. COMMITTEE DISCUSSION ON THE FOLLOWING ITEMS:**

1. Discussion on a Program for Upgrades to Municipal Lights and Street Lights to LED.

Mr. Slattery stated there are 57 lights in the downtown area from Maple Road to Hemphill Road on Saginaw Street. Of these lights, 50 are 400 watts and 7 of them are 250 watts; all high pressure sodium.

Mr. Florka said these types of lights fit nicely into our program. We have done a lot of these lights with Consumer's Energy and there should be a savings.

Mr. Fenner stated the DDA has a problem for paying for someone else to make a profit. I feel Consumer's should be held accountable.

Mr. Florka stated with ERC, buying us out is always an option at the depreciated value of the system from day one. We put this program together as a cooperative for municipalities all over the state. In a sense, you can get it all done, check it out and then decide. We depreciate it after that.

Mr. Fenner asked if the city decides to go along with the program and the DDA would like to participate, could you break down the payment monthly.

Mr. Lamerato said yes. He stated the payment is based on the benefit that the lights are providing. In the agreement, it may say, for example, you get the first 10% of reduction over what you are currently paying and anything over that would be paid to the ERC. Overtime, that percentage would grow while the ERC payment would get smaller and smaller.

Mr. Florka stated we break out the numbers building by building and segment by segment.

Mr. Lamerato said they will break out the billing however the city wants it done.

Mr. Wells stated maybe we will start with City Hall, DPW, Police, Fire, the parking lots and offsite fire stations. We could bring in the school systems and eventually bring in the DDA and outside entities.

Mr. O'Keefe stated he agrees that dealing with Consumer's was a complete nightmare. We have been given misinformation and no information; it was going to cost millions of dollars with Consumer's to do this. I would like to know the end cost. There is still a cost to this, it isn't upfront but amortized in some way.

Mr. Florka stated by signing the contract, you are giving us permission to take down a lot of data. We will analyze it to come up with your current cost. We will figure out your ideal conversion and post conversion costs. Nothing happens until you review this information and are satisfied with it. When you sign off on this that is when we are committed to spending the money. During a conversion, unexpected things happen and this is the third step. A final plan is done with these changes or any changes you ask for. Until you approve the final plan, there is no payment due.

Mr. Slattery stated Mr. Florka gave us a couple of municipal examples at the last meeting and he would like ERC to share these examples with Mr. O'Keefe or others who haven't seen them. We need to be sure the long term cost of doing this with ERC will be the best way for the city. We have received two drastically different

estimates for Saginaw Street from Consumer's in the past few months. We also need to identify who owns what on Saginaw Street. Consumer's owns some and we own some. No one seems to know which ones we own including Consumer's.

Mr. Fenner stated why not do a pilot program on Saginaw Street with the DDA and see how it goes from there. If there is enough savings, we can partner with them for future programs.

Mr. Wells said all we are talking about now is the municipal lighting.

Mr. Slattery stated we should consider this a project with two components. The first being all of the municipal lighting which can be done quickly and the second being the street lights in the city including Saginaw Street and the DDA.

Mr. Lamerato stated that makes a lot of sense considering Consumer's has closed off any future street light conversions this year. Any project involving street lights would begin in the spring of next year. The buildings go year long and can be started as soon as we get the go-ahead.

Mr. Wells asked how many cities who have Consumer's Energy as their supplier have converted street lights.

Mr. Lamerato stated they have done a couple in Mackinaw City and they are currently working in Elk Rapids with Consumer's owned lights the rest have been either city owned or DTE.

Mr. Wells stated the more people that get on board with this can put pressure on the utility commission so we can all share in the savings. My concern is to get the city energy efficient first then take it to the schools, Meijer, the new GM plant, etc.

Mr. Lamerato stated they have done a number of commercial facilities but our focus is on non-profits.

Mr. Wells said now would be a good time to talk to the people at the new GM plant because they are literally putting up the walls right now. It could change the face of your company.

Mr. O'Keefe would like to know if ERC is under the same parameters with Consumer's Energy that we are as a city.

Mr. Lamerato said yes. Consumer's requires we use their product and their electrician. Part of the reason for this is they are buying thousands of these lights and the poles and arms belong to them so they want to make sure there is no damage to their assets. We have done this and do it successfully. It takes the headache away from the city and the DDA.

Mr. Wells asked why Consumer's Energy wouldn't change everything over to LED themselves instead of waiting for ERC to do it.

Mr. Florka said they produce an excess amount of power at night. They don't shut the generators off. In fact, they are grounding power that they can't send anywhere so they have no real incentive to do it; they just don't care. The main problem is they don't reduce their need for generating capacity by reducing the use of electricity at night but you reduce the amount of money you spend and get better light so, you do care.

Mr. Wells asked how long it will take to get the first set of numbers together.

Mr. Florka stated as soon as you sign the contract, we will schedule assessors to come out and collect data. It doesn't require a lot on your part other than an escort to open a building if it's closed. This will take a week or so. Processing all the data will take another week or so. Then, it's just a matter of scheduling a time to go over all the data with you. We try to start quickly so the saving will start right away.

Mr. O'Keefe said so, the first agreement is just a fact finding scenario. There is no liability for the city to continue.

Mr. Lamerato stated, it is telling us that you are committed to doing this. We are a non-profit organization. We don't have the staff to go around and do assessments that aren't going to lead to a project. The agreement will state what the savings will be (lighting cost reduction rate). We will list fixture by fixture and the percentage of savings per fixture.

Mr. Slattery stated in your folder is a copy of the conversion program agreement.

Mr. Lamerato stated he understands the concern. I think you are truly interested so, we can come in and do an assessment of one of your buildings and show you what we are talking about before you have to sign the agreement. We gather information about the particulars of the use of a building or room such as how often a room is used, if motion sensors would be useful, need for occupancy sensors, emergency versus 24/7 lighting, etc. We don't inflate anything. Savings is based on actual usage. You get 100% of the number before ERC receives anything. We try to take out the risk and uncertainty. We guarantee a cost reduction. We only get paid if we exceed that amount.

Mr. Wells asked if the technology changes, will ERC update our technology.

Mr. Lamerato said, yes.

Mr. Slattery stated the change in technology and the uncertainty of the future is one of the benefits of going with a program like this.

Mr. Lamerato stated the city is protected because we give you the lower of the depreciated value at buyout should you choose to buyout. As long as you're in the program there is a 100% warranty for product and labor regardless of what the manufacturer warranty is.

Mr. Wells said this costs nothing upfront. If we use it for a few years and decide to go another direction, we can buyout. We have 2 board members here tonight from the DDA and the Burton Chamber who have members of their respective boards that sell these lights, would you consider buying locally?

Mr. Lamerato stated they will definitely take recommendations from the city of local companies as long as they meet ERC standards; this includes electricians. We don't manufacture the product or have electricians on staff.

Mr. Wells will be calling our Senator this afternoon to discuss this program.

Group discussion on percentage of savings including current cost, types of bulbs, wattage, usage per year and calculations for new cost per fixture.

Mr. Slattery stated another benefit of conversion is we will have options and choices of the color and warmth of the bulbs.

Mr. O'Keefe suggested a presentation with dollars and cents to the full City Council.

Mr. Lamerato stated choose a building and we can begin an assessment this week so we will have good numbers for City Council. We will also need a copy of the electric bill and someone to escort us with access to all the rooms in the building.

Group discussion on which building is appropriate for the first assessment. The board and administration decided to have an assessment of the City Hall building.

Mr. Slattery will get the electric bill and take care of the escort.

Mr. Fenner asked in terms of the street lights on Saginaw Street, how difficult will the assessment be?

Mr. Lamerato stated it isn't difficult, Most of the information will come from your electric bill. Also, during the assessment, if we find any issues with the bill, we take care of that.

Mr. Wells will be reporting this information at the Council Meeting tonight.

Meeting was adjourned at 11:15 AM.

---



**SCHEDULED**

**AGENDA ITEM (ID # 4044)**

DOC ID: 4044

---

## **Discussion on a Program for Upgrades to Municipal Lights and Street Lights to LED.**

**COMMENTS - Current Meeting:**

Mr. Slattery stated there are 57 lights in the downtown area from Maple Road to Hemphill Road on Saginaw Street. Of these lights, 50 are 400 watts and 7 of them are 250 watts; all high pressure sodium.

Mr. Florka said these types of lights fit nicely into our program. We have done a lot of these lights with Consumer's Energy and there should be a savings.

Mr. Fenner stated the DDA has a problem for paying for someone else to make a profit. I feel Consumer's should be held accountable.

Mr. Florka stated with ERC, buying us out is always an option at the depreciated value of the system from day one. We put this program together as a cooperative for municipalities all over the state. In a sense, you can get it all done, check it out and then decide. We depreciate it after that.

Mr. Fenner asked if the city decides to go along with the program and the DDA would like to participate, could you break down the payment monthly.

Mr. Lamerato said yes. He stated the payment is based on the benefit that the lights are providing. In the agreement, it may say, for example, you get the first 10% of reduction over what you are currently paying and anything over that would be paid to the ERC. Overtime, that percentage would grow while the ERC payment would get smaller and smaller.

Mr. Florka stated we break out the numbers building by building and segment by segment.

Mr. Lamerato said they will break out the billing however the city wants it done.

Mr. Wells stated maybe we will start with City Hall, DPW, Police, Fire, the parking lots and offsite fire stations. We could bring in the school systems and eventually bring in the DDA and outside entities.

Mr. O'Keefe stated he agrees that dealing with Consumer's was a complete nightmare. We have been given misinformation and no information; it was going to cost millions of dollars with Consumer's to do this. I would like to know the end cost. There is still a cost to this, it

Mr. Florka stated by signing the contract, you are giving us permission to take down a lot of data. We will analyze it to come up with your current cost. We will figure out your ideal conversion and post conversion costs. Nothing happens until you review this information and are satisfied with it. When you sign off on this that is when we are committed to spending the money. During a conversion, unexpected things happen and this is the third step. A final plan is done with these changes or any changes you ask for. Until you approve the final plan, there is no payment due.

Mr. Slattery stated Mr. Florka gave us a couple of municipal examples at the last meeting and he would like ERC to share these examples with Mr. O'Keefe or others who haven't seen them. We need to be sure the long term cost of doing this with ERC will be the best way for the city. We have received two drastically different estimates for Saginaw Street from Consumer's in the past few months. We also need to identify who owns what on Saginaw Street. Consumer's owns some and we own some. No one seems to know which ones we own including Consumer's.

Mr. Fenner stated why not do a pilot program on Saginaw Street with the DDA and see how it goes from there. If there is enough savings, we can partner with them for future programs.

Mr. Wells said all we are talking about now is the municipal lighting.

Mr. Slattery stated we should consider this a project with two components. The first being all of the municipal lighting which can be done quickly and the second being the street lights in the city including Saginaw Street and the DDA.

Mr. Lamerato stated that makes a lot of sense considering Consumer's has closed off any future street light conversions this year. Any project involving street lights would begin in the spring of next year. The buildings go year long and can be started as soon as we get the go-ahead.

Mr. Wells asked how many cities who have Consumer's Energy as their supplier have converted street lights.

Mr. Lamerato stated they have done a couple in Mackinaw City and they are currently working in Elk Rapids with Consumer's owned lights the rest have been either city owned or DTE.

Mr. Wells stated the more people that get on board with this can put pressure on the utility commission so we can all share in the savings. My concern is to get the city energy efficient first then take it to the schools, Meijer, the new GM plant, etc.

Mr. Lamerato stated they have done a number of commercial facilities but our focus is on non-profits.

Mr. Wells said now would be a good time to talk to the people at the new GM plant because they are literally putting up the walls right now. It could change the face of your company.

D.1

Mr. O'Keefe would like to know if ERC is under the same parameters with Consumer's Energy that we are as a city.

Mr. Lamerato said yes. Consumer's requires we use their product and their electrician. Part of the reason for this is they are buying thousands of these lights and the poles and arms belong to them so they want to make sure there is no damage to their assets. We have done this and do it successfully. It takes the headache away from the city and the DDA.

Mr. Wells asked why Consumer's Energy wouldn't change everything over to LED themselves instead of waiting for ERC to do it.

Mr. Florka said they produce an excess amount of power at night. They don't shut the generators off. In fact, they are grounding power that they can't send anywhere so they have no real incentive to do it; they just don't care. The main problem is they don't reduce their need for generating capacity by reducing the use of electricity at night but you reduce the amount of money you spend and get better light so, you do care.

Mr. Wells asked how long it will take to get the first set of numbers together.

Mr. Florka stated as soon as you sign the contract, we will schedule assessors to come out and collect data. It doesn't require a lot on your part other than an escort to open a building if it's closed. This will take a week or so. Processing all the data will take another week or so. Then, it's just a matter of scheduling a time to go over all the data with you. We try to start quickly so the saving will start right away.

Mr. O'Keefe said so, the first agreement is just a fact finding scenario. There is no liability for the city to continue.

Mr. Lamerato stated, it is telling us that you are committed to doing this. We are a non-profit organization. We don't have the staff to go around and do assessments that aren't going to lead to a project. The agreement will state what the savings will be (lighting cost reduction rate). We will list fixture by fixture and the percentage of savings per fixture.

Mr. Slattery stated in your folder is a copy of the conversion program agreement.

Mr. Lamerato stated he understands the concern. I think you are truly interested so, we can come in and do an assessment of one of your buildings and show you what we are talking about before you have to sign the agreement. We gather information about the particulars of the use of a building or room such as how often a room is used, if motion sensors would be useful, need for occupancy sensors, emergency versus 24/7 lighting, etc. We don't inflate anything. Savings is based on actual usage. You get 100% of the number before ERC receives anything. We try to take out the risk and uncertainty. We guarantee a cost reduction. We only get paid if we exceed that amount.

Mr. Wells asked if the technology changes, will ERC update our technology.

D.1

Mr. Lamerato said, yes.

Mr. Slattery stated the change in technology and the uncertainty of the future is one of the benefits of going with a program like this.

Mr. Lamerato stated the city is protected because we give you the lower of the depreciated value at buyout should you choose to buyout. As long as you're in the program there is a 100% warranty for product and labor regardless of what the manufacturer warranty is.

Mr. Wells said this costs nothing upfront. If we use it for a few years and decide to go another direction, we can buyout. We have 2 board members here tonight from the DDA and the Burton Chamber who have members of their respective boards that sell these lights, would you consider buying locally?

Mr. Lamerato stated they will definitely take recommendations from the city of local companies as long as they meet ERC standards; this includes electricians. We don't manufacture the product or have electricians on staff.

Mr. Wells will be calling our Senator this afternoon to discuss this program.

Group discussion on percentage of savings including current cost, types of bulbs, wattage, usage per year and calculations for new cost per fixture.

Mr. Slattery stated another benefit of conversion is we will have options and choices of the color and warmth of the bulbs.

Mr. O'Keefe suggested a presentation with dollars and cents to the full City Council.

Mr. Lamerato stated choose a building and we can begin an assessment this week so we will have good numbers for City Council. We will also need a copy of the electric bill and someone to escort us with access to all the rooms in the building.

Group discussion on which building is appropriate for the first assessment. The board and administration decided to have an assessment of the City Hall building.

Mr. Slattery will get the electric bill and take care of the escort.

Mr. Fenner asked in terms of the street lights on Saginaw Street, how difficult will the assessment be?

Mr. Lamerato stated it isn't difficult, Most of the information will come from your electric bill. Also, during the assessment, if we find any issues with the bill, we take care of that.

Mr. Wells will be reporting this information at the Council Meeting tonight.