

Regular Meeting  
Board of Public Works  
Water Warehouse  
July 19, 2022

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, July 19, 2022. Chairperson Boerman called the meeting to order at 3:30 p.m.

PRESENT: Commissioners – Chairperson Boerman, Vice-Chair Cooney, Query, Dykstra and Walters  
ABSENT: Commissioners – None  
Staff Present: General Manager Boatright, Electric T&D Manager DeKraker, Electric Power Supply & Market Operations Manager Mulder, Water Manager Levandoski, IT Manager Maloney, Network Engineer Bieri, Customer Support Lead Bosch and City Clerk Holmes

Motion was made by Commissioner Walters and seconded by Commissioner Query to approve the minutes of the June 21, 2022 Regular Meeting. Motion carried. All voting aye.

***Public Comment***

No public comment given.

***Safety Minute***

The Safety Minute this month was regarding Culture.

***Microsoft 365 Subscription and Services Bid Recommendation***

IT Director, Tim Maloney, explained that traditionally, Microsoft Office licenses were purchased with a computer workstation refresh. This replacement approach would mean that in many cases there were several versions of Microsoft Office being used in the environment. Software version differences can cause file compatibility issues or result in increased support costs.

Microsoft Exchange licenses were only purchased when the supporting server hardware was refreshed. When we consider Microsoft often releases new versions of Exchange every 2 or 3 years, licensing on a 6-year-old server would potentially be 2 versions behind.

The previous impact of using licenses well beyond their recommended life span was often minimal.

Now more than ever there is an increased threat of using outdated software. Outdated software can create vulnerabilities which are used to deliver malware, ransomware and other threats to an organization's network. It is imperative that software is kept up to date with security patches and replaced with the latest version when it has reached end of life.

Video conferencing for remote workers became a necessity in 2020. To address this need, the City of Zeeland/Zeeland BPW purchased licensing for Cisco WebEx cloud services.

To address the security risk of old software and provide staff a consistent software experience, Microsoft 365 cloud services were evaluated. Microsoft 365 cloud services is a subscription-based service which replaces individual Microsoft Office, Microsoft Exchange and Cisco WebEx licensing. In addition, it replaces the need for a physical Microsoft Exchange server which results in less support and maintenance.

As part of the evaluation, managers were asked to review Microsoft Office use within their department and determine what type of Microsoft 365 licensing might be required to address individual staff needs. The results were used to determine annual licensing and quantity requirements.

The subscription costs for Microsoft 365 were compared to maintaining Microsoft Office licenses, Microsoft Exchange licenses, Microsoft Exchange server hardware with related maintenance and Cisco WebEx licensing over the course of 7 years.

The annual cost breakdown of the standard Microsoft Office, Microsoft Exchange and Cisco WebEx licensing in addition to the Microsoft Exchange hardware maintenance and replacement results in an annual cost of approximately **\$37,000** per year.

Initial licensing for Microsoft 365 which includes Microsoft Office (Word, Excel, PowerPoint, Access, Publisher, OneNote), Outlook/Hosted Exchange, Teams, SharePoint, two factor authentication and VEEAM backup is approximately **\$35,000** per year. The Microsoft 365 subscription uses the Microsoft Government Community Cloud (GCC) which is hosted and supported in the United States.

In May of 2022, The City of Zeeland published an RFP requesting bids to migrate the existing Microsoft Exchange server to Microsoft Hosted Exchange and implement Microsoft 365 cloud services in our environment. Seven vendors responded with costs for the migration, implementation and first year subscription ranging from ~\$50,000 up to ~\$78,000.

**Proposal:**

Implement Microsoft 365 cloud services to replace local Microsoft Office, Microsoft Exchange and Cisco WebEx licensing, Microsoft Exchange server hardware and related maintenance/support.

Microsoft 365 is a shift from individual licensing purchases to a subscription model. This change will provide the following benefits:

- Standardizes on a single version of Microsoft Office
- Shifts maintenance and security responsibility to Microsoft's cloud services
- Provides additional benefits and features with Teams, OneDrive, SharePoint and more
- Provides staff greater access to applications while outside of the office
- Applications may be used on multiple devices without additional licensing
  - o *Example: Only one license is required for a staff person who has a laptop and desktop computer. Licenses are associated with the user and not the device in this case.*
- Microsoft Exchange server hardware is no longer needed (this reduces support, power and replacement costs)
- A consistent and predictable cost model

Microsoft 365 and VEEAM annual subscription licensing for the first year will cost \$33,428.44. Subsequent years will be allocated as part of the Information Technology annual budget.

The project implementation will cost \$17,100.00 of which 50% will be paid by the City of Zeeland and 50% paid by Zeeland Board of Public Works.

The total project amount is \$50,538.44 and will be expensed under the Information Technology budget. If a budget adjustment is required it will be addressed at a later date.

22.058          Microsoft 365 Subscription and Services Bid Recommendation

Motion was made by Commissioner Walters and seconded by Commissioner Query to approve the award of a contract in the amount of \$50,538.44 to Sentinel and set a project budget in the amount of \$55,000.00 for the migration of Microsoft Exchange and Implementation of Microsoft 365 in accordance with Sentinel's 0365 Full GCC Migration Scope of Work document. Motion carried. All voting aye.

### ***IT Department Update***

The Information Technology department has been busy working on projects, installing equipment and providing support for staff. We felt it would be good to provide an update on some of the work that has been happening “behind the scenes”.

The last half of 2021 was a time of developing relationships with departments to better understand their needs. It was also a time for setting the Information Technology department direction. This resulted in the hire of Nick Bosch and Mike Bieri in December. Projects were still moving forward in coordination with departments and vendors as we waited for Nick and Mike to start.

Maloney provided a list in the Board packet of projects that have been completed during 2021 and 2022. He stated the last year has been exciting and since implementation of the ticketing system, the Information Technology department has fielded 532 support tickets/requests. In addition to those tickets/requests, there are currently 55 open projects. Some projects are led by Information Technology staff and others require staff assistance with implementation. The implementation of Microsoft 365 and the server infrastructure replacement are large projects for our organization and will offer more opportunities for us to use technology in new and innovative ways.

### ***Financial Reports***

Boatright gave an update on the Electric Department and Water Department’s revenues, expenditures and assets

#### 22.059 Approve Cash Disbursements and Regular Monthly Transfers

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve the May, 2022, cash disbursements and the regular monthly transfers for the month of May, 2022 as follows:

	<b>Electric</b>	<b>Water</b>
Cash and Investments as of: May 31, 2022		
Receiving	\$1,334,854	\$562,280
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$21,891,788	\$13,642,767
Bond and Interest Payment Reserve*	-	-
Totals	\$23,226,643	\$14,205,047

\* Reserve required per electric and water revenue bond ordinances.

#### Recommended Transfers for the Month: May, 2022

	<b>Electric</b>	<b>Water</b>
Receiving	(42,309)	(169,900)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	-	169,900
General Fund (per charter provision)	42,309	-

Motion carried. All voting aye.

### ***Water Operations***

Manager Levandoski reviewed the Water Department report and updated the Board on the Water projects and annual reports.

### ***Transmission & Distribution***

Manager DeKraker reviewed the Electric Department report and updated the Board on the Electric projects and the annual Electric Reliability Report.

### ***Electric Power Supply & Market Operations***

Manager Mulder updated the Board on current operations status, activities and projects.

### ***Finance, Accounting and Customer Service***

Boatright updated the Board on Finance, Accounting and Customer Service.

### ***Designation of Alternate MPPA Member Authorized Representative***

During the discussions regarding the MPPA 2024 Bilateral Energy Purchase at the June 21, 2021 Board of Commissioner's meeting, the question was raised as to whether the BPW could designate an alternate Member Authorized Representative (MAR) for executing power supply LOA's in the General Manager's absence. General Manager Boatright contacted MPPA to ascertain the process for implementing an alternate MAR and they advised that members are not limited only to one MAR and can designate additional MARs by resolution or motion. Therefore, staff requests Commissioner approval to add Robert Mulder as Member Authorized Representative.

### **22.060 Designation of Alternate MPPA Member Authorized Representative**

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to appoint Andrew Boatright and Robert Mulder as the "Member Authorized Representatives" as defined in the MPPA "Energy Services Agreement" to act on Zeeland's behalf in matters concerned with the Agreement and MPPA's Energy Risk Policy. Motion carried. All voting aye.

### ***Franchise Ballot Proposal Expense Report***

Ballot proposals to approve ZBPW franchise agreements in both Holland and Zeeland Charter Townships were placed on the May 3, 2022 ballot. The ballot proposals in both townships were overwhelmingly approved (ZCT - 80.6%, HCT - 85.5%). In accordance with the enabling ordinances approved by Trustees of each township in December 2021, township election fees "to the extent the Township incurs any additional expenses for the election" shall be borne by the Grantee (ZBPW). Our proportionate share of township election expenses along with our own expenses incurred for election educational materials have been tallied. A summary report was included in the Board Package.

### ***Upcoming Events***

- **Next Regular ZBPW Board Meeting, Tuesday, August 9, 2022, 3:30 p.m., Water Warehouse Meeting Space**
- **Zeeland Fire/Rescue Pig-Out, Thursday, July 21, 2022, 11:00 a.m. – 7:00 p.m., Lawrence Street Park**
- OAISD Careerline Tech Center, IChallengeU Students Presentation to the Zeeland BPW, Friday, July 22, 2022, 8:00 a.m. – 10:00 a.m., City Hall Council Chambers (Continental Breakfast provided).
- Michigan Electric Providers Conference, July 28-29, 2022, Shanty Creek Resort, Bellaire, MI (Conference agenda link: <https://www.michiganenergyproviders.org/topical-agenda/>)
- MMEA Fall Conference, October 5-7, 2022, Firekeepers Casino-Hotel, Battle Creek, MI (Conference agenda link: <https://view.publitas.com/michigan-municipal-electricassociation/2022-agenda/page/1>)

Motion was made and supported that the regular meeting be adjourned at 5:00 p.m. Motion carried. All voting aye.

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Pamela Holmes, City Clerk