

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, March 8, 2011

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Stephanie Tvardek,
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940

Posting Date: 3-4-11
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- a. Consideration of approving minutes of the Public Meeting of February 18, Regular Meeting of February 22, Public Meeting of February 23 and Study Session of February 24, 2011.

3. Old Business

- a. Consideration of approving a MERS Joint Transfer Agreement and a Resolution Adopting a Light and Power MERS Defined Benefit Program. (Rice)
- b. Consideration of authorizing a contract for the Hastings Street Facility Addition. (Arends)

4. New Business

None

5. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Verbal update re: Kalkaska Combustion Turbine. (Rollenhagen)
- c. From Board.

6. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Public Meeting
Held at 10:30 a.m., Van Sumeren Room, Chamber of Commerce
Friday, February 18, 2011

Board Members -

Present: Mike Coco, Jim Carruthers, John Taylor

Others: Stephanie Tvardek

The meeting was called to order at 10:41 a.m. by Chairman Coco.

Item 1 on the Agenda being Discussion of Strategic Planning & Budgeting Process

Chairman Coco and Member Taylor discussed the Light & Power Strategic Planning and Budgeting process.

Item 2 on the Agenda being Presentations from Interested Parties

The following individuals addressed the Board:

- Bill Queen, NMC
- M'Lynn Hartwell, Jobs and Energy Group
- Doug DeYoung, Chamber of Commerce
- Greg Reisig, NMEAC
- Bob Russell, Neahtawanta Center
- Tom Karas, MEAP
- Brian Beauchamp, MLUI
- Sarna Salzman, SEEDS
- Deb McKeon, Rotary Charities/Grand Vision Energy Working Group
- Andy Knott, Grand Traverse Watershed Center

Item 3 on the Agenda being Public Comment

The following individuals addressed the Board:

- Randy Smith
- Matt Vajda, Voltage Electric

There being no objection, Chairman Coco declared the meeting adjourned at 12:49 p.m.

/st

Michael Coco, Chairman
LIGHT AND POWER BOARD

Meeting Summary

Input from Interested Organizations on TCLP Strategic Planning
February 18th, 2011

Attendees

Andy Knott	Grand Traverse Watershed Center
M'Lynn Hartwell	Jobs and Energy Group
Tom Karas	Michigan Energy Alternatives Project (MEAP)
Brian Beauchamp	Michigan Land Use Institute (MLUI)
Bob Russel	Neahtawanta Center
Greg Reisig	Northern Michigan Environmental Action Council (NMEAC)
Bill Queen	Northwest Michigan College (NMC)
Matt Vajda	Public Attendee
Randy Smith	Public Attendee
Deb McKeon	Rotary Charities/Grand Vision Energy Working Group
Connor Miller	Grand Vision Americorp Vista Intern (note taker)
Sarna Salzman	SEEDS
Doug Deyoung	TC Chamber of Commerce
John Taylor	TCLP Board Member
Mike Coco	TCLP Board Chairman
Jim Carruthers	TCLP Board Member & City Commissioner
Stephanie Tvardek	TCLP Staff (note taker)

Overview

Mike Coco, TCLP Board Chair, summarized the process used for strategic planning, including creation of a budget and capital plan. Each organization in attendance then provided a brief presentation summarizing how the strategic goals could be enhanced.

Common Themes

The following items were supported by multiple presenters:

1. Expand Community Engagement/Education
2. Invest in Energy Efficiency as a Resource
3. Support Clean, Local Generation and Local Jobs
4. Position TCLP as an Environmental Leader in the Region
5. Develop strategic partnerships with local groups to achieve TCLP goals
6. FITS support the goals of a local, diverse power source, and economic development
7. Pursue long-term strategic planning

Detailed Summary of Presentations

NMC

TCLP should actively promote solar energy, like DTE. Solar can be installed safely (per UL1741 and IEEE 1547). Solar presents an opportunity to create jobs, and NMC is training people to fill these jobs. We need to be proactive in wind and solar with 30% discount (tax credit) is expires in 2016. Coal and Uranimum are going up in price, while solar is coming down in price (which will aid in protecting customers from volatile prices). The Renewable Energy Credits provide an additional revenue stream. Feed-in tariffs are good, but only part of the solution. Energy efficiency programs should also be expanded.

Jobs and Energy Group

We shouldn't keep costs artificially low: we need to shift behavior, so customers should feel the impact of energy choices. We need to use smart metering. Don't insulate customers from the real world; they need to feel the impact of volatile prices to make prudent energy choices. Communication with customers and stakeholders is very important and we need a process similar to the Grand Vision (rather than more Public Relations expertise). Do a quantitative analysis of our choices and present findings in a matrix. More open meetings, educational forums, and a Citizens Advisory Panel will all help with community engagement. TCLP needs a process for accepting and reviewing proposals from local organizations (e.g. TCFITs and MLUI). Some in the community want green energy, and will pay a premium for it. Conservation and efficiency present the biggest opportunity of all, and a community that is making environmentally responsible decisions is where people will want to live. A loan/repayment program to allow people to invest in sustainable energy should be created. Rather than economic development, TCLP should provide a return to ratepayers.

TC Chamber of Commerce

TCLP should prioritize three areas: 1. Education, 2. Communication, and 3. Identifying easy targets for future generation (with a focus on energy efficiency first). Most consumers don't know the scope of TCL&P: 80% of revenue came from businesses that provide jobs and they pay a higher rate than residential customers, which make up the other 20%. They also don't always understand concepts like peak demand and base load. If prices are volatile that could lead to a loss of businesses and jobs in the community. Ideally, TCL&P would provide several generation choices for the community to choose from. TCL&P would educate customers on how much it will cost for consumers, and lay out other factors that would be important in making a choice. This avoids considering one particular generation option in a vacuum. TCL&P needs to develop their top 10 goals over the next five years and then push them over and over again by reaching out to customers and the community repeatedly. There needs to be an aggressive campaign for efficiency which is a low hanging fruit because costs will begin to rise in the near future. Help business (80%) and public (20%) improve their energy efficiency. Energy efficiency that individual homeowners can do is the low-hanging fruit. They recommend that the Strategic Plan will be an open, living plan; it can't be done in a 4 hour process. It will need to be a continuing process. The plan needs to be future focused, looking several years down the road. Some ideas for improving communications include: strategic expansion of your website as both a tool and information resource, public outreach in the form of neighborhood meetings, a quarterly presentation to City Commissioners, an annual meeting with customers and owners, and circling back to update community and customers on where you are at in the strategic planning.

NMEAC

They appreciate being consulted with on strategic planning, but ideally they need to be involved earlier on in the process (ideally 6 to 9 months ahead to get public comment). They suggest creating a process similar to what was done for the Waste Water Treatment Plant, or the "Your Bay, Your Say" process. Both could possibly serve as the model for a TCL&P plan. Further, creating a feedback loop for the TCLP staff and board to respond to ideas, questions, or proposals from community groups is necessary. Hiring a liaison or coordinator who could look at the whole process of public engagement and review and respond to proposals from groups like MLUI, NMEAC, and MEAP would help. Ann Arbor, who has an energy department, is a good example. Consider development of a true strategic planning process that looks several years out in the future and includes local groups. Leverage the grand vision working groups (energy and natural resources). Continue to increase open dialogue with the community before TCLP comes up with a solution.

Nehtawanta Center

Their staff was very involved in the process to select a water treatment plant, and would be happy to share the details of that process with TCL&P. In that case, the community chose a more expensive option once they understood the benefits. The same might be true with energy. Another anecdote from that process was that a large business customer balked at the high prices associated with treating their water, but didn't follow-through on threats to relocate. Regarding community relations, TCLP needs to listen and educate. Engagement requires two way communication. There is a very engaged and intelligent public in Traverse City, you need to facilitate their voice being heard. Ideally, the strategic plan would not be so general, only the most important goals should be a part of the strategic plan. The public expects safety, but they want to be engaged on how TCLP handle baseload needs. A resource for methods of community involvement may be found at www.mrsc.org. Conservation and efficiency need to be defined and clarified. They may also be separate from "sustainable energy." Creation of a revolving loan fund could help customers go through audits and cover up-front costs to get efficiency improvements or renewable energy technologies installed. This could be built into rates and also funded from the savings realized through measures. The goals on sustainable energy strategies/conservation should be combined with the goal of community development. They go hand in hand. Process for decision-making is really important in getting community involvement, especially when the board was formed to represent the public. Strategic goals don't need to be measurable if the objectives are measurable.

MEAP

Coal costs are going up and we can work together to be sustainable. Leadership is about taking the longer-term view, but the necessary number crunching has not been taking place. The community solar project is not leadership; it would only make up 1/20th of 1% of energy needs. There needs to be more truth telling, more dissemination of information on the work of TCL&P. You can't beat Feedin Tariffs for Economic Development. They have fears that large utility companies are pulling strings to stop Feed and Tariffs from happening. They question whether TCL&P forward thinking and serving Traverse City or serving another master, such as larger utility companies? Someone needs to take leadership and put off strategic planning 60 days or more to decide about how important renewables are to the community. We need to know the straight cost of what it would take for various programs and then let the community decide. TCL&P has the chance to be a leader for Feed and Tariffs in the state.

MLUI

They support energy efficiency and renewable energy nationwide, and in this community. He believes the community cares about TCL&P because they have pride of ownership. They support previous

comments on ramping up communication and education efforts. They would also like a clear mechanism to exist for local groups to provide TCL&P with recommendations or suggestions. Additional meetings outside of the formal board meetings are very helpful, since some people find the public comment format intimidating. He doesn't believe there is any debate about energy efficiency, and TCL&P needs an energy efficiency Czar. A revolving loan fund would also help businesses and individuals become energy efficient. The SmartPower marketing campaign for energy efficiency that MLUI is exploring might be helpful. It stresses strategic partnership within the community to achieve deep energy savings, and this is very appealing to MLUI. Traverse City has the necessary infrastructure to pull a program like this off. TCL&P should be a part of this campaign and provide businesses and individuals things they can do to join the campaign. There needs to be a feasibility study of Feed and Tariff, rates study that the public and organizations can then respond to. Generally, the current strategic goals are too vague, goals can't be measured, need more measurable goals.

SEEDS

They really appreciate the fact that we have a municipal utility here. This fact is of great benefit to our region and should be leveraged. TCLP currently has stable clientele and your finances are in good enough shape that you are able to share with the City and the community, which is impressive. That means that you are in prime position to do strategic planning, to look at the long term picture and make deliberate investments toward our future, rather than being reactionary. Energy efficiency is very important, even more important than the type of energy we continue to use going forward. Change happens through leadership. Leadership comes from two places, the top and the grassroots. This room represents some of the grassroots of our community. You represent the top of TCLP. We seem to be in relative concert. What about the grassroots of the company – what inspires the staff of TCLP? Find out. You asked us to comment on the existing goals. They are weak. They need to become SMART – and by that they mean Strategic, Measurable, Actionable, Reasonable and on a Timeframe. For example: TCLP will invest 100% of its net revenue into Energy Efficiency for the next 5 years, or Because of TCLP, by 2012 TC will have a Revolving Energy Loan Fund. The 21st Century community does not need to be “communicated to,” it needs to be “engaged with.” Public engagement, not public relations is what we seek. Use technology. Find best practices, there are many examples of how to do it well. Big Solutions will happen through innovative partnerships that foster creativity. For example, it takes a lot of water to produce electricity; we are sitting on a bunch of water but our electricity is made far away. The water advocates have a stake in our energy portfolio, engage with them. Crisis brings opportunity. Focus on the opportunities, not the fear. SEEDS is fired up about what we can accomplish, and I want TCLP to be as well.

Watershed Center

What TCL&P is doing right now isn't consistent with our understanding of strategic planning. TCL&P should develop something similar to the current effort that is more long-term. They recommend specific quantitative targets for energy demand reduction and renewable energy goals. The renewable energy goals need to be realistic. TCL&P should have a smart energy demand program (volunteers sign up to have their energy shut off). People should pay more at peak times, which will help give people incentives to use less at the most expensive time to acquire electricity. Larger rebates on old appliances, smart metering, feed-in tariffs should all be considered. A feasibility study on these items makes sense. People are willing to pay more for green energy. A Citizen advisory committee to have regular dialogue may be helpful. Generally, TCL&P can make a commitment to engagement and dialogue and involvement. This public engagement would also help with your longer-term strategic planning.

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, February 22, 2011

Board Members -

Present: Mike Coco, Linda Johnson, Jim Carruthers, Ralph Soffredine, John Taylor, John Welch (arrived at 5:22 p.m.)

Absent: John Snodgrass

Ex Officio Member -

Absent: R. Ben Bifoss

Others: Ed Rice, Tim Arends, Stephanie Tvardek, Blake Wilson, Glen Dine, Jim Cooper

The meeting was called to order at 5:16 p.m. by Chairman Coco.

Item 2 on the Agenda being Consent Calendar

Moved by Soffredine, seconded by Johnson, that the following actions, as recommended on the Consent Calendar portion of the Agenda, be approved:

- a. Minutes of the Regular Meeting and Wi-Fi Ad Hoc Committee Meeting of February 8, 2011 be approved.

CARRIED unanimously. (Welch, Snodgrass absent)

Item 3 on the Agenda being Old Business

None.

Item 4 on the Agenda being New Business

- 4(a). Consideration of approving bids for tree trimming services.

Moved by Johnson, seconded by Soffredine, that the Board authorize the Chairman and Secretary to enter into a Tree Trimming Services Agreement with Trees Inc., for the 2011 Tree Trimming Program in the amount of \$102,517.04; and further for any additional work at a hourly/weekly rate of \$74.25 and \$2,970.00 respectively; subject to approval as to form by General Counsel.

John Welch joined the meeting at 5:22 p.m.

CARRIED unanimously. (Snodgrass absent)

- 4(b). Consideration of authorizing underground cable purchase.

Moved by Soffredine, seconded by Johnson, that the Light & Power Board authorize the Executive Director to issue a purchase order to Power Line Supply Company for the purchase and delivery of underground electric cable for use along portions of Bay Street in the amount of \$430,577.00, subject to adjustments for changes in the price of metals.

CARRIED unanimously. (Snodgrass absent)

Item 5 on the Agenda being Reports and Communications

A. From Legal Counsel.

None.

B. From Staff.

1. Jim Cooper spoke re: the Green Consortium Area Wide Recycling Event on March 13th.

C. From the Board.

1. John Taylor and Jim Carruthers gave an update re: the 2-17-11 Major Customer Meeting and the 2-18-11 Public Meeting.
2. Mike Coco gave an update re: the upcoming Strategic Planning Open House scheduled for Wednesday February 23, 2011.
3. Jim Carruthers spoke re: a customer concern he received in regards to the Fiber House.

Item 6 on the Agenda being Public Comment

The following individuals addressed the Board:

- Tom Karas, 8801 Section Line Road, Michigan Energy Alternatives Project, Non-Ratepayer

There being no objection, Chairman Coco declared the meeting adjourned at 6:05 p.m.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Public Meeting
Held at 5:00 p.m., 2nd Floor Training Room, Governmental Center
Wednesday, February 23, 2011

LIGHT AND POWER BOARD MEMBERS -

Present: Mike Coco, Linda Johnson, John Welch, John Snodgrass, Ralph Soffredine, Jim Carruthers, John Taylor

EX OFFICIO MEMBER -

Absent: Ben Bifoss

OTHERS: Ed Rice, Stephanie Tvardek

The meeting was called to order at 5:30 p.m. by Chairman Coco.

1. Public Open House.

Chairman Coco gave a brief introduction regarding the format of the meeting.

2. Public Comment.

Public Comment was made throughout the duration of the meeting.

The meeting was adjourned at 7:00 p.m.

/st

Michael Coco, Chairman
LIGHT AND POWER BOARD

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Light and Power Board Study Session
Held at 3:00 p.m., Cambria Suites, Old Mission Room
Thursday, February 24, 2011

LIGHT AND POWER BOARD MEMBERS -

Present: Linda Johnson, John Welch, John Snodgrass, Ralph Soffredine,
Jim Carruthers, John Taylor

Absent: Mike Coco

EX OFFICIO MEMBER -

Present: Ben Bifoss

OTHERS: Ed Rice, Tim Arends, Jim Cooper, Glen Dine, Jessica Wheaton,
Karen Feahr, Mark Rollenhagen, Denise Kuschell, Nick Abraitis,
Stephanie Tvardek, Scott Menhart, Bill Hendry

The meeting was called to order at 3:09 p.m. by Vice Chair Johnson.

1. **Welcome and Introductions.**
2. **Open House and Interested Parties Meeting update.**

Board discussed conversations had with the public and interested parties at the meetings held on February 18 and February 23, 2011.

Commissioner Ralph Soffredine joined the meeting at 3:18 p.m.

3. **Major Customer Meeting update.**

Ed Rice updated the Board and staff on the Major Customer Meeting held on February 17, 2011.

4. **State of the Utility.**

Ed Rice updated the Board and staff on the State of the Utility.

5. **Introduction to Strategic Planning.**

Bill Hendry gave a brief introduction into the Strategic Planning process.

6. **Review Vision and Mission Statements.**

Board and staff discussed the existing Vision and Mission Statement and made adjustments to them for 2011.

Member John Snodgrass joined the meeting at 5:00 p.m.

7. Review August 3, 2010 Revised Strategic Goals.

Board and staff discussed the Revised Strategic Goals and made adjustments to them to develop goals for 2011.

8. Update Long Term Strategic Goals.

9. Public Comment.

The following individuals addressed the Board:

- Tom Karas, 8801 Section Line Road, Interlochen, MEAP, non-ratepayer

The meeting was adjourned at 7:10 p.m.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Ed Rice, Executive Director *ER*
Date: March 4, 2011
Subject: Municipal Employees Retirement System

The City Commission approved, at its February 22, 2011 meeting, a MERS Joint Transfer Agreement that allows for all pension assets and liabilities for L&P employee divisions in the City of Traverse City pension plan be directed into a new MERS municipal plan under the governance of the Light & Power Board.

As final action in creating a new plan the Board will have to approve of the Joint Transfer Agreement and adopt various resolutions as required by MERS. As previously mentioned, this action will not have an impact on active or retired employee pension benefits and there will be no additional cost to either the City or L&P from this action.

If the Board wishes to approve creating this new plan the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE CHAIR AND SECRETARY EXECUTE A JOINT TRANSFER AGREEMENT CONCERNING MERS ASSETS AND LIABILITIES FOR ALL CURRENT AND PAST EMPLOYEES OF THE TRAVERSE CITY LIGHT AND POWER PARTICIPATING IN THE CITY OF TRAVERSE CITY (#2801) MERS PLAN (DIVISIONS #10 & #12) TO THE SEPARATE AND INDEPENDENT MERS PROGRAM OF THE TRAVERSE CITY LIGHT AND POWER, SUCH AGREEMENT SUBJECT TO APPROVAL AS TO ITS SUBSTANCE BY THE EXECUTIVE DIRECTOR AND FORM BY THE CITY ATTORNEY; AND FURTHER THAT THE BOARD ADOPTS THE "RESOLUTION ADOPTING A LIGHT AND POWER MERS DEFINED BENEFIT PROGRAM" AS REQUIRED BY MERS.

Model Transfer Agreement: Where all liabilities and accompanying MERS muni assets are transferred to new MERS muni

Blue is the transferring current MERS muni; red is the new receiving muni

JOINT TRANSFER AGREEMENT CONCERNING MERS ASSETS AND LIABILITIES FOR ALL CURRENT AND PAST EMPLOYEES OF THE TRAVERSE CITY LIGHT & POWER PARTICIPATING IN THE CITY OF TRAVERSE CITY (#2801) MERS PLAN (DIVISION # 10 & 12) TO THE SEPARATE AND INDEPENDENT MERS PROGRAM OF THE TRAVERSE CITY LIGHT & POWER

The CITY OF TRAVERSE CITY (“CTC”) and the TRAVERSE CITY LIGHT & POWER (“TCL&P”), which will become a MERS participating municipality in its own rite, mutually agree to the transfer of all active TCL&P employees, along with deferred vested members, retirees and beneficiaries, now covered in the CTC MERS Plan Divisions # 10 & 12, and the transfer from the CTC of actuarial accrued liabilities and certain assets to the TCL&P MERS plan, and the TCL&P acceptance of such liabilities and related assets.

By virtue of the CTC being a participating municipality in the Municipal Employees' Retirement System of Michigan, the employees (and former employees with accrued MERS benefits) of the TCL&P have been covered members under the CTC MERS Plan (currently in Divisions #10 & 12) with those benefits identified in Section 2 below.

The CTC and the TCL&P have mutually agreed that the TCL&P shall separate from the CTC MERS plan, and all active TCL&P employees, deferred vested members, retirees, and beneficiaries shall continue their participation in MERS with the TCL&P as an independent MERS participating municipality.

The TCL&P will provide the MERS benefit coverage for employees previously covered under the CTC MERS program (including all prior service), as identified in Section 2 below.

1. Pursuant to this agreement and Section 53(4) of the MERS Plan Document as revised, there shall be transferred from CTC Divisions # 10 & 12 all actuarial accrued benefit liabilities for the MERS-covered TCL&P employees, deferred vested members, retirees and beneficiaries, and market value assets associated with division 10 and division 12 of the actuarial accrued liabilities transferred, as set forth in the December 31, 2010, Annual Actuarial Valuation for CTC.

2. The MERS benefits in effect for the TCL&P employees in CTC Divisions # 10 & 12 are:

Division 10: B3, V10, F55/25, FAC 5, E2 COLA for future retirees (2.5%), E1 COLA for current retirees (2.5%), 0% member contribution.

Division 12: B3, V6, F50/25, FAC 5, E2 COLA for future retirees (2.5%), E1 COLA for current retirees (2.5%), 0% member contribution.

3. Following the transfer, the TCL&P shall be exclusively responsible for the funding of all MERS benefits for all TCL&P employees, deferred vested members, retirees and beneficiaries, and the CTC shall not be.

4. After formal acceptance by Resolutions of the CTC and the TCL&P, this Joint Request shall become effective upon its filing with MERS.

Authorized CITY OF TRAVERSE CITY signature:

Title: _____ Date: _____

_____ , _____.

Authorized TRAVERSE CITY LIGHT & POWER signature:

Title: _____ Date: _____

_____ , _____.

051809trp



**RESOLUTION ADOPTING A LIGHT & POWER
MERS DEFINED BENEFIT RETIREMENT PROGRAM**

WHEREAS, Traverse City Light & Power has the authority to enter into contracts and agreements and shall have the power to adopt such rules and regulations and policies governing its conduct in the operation of the Light and Power Department as it deems advisable in accordance with Traverse City Charter §179(c)(4)(g); and

WHEREAS, the Traverse City Light and Power Board has the authority to approve collective bargaining agreements with its union and benefits for its employees; and

WHEREAS, the Traverse City Light & Power Board desires to have the MERS Retirement System Defined Benefit Programs, currently offered to its employee groups under the City of Traverse City MERS Plan Document, under the direct control of the Board to allow the Board “governing authority” of the Traverse City Light & Power MERS Plan; and

WHEREAS, MERS has ruled the Traverse City Light and Power qualifies as a MERS-eligible municipality,

NOW, THEREFORE, BE IT RESOLVED that the Board of Traverse City Light and Power adopts a MERS Defined Benefit Program; and thereby adopts the Uniform Resolution Defining Hours Per Month, as required by MERS; and thereby adopts the Resolution Directing Electronic Payment of Invoices, as required by MERS; and thereby adopts a Resolution to Exclude Temporary Employees from Membership; as required by MERS.



TRAVERSE CITY
LIGHT & POWER

To: Light and Power Board
From: Tim Arends, Controller *MA*
Date: March 4, 2011
Subject: Hastings Street Facility Addition

With Board approval, and in accordance with the utility's Purchasing and Contracting Policy, staff sought sealed bids for the Hastings Street building addition project. The project will add an additional 2,100 square feet of office space that will include a conference room, drainage corrections, and other minor improvements to the current facility. The project cost was estimated at \$461,300.

AAI, Inc. is under contract with the utility to provide services that include design development, construction document and bidding, and construction management. AAI, Inc. provided oversight for the bid process for general trades, mechanical trades, and electrical trades. A public bid opening occurred on March 2nd. Bid results are detailed on the attached "Bid Tabulation Form". The mechanical and electrical trades will become sub contractors of the general contractor.

Staff is recommending that in the best interest of Light and Power the low bidder Eckler Building Solutions, in the amount of \$205,800 for general trades; low bidder Haggard's, Inc., in the amount of \$55,400 for mechanical trades; low bidder Windemuller, in the amount of \$31,995 for electrical trades, be approved. The General Contractor will include mechanical and electrical bids as subcontractors.

If the Board is in agreement with Staff's recommendation the following motion is appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO ENTER INTO A CONTRACT BETWEEN TCL&P (OWNER) AND ECKLER BUILDING SOLUTIONS (CONTRACTOR) IN THE LUMP SUM TOTAL AMOUNT OF \$293,195 FOR THE HASTINGS STREET BUILDING ADDITION, SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY COUNSEL; AND FURTHER AUTHORIZES THE EXECUTIVE DIRECTOR TO ADMINISTER AMENDMENTS AND CHANGE ORDERS THAT ARE IN THE BEST INTERESTS OF THE LIGHT & POWER.



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March 4, 2011

Traverse City Light & Power
1131 Hastings Street
Traverse City, MI 49686

Attn: Mr. Tim Arends, Controller

RE: Proposed Addition Bid on March 2, 2011

Dear Tim,

I have reviewed the bids from the General, Mechanical and Electrical Bidders and have conducted post-bid interviews with the low and second low bidders. I have reviewed Eckler's schedule of values and discussed this with Ben Eckler. It appears complete.

Haggard's, Inc. notified the General Bidders that Haggard did not include concrete floor cutting and patching. Eckler agreed to assume this work in their price so that Traverse City Light & Power can remain with the low mechanical bidder at a savings of \$3,040.00.

I recommend award of a lump sum contract in the amount of \$293,195.00 to Eckler Building Solutions, LLC in which we assign Haggard's, Inc. and Windemuller Electric as subcontractors as follows:

\$205,800.00	Eckler – General
55,400.00	Haggard – Mechanical
<u>31,995.00</u>	Windemuller – Electrical
\$293,195.00	Contract Sum

Upon the furnishing of required bonds and insurance certificate, we will prepare a contract for construction.

Sincerely,

Robert J. Sommerville, EAIA

RJS/ss

BID TABULATION FORM



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Project: Addition to Hastings Street Facility for Traverse City Light & Power, Proj. # 1010
 Bid Opening (Date & Time): March 2, 2011, 2:00 p.m.

TRADES	BID SECURITY	ADDENDA 1 & 2 ACKNOWLEDGED	BASE BID	VOLUNTARY ALTERNATE	VOLUNTARY ALTERNATE	REMAI
GENERAL TRADES						
Burdeo, Inc.	Yes	Yes	\$246,000			
Cole, Inc.	Yes	Yes	\$258,715			
Constock Construction	Yes	Yes	\$267,611			
Eckler Building Solutions	Yes	Yes	\$205,800			
Grand Traverse Construction	Yes	Yes	\$229,135			
Hallmark Construction Inc.	Yes	Yes	\$231,131			
Spence Brothers	---	---	---			
MECHANICAL TRADES						
All In One Plumbing & Heating	No	---	---			
Blue Line Mechanical	---	---	---			
D & W Mechanical	Yes	Yes	\$72,268			
Danboise Mechanical	---	---	---			
Haggard's Plumbing & Heating	Yes	Yes to #1	\$55,400			
John E. Green Company	Yes	Yes	\$99,500			
Sheren Plumbing & Heating	Yes	Yes	\$58,440			
ELECTRICAL TRADES						
Advantage Electric	---	---	---			
Sky Electric of No. Mich.	Yes	Yes	\$36,500			
T N T Electrical Systems	Yes	Yes	\$36,650			
Topline Electric	Yes	Yes	\$37,650			
Total Service Electric	---	---	---			
Windmuller	Yes	Yes	\$31,995			