

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**TUESDAY, December 27, 2011**

At

**5:15 p.m.**

At The

**COMMISSION CHAMBERS**  
(2<sup>nd</sup> 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: 12-23-11  
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 Regular Meeting of December 13, 2011.

#### 3. Old Business

None.

#### 4. New Business

- a. Consideration of Lead Lineworker Job Reclassification. (Rice)

#### 5. Appointments

None.

#### 6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
  1. Discussion of the history of L&P Contributions. (Rice/McGuire)
  2. Report on the evaluation of the Kalkaska Combustion Turbine. (Rice/Feahr)
- c. From Board.

#### 7. Public Comment

/st

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Light & Power Service Center  
Tuesday, December 13, 2011

**Board Members -**

Present: Barbara Budros, Jim Carruthers, Patrick McGuire, John Snodgrass, John Taylor, Linda Johnson, Mike Coco

Absent: None

**Ex Officio Member -**

Present: R. Ben Bifoss

**Others:** Ed Rice, W. Peter Doren, Tim Arends, Scott Menhart, Jim Cooper, Jessica Wheaton, Stephanie Tvardek, Tom Olney, Karla Myers-Beman

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

**Item 2 on the Agenda being Consent Calendar**

Moved by Carruthers, 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 of November 29, 2011.

CARRIED unanimously.

**Item 3 on the Agenda being Old Business**

None.

**Item 4 on the Agenda being New Business**

- 4(a). Consideration of authorizing a Utility Bill Processing Contract.

The following individuals addressed the Board:

Tim Arends, Controller  
Karla Myers-Beman, Deputy Treasurer/Assistant Finance Director

Moved by Johnson, seconded by McGuire, that the Light & Power Board authorizes the City to execute a contract with Pinnacle Data Systems for utility bill processing services, subject to City Commission approval.

CARRIED unanimously.

**Item 5 on the Agenda being Appointments**

None.

**Item 6 on the Agenda being Reports and Communications**

A. From Legal Counsel.

None.

B. From Staff.

1. Jessica Wheaton spoke re: the Customer Giving Program.
2. Jessica Wheaton spoke re: the upcoming Kids Creek Commons Neighborhood Association meeting scheduled for January 15, 2012.
3. Ed Rice and Jim Cooper spoke re: the recent Major Customer meeting.
4. Ed Rice and the Board discussed availability for the next scheduled regular board meeting on December 27, 2011.
5. Tim Arends spoke re: the Tall Ship and the Hall Street tenant space.
6. Ed Rice and Scott Menhart spoke re: the WiFi project.
7. Ed Rice spoke re: the status of specific Strategic Objectives.

Linda Johnson departed the meeting at 6:39 pm.

8. Ed Rice spoke re: MPPA.

C. From Board.

1. Jim Carruthers spoke re: the Kill-a-Watt Power Meters now available through the Traverse Area District Library.

**Item 7 on the Agenda being Public Comment**

No one from the public commented.

There being no objection, Chairman Coco declared the meeting adjourned at 7:18 p.m.

/st


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Edward E. Rice, Secretary  
LIGHT AND POWER BOARD



**TRAVERSE CITY**  
**LIGHT & POWER**

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**To:** Light and Power Board  
**From:** Ed Rice, Executive Director   
**Date:** December 23, 2011  
**Subject:** Lead Lineworker Job Reclassification

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As required by Traverse City Charter Chapter XVIII –LIGHT AND POWER BOARD- Section 178(a), attached for your review and consideration is a new job description for a Traverse City Light & Power (TCL&P) Line Worker in Charge position which will replace the existing TCL&P Lead Line Worker position whose job description is also attached. This new job description will have four employees which is the same as the current Lead Line Worker position. A proposed wage scale for the new Line Worker in Charge position is also attached for your consideration along with a comparison to the existing Lead Line Worker wage scale.

The existing Lead Line Worker job description was implemented in 1999 and is significantly out of date with current expectations and responsibilities of the leadership model for TCL&P electric line crews. The Line Worker in Charge position is a current industry standard to provide work site crew leadership and accountability to meet safety, job efficiencies, customer relations, administrative duties and other associated responsibilities. This position is a key to the success of the organization.

TCL&P has four separate project crews each of which requires an on-site responsible person to meet OSHA/MIOSHA, work organization, public safety, customer interface, material requisitions, employee evaluation, payroll verification and other associated responsibilities. The responsibilities of this position have significantly increased since the original 1999 Lead Line Worker position was developed.

TCL&P has reviewed other electric utilities job descriptions and pay ranges for similar positions to arrive at a competitive recommended TCL&P Line Worker in Charge wage scale. The job description changes and the proposed wage scale have been discussed with TCL&P UWUA Local 295 representatives and they are in agreement with both items.

FOR THE LIGHT & POWER BOARD MEETING OF DECEMBER 27, 2011

If the Board is in agreement with my recommendations the following motion would be appropriate:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**

**THAT THE L&P BOARD OFFER A LETTER OF UNDERSTANDING TO THE LIGHT & POWER BARGAINING UNIT UWUA LOCAL 295 THAT ESTABLISHES A NEW WAGE SCALE AND JOB DESCRIPTIONS FOR GRADE 10 EMPLOYEES, AS RECOMMENDED BY THE EXECUTIVE DIRECTOR, WITH AN EFFECTIVE DATE OF JANUARY 1, 2012.**

# TRAVERSE CITY LIGHT & POWER

## Job Description

### LINE WORKER IN CHARGE

#### **General Summary:**

Under the general supervision of the Line Superintendent, performs any of the duties of a Journeyman Line Worker and, in addition, able to direct up to 5 other employees engaged in the operation, maintenance and construction of electric distribution, transmission, and associated equipment. Responsible for full job site planning, material requisitions, job set-up and completion so that employees and the public are properly safeguarded at all times.

#### **Essential Job Functions:**

An employee in this position may be called upon to do any and all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

- Operate all distribution department vehicles and equipment in a safe manner, maintain safety records and correct any potentially hazardous conditions.
- Perform administrative duties, such as written reports, work evaluations, inspections and time sheet verifications.
- Ability to write switching orders on the electric distribution system.
- Perform manual excavations at job site using required tools and assist with pole setting, concrete forms for lighting and transformers.
- Supervise a line crew of up to 5 employees at job sites.
- Establish and maintain effective relationships and use good judgment, initiative and resourcefulness when dealing with customers, employees, project contractors, and representatives of other governmental units, professional contacts, City administrators, elected officials, and the public.
- Attends all safety and other required meetings and makes presentations as necessary.
- Subject to call for emergency work on a 24 hour basis.
- Performs other similar or related work as assigned.

#### **Required Knowledge, Skills, Abilities, and Minimum Qualifications:**

The requirements listed below are representative of knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

- Must have all of the qualifications of a Journeyman Line Worker.
- High school diploma or equivalent.
- Experience requirements include at least 5 years as a journey line worker.
- Must understand administrative procedures and processes.
- Must understand all aspects of the Department, such as planning, scheduling and work implementation including work management computer systems.
- Demonstrated leadership ability and aptitude.
- Knowledge of the occupational hazards and safety precautions of the electrical trade.
- Ability to work aloft.
- Ability to work from blueprints, drawings and other specifications.

- Skill in the use of office equipment and technology, including computers and related software.
- Ability to critically assess situations and solve problems, and to work effectively under stress, within deadlines and changes in work priorities.
- Ability to maintain commercial drivers license (CDL) with Class A endorsement.
- In addition to the above mentioned requirements, all positions require the ability to read, write, speak and understand the English language as necessary for the position; the ability to follow written and oral instruction and the ability to interact positively with other employees and members of the public. Employees are also expected to possess and maintain a record of orderly, law abiding citizenship, integrity and loyalty as it pertains to an reflects upon their employment. Employees must be physically and mentally able to perform the essential duties of their position without excessive absences.

**Physical Demands and Work Environment:**

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to stand, walk, sit, use hands and fingers, talk and hear. The employee must be able to squat, stoop or kneel. The employee must be able to lift and/or carry materials of moderate to heavy weight. The employee is regularly required to communicate in person and by telephone, read regular and small print, use manual dexterity to type or enter data and use sight to read and prepare documents.

While performing the duties of this job the employee regularly works outside and drives a motor vehicle between job sites. The employee will work near moving mechanical equipment. The noise level in the work environment varies from quiet to loud.

Dec. 2011



## TRAVERSE CITY LIGHT AND POWER JOB DESCRIPTION

### TITLE: LEAD LINEWORKER

**General Summary:** Performs duties of journey lineworker in conjunction with distribution and transmission line work and supervises a line crew. Operates various distribution department vehicles and equipment. This includes the requirement that a commercial drivers license (CDL) with a Class A endorsement is in place and maintained as a condition of employment. Works under the general supervision of the Transmission and Distribution Superintendent.

### Typical Duties:

Perform all journey lineworker duties.

Operate all distribution department vehicles and equipment including line truck, bucket truck, trencher, forklift, auger and boom. Operate all vehicles and equipment in a safe manner, maintain safety records, and correct any potentially hazardous conditions. All work is performed in compliance with utility policy.

Supervise a line crew at jobsite. Be familiar with handling and assembling of materials at job sites and prepare all paperwork and forms associated with the job, OSHA requirements and any other requirements.

Perform manual excavation at job site. Use shovels, rakes, brooms, saws, hammers, chisels and other hand tools as needed and assist with setting poles, concrete forms for lighting, transformers, etc. Install conduit and wire in trenches, occasional work in trenches, job site cleanup. Job site cleanup includes cleanup of all tools, materials, restoration of the site to its original condition, grass seeding, asphalt work and other grounds maintenance.

Deal with customers, co-workers and the general public in a professional and courteous manner, both at job sites and otherwise whenever, in any way, representing or being affiliated with Light and Power.

Attend all safety meetings and other meetings as required.

Other duties and/or temporary assignments as assigned by the superintendent or his designee.

**Additional Requirements:** High school diploma or equivalent and hold a journey lineworker card. Minimum of two years as a journey lineworker. Maintain commercial drivers license (CDL) with Class A endorsement. Ability to work effectively and congenially with the general public and Light and Power customers.

JULY 1999

JULY '99

## PHYSICAL REQUIREMENTS FOR THE POSITION OF LEAD LINEWORKER

F = Frequently required to perform

O = Occasionally " "

S = Seldom " "

O - Twisting

F - Pounding

F - Grasping

F - Bending

O - Lifting (normally 30-60 lbs., but occasionally more)

F - Climbing steps, ramps, ladders and poles.

F - Kneeling

F - Walking

F - Crouching

F - Squatting

F - Stretching

F - Pushing

F - Carrying

F - Pulling

O - Sitting

F - Stooping

F - Balancing

S - Crawling

F - Standing

F - Operate forklift vehicle, automatic and manual transmission vehicles.

O - Work in small, closed spaces.

F - Grasping with hands and fine manipulation.

F - Work at heights on platforms, ladders and poles.

F - Endure all outside weather conditions.

S - Operate various office equipment.

O - Endure exposure to temperature/humidity conditions inside Light and Power Service Center.

S - Work in garage environment and exposure to cleaning fluids, solvents, etc. in a safe manner.

O - Perform repetitive motions with all parts of body.

Must be able to speak, comprehend, read and write the English language. Must be able to comprehend, process and apply information, instructions and directives.

The above items are physical requirements and do not constitute a job description.

**Traverse City Light & Power Department  
Bargaining Unit Wage Scale**

Range	A	B	C	D	E	F
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**CURRENT:**

10	\$27.90	\$28.45	\$29.02	\$29.89	\$30.76	\$31.27
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**PROPOSED:**

10	\$31.18	\$31.82	\$32.47	\$33.13	\$33.81	\$34.50
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Fourth Letter of Understanding  
 Between  
 City of Traverse City Light & Power  
 and  
 Utility Workers Union of America, Local 295

The parties agree as follows:

1. The collective bargaining agreement between the parties shall remain unchanged

in all respects with the following exceptions:

a) The new job description for Line Worker in Charge and new title of Line Worker in Charge be accepted and take the place of the job description and title for Lead Lineworker.

b) The wage rates listed in Section 4(C), Range 10 of Appendix A of the parties' collective agreement (as adjusted by previous Letters of Understanding) are increased in the following manner:

Grade 10	Step A	Step B	Step C	Step D	Step E	Step F
	\$31.18	\$31.82	\$32.47	\$33.13	\$33.81	\$34.50

The City of Traverse City  
 Light and Power Board

The Utility Workers of America  
 Local 295

BY \_\_\_\_\_ Date: \_\_\_\_\_  
 Michael Coco, Board Chairperson

BY \_\_\_\_\_ Date: \_\_\_\_\_  
 Corey Schichtel, President Local 295


APPROVED AS TO SUBSTANCE

BY \_\_\_\_\_ Date: \_\_\_\_\_  
 Edward E. Rice, Executive Director



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light and Power Board   
**From:** Tim Arends, Controller  
**Date:** December 23, 2011  
**Subject:** Department Contributions History

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At the request of Board Member McGuire, this memo and the attached information provides some historical information regarding Light & Power's contributions to non-profit organizations. Mr. McGuire asked that this information be provided and placed on the agenda for general Board discussion.

State of Michigan Public Act 301 of 1969; MCL 123.391(1) (attached), authorizes a public utility to give gifts and make contributions if approved by the legislative body of the municipality. Since the Light and Power Board is appointed by the City Commission and the City Charter requires the Commission to approve the department's budget, the City Commission is the legislative body that must approve contributions or gifts.

Also attached is a spreadsheet that itemizes contributions made through Light & Power by fiscal year. The contributions are separated into three classes: Community Investment Fund, Red Tag Contributions, and Other Contributions.

**Community Investment Fund (CIF):**

Contributions through the community investment fund are budgeted as an expense and supported by customer rates. In June 2003 the City Commission approved the L&P Community Investment Fund Policy (minutes attached). While the annual budget is approved by the city commission, individual contributions (or grants) do not go to the city commission for approval on an annual basis because of the 2003 City Commission action.

The utility has granted \$502,442 since this policy was adopted and approved. Contributions will only be considered under this policy if they adhere to specific criteria, including: requestor must be a non-profit organization, and the money must be used for specific educational, environmental or community development purposes. Attached are the Community Investment Fund Policy and a copy of the Grant Application, along with a spreadsheet that itemizes the grants issued in the past by fiscal year. The CIF was not funded in the budget for the current fiscal year 2011-12.

**Red Tag Contributions:**

Attached is the memo from the November 23, 2011 meeting that more fully describes this program. For some historical reference, prior to the Board's action in 1996 that required a charge of \$5 for having a shut off notice placed on a customer's door, that activity was done at no charge to the customer. The utility did make periodic contributions to area agencies to assist customers in need; however, the funds came from the budget and were supported by customer rates. The Red Tag Contributions are not supported by customer rates but by Red Tag fees. The utility was advised by counsel that these contributions should be approved by the City Commission.

The Board approved charging \$5 for the tagging service to dissuade customers from "paying at the door" to avoid shutoff, and directed that ½ of the tag fee be placed in a liability account to be distributed periodically to an agency that would assist customers in avoiding shut off for non-payment of their utility bill. In the past 3 years the board has approved donating 100% of the tagging revenues due to the economic conditions in the area that caused an increased need.

Early next year staff will present to the Board a new program titled "Light & Power Customer's Care Program." This will enable customers to make donations through their utility bill payments directly to a fund that will assist customers in avoiding shutoff for non-payment of their bill. This new program, if adopted by the Board, will replace the Red Tag contributions.

**Other Contributions:**

The attached spreadsheet shows other contributions that include contributions to the Fireworks Fund and other organizations.

In previous survey's (2005, 2007, 2009) customers were asked to rate the importance of L&P's providing grants to local non-profit groups. Each survey indicated that nearly 70% felt that this activity was either "very important" or "somewhat important" for the city's municipal utility; however, the results also show that L&P could be more affective in communicating the benefits or effectiveness of providing these grants.

I hope this provides the information requested by Mr. McGuire that will assist the Board in this discussion. If there is any other information you would like staff to be prepared to present or discuss, please let me know.

**TRAVERSE CITY LIGHT & POWER**  
**Historical Contributions**

Fiscal Year	Community Investment Fund		Red Tag Contributions		Fireworks Fund		Other Contributions		Recipient(s)	Total
2011-12	\$ -	\$ -	\$ 22,940	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 22,940
2010-11	\$ 54,500	\$ -	\$ 19,230	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 73,730
2009-10	\$ 42,235	\$ -	\$ 21,950	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 64,185
2008-09	\$ 51,225	\$ -	\$ 15,710	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 66,935
2007-08	\$ 68,093	\$ -	\$ 12,128	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 80,221
2006-07	\$ 54,100	\$ -	\$ 12,800	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 66,900
2005-06	\$ 40,700	\$ -	\$ 9,496	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 50,196
2004-05	\$ 59,000	\$ -	\$ 9,800	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 68,800
2003-04	\$ 61,336	\$ -	\$ 8,974	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 70,310
2002-03	\$ 71,253	\$ -	\$ 7,950	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 79,203
2001-02	\$ -	\$ -	\$ 7,650	\$ 2,500	\$ -	\$ 19,000	\$ -	\$ -	TART, Regional Community Foundation, DTCA, Heritage Center	\$ 29,150
2000-01	\$ -	\$ -	\$ 7,455	\$ 2,500	\$ -	\$ 1,500	\$ -	\$ -	DTCA	\$ 11,455
1999-00	\$ -	\$ -	\$ 6,055	\$ 2,500	\$ -	\$ 7,500	\$ -	\$ -	DTCA, GT County	\$ 16,055
1998-99	\$ -	\$ -	\$ 6,400	\$ 2,500	\$ -	\$ 6,500	\$ -	\$ -	St. Mary's School, Boardman River Guardians, MML	\$ 15,400
1997-98	\$ -	\$ -	\$ 4,188	\$ 2,500	\$ -	\$ 3,500	\$ -	\$ -	St. Mary's School, DTCA	\$ 10,188
1996-97	\$ -	\$ -	\$ 3,375	\$ 2,500	\$ -	\$ 1,000	\$ -	\$ -	St. Mary's School	\$ 6,875
1995-96	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ 1,650	\$ -	\$ -	St. Mary's School, March of Dimes	\$ 4,150
1994-95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200	\$ -	\$ -	Salvation Army, SOM Environmental	\$ 3,200
1993-94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ -	\$ -	St. Mary's School	\$ 750
1992-93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
1991-92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ 502,442	\$ -	\$ 176,100	\$ 17,500	\$ -	\$ 44,600	\$ -	\$ -		\$ 740,642

**GIFTS FROM MUNICIPAL UTILITIES (EXCERPT)**  
**Act 301 of 1969**

**123.391 Authorization for giving gifts and contributions; source; legislative approval.**

Sec. 1. Any municipality owning or operating any public utility may authorize the giving of gifts or contributions from the operating revenues of the utility in such amounts and for such purposes as shall be determined by the governing body of the public utility to be in the public interest, subject to the approval of the legislative body of the municipality.

**History:** 1969, Act 301, Eff. Mar. 20, 1970.



**3(b).**

The next item being "Consideration of approving the Light and Power Community Investment Fund Policy," the following individuals addressed the Commission:

Richard Lewis, City Manager  
Richard Smith, Light and Power Executive Director  
John Egan, 615 Sixth Street  
Peter Doren, City Attorney  
Glen Rauth, 323 West 11<sup>th</sup> Street

Moved by Csapo, seconded by Orth, that the Light and Power Community Investment Fund Policy be approved to allow the Light and Power Board to contribute money to non-profit organizations in order to invest in the community.

Mayor Dodd arrived.

Roll Call:

Yes - Csapo, Hardy, Orth, Rogers, Smyka, Dodd.

No - Melichar.

**CARRIED.**

Mayor Dodd assumed the Chair as presiding officer.

**3(c).**

The next item being "Consideration of authorizing an agreement for the Downtown Development Authority to operate the Larry C. Hardy Parking Deck," the following individuals addressed the Commission:

Richard Lewis, City Manager  
Rob Bacigalupi, Downtown Development Authority Deputy Director

Moved by Smyka, seconded by Hardy, that the Mayor and City Clerk be

Light and Power Department  
City of Traverse City, Michigan  
Adopted: March 11, 2003  
Revised: April 6, 2004

**COMMUNITY INVESTMENT FUND POLICY**

Requests for donations and contributions will be considered if they comply with and follow the provisions of the Community Investment Fund which is attached. All requests shall be acted upon by the Traverse City Light and Power Board.

Pursuant to MCL 123.391 the City Commission approves the purposes of all gifts conforming to the Community Investment Fund as attached and delegates to the Traverse City Light and Power Board authority to make such gifts up to a cumulative amount established in the Traverse City Light and Power approved budget line item number 582-525-82401.

This policy supersedes and replaces the Charitable and Civic Contributions Policy adopted on January 10, 1984, and all other policies in conflict with this policy.

ADOPTED BY THE TRAVERSE CITY LIGHT AND POWER BOARD ON MARCH 11, 2003.

APPROVED BY THE CITY COMMISSION ON JUNE 2, 2003.

*Richard L. Smith*

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Richard L. Smith  
Executive Director and Secretary  
Traverse City Light and Power Board

## Traverse City Light and Power Community Investment Fund

### Provisions and Guidelines

Revised April 2004

#### **About the Community Investment Fund:**

Our mission at Traverse City Light and Power (Light and Power) is to provide safe, reliable electricity at the lowest rates in the area. At the same time, we have a responsibility to invest our resources in the community we serve, with the goal of helping to make our town a better place to live. One way we do that is through the Community Investment Fund (CIF). Each year, Light and Power allocates funds to the CIF for the purpose of providing assistance to non-profit organizations in the Light and Power service area.

#### **Our Values and Vision:**

The vision of the CIF is to enhance the quality of life in the Traverse City area by supporting the values that are commonly shared in our community. Traverse City Light and Power charitable contributions are focused on three key areas:

- **Community Development** - Public infrastructure programs and other projects that provide a direct benefit to our customers and the people of the Traverse City area, with an emphasis on programs and projects within our service area.
- **Energy-Related Educational Programs** - Programs and projects that educate people of all ages about current and future energy sources, and the financial benefit of energy conservation.
- **Natural Resources/Environmental** - Programs and projects aimed at maintaining and improving the quality of natural resources, and supporting a sustainable environment in the Traverse City area.

#### **Community Investment Fund Guidelines:**

Funds are generally awarded to foster and further the above values and vision to non-profit organizations or groups for specific educational, environmental and community development purposes. The requesting organization must reside in the Traverse City area, be non-profit (i.e. be exempt from federal income tax under the Internal Revenue Code) and operate for public purposes.

Preference is given for CIF requests that:

- Are one time in nature, rather than ongoing
- Benefit a large number of people
- Leverage funds from other sources
- Help programs increase their capacity to deliver services

The CIF does not provide support to:

- Individuals (including those seeking direct scholarships)
- Political parties, organizations or activities
- Religious organizations for religious (denominational) purposes
- Student group trips
- National or international organizations, unless they are providing benefits directly to our service-area residents

**How to Apply:**

The Council of Michigan Foundations' Common Grant Application forms and instructions are available online at [www.tclp.org](http://www.tclp.org), or at the Light and Power administrative offices located at 1131 Hastings Street, Traverse City, Michigan 49686. **A completed application form must accompany all requests. Please submit completed requests to:**

Traverse City Light and Power  
Community Investment Fund  
1131 Hastings Street  
Traverse City, MI 49686

Grant applications are accepted at any time throughout the year, and are reviewed periodically.

**Application Format:**

1. All requests must be in writing and should be directed to the Traverse City Light and Power Community Investment Fund.
2. Requests should include a cover letter, brief summary of the request, supporting documentation and a completed grant application form. Please keep requests brief and to the point.
3. Requests initiated by telephone will not be acted upon until a written request is received.
4. Requests initiated by facsimile are discouraged.
5. Send only one copy of your request.



## Common Grant Application Format

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Please provide the following information in this order. Use these headings, subheadings and numbers provided in your own word processing format, thus leaving flexibility for length of response.

### A. Narrative

#### 1. Executive Summary

- Begin with a half-page executive summary. Briefly explain why your agency is requesting this grant, what outcomes you hope to achieve, and how you will spend the funds if the grant is made.

#### 2. Purpose of Grant

- Statement of needs/problems to be addressed; description of target population and how they will benefit.
- Description of project goals, measurable objectives, action plans, and statements as to whether this is a new or ongoing part of the sponsoring organization.
- Timetable for implementation.
- List of other partners in the project and their roles.
- List of similar existing projects or agencies, if any, and explanation of how your agency or proposal differs and what effort will be made to work cooperatively.
- Description of the active involvement of constituents in defining problems to be addressed, making policy, and planning the program.
- Description of the qualifications of key staff and volunteers that will ensure the success of the program. List of specific staff training needs for this project.
- Long-term strategies for funding this project at end of grant period.

#### 3. Evaluation

- Plans for evaluation, including how success will be defined and measured.
- Description of how evaluation results will be used and/or disseminated and, if appropriate, how the project will be replicated.
- Description of the active involvement of constituents in evaluating the program.

#### 4. Budget Narrative/Justification

- Grant budget; use the **Grant Budget Form** that follows, if appropriate.
- A plan (on a separate sheet) that shows how each budget item relates to the project and how the budgeted amount was calculated.
- List of amounts requested from other foundations, corporations and other funding sources to which this proposal has been submitted.
- List of priority items in the proposed grant budget, in the event that we are unable to meet your full request.

#### 5. Organization Information

- Brief summary of organization's history.
- Brief statement of organization's mission and goals.
- Description of current programs, activities and accomplishments.
- Organizational chart, including board, staff and volunteer involvement.

### B. Attachments

1. A copy of the current IRS determination letter (indicating 501(c)(3) tax-exempt status)

2. List of Board of Directors with affiliations

3. Finances

- Organization's current annual operating budget, including expenses and revenue.
- Most recent annual financial statement (independently audited, if available; if not available, attach IRS Form 990).

4. Letters of support (should verify project need and collaboration with other organizations)—Optional

5. Annual report (if available)

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## Grant Budget Format

Listed below are standard budget items. Please provide the project budget in this format and in this order.

- A. Organizational fiscal year: \_\_\_\_\_  
 B. Time period this budget covers: \_\_\_\_\_  
 C. For a CAPITAL request, substitute your format for listing expenses. These will likely include: architectural fees, land/building purchase, construction costs, and campaign expenses.  
 D. **Expenses:** include a *description and the total amount* for each of the following budget categories, in this order:

	<i>Amount requested from this organization</i>	<i>Total project expenses</i>
1. Salaries	\$ _____	\$ _____
2. Payroll Taxes	\$ _____	\$ _____
3. Fringe Benefits	\$ _____	\$ _____
4. Consultants and Professional Fees	\$ _____	\$ _____
5. Insurance	\$ _____	\$ _____
6. Travel	\$ _____	\$ _____
7. Equipment	\$ _____	\$ _____
8. Supplies	\$ _____	\$ _____
9. Printing and Copying	\$ _____	\$ _____
10. Telephone and Fax	\$ _____	\$ _____
11. Postage and Delivery	\$ _____	\$ _____
12. Rent	\$ _____	\$ _____
13. Utilities	\$ _____	\$ _____
14. Maintenance	\$ _____	\$ _____
15. Evaluation	\$ _____	\$ _____
16. Marketing	\$ _____	\$ _____
17. Other (specify)	\$ _____	\$ _____
<b>Total amount requested</b>	<b>\$ _____</b>	<b>Total project expenses</b> <b>\$ _____</b>

- D. **Revenue:** include a *description and the total amount* for each of the following budget categories, in this order; please indicate which sources of revenue are committed and which are pending.

	<i>Committed</i>	<i>Pending</i>
1. Grants/Contracts/Contributions		
Local Government	\$ _____	\$ _____
State Government	\$ _____	\$ _____
Federal Government	\$ _____	\$ _____
Foundations (itemize)	\$ _____	\$ _____
Corporations (itemize)	\$ _____	\$ _____
Individuals	\$ _____	\$ _____
Other (specify)	\$ _____	\$ _____
2. Earned Income		
Events	\$ _____	\$ _____
Publications and Products	\$ _____	\$ _____
3. Membership Income	\$ _____	\$ _____
4. In-kind Support	\$ _____	\$ _____
5. Other (specify)	\$ _____	\$ _____
<b>Total revenue</b>	<b>\$ _____</b>	<b>\$ _____</b>



# Common Grant Application

## Cover Sheet

Date of Application: \_\_\_\_\_

Legal name of organization applying: \_\_\_\_\_  
*(Should be same as on IRS determination letter and as supplied on IRS Form 990.)*

Year Founded: \_\_\_\_\_ Current Operating Budget: \$ \_\_\_\_\_

Executive Director: \_\_\_\_\_ Phone number \_\_\_\_\_  
(include Area Code)

Contact person/title/phone number  
(if different from executive director): \_\_\_\_\_  
\_\_\_\_\_

Address (principal/administrative office): \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Fax Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

List any previous support from this funder in the last five years: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Project Name: \_\_\_\_\_

Purpose of Grant (one sentence): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dates of the Project: \_\_\_\_\_ Amount Requested: \$ \_\_\_\_\_

Total Project Cost: \$ \_\_\_\_\_

Geographic Area Served: \_\_\_\_\_

\_\_\_\_\_  
*Signature, Chairperson, Board of Directors*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Typed Name and Title*

\_\_\_\_\_  
*Signature, Executive Director*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Typed Name and Title*

CIF	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
TCAPS (elec exp)	\$4,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
TCAPS ( SciMaTech)	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000	\$3,000	\$5,000	\$5,000	\$3,000
TBArea EC. Dev.	\$2,000								
Comm. Fireworks	\$2,500	\$2,500	\$2,500						
GTCD Seedling Sale	\$8,135						\$11,000		
Cherry Festival	\$5,000						\$5,000		
TART	\$16,000	\$16,000	\$16,000						\$10,000
L&P Trees	\$1,000	\$1,000	\$1,000	\$1,200	\$1,100	\$1,093	\$1,000		
TART Planet Lights	\$15,282								
Cooperative Parkland (Brown Bridge)	\$11,336	\$11,336							
GT Bay Watershed	\$1,000	\$1,000							
Heritage Center (Library)	\$15,000								
Opera House-lighting	\$5,000	\$5,000	\$15,000	\$15,000	\$15,000				
NMC-Haggerty Center			\$15,000	\$15,000	\$15,000				
GTCD Nature Center-corn boiler					\$10,000	\$11,500			
Police - Segway					\$5,500				
DDA LEDs						\$45,000			
NMC Denmos-lighting exhibit						\$3,000			
GTCD-trail signs and solar light							\$5,725		
Goodwill Inn-freezor							\$9,000		
MLU-energy guide							\$10,000		
Great Lakes Children Museum								\$15,000	
Inland Seas Edu Assoc								\$10,000	\$12,000
NMC tech monitoring systems								\$7,000	
Grandview Parkway Beautification								\$5,500	
Goodwill Inn-Thermostat								\$4,735	
City of Traverse City									\$15,000
Traverse Area Community Sailing									\$5,000
GT Pavilions									\$5,000
	\$71,253	\$61,336	\$59,000	\$40,700	\$54,100	\$68,093	\$51,225	\$42,235	\$54,500

City of TC-J.Smith Walkway; \$10,000 approved for lighting; came mostly out of in-kind and in-stock lights;2007

City of TC-Lay Park Improvements; \$15,000 approved but project did not get started

Funding for GTCE seedling sale and Cherry Festival came out of the advertising budget from 2003-2008





TRAVERSE CITY  
LIGHT & POWER

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**To:** Light and Power Board  
**From:** Ed Rice, Executive Director  
**Date:** November 23, 2011  
**Subject:** Red Tag Revenue Distribution

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In 1996 Traverse City Light & Power implemented a fee of \$5.00 for each red tag (final disconnect notice) placed on a customer's door for unpaid delinquent utility charges. This fee is split with one-half recorded as Light and Power revenue to help offset the cost of tagging a residence, and the other half accumulated in a special account for distribution to agencies that assist area citizens in need.

Light & Power regularly refers its customers facing shut-off for non-payment to the Father Fred Foundation, Love I.N.C., Salvation Army, and Northwest MI Community Action Agency. Since 1996, when Light and Power implemented the red tag fee, L&P has distributed \$141,034 to these area agencies.

**Currently there is \$11,470 in the distribution account, which represents one-half of the charges for red tags.**

The past two years the Board has voted to donate 100% of red tag revenues to the agencies. Staff is recommending that the Board again authorize distribution of 100% of these funds to area agencies to assist customers in need during the heating season.

If you agree with staff's recommendation the following motion would be appropriate:

**MOVED BY JOHNSON, SECONDED BY MCGUIRE, THAT THE LIGHT & POWER BOARD AUTHORIZES THE DISBURSEMENT OF \$22,940, REPRESENTING 100% OF THE ANNUAL REVENUES FOR NON-PAYMENT SHUT-OFF NOTICE TAGGING FEES, TO THE FATHER FRED FOUNDATION, LOVE I.N.C., THE SALAVATION ARMY, AND NORTHWEST MI COMMUNITY ACTION AGENCY.**

*MOTION CARRIED UNANIMOUSLY.*

# TRAVERSE CITY LIGHT & POWER

## 2009 CUSTOMER RESEARCH

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### 1.0 OVERVIEW

#### 1.1 Objective

The purpose of this research was to determine the views and opinions of Traverse City Light & Power (TCL&P) customers on services received. Customers first rated overall satisfaction, which was followed by items assessing satisfaction with various characteristics of TCL&P service, including the importance of, and TCL&P's effectiveness rating on, each characteristic. Additionally, survey items addressed customer service, sources of information, additional services, interest in web-based information and support for various renewable power generation resources.

#### 1.2 Methodology

A telephone survey was conducted with a randomly selected sample of Traverse City Light & Power customers. A list of customer names and telephone numbers was provided by TCL&P representatives and sample identification was conducted by Research Services. The list of residential and commercial customers provided totaled 10,639; sample selection was based upon 8,406 unduplicated customer names (7,000 residential; 1,406 commercial) with contact information. Based upon a population of 8,406 customers, a sample of 367 is required for a 95% confidence level and +/- 5% margin of error.

The final sample included 564 respondents, with 338 residential customers and 225 commercial customers, for an overall margin of error of +/- 4.0%. Margin of error by customer type is +/- 5.2% for residential and +/- 6.0% for commercial.

Surveys were conducted from June 1 to June 23, 2009. Up to six attempts were made to contact randomly selected customers; time of day (9:00 am to 12:00 pm, 1:00 pm to 4:00 pm, and 6:00 pm to 9:00 pm) and day of week (Monday through Saturday) varied. From June 18 on, respondents were screened for age 44 and under to more closely align sample age distribution with City of Traverse City demographics and TCL&P senior rate participation.

Survey data were analyzed using SPSS for Windows. Analyses include descriptive statistics for each survey item and a series of cross-tabulations conducted with select variables to assess significant relationships, including comparison of 2009 with 2007 data when appropriate.

Tables and graphs<sup>1</sup> throughout the report illustrate results. The survey instrument is included in Appendix A.

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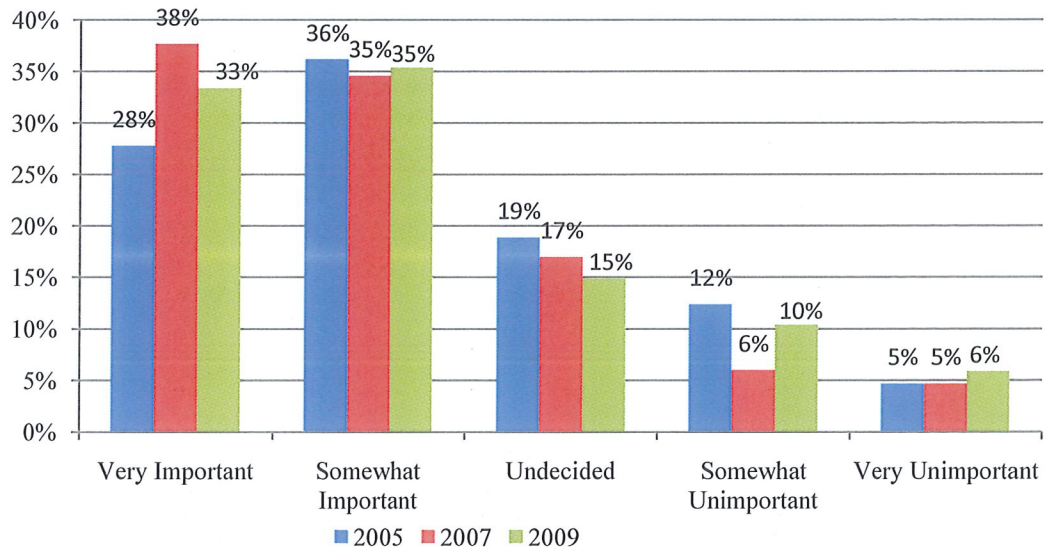
<sup>1</sup> It should be noted that X-axis scales vary due to range of response on individual variables.

**Questions 10 and 11. Please indicate how important providing grants to local non-profit organizations to improve community and natural resources, or to conduct energy-related educational programs\* is to you, and then rate your electric company on this characteristic.**

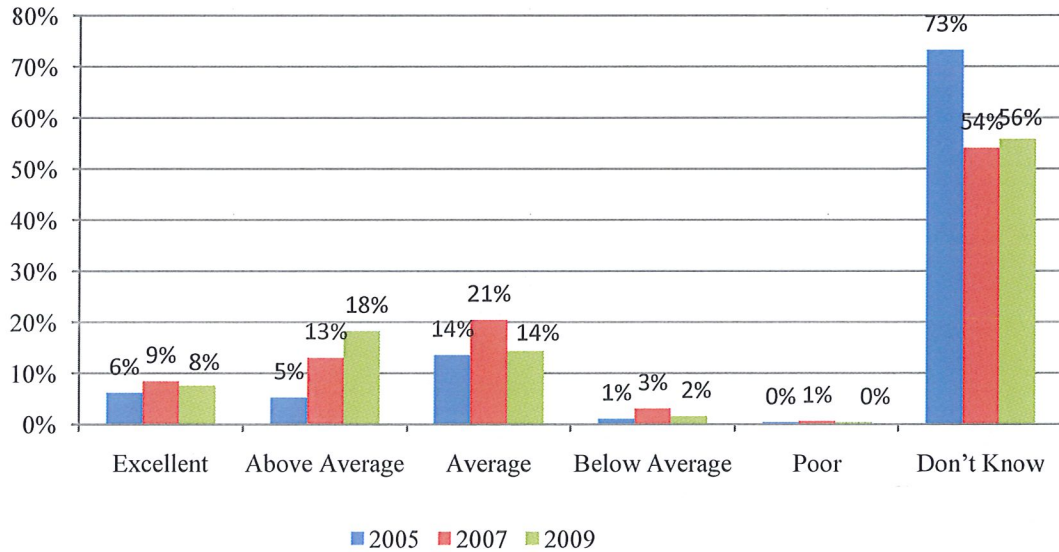
Providing grants to local non-profit organizations		Residential		Commercial		Overall	
		2007	2009	2007	2009	2007	2009
		% (count)	% (count)	% (count)	% (count)	% (count)	% (count)
Importance	Very Important	41.4% (127)	37.0% (125)	29.8% (42)	27.5% (60)	37.7% (169)	33.4% (186)
	Somewhat Important	33.2% (102)	31.7% (107)	37.6% (53)	41.3% (90)	34.6% (155)	35.4% (197)
	Undecided	16.3% (50)	15.7% (53)	18.4% (26)	13.8% (30)	17.0% (76)	14.9% (83)
	Somewhat Unimportant	5.2% (16)	9.8% (33)	7.8% (11)	11.5% (25)	6.0% (27)	10.4% (58)
	Very Unimportant	3.9% (12)	5.9% (20)	6.4% (9)	6.0% (13)	4.7% (21)	5.9% (33)
Effectiveness	Excellent	9.1% (28)	8.0% (27)	7.0% (10)	6.7% (15)	8.5% (38)	7.6% (43)
	Above Average	13.7% (42)	14.2% (48)	12.0% (17)	24.4% (55)	13.1% (59)	18.3% (103)
	Average	21.8% (67)	13.0% (44)	17.6% (25)	16.4% (37)	20.5% (92)	14.4% (81)
	Below Average	3.3% (10)	1.8% (6)	2.8% (4)	1.3% (3)	3.1% (14)	1.6% (9)
	Poor	0.3% (1)	0.3% (1)	1.4% (2)	0.4% (1)	0.7% (3)	0.4% (2)
	Don't Know	51.8% (159)	61.8% (209)	59.2% (84)	47.1% (106)	54.1% (243)	55.9% (315)

\*In 2005 this item read, "Providing grants for local non-profit groups and schools relating to the study or use of electricity."

**Graph 9. Providing grants to local non-profit groups: Importance**



**Graph 10. Providing grants to local non-profit groups: Effectiveness**





TRAVERSE CITY  
LIGHT & POWER

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**To:** Light and Power Board  
**From:** Karen Feahr, Energy Supply Manager  
**Date:** December 22, 2011  
**Subject:** Evaluation of the Kalkaska Combustion Turbine

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Goal #2 under the Strategic Plan is to "Resolve long term baseload requirement deficiencies." Objective (b) under Goal #2 is to "Complete an evaluation of the Kalkaska Combustion Turbine and make recommendations by 12/31/11." The attached explanation and spreadsheet provide the evaluation. The spreadsheet provides the net present value for the "Cost of Selling the CT vs Cost of Keeping the CT." The evaluation indicates that over a 16-year period, the financial benefit to keep the CT is \$11 million greater than to sell the CT. The recommendation is to continue to own and operate the Kalkaska Combustion Turbine and to reevaluate the costs if forecasts change.

## EVALUATION OF THE KALKASKA COMBUSTION TURBINE

Debt Payoff of Total Project	\$28,000,000
Sale Price of Total Project	\$16,000,000
Debt Payoff - TCLP's Share (75.9%)	\$21,252,000
Sale Price - TCLP's Share (75.9%)	\$12,144,000

### Benefits of Owning the CT

- Capacity Credit
- Transmission Credit
- Hedge Against High Energy Costs on the Spot Market

### Capacity Credit

MISO requires every Load Serving Entity (LSE) to cover their load plus reserves with capacity. When you own generation, you receive capacity credit. You must purchase capacity for the difference between your load plus reserves and your owned generation. TCLP receives about 30 MW of capacity credit for the Kalkaska CT. This will be valuable in the future. Capacity costs are expected to increase from \$0.30/kW-Yr in 2012 to \$114/kW-Yr in 2023 and beyond.

Capacity costs are increasing because new coal burning plants will not be built and old coal plants will be retired over the next several years due to strict EPA guidelines for generation emissions. The remaining coal plants will be adding expensive emission mitigation capital costs which will increase the cost of energy generated from those plants.

### Transmission Credit

TCL&P purchased transmission ownership in conjunction with the development of the Kalkaska CT to cover transmission requirements to deliver energy generated by the CT. This transmission ownership provides current annual revenue to TCL&P of \$1,200,000. This revenue is expected to increase about 3% per year.

### Hedge against High Energy Costs on the Spot Market

Locational Marginal Prices (LMP) on the spot market reached over \$500/MWh in the summer of 2011. The average LMP in June when the CT ran was \$80/MWh and the average cost to run the CT was \$55/MWh. The average savings was \$25/MWh. It is estimated that the average LMP for all on-peak hours when the CT runs will be \$10/MWh more than the cost to run the CT in 2012 and will increase about 3% per year.

### Life of the CT

The analysis was performed using a 25-year life for the CT. The CT is expected to continue to operate for up to 40 years. Operation beyond the 25-year presumed life will increase its value to the owners.

## COST OF SELLING THE CT VS COST OF KEEPING THE CT

	Total	TCLP Share (75.9%)
Outstanding Loan Value	\$28,000,000	\$21,252,000
Sale Price	\$16,000,000	\$12,144,000

Year	Capacity Costs <sup>1</sup> (\$/kW-Yr)	TCLP Capacity Purchase (MW)	Capacity Cost	Capacity Present Value <sup>2</sup>	TCLP Transmission Credit <sup>3</sup>	Transmission Present Value <sup>2</sup>	Energy Purchased Instead of Generated MWh	Estimated Additional Energy Costs/MWh (\$/MWh)	Additional Energy Costs	Additional Energy Costs Present Value <sup>2</sup>
2011										
2012	\$0.30	30	\$9,000	\$8,654	\$1,200,000	\$1,153,846	19,000	\$10.00	\$190,000	\$182,692
2013	\$0.30	30	\$9,000	\$8,321	\$1,236,000	\$1,142,751	19,000	\$10.30	\$195,700	\$180,936
2014	\$5.00	30	\$150,000	\$133,349	\$1,273,080	\$1,131,763	19,000	\$10.61	\$201,571	\$179,196
2015	\$26.00	30	\$780,000	\$666,747	\$1,311,272	\$1,120,881	19,000	\$10.93	\$207,618	\$177,473
2016	\$81.00	30	\$2,430,000	\$1,997,283	\$1,350,611	\$1,110,103	19,000	\$11.26	\$213,847	\$175,766
2017	\$86.00	30	\$2,580,000	\$2,039,011	\$1,391,129	\$1,099,429	19,000	\$11.59	\$220,262	\$174,076
2018	\$77.00	30	\$2,310,000	\$1,755,410	\$1,432,863	\$1,088,858	19,000	\$11.94	\$226,870	\$172,403
2019	\$77.00	30	\$2,310,000	\$1,687,894	\$1,475,849	\$1,078,388	19,000	\$12.30	\$233,676	\$170,745
2020	\$78.00	30	\$2,340,000	\$1,644,053	\$1,520,124	\$1,068,019	19,000	\$12.67	\$240,686	\$169,103
2021	\$81.00	30	\$2,430,000	\$1,641,621	\$1,565,728	\$1,057,750	19,000	\$13.05	\$247,907	\$167,477
2022	\$80.00	30	\$2,400,000	\$1,558,994	\$1,612,700	\$1,047,579	19,000	\$13.44	\$255,344	\$165,867
2023	\$114.00	30	\$3,420,000	\$2,136,122	\$1,661,081	\$1,037,506	19,000	\$13.84	\$263,004	\$164,272
2024	\$114.00	30	\$3,420,000	\$2,053,963	\$1,710,913	\$1,027,530	19,000	\$14.26	\$270,895	\$162,692
2025	\$114.00	30	\$3,420,000	\$1,974,965	\$1,762,240	\$1,017,650	19,000	\$14.69	\$279,021	\$161,128
2026	\$114.00	30	\$3,420,000	\$1,899,005	\$1,815,108	\$1,007,865	19,000	\$15.13	\$287,392	\$159,579
2027	\$114.00	30	\$3,420,000	\$1,825,966	\$1,869,561	\$998,174	19,000	\$15.58	\$296,014	\$158,044
Total			\$34,848,000	\$23,031,359	\$24,188,258	\$17,188,094			\$3,829,807	\$2,721,448

### Net Present Value Evaluation

<b>If CT is Sold</b>	
Receive for Sale	(\$12,144,000)
Additional Outlay for Debt Payoff	\$9,108,000
Pay for Capacity	\$23,031,359
Pay for Transmission Service	\$17,188,094
Pay for Additional Energy Costs	\$2,721,448
<b>Cost to Sell the CT</b>	<b>\$39,904,901</b>
<b>If CT is Kept</b>	
Outstanding Loan Value	\$21,252,000
Fixed O&M Costs	\$7,215,691
<b>Cost to Keep the CT</b>	<b>\$28,467,691</b>
<b>Difference/Benefit to Keep the CT</b>	<b>\$11,437,210</b>

<sup>1</sup>Capacity costs for 2014-2027 are from the Ventyx Reference Case - Fall 2011 Workshop

<sup>2</sup>Using 4.0% for cost of money

<sup>3</sup>Using 3.0% for inflation