

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**TUESDAY, June 11, 2013**

At

**5:15 p.m.**

In 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: 06-06-13  
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 May 28, 2013. (Approval recommended)
- b. Consideration of a Decorative Lighting Policy. (Approval recommended) (Arends)
- c. Consideration of approving the 2013-2014 Insurance Renewal. (Approval recommended) (Arends)
- d. Consideration of the SUN Alliance Solar Garden Phase I Inter-Utility Agreement with Cherryland Electric Cooperative. (Approval recommended) (Doren)
- e. Consideration of adopting a MERS Resolution related to employee Glen Dine's request for additional credited service purchase. (Adoption recommended) (Arends)
- f. Consideration of GIS Agreement between TCL&P and City of Traverse City. (Approval recommended) (Arends)

#### Items removed from the Consent Calendar

- a.
- b.
- c.

#### 3. Unfinished Business

- a. Consideration of Chamber Letter of Understanding. (Arends)

#### 4. New Business

- a. Consideration of Strategic Planning Service Order – Hometown Connections. (Arends)
- b. Consideration of concurrence of Karla Myers-Beman for the position of Controller (Arends)

**5. Appointments**

None.

**6. Reports and Communications**

- a. From Legal Counsel.
- b. From Staff.
  - 1. M-72 Wind Turbine status update. (Olney)
- c. From Board.

**7. Public Comment**

/st

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Commission Chambers, Governmental Center  
Tuesday, May 28, 2013

**Board Members -**

Present: Barbara Budros, Jim Carruthers, Jeff Palisin, Bob Spence, Patrick McGuire

Absent: John Taylor

**Ex Officio Member -**

Present: R. Ben Bifoss

**Others:** Tim Arends, W. Peter Doren, Stephanie Tvardek, Scott Menhart, Tom Olney, Jessica Wheaton

The meeting was called to order at 5:15 p.m. by Chairman McGuire.

There being no objection from the Board, Chairman McGuire amended the order of the agenda to consider item 6(b)1 immediately following the Consent Calendar.

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

Chairman McGuire noted a correction to the May 14, 2013 Regular Meeting minutes, item 6(b)2 should read "...June 7, 2013."

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

- a. Minutes of the Regular Meeting of April 9 and May 14, 2013.
- b. Receive and file the minutes of the Charitable Giving/Sponsorship Ad Hoc Committee Meeting of May 2 and of the Executive Director Recruitment Ad Hoc Committee Meeting of May 14, 2013.
- c. Adoption of the 2013-2014 operating budgets and six year capital improvements plan.
- d. Property exchange with City of Traverse City.

CARRIED unanimously. (Taylor absent)

**Items Removed from the Consent Calendar**

None.

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

- b. From Staff.

1. Mary Templeton, Better Buildings Program, and Mark Clevey, Michigan Energy Office, provided an update on the TC Saves Program.

The following individuals addressed the Board:

Jessica Wheaton, Marketing & Community Relations Coordinator  
Brian Beauchamp, MLUI  
Sarna Salzman, SEEDS

### **Item 3 on the Agenda being Unfinished Business**

- 3(a). Consideration of Executive Director's Contract.

The following individuals addressed the Board:

W. Peter Doren, General Counsel

Jim Carruthers requested section 14 be amended to include "...physical or mental disability, family status, sexual orientation, gender identity..." reflecting the City of Traverse City's contract language. W. Peter Doren will make the recommended amendment.

Moved by Spence, seconded by Budros, to authorize the Chairperson to execute the Executive Director Contract 2013 with Timothy J. Arends subject to approval as to form by General Counsel.

The following individuals from the Public addressed the Board:

Rick Buckhalter, 932 Kelley Street, Ratepayer

CARRIED unanimously. (Taylor absent)

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

- 4(a). Consideration of additional funding for the Chamber/TCL&P Energy Efficiency Revolving Loan Fund.

The following individuals addressed the Board:

Tim Arends, Executive Director  
Laura Galbraith, Traverse City Chamber of Commerce  
W. Peter Doren, General Counsel

- 4(b). Consideration of seeking bids for service center security enhancements.

Moved by Budros, seconded by Palisin, that the Board authorizes staff to seek bids for Hastings Street building security enhancements as presented; and further directs staff to prepare contracts with the successful bidder(s) for the Board's consideration.

The following individuals addressed the Board:

Tim Arends, Executive Director

CARRIED unanimously. (Taylor absent)

**4(c).** Consideration of setting a Minimum Cash Reserve for 2013-2014.

Moved by Spence, seconded by Budros, that the Light & Power Board sets the utility's minimum cash reserve balance in the amount of \$9,525,000 for fiscal year 2013-2014.

The following individuals addressed the Board:

Tim Arends, Executive Director

CARRIED unanimously. (Taylor absent)

**4(d).** Consideration of a Sponsorship Policy.

The following individuals addressed the Board:

Tim Arends, Executive Director

W. Peter Doren, General Counsel

With the consensus of the Board, W. Peter Doren recommended the Policy indicate sponsorship requests will be approved by the Executive Director, within the Executive Director's spending authority.

With the consensus of the Board, Bob Spence recommended the 60 day prior request requirement be removed from the Policy.

Moved by Budros, seconded by Palisin, that the Light & Power Board approves the Sponsorship Policy as amended.

CARRIED unanimously. (Taylor absent)

**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. *Removed and considered following the Consent Calendar.*
2. Tim Arends presented an amended Decorative Lighting Policy for the Board's review.

The following individuals addressed the Board:

R. Ben Bifoss, City Manager

c. From Board.

1. Jim Carruthers spoke re: the Community Solar Informational meeting held at TCL&P on May 23, 2013.
2. Pat McGuire announced the resignation of Board Member John Snodgrass and recognized him for his service.

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

Rick Buckhalter, 932 Kelley Street, Ratepayer

There being no objection, Chairman McGuire declared the meeting adjourned at 7:01 p.m.

/st

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Tim Arends, Secretary  
LIGHT AND POWER BOARD

DRAFT



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**To:** Light and Power Board  
**From:** Tim Arends, Executive Director  
**Date:** May 29, 2013  
**Subject:** Decorative Lighting Policy

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At its May 28, 2013 board meeting the proposed Decorative Lighting Policy was introduced and reviewed by the Board. This new Decorative Lighting Policy will provide the utility, customers, and the board guidance in considering future decorative lighting projects in the utility service area. Changes have been incorporated based on the Board's input from that meeting, this item is appearing on the consent calendar for formal Board approval.

Staff recommends approval of the Decorative Lighting Policy as presented. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the agenda as an item under New Business. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

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

**THAT THE BOARD ADOPTS THE DECORATIVE LIGHTING POLICY AND  
RESCINDS THE DECORATIVE STREET LIGHTING POLICY ADOPTED  
11/13/1990 WITH AN IMMEDIATE EFFECTIVE DATE.**



Light and Power Department  
City of Traverse City, MI  
Adopted: November 13, 1990  
Amended: \_\_\_\_\_

## **DECORATIVE LIGHTING POLICY**

TO PROVIDE guidance to the Department in facilitating the development of Decorative Lighting Projects within the utility service area for Traverse City Light & Power Board consideration of approval. Further, to define ownership, operation & maintenance, system replacements, and funding options.

**DECORATIVE LIGHTING DEFINED:** A system consisting one or more luminaries where the Department has an existing distribution system with secondary voltage available that is not intended to illuminate a public street or roadway for motorist/pedestrian safety due to motor vehicle traffic. There are three types of decorative lighting systems within the community: Residential/neighborhood, Pedestrian/trail, and Commercial Districts. This policy covers only those projects that provide lighting in public areas or within the public right-of-way that are accessible to the general public. Projects within private developments and/or on private property shall be privately designed, constructed, and owned. Light & Power shall meter and bill private development projects at Board approved tariff rates.

**LIGHTING SPECIFICATIONS:** the Department shall design, furnish, install, and own all equipment and infrastructure comprising the decorative lighting system. Specifications will be in compliance with City of Traverse City Master Plan Urban Design Element, along with City of Traverse City regulations for lighting levels, if any. Environmental concerns and energy use are some of the factors that will be considered to limit the amount of lighting. Lighting will be installed to Department specifications, which will be regularly updated as technologies advance.

**MATERIALS/EQUIPMENT:** Poles and fixtures used for decorative lighting must be approved for use by the Executive Director. Approval will be based on operation, maintenance, conservation, and cost criteria. There are 2 styles of decorative fixtures that are currently approved: the acorn and the candy cane. The acorn is used in both residential and commercial districts; while the candy cane is used in the commercial districts. Fixtures other than styles supported by the Department will require approval by the Executive Director and may subject the requestor(s) to reimbursing the utility for any additional costs, including the cost of maintaining an appropriate level of inventory for repairs and/or replacement equipment and fixtures.



Candy Cane



Acorn

**INSTALLATION PROCESS:** This section will address when Decorative Lighting Systems will be installed and/or upgraded, the end of the service life, cost of replacement, and the approval process.

- a) **Installation/Upgrades:** Every effort will be made to install and/or upgrade Decorative Lighting Systems in conjunction with the City's plans for street reconstruction. During the annual Capital Planning Process, it is requested that the City Manager provide a written request to the Department's Executive Director on any City projects that will or could require decorative lighting additions/replacements. Additionally, the Department shall notify the City Manager in writing of any systems that are scheduled for replacement well in advance for City Capital Planning purposes.

It is anticipated that the City and the Department will work together to minimize project costs and to reduce the inconvenience/disruption to residents, businesses and visitors.

The Light & Power Board retains the right to deny or delay participation in any project.

- b) **End of Service Life:** The lighting infrastructure that the Department installs is designed to last approximately 20 to 30 years. At some point the cost to maintain the system becomes more than its present value and/or safety concerns have resulted in the infrastructure reaching the end of its usable service life. The end of service life will be determined by the Department's Executive Director. The end of service life shall not occur before all street lighting assessments are paid in full. When the end of service life is reached the Department may schedule its replacement in its Six Year Capital Improvements Plan for approval by the Board and City Commission. Approval of the Plan will determine that the system will be replaced. If the project is not approved the system will be scheduled for removal.
- c) **Cost of Replacement:** The Decorative Lighting System shall be owned, operated and maintained by the Department. Replacement of the system shall occur as follows:

- The related underground systems will be replaced, as required, with the entire cost borne by the Department. The underground distribution system supporting the Decorative Lighting System becomes part of the Departments overall distribution system upon its installation, and it shall be maintained and replaced in the same manner as any other underground distribution system.
  - The above ground equipment/fixtures shall be replaced with the cost of the equipment/fixture paid by the benefiting party. This can be done through special assessments, Tax Increment Financing, bonds, City Capital Projects Fund, or any other funding mechanism that reimburses the utility for the cost of the replacement fixtures/equipment. Whatever form of reimbursement is used, including the timeframe for reimbursement to the utility will be presented to the Board at the time the Board considers approval of the purchase or replacement equipment/fixtures.
  - The Light & Power Board retains the right to self-fund any project it deems in the best interest of the City or Light & Power.
- d) Approval Process: Time permitting; all Decorative Lighting Projects shall be included in the Light & Power Six Year Capital Improvements Plan (the “Plan”). The Plan will have been approved by the Light & Power Board, City Planning Commission and City Commission.

Initiation of a Decorative Lighting Project can be from either the City, Downtown Development Authority, neighborhood organization, or other interested parties. With approval of the Executive Director, staff will prepare conceptual plans and cost estimates for inclusion in the Plan (the cost estimate will separate the cost of fixtures, underground infrastructure and installation charges.) If outside of the Plan timing process, these conceptual plan and cost estimates shall be forwarded to the Board for consideration of participation in the project, along with a recommendation from the Executive Director.

Upon Board approval of the Plan, staff (or other party if by agreement) shall commence with engineering, design, and preparation of bid packages in coordination with the City or other party(s) so that Light & Power staff is prepared to seek bids in a timely manner for the project. Actual bids shall be submitted to the Board for final approval, as required by the Purchasing Policy.

The Department reserves the right to delay approved decorative lighting projects due to other priorities, at the discretion of the Executive Director.

**FUNDING:** The cost of a Decorative Lighting Project includes preliminary engineering, administration, design, installation, inspection, and final closeout. Generally, Light & Power’s contribution to Decorative Lighting Projects will include the cost of underground infrastructure,

engineering, administration, installation charges, inspections, and final closeout. The cost of fixtures, and their eventual replacement, shall be borne by the requestor or benefiting party.

- a) Decorative Lighting with Street Reconstruction Projects: Decorative lighting will be installed as part of a street reconstruction project at the request of the City and as approved by the Board. Decorative light fixtures will be purchased and installed by Light & Power. The cost of the fixtures shall be reimbursed to Light & Power as approved by the Board. Funding may come from the City's Capital Improvements Fund, TIF Funds, Grants, special assessments, or other funds.
- b) Decorative Lighting Stand Alone Projects: Decorative lighting can be installed in advance of street reconstruction or along designated recreation/pedestrian trails in the public right-of-way. Decorative light fixtures will be purchased and installed by Light & Power. The cost of the fixtures shall be reimbursed to Light & Power as approved by the Board. Funding may come from the City's Capital Improvements Fund, TIF Funds, Grants, special assessments, or other funds.
- c) Operation and Maintenance Costs: Decorative lighting that has been installed in the public right-of-way and to Light & Power standards (lighting levels and equipment used) will be owned by the utility. The operation and maintenance costs for decorative lighting are borne by Light & Power in accordance with the City of Traverse City and Traverse City Light & Power Street Lighting Operations and Maintenance Policy adopted on June 22, 2010 reference here.

As in all lighting projects, Light & Power retains the right to self-fund projects it deems in the best interests of the community or Light & Power.


This policy supersedes and replaces the Decorative Street Lighting Policy adopted on November 13, 1990, and all other policies in conflict with this policy.

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Timothy J. Arends,  
Executive Director and Secretary  
Traverse City Light and Power Board



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**To:** Light and Power Board  
**From:** Tim Arends, Executive Director   
**Date:** May 25, 2013  
**Subject:** 2013-2014 Insurance Renewal

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The Michigan Municipal League (MML) has submitted its proposal for liability and property insurance for fiscal year 2013-2014 in the amount of \$64,995. Attached is an Executive Overview from MML describing their company, the insurance process, and a list of benefits of pooling with MML.

This year there is an increase of 2.52%.

2009-10 - \$ 75,564  
2010-11 - \$ 69,781  
2011-12 - \$ 61,214  
2012-13 - \$ 63,392  
2013-14 - \$ 64,995

This item is on the consent calendar as it is deemed non-controversial. Staff recommends that the Board accept this proposal and authorize payment to MML for the 2013-2014 property & liability insurance premium. Approval of this item on the consent calendar means you agree with staff's recommendation.

If removed from the consent calendar it should be placed as a New Business item. If after Board discussion, you agree with staff's recommendation the following motion would be appropriate:

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

**THAT THE LIGHT AND POWER BOARD APPROVES PAYMENT TO THE MICHIGAN MUNICIPAL LEAGUE LIABILITY AND PROPERTY POOL IN THE AMOUNT OF \$64,995 FOR FISCAL YEAR 2013-2014 LIABILITY AND PROPERTY INSURANCE.**



# michigan municipal league

## liability and property pool

May 24, 2013

Mr. Timothy Arends, Controller  
**Traverse City Light & Power**

Re: Traverse City Light and Power Renewal Premium for 2013-2014.

Your renewal premium represents an increase of approximately 2.52% or \$1,602.

Line of Coverage	2012/2013 Premium	2013/2014 Premium	2012/2013 Deductible	2013/2014 Deductible
General Liability	\$12,218	\$14,973	\$0	\$0
Errors & Omissions	\$21,721	\$16,571	\$0	\$0
Property	\$17,968	\$18,190	\$5,000	\$5,000
Inland Marine – Mobile Station	\$273	\$277	\$1,000	\$1,000
Excess Liability 1 mm x 1 mm	\$5,410	\$7,492	N/A	N/A
Excess Liability 3 mm x 2 mm	\$5,802	\$7,492		
<b>Total</b>	<b>\$63,392</b>	<b>\$64,995</b>		

The Michigan Municipal League Liability and Property Pool appreciate your 28 years of membership and we are committed to providing you with the best comprehensive coverage and service.

Sincerely,

Connie M. Monson  
 MML Account Executive

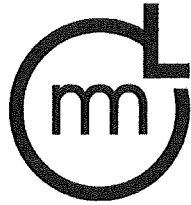
**Service Provider: Meadowbrook® Insurance Group**

Loss Control & Member Services: P.O. Box 2054, Southfield, MI 48037; (248) 204-6123; (800) 482-0626; Fax (248) 358-1614

Southfield Claims Service: P.O. Box 5174, Southfield, MI 48086-5174; (248) 204-6123; (800) 482-0626; Fax (248) 358-3251

Grand Rapids Claims: 3501 Lake Eastbrook S.E., Suite 150, Grand Rapids, MI 49546-5939; (616) 942-0311; (800) 752-7477; Fax (616) 942-0390

[www.mml.org](http://www.mml.org)



michigan municipal league

# Liability & Property Pool

## Renewal Proposal

for the

# City of Traverse City

Presented By:

Connie M. Monson Account Executive  
Meadowbrook® Insurance Group, Service Provider

May 24, 2013

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*This proposal is intended to be only a summary of coverages and services. For specific details on coverage terms and conditions, please refer to the Michigan Municipal League Liability and Property Pool coverage document.*



# Executive Overview

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The Michigan Municipal League Liability and Property Pool is administered by the Risk Management staff of the Michigan Municipal League, and serviced by Meadowbrook Insurance Group. Since 1982, the Pool has been a stable source of comprehensive municipal insurance and risk management services. It is financially secure and positioned for long-term stability.

The **City of Traverse City** has been a Pool member since **1985**.

The League administrative staff and the dedicated Pool staff at Meadowbrook Insurance Group are municipal insurance experts. Municipal risk management is our only business, and we're proud of it!

The Pool provides insurance coverage designed specifically for Michigan municipal exposures, combined with a package of loss control programs, claims administration, legal defense and membership services that you won't find anywhere else in Michigan.

This quotation is based on the limits of coverage requested by the **City of Traverse City**. Higher limits may be available, subject to underwriting review by Pool Management. Please submit requests for higher limits in writing to your Account Executive.

The insurance and related services described more fully in this proposal are being offered to the **City of Traverse City** for an annual premium of **\$320,182**.  
**Traverse City Light & Power** for an annual premium of **\$64,995**.  
**Total combined annual premium \$385,177.**

The MML Liability & Property Pool Board of Trustees voted to return another post-renewal dividend to Members renewing in 2013. Traverse City's portion of the dividend return is **\$49,799**. Traverse City will receive this dividend in the month following payment of your 2013 renewal premium.

We encourage you to compare the Pool with our competition. Compare us based on price, coverage, service, financial security, experience and commitment to municipal risk management. When you do, the advantages of Pool membership become clear.

Thank you for being a Pool member. We look forward to servicing your risk management program for many years to come.

## **Our Mission**

**To be a long-term, stable, cost-effective risk management alternative for members of the Michigan Municipal League Liability and Property Pool.**

# Introduction

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## ***What You Can Expect Of Us***

- ✓ A commitment to learn, understand and respond to your insurance needs;
- ✓ Continuous planning and innovation in product development and service delivery;
- ✓ Products that meet your needs in terms of price, coverage and service;
- ✓ Prompt, accurate, and courteous response to your questions, problems and claims; and
- ✓ Knowledgeable and professional staff serving your needs consistently and with integrity.

## ***Your Pool Insures More Than . . .***

- |  |                                     |
|--|-------------------------------------|
| ✓ 400 Public Entity Members                  | ✓ 188 Water Utilities               |
| ✓ 852 Licensed Emergency Medical Technicians | ✓ 7,000 Vehicles                    |
| ✓ 440 Licensed Paramedics                    | ✓ 19 Electric Utilities             |
| ✓ 143 Fire Departments                       | ✓ 25 Municipal Marinas              |
| ✓ 184 Law Enforcement Agencies               | ✓ \$4.15 Billion of Property Values |
| ✓ 5,535 Miles of Streets/Roads               | ✓ 205 Sewer Operations              |

These local communities are current Pool members:

Village of Elk Rapids  
City of East Jordan  
City of Manistee



## Coverage and Cost Summary City Of Traverse City

Effective 07-01-2013 to 07-01-2014

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Municipal General Liability (Coverage A)	\$5,000,000	N/A	\$0
Grand Traverse County for Inspection Services	\$5,000,000	N/A	\$0
Grand Traverse Ski Club	\$5,000,000	N/A	\$0
L&P \$5,000 deductible	\$5,000,000	N/A	\$5,000
L&P Payroll	\$5,000,000	N/A	\$0
Sewer Back-Up Sublimit	No Coverage	N/A	N/A
Personal Injury Liability (Coverage B)	\$5,000,000	N/A	\$0
Medical Payments (Coverage C)	\$10,000	N/A	N/A
Public Officials Liability (Coverage D)	\$5,000,000	N/A	\$0
L&P Payroll	\$5,000,000	N/A	\$5,000
Law Enforcement Liability (Coverages A, B, and D)	\$5,000,000	N/A	\$0
Employee Benefit Liability	\$1,000,000	\$1,000,000	\$0
Fire Legal Liability	\$100,000	N/A	N/A
Dam Liability	No Coverage	N/A	N/A
Marina Operator Liability	No Coverage	N/A	N/A
Automobile Liability (Coverages A and B)	\$5,000,000	N/A	\$0
# Vehicles	Comp	Coll	
132	\$500	\$1,000	

Agreed Amount, if applicable 5 Vehicles for a total of \$2,659,065

*Coverages A, B, and D are provided with a combined single limit of liability. The most the Pool will pay for any one occurrence is \$5,000,000 regardless of the number of coverages involved in the occurrence.*

### Property

Property - Blanket Basis	\$134,493,605	N/A	\$5,000
Boiler and Machinery	Included	N/A	\$5,000
Building(s)	Included	N/A	\$5,000
Cemetery Property - up to \$500 per headstone	# Plots: 25,000	N/A	\$5,000
Contents	Included	N/A	\$5,000
Property in the Open	Included	N/A	\$5,000
Protection & Preservation	Included	N/A	N/A
Property - Limited Replacement Cost, if applicable	\$0	N/A	\$0
Accounts Receivable	\$100,000	N/A	\$1,000
Consequential Damage	\$100,000	N/A	N/A
Contractor's Equipment	\$3,205,000	N/A	\$1,000

## Coverage and Cost Summary

### City Of Traverse City

Effective 07-01-2013 to 07-01-2014

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Debris Removal - the lesser of 25% of physical damage loss or	\$5,000,000	\$5,000,000	N/A
Demolition & Increased Costs of Construction Limit	\$100,000	N/A	N/A
Earthquake	\$2,000,000	\$2,000,000	\$5,000
Electronic Data Processing Equip	\$650,000	N/A	\$1,000
Expediting Expense	\$100,000	N/A	N/A
Extra Expense	\$400,000	N/A	N/A
Fine Arts	\$1,050,000	N/A	\$1,000
Fire Department Boats	\$89,000	N/A	\$1,000
Fire Equipment	\$1,644,000	N/A	\$1,000
Firearms Shooting Simulator	\$40,000	N/A	\$1,000
Flood (Except for Members located in Flood Zone A, AO, AH, A1-A999, AE, or AR)	\$1,000,000	\$1,000,000	\$5,000
Loss of Income	\$100,000	N/A	N/A
Loss of Rents	\$100,000	N/A	N/A
Mobile Station (Light & Power)	\$375,708	N/A	\$1,000
Ornamental Trees, Shrubs, Plants or Lawn	\$5,000	\$10,000	\$1,000
Personal Effects & Property of Others	\$500	\$2,500	\$1,000
Valuable Papers	\$125,000	N/A	\$1,000
Voting Equipment	\$119,885	N/A	\$1,000
<b><u>Comprehensive Crime Coverage</u></b>			
Employee Dishonesty Blanket/Faithful Performance	\$100,000	N/A	N/A
Depositors Forgery	\$100,000	N/A	N/A
Money and Securities Inside	\$100,000	N/A	N/A
Money and Securities Outside	\$100,000	N/A	N/A
Money Orders and Counterfeit Paper	\$100,000	N/A	N/A
<b><u>Bonds</u></b>			
Bond #: A Treasurer	\$250,000	N/A	N/A
Bond #: B Deputy Treasurer	\$100,000	N/A	N/A
Bond #: C Cashier Clerk #1	\$100,000	N/A	N/A
Bond #: D Cashier Clerk #2	\$100,000	N/A	N/A
Bond #: E Cashier Clerk #3	\$100,000	N/A	N/A

*Only one deductible applies to claims involving two or more property coverages.*



# Coverage and Cost Summary City Of Traverse City

Effective 07-01-2013 to 07-01-2014

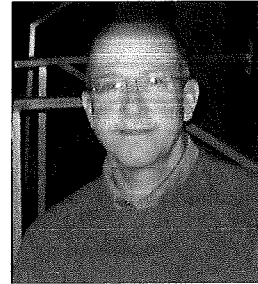
Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
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**The Michigan Municipal League Liability and Property Pool is pleased to offer all coverages and services described in this proposal for an annual premium of \$385,177.**

## ***Your Team of Experts***



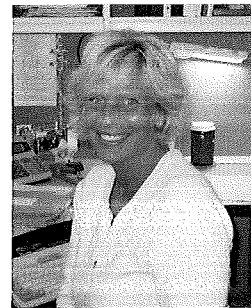
**Judy Thomson-Torosian**  
**Municipal Service and Sales Manager**  
**(248) 204-6137**



**Michael J. Forster**  
**Pool Administrator**  
**(734) 669-6340**

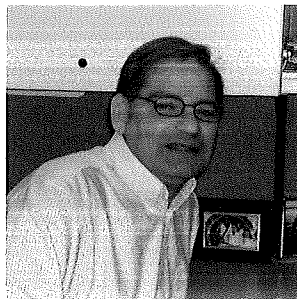


**Ellen Skender**  
**248-204-8582**

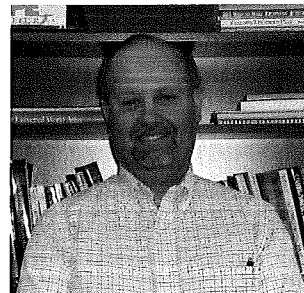


**Joan Opett**  
**248-204-8579**

### **Customer Service Representatives**



**Tom Weed**  
**Claims Supervisor**  
**(616) 942-0311, ext. 4123**



**Rod Pearson**  
**Loss Control Supervisor**  
**(248) 204-8036**

## ***Benefits of Pooling with the MML***

- ✓ Proven long-term availability and stability
- ✓ Broad coverage document written specifically for Michigan municipalities
- ✓ Services tailored to unique needs of Michigan municipalities
- ✓ Member assets controlled by an elected Board of municipal officials
- ✓ Equitable rating based on Pool experience in Michigan
- ✓ Aggressive defense strategy – positive impact on case law
- ✓ Professional, dedicated, and experienced local management, oversight and service
- ✓ Decisions made and problems resolved by a group of your peers
- ✓ Investment income and underwriting surplus used to benefit members
- ✓ Lower expenses through tax-exempt and non-profit status
- ✓ Special loss avoidance training sessions including:
  - ✓ Safety aspects of emergency vehicle operations
  - ✓ Accident investigation for supervisors
  - ✓ Confined spaces training

**The advantages of pooling can be summarized by:**

**Service + Control + Value**

***The City of Traverse City Has . . .***

- ✓ \$9,564,800 Annual Payroll
- ✓ \$110,065,492 of total values for real and personal property
- ✓ 28 Law Enforcement Officers
- ✓ 132 Vehicles
- ✓ 5 Fire Vehicles with Agreed Amount

***Increased Liability Limits***

We cannot guarantee the adequacy of any limit of liability. Due to the following factors, it may be prudent to consider higher limits:

- ✓ Increased jury awards in your jurisdiction
- ✓ Increased litigation trends
- ✓ Protection of tax base against judgments in excess of your policy limits

If you are interested in increasing your liability limits, please contact your Account Executive.



# Highlights of Coverages Provided

## Who Is Insured?

The Pool member entity, elected and appointed officials, employees and authorized volunteers, and any person officially appointed to a Board or Commission

## General Liability

In addition to standard liability coverages (bodily injury, property damage, products and completed operations) the Pool provides coverages that municipalities need on an **occurrence basis with no aggregate liability limits**:

- ✓ Liability resulting from mutual aid agreements
- ✓ Premises medical payments
- ✓ Host liquor liability
- ✓ Watercraft liability, owned less than 26' and non-owned less than 50'
- ✓ Special events *excluding* -
  - Fireworks (unless endorsed)
  - Liquor Liability
  - Mechanical Amusement Rides
- ✓ Fire legal liability for real property
- ✓ Ambulance and EMT malpractice

**Fireworks Coverage Options: (Fireworks application must be completed before coverage is endorsed)**

1. The MML Liability & Property Pool is primary (the Member is not added as an add'l. insured on pyrotechnician's coverage):  
Annual Aggregate Sublimit of \$500,000 or \$1,000,000 – **Additional Premium Applies**
2. The MML Liability & Property Pool is excess (the Member is added as an add'l. insured on pyrotechnician's coverage):  
**No Additional Premium**

- ✓ Athletic participation liability
- ✓ Employee benefit liability
- ✓ Pollution coverage for Hazardous Response Teams
- ✓ Marina Operators coverage available
- ✓ Cemetery operations coverage
- ✓ Up to \$10 million in liability limits available

## General Liability Exclusions . . .

The following is a partial list of general liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution (except for Hazmat operations).
- ✓ Nuclear energy / nuclear material hazards
- ✓ Aircraft Liability
- ✓ Breach of contract
- ✓ Failure of dams
- ✓ Backup of Sewers and Drains (exception -- \$100,000 Annual Aggregate Sublimit for Sewer and Drain Liability)
- ✓ Criminal activity / Intentional acts with knowledge of wrongdoing
- ✓ Contractual Liability
- ✓ Failure to supply utilities
- ✓ Expected or intended injury
- ✓ Electromagnetic radiation
- ✓ Medical malpractice for doctors and physicians

## Public Officials Liability Coverage

"Wrongful Acts", including intentional acts, defined as any actual or alleged error, misstatement, act of omission, neglect or breach of duty including:

- ✓ Neglect of duty
- ✓ Zoning defense and land use litigation
- ✓ Malfeasance
- ✓ Violation of civil rights
- ✓ Discrimination
- ✓ Employment practices
- ✓ Misfeasance
- ✓ Cable TV broadcasting

## Public Officials Liability Exclusions

The following is a partial list of public officials' liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution and Nuclear Energy
- ✓ Fraud, dishonesty, intentional and criminal acts
- ✓ Failure to purchase coverage or adequate coverage
- ✓ Return of governmental grants or subsidies
- ✓ Intentional acts with knowledge of wrongdoing
- ✓ Eminent domain / takings
- ✓ Illegal profit
- ✓ Labor union actions
- ✓ ERISA violations
- ✓ Backup of Sewers and Drains

## Personal Injury & Advertising / Broadcasters Liability Coverage

- ✓ Mental anguish and stress
- ✓ Libel, slander or defamation of character; violation of an individual's right of privacy
- ✓ Proactive services for non-monetary damage claims

## Police Professional Liability Coverage

Police Professional Liability coverage is contained within the General Liability and Public Official Liability Coverage Parts

- ✓ Discrimination
- ✓ Assault or battery
- ✓ Violation of civil rights
- ✓ Improper service of suit
- ✓ Jail operations
- ✓ Coverage assumes officers act with intent
- ✓ False arrest, detention or imprisonment, or malicious prosecution
- ✓ Wrongful entry or eviction or other invasion of the right of private occupancy

## Property Coverage

In addition to covering buildings, contents and personal property, the Pool provides:

- ✓ Blanket coverage -- All member-owned property insured (unless specifically excluded)
- ✓ Coverage based on ownership rather than on a "schedule on file" avoids coverage gaps due to errors or oversight
- ✓ Property of others in custody of the Member for which the Member has an obligation to provide coverage
- ✓ Boiler & Machinery coverage, including Boiler certification inspections
- ✓ Replacement Cost or Actual Cash Value available
- ✓ Fungal Pathogens (Mold) Limited Coverage
- ✓ Demolition/increased cost of construction
- ✓ No coinsurance
- ✓ Valuable papers
- ✓ Loss of Rents
- ✓ Property in the open
- ✓ Extra expense
- ✓ Expediting expense

## Property Exclusions

The following is a partial list of property coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Nuclear reaction/ contamination
- ✓ War
- ✓ Cyber Risk
- ✓ Fungal Pathogens (Mold) excess of sub-limit
- ✓ Failure to supply utilities
- ✓ Transmission Lines and Poles
- ✓ Dishonest acts
- ✓ Acts of Terrorism excess of Pool's Aggregate Sublimit -- MMLC TR (9/1/10)
- ✓ Wear and tear
- ✓ Computer failures/ viruses

Only one deductible applies to claims involving two or more property coverages.

## **Comprehensive Crime Coverage**

- ✓ Employee Dishonesty/ Faithful Performance of Duty coverage provided on a blanket basis
- ✓ Loss Inside the Premises
- ✓ Loss Outside the Premises
- ✓ Money Orders/ Counterfeit Currency
- ✓ Depositors Forgery
- ✓ Up to \$500,000 limits available
- ✓ Obligee, Official Bond and Oath, Position Fidelity Bond endorsements available

## **Automobile Coverage Highlights**

### **What Is Covered?**

Coverage is afforded while operating land motor vehicles, trailers or semi-trailers designed for travel on public roads.

### **Auto Coverages Provided**

- ✓ Michigan No-Fault Coverage, includes mini-tort coverage for no extra charge
- ✓ Excess protection for use of personal automobile for municipal business
- ✓ Uninsured motorist for municipally owned vehicles
- ✓ Underinsured motorists
- ✓ Non-owned and hired auto
- ✓ Comprehensive - actual cash value basis
- ✓ Collision - actual cash value basis
- ✓ Volunteer firefighter auto accident liability coverage
- ✓ Agreed value coverage for emergency vehicles is available
- ✓ Fire or Rescue Vehicle Rental Reimbursement Coverage

# Pool Risk Management Services

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- ✓ Review and service of all municipal insurance matters
- ✓ Public entity experts address various liability issues
- ✓ Aggressive, member-oriented defense strategy
- ✓ Former police officials address law enforcement risks
- ✓ Physical inspection by municipal loss control engineers
- ✓ Training video library available to members
- ✓ Law enforcement risk control programs (LEAF and LERC)
- ✓ Property appraisal services available

## **Member Education**

- ✓ Land use litigation awareness programs
- ✓ Sidewalk liability reduction programs
- ✓ Sexual harassment awareness training
- ✓ Hiring and employment practices
- ✓ Confined spaces entry training
- ✓ Barricading safety training
- ✓ Blood borne pathogens
- ✓ Liability issues for fire and EMS
- ✓ Occupational health concerns
- ✓ Back injury prevention

## **Online Services**

[www.mml.org](http://www.mml.org) (click on the *Insurance* button) – offers Pool members an outstanding resource for municipal risk management information and self-help tools in one attractive, simple-to-navigate location. File a claim on line. Download your renewal application. Request a loss control service visit. E-mail us a question. Other services available online include:

- ✓ Online Forms (including Sewer Backup Sample Documents)
- ✓ Risk Resources:
  - ✓ Risk Control Solutions
  - ✓ Safety & Health Manual
  - ✓ Risk Management is Good Management Program
  - ✓ Law Enforcement Newsletters
  - ✓ Video Catalog
- ✓ MML Pool Financial Statements
- ✓ Intergovernmental Contract
- ✓ Staff and Director Profiles and Contact Information

# Membership Responsibilities

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Membership in the Michigan Municipal League Liability and Property Pool provides numerous benefits. Likewise, individual members have certain responsibilities to the other members, which are detailed in the Intergovernmental Contract. The following is a summary of the membership responsibilities. Please refer to the Intergovernmental Contract, Articles 5 and 6, for more information.

- ✓ If a Member intends to leave the Pool, the Member must send a written notice to the Pool at least 60 days prior to its next renewal date.
- ✓ A Member must pay its premium when due. The Pool must give each member 20 days written notice of intent to terminate membership for nonpayment of premium. Payment of premium before the 20 days notice is effective will entitle the Member to reinstatement.
- ✓ Members must maintain membership or associate membership status in the Michigan Municipal League.
- ✓ A Member will allow attorneys employed by the Pool to represent the Member in defense of any claim made against the Member within the scope of coverage provided by the Pool. A Member will cooperate with the assigned attorneys, claims adjusters, service company or other agents of the Pool relating to the defense of claims for which the Pool is providing coverage.
- ✓ A Member will follow loss reduction and prevention measures established by the Pool.
- ✓ A Member will report to the Pool as promptly as possible all incidents that the Member reasonably believes may result in a claim against the Member.

## **Your Peers are Members**

*"...You set high standards of ethics and integrity. Our office has a substantial amount of comfort in knowing all our insurance affairs are handled by you. The amount of support material you provided is unmatched by any company we have dealt with. We feel that your company makes enormous efforts to make our jobs easier, which cut down on numerous man-hours. We are also very pleased to receive the competitive rates that are provided by the MML Liability & Property Pool. We look forward to working with you."*

**Stacy Hardy**  
Vienna Township  
Insurance Coordinator/ Bookkeeper

**Mike Zinn**  
Clio Area Library Board President

*"...I recently had an experience addressing a property claim with the Michigan Municipal Liability & Property Pool that I would like to share with you. The details of the claim are not that important, however, the way it was handled is the reason we continue to believe that the MML's insurance program is the best for municipalities like Tecumseh.*

*...I appreciate all that the MML Pool brings to the table in many areas, especially in insurance and for having responsible and dedicated individuals..."*

**Kevin M. Welch, City Manager**  
City of Tecumseh

*"On behalf of the City of Ionia, I would like to thank you and the Pool for continuing to provide the City, and all Pool members, with quality insurance and risk management services. The City continues to be a proud member and subscriber of the Pool's services and programs.*

*During the course of my municipal career I have had the opportunity to be exposed to a full range of the services that the Pool offers. I have also been involved in major losses and found that the Pool was prompt and fair in responding to the community's needs.*

*... Again, thank you for the quality services that you and the Pool provide."*

**Jason Eppler, City Manager**  
City of Ionia



TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**From:** W. Peter Doren, General Counsel  
**Date:** June 4, 2013  
**Subject:** Community Solar

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Since the Board approval of the SUN Alliance Solar Garden Phase I Inter-Utility Agreement with Cherryland Electric Cooperative on April 23, 2013, the arrangement between TCL&P and Cherryland has changed as to methodology, and we would like you to re-authorize the Inter-Utility Agreement.

The change in methodology is that instead of TCL&P customers purchasing solar credits or solar panels from Cherryland, our customers are going to contract with TCL&P and TCL&P will purchase those credits on the customers' behalf from Cherryland Electric. The reason for this change is that Cherryland did not wish to have direct dealings with TCL&P customers, but preferred to deal with them through our utility.

Staff recommends approval of the SUN Alliance Solar Garden Phase I Inter-Utility Agreement as presented. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the agenda as an item under New Business. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**  
**TO AUTHORIZE THE CHAIRMAN AND SECRETARY TO EXECUTE THE ATTACHED**  
**SUN ALLIANCE SOLAR GARDEN PHASE I INTER-UTILITY AGREEMENT IF**  
**APPROVED AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND FORM BY**  
**GENERAL COUNSEL.**



**SUN ALLIANCE SOLAR GARDEN PHASE I  
INTER-UTILITY AGREEMENT**

This Agreement is made the \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between CHERRYLAND ELECTRIC COOPERATIVE (“Cherryland”), with its principal offices at 5930 US 31 South, Grawn, Michigan 49637, and the TRAVERSE CITY LIGHT AND POWER DEPARTMENT (“TCL&P”), whose address is 1131 Hastings Street, Traverse City, Michigan 49686.

**RECITALS**

1. Cherryland has developed the Solar Up North Alliance (also known as the “SUN Alliance”) Community Solar Garden (“Solar Garden”) at its facility located at 5930 US 31 South, Grawn, Michigan 49637.
2. The Solar Garden is comprised of, among other things, photovoltaic solar panels (each a “Solar Panel”), and each Solar Panel constitutes one share.
3. The initial phase of the Solar Garden is referred to as “Phase I” and consists of, or is expected to consist of, 224 Solar Panels.
4. The Solar Garden interconnects with the Cherryland facility as a net metering project providing power to Cherryland’s headquarters.
5. Cherryland members may purchase investment shares in the Solar Garden and receive future billing credits (“Solar Garden Credit”) by paying a one-time upfront charge of \$470 per share. Cherryland and TCL&P wish to extend this program to customers of TCL&P thereby allowing them the opportunity to purchase investment shares and obtain credits on their TCL&P electric bills.
6. Cherryland and TCL&P recognize that contracts between power utilities are permitted by Michigan statute, specifically MCL 460.809.

**AGREEMENT**

In consideration of the above, Cherryland and TCL&P agree as follows:

1. Purchase of Solar Garden Investment Shares. Depending on availability, Cherryland will permit TCL&P to purchase Solar Garden investment shares on behalf of its customers by paying a one-time charge of \$470.00 per share. TCL&P and its customer will execute a Solar Energy Credit Purchase Agreement (“Purchase Agreement”) outlining the rights and obligations of TCL&P and its customer regarding the investment share(s) and the applicable billing credits, among other things. TCL&P customers who sign a Purchase Agreement are hereafter referred to as Participating Customers.

2. Payment. Cherryland will make monthly payments to TCL&P equal to the total of TCL&P's proportional share of the total Solar Garden net metering savings, if any, multiplied by a rate per kilowatt hour equal to Cherryland's annual wholesale cost of power less distribution charges which shall be calculated annually (for 2013 the rate is \$0.078/kilowatt hour). Payment shall be in a lump sum direct deposit to a TCL&P bank account.
3. Credits. For all amounts received from Cherryland on behalf of a Participating Customer, TCL&P will credit its current Participating Customers on the next monthly bill pursuant to its Community Solar Garden Phase I Rate ("Solar Energy Credit"). The Solar Energy Credit and Solar Garden Credit shall be collectively referred to as "Solar Credits."
4. Term. This Agreement shall be in effect for the duration of all TCL&P Participating Customer Solar Energy Credit Purchase Agreements entered into during Phase I of the Solar Garden project unless otherwise terminated by written agreement of TCL&P and Cherryland.
5. Transfers. Cherryland and TCL&P shall use their best efforts to approve and effectuate the requested transfer of a Solar Credit from, or to, a Participating Customer to, or from, a Cherryland Member. Cherryland and TCL&P acknowledge and understand that the transferee of a Solar Credit, if qualified, will be required to execute the requisite investment or purchase agreement with the utility that provides electrical service to the transferee.
6. Information Sharing. TCL&P may be constructing a solar garden, and the data from and experience of Cherryland may be helpful in the planning and development of it. The parties agree to share data, contracts, purchase information, design and siting criteria, and other information involved in or arising out of the planning, development and operation of the Solar Garden and future solar gardens. If any of such information is marked as confidential, the party receiving that information agrees to keep it confidential and not release it to a non-party unless expressly permitted by the party providing or producing the information.
7. Start-Up Costs. TCL&P shall reimburse Cherryland a pro-rata share (based on the percentage of TCL&P Participating Customer's investment share participation in the Phase I Solar Garden) of start-up costs that include the utility subsidy total of \$5,601.95, the net metering costs of \$2,000.00 and the interest on the advance of the federal tax credit in the amount of \$3,745.75. The chief executive officers of the respective parties shall determine a reasonable time in calculating this percentage based on program participation and completion. TCL&P shall further reimburse Cherryland \$15 per Solar Panel for installation costs for each investment share purchased by TCL&P.
8. Ongoing Maintenance Costs. Annual maintenance costs for the Solar Garden shall be shared by Cherryland and TCL&P on the same percentage basis as set forth in Section 7. Maintenance shall include property damage insurance for the Solar Garden Phase I. TCL&P's annual maintenance percentage shall be determined by the number of TCL&P

Participating Customer shares on December 31 of each year. Maintenance costs for a completed calendar year shall be invoiced to TCL&P by January 31 following completion of a calendar year. Invoices shall be paid by TCL&P within 30 days of receipt.

9. Ownership. TCL&P acknowledges and understands that Cherryland and/or Spartan Renewable Energy, Inc. will retain sole ownership, possession and control of the Solar Garden and each Solar Panel and will have the exclusive right to maintain and operate such Solar Panels and the Solar Garden.
  
10. No Purchase of Electricity. TCL&P and Cherryland acknowledge and understand that neither TCL&P nor its Participating Customers is purchasing electricity from the Solar Garden or Cherryland, and that their sole involvement is as an investor in the Solar Garden to encourage and support the use of renewable energy in the community. TCL&P and Cherryland also acknowledge and understand that Cherryland will interconnect the Solar Garden to Cherryland's facility located at 5930 US 31 South, Grawn, Michigan 49637 and treat the Solar Garden as a net metering project and all energy produced by the Solar Garden will be isolated and metered at the facility in compliance with Cherryland's net metering tariffs.
  
11. Governing Law. This Agreement shall be deemed to have been made in, and shall be constructed under, the laws of the State of Michigan.
  
11. No Third-Party Beneficiaries. This Agreement confers no rights or remedies on any third-party, other than the parties to this Agreement, and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CHERRYLAND ELECTRIC COOPERATIVE

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
By:  
Its:

TRAVERSE CITY LIGHT AND POWER DEPARTMENT

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By: Patrick McGuire  
Its: Chairman

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By: Timothy J. Arends  
Its: Secretary

Approved as to Substance:

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By: Timothy J. Arends  
Its: Executive Director


Approved as to Form:

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By: W. Peter Doren, Traverse City Light & Power  
Its: General Counsel




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**To:** Light and Power Board  
**From:** Tim Arends, Executive Director   
**Date:** May 31, 2013  
**Subject:** Consideration of Employee Credited Service Purchase

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Attached for your consideration is resolution authorizing Glen Dine, Chief Engineer, to purchase 1 year and 8 months of credited service for early retirement purposes. The Municipal Employees' Retirement System ("MERS") actuary has determined the value of this early retirement benefit to be \$65,240. The entire cost will be paid by the employee to MERS.

While the Board has a moratorium in place that disallows employees from purchasing generic service credit, I am requesting the Board to grant an exception in this case due to personal reasons of the employee. Mr. Dine has requested this and explained the personal reasons for the request with both myself and human resources. Under the circumstances, we have concluded that this is in the best interests of both Mr. Dine and TCL&P.

A Separation of Employment Agreement between TCL&P and Mr. Dine is contingent upon the Board's approval of this item. If approved by the Board, Mr. Dine's retirement date will be July 15 2013, with his actual last day worked as June 14<sup>th</sup>.

This item is appearing on the consent calendar as it is deemed a non-controversial item by staff. Approval of this item on the Consent Calendar means you agree with staff's recommendation to allow the employee to purchase generic service credit and approval of attached required resolution.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "items removed from the consent calendar" portion of the agenda for full discussion. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

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

**THAT THE BOARD APPROVES THE PURCHASE OF GENERIC CREDITED SERVICE TIME FOR GLEN DINE, AT HIS EXPENSE, UNDER THE MICHIGAN EMPLOYEES RETIREMENT SYSTEM AND ADOPTS THE REQUIRED GOVERNING BODY RESOLUTION.**



**APPLICATION FOR ADDITIONAL CREDITED SERVICE**  
**Cost Estimate, Member Certification and Governing Body Resolution**

**MEMBER**

Name: Glen I Dine  
 SSN: XXX-XX-9698  
 DOB: 7/14/1958  
 Age: 54 years, 10 months  
 Spouse's DOB: 1/31/1963

**CALCULATION DATE - 6/1/2013**  
 (Estimate Not Valid After 2 Months)

**BENEFIT PROGRAMS**

Benefit B-3 (80% max)  
 Benefit P55 (With 25 Years of Service)  
 Benefit FAC-5 (5 Year Final Average Compensation)  
 10 Year Vesting  
 E2 2.5% COLA for future retirees (03/01/2011)

**EMPLOYER**

Name: Traverse City Light & Power  
 Number/Div: 2811 / 01

**ESTIMATED FAC ON CALCULATION DATE: \$110,910.48**

**CREDITED SERVICE**

Member's Service Credit as of Calculation Date: 23 years, 2 months  
 Type of Credited Service to be Granted: Generic (Plan Section 7)  
 Amount of Credited Service to be Granted: 1 year, 8 months  
**Total Estimated Actuarial Cost of Additional Credited Service: \$65,240.00 [Payment Options on Reverse]**

**BENEFIT CALCULATION ASSUMPTIONS**

- It is assumed that the Member will continue working until the earliest date for unreduced retirement benefits. If the Member terminates prior to becoming eligible for unreduced benefits, the Employer understands and accepts that the actuarial cost will be different from the actuarial cost shown above.
- The Member's Final Average Compensation (FAC) is projected to increase 4.5% annually from the date of purchase to the date of retirement.
- The Plan's Investment Return is projected to be 7% annually.

**NOTE: Special Information regarding the calculation of the cost of this Service Credit Purchase is on page 2 of this report.**

**THE ADDITIONAL CREDITED SERVICE IS PROJECTED TO RESULT IN THE FOLLOWING CHANGES:**

	Retirement Date	Age	Service Through	Total Service	FAC	Annual Benefit
Before Purchase	4/1/2015	56 yrs., 8 mths.	3/31/2015	25 yrs., 0 mths.	\$120,231.74	\$67,630.32
After Purchase	8/1/2013	55 yrs., 0 mths.	7/31/2013	25 yrs., 0 mths.	\$111,727.13	\$62,846.52

*Note: MERS is not responsible for any Member or Employer supplied information, or any losses which may result if actual experience differs from actuarial assumptions. The Member and Employer are responsible for reviewing the information contained herein for accuracy, and assuming the risk that actual experience results in liability different than that estimated.*

**MEMBER CERTIFICATION**

I certify that the above information is correct and accurate. If this is a purchase of qualifying "other governmental" service, I certify that the service has not and will not be recognized for the purpose of obtaining or increasing a pension under another defined benefit retirement plan.

\_\_\_\_\_  
 Signature of Member

\_\_\_\_\_  
 Date

**APPLICATION FOR ADDITIONAL CREDITED SERVICE  
Member Certification and Governing Body Resolution**

**GOVERNING BODY RESOLUTION**

As provided by the MERS Plan Document, and in accordance with the Employer's policy there under, the additional credited service described above is hereby granted this Member by Resolution of the Governing Body of Traverse City Light & Power, at its meeting on \_\_\_\_\_. The Employer understands this is an estimated cost, calculated using actuarial assumptions approved by the Retirement Board. Any difference between the assumptions and actual experience will affect the true cost of the additional service. For example, changes in benefit programs through adoption or transfer of the affected employee to a division with 'better' benefits; increases in wages other than 4.5% per year; and changes to the anticipated date of termination, will affect the actual cost of the additional service (increase or decrease). Thus, actual future events and experience may result in changes different than those assumed, and liability different than that estimated. The Employer understands and agrees that it is accountable for any difference between estimated and actual costs.

\_\_\_\_\_  
Signature of Authorized Official from Traverse City  
Light & Power

\_\_\_\_\_  
Date

**MERS Use Only**

Payment Received:	Member Payment:
Service Credited:	ER Payment:
Signed:	

**PAYMENT OPTIONS**

The Member's share of the cost may be any amount from zero up to the total estimated actuarial cost, and is due at the time of purchase. The Employer's share is the balance of the total estimated actuarial cost not paid by the Member, and must be paid in a lump sum at the time of purchase.

**STEPS FOR PROCESSING APPLICATION FOR ADDITIONAL SERVICE CREDIT**

1. The cost estimate (Application for Additional Service Credit) is **valid for 2 months from the calculation date.**
2. If you are paying for the additional service by a rollover distribution from another pension plan (or traditional IRA), you must follow these steps:
  - Contact the other plan administrator (or trustee) to determine their rules for a distribution of your funds.
  - Complete the form "Certification of Qualified Rollover to MERS". After plan administrator signs form, return the completed original to MERS.
  - Send signed, approved Application for Additional Service Credit to MERS prior to sending any payment.
  - MERS' Finance Department will provide wiring instructions, if needed.
3. If you have any questions, please call MERS Employee and Retiree Services at 800-767-2308, or go to [www.mersofmich.com](http://www.mersofmich.com). MERS is a tax-qualified plan under section 401(a) of the Internal Revenue Code, pursuant to IRS Letter of Favorable Determination dated June 15, 2005.

**SPECIAL CONDITIONS APPLICABLE TO THIS CALCULATION**

Per employer, member returned to work from leave of absence 4/15/2013. It is assumed that service will be granted for April 2013 and all projected months, May 2013 through July 2013. All months are needed to allow member to reach 25 year service goal as of 8/1/2013.



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Tim Arends, Executive Director  
**Date:** June 4, 2013  
**Subject:** GIS Agreement

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The City is currently utilizing the County's hardware for their GIS hosting and administration. In January 2013, the City conducted a review of its GIS Program, performed by InfoGeographics, in which a recommendation was made to move the City's GIS data to TCL&P's infrastructure. The reasons for the recommendation are to better adhere to the current licensing agreement with Esri as well as to leverage performance enhancements to address the need for continuous service required for City operations.

Combining the GIS environments would simplify administration tasks as it would alleviate the need to maintain two separate identical environments. The greatest benefit from implementing the recommendations will provide a more efficient and effective way for the City and TCL&P to share GIS data for current and future projects.

The terms of the Agreement will allow a one year period during the 2013-14 fiscal year in which there will be no compensation for the services provided. The 2013-14 fiscal year shall be used to evaluate the partnership contemplated by this Agreement and determine allocation of costs, if any. The City and TCL&P shall consult with one another prior to the start of the 2014-15 fiscal year to amend the Agreement with any allocation of costs determined from the previous fiscal year. With this approval, Staff will begin working on the necessary technical steps to host and administer the City's GIS data and applications.

Staff recommends the Board agree to the terms of the Agreement as presented.

If the Board agrees with staff's recommendation of the Agreement between the City and TCL&P the following motion would be appropriate:

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

**THAT THE BOARD APPROVES THE GIS AGREEMENT BETWEEN TRAVERSE CITY LIGHT & POWER DEPARTMENT AND THE CITY OF TRAVERSE CITY FOR GIS SERVICES, AND FURTHER AGREES TO THE TERMS AND CONDITIONS AS SET FORTH IN THE AGREEMENT.**



**AGREEMENT REGARDING  
GEOGRAPHICAL INFORMATION SERVICES PROVIDED  
BY TRAVERSE CITY LIGHT AND POWER**

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the CITY OF TRAVERSE CITY, a Michigan municipal corporation, of 400 Boardman Avenue, Traverse City, Michigan, 49684, (the "City"), and TRAVERSE CITY LIGHT AND POWER DEPARTMENT, of 1131 Hastings Street, Traverse City, Michigan 49686, ("TCL&P").

WHEREAS, City personnel possesses certain Geographical Information Services (GIS) skills, but for some time the City has been without other specific GIS skill sets which are necessary for City operations; and

WHEREAS, the City wishes to enter into a partnership with TCL&P to provide the GIS skill sets the City does not possess, and

WHEREAS, TCL&P wishes to partner with the City to help provide those GIS skill sets, and

WHEREAS, TCL&P possesses the education, expertise, capability and the necessary licenses to assist with such GIS Services,

NOW THEREFORE, the parties mutually agree as follows:

1. Scope of Services. TCL&P through its GIS/IT Department shall dedicate qualified personnel to provide certain GIS services to the City equivalent to such Services as that Department provides for TCL&P as long as TCL&P employs qualified personnel, and including but not limited to:
  - GIS database administration, including hosting the City's GIS data
  - Assisting with developing and implementing a comprehensive GIS Plan
  - Implementing user access, roles and permissions
  - Establishing data standards and procedures
  - Overseeing GIS training.
2. Time and Place of Services. Geographic Information Services shall be provided on an as needed basis during normal business hours. TCL&P employees may provide GIS services remotely from the offices at TCL&P and need not relocate to City offices.
3. Compensation and Method of Payment. The parties agree that there shall be no compensation for the services provided pursuant to this agreement during the 2013-14 fiscal year. The 2013-14 fiscal year shall be used to evaluate the partnership contemplated by this agreement and determine allocation of costs, if any. The parties shall consult with one another prior to the start of the 2014-15 fiscal year to determine whether to amend this Section.

4. Period of Performance. The Services to be rendered under this Agreement shall commence upon execution hereof and shall continue until the end of the 2013-2014 fiscal year or until terminated as set forth herein. Once a determination of cost allocation is made pursuant to Section 3 of this Agreement, it is the intent of the parties to revise this Agreement accordingly and extend it indefinitely unless otherwise terminated as set forth herein.
5. Hardware. TCL&P shall provide the server and resources to host the necessary City data. If any hardware or software benefit the City only, it will be at the City's expense.
6. Independent Contractor. The relationship of the parties is that of independent contractors and in accordance therewith, the parties covenant and agree to conduct themselves consistent with such status and that neither they nor their employees, officers or agents will claim to be an officer, employee or agent of the other party or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. The parties do not intend the Services provided under this Agreement to be a joint venture.
7. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of their actual or perceived race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement.
8. Third Party Beneficiaries. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.
9. Entire Agreement. This Agreement constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein.
10. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.
11. Assignment. The parties agree that there shall be no assignment of this Agreement or any part thereof unless mutually agreed to in writing by both parties.
12. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree that if they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral

mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.

13. Venue. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.
14. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in the Agreement on behalf of the parties, such words shall be interpreted to be in the plural, masculine, or feminine as the sense requires.
15. Termination. The failure of either party to act in accordance with their respective responsibilities as outlined in this Agreement shall relieve the other party of any and all of its responsibilities under this Agreement. This Agreement may be terminated only after following the dispute resolution provisions contained herein. Termination shall be made by giving one hundred eighty (180) calendar days advance written notice by the Executor Director or City Manager to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance instructions or requirements.
16. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party to the Executive Director or City Manager at its address as specified in this Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.
17. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

CITY OF TRAVERSE CITY

TRAVERSE CITY LIGHT & POWER  
DEPARTMENT

\_\_\_\_\_  
Michael Estes, Mayor

\_\_\_\_\_  
Patrick McGuire, Chairman

\_\_\_\_\_  
Benjamin Marentette, City Clerk

\_\_\_\_\_  
Tim Arends, Secretary

APPROVED AS TO SUBSTANCE:

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R. Ben Bifoss, City Manager

APPROVED AS TO FORM:


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Lauren Tribble-Laucht, City Attorney



TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**From:** Tim Arends, Executive Director   
**Date:** May 31, 2013  
**Subject:** Chamber TCL&P Energy Efficiency Revolving Loan Fund Program

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Included in your packet is information related to the second request for funding of the Chamber TCL&P Energy Efficiency Revolving Loan Fund that was introduced at the May 28<sup>th</sup> meeting.

This Second Letter of Understanding has just a few minor changes: any of the remaining \$50,000 in funds be reimbursed to TCL&P if/when the Chamber discontinues the program; the Chamber is to provide TCL&P customer loan and energy optimization program information for those customers served by the funds provided, if requested.

Energy Optimization Funds in the current fiscal year's budget are available to fund this program. Staff recommends that the Board approve the Letter of Understanding between the utility and the Traverse City Area Chamber of Commerce.

If the Board agrees with staff's recommendation the following motion would be appropriate:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**  
**THAT THE BOARD AUTHORIZES \$50,000 (2012-13 BUDGETED LINE ITEM:**  
**CONSERVATION & PUBLIC SERVICES, "INCREASED ENERGY OPTIMIZATION EFFORTS")**  
**TO THE TRAVERSE CITY AREA CHAMBER OF COMMERCE TO FUND THE**  
***"CHAMBER TCL&P ENERGY EFFICIENCY REVOLVING LOAN FUND PROGRAM"***  
**CONDITIONED UPON THE CHAMBER AGREEING TO EARMARK THE FUNDS FOR**  
**FINANCING OF QUALIFIED ELECTRIC ENERGY OPTIMIZATION PROJECTS OF**  
**TCL&P CUSTOMERS ONLY; AND FURTHER AUTHORIZES THE EXECUTIVE**  
**DIRECTOR TO SIGN THE CHAMBER TCL&P ENERGY EFFICIENCY REVOLVING**  
**LOAN FUND SECOND LETTER OF UNDERSTANDING.**



TRAVERSE CITY  
LIGHT & POWER

Investing Our Energy In You

June 11, 2013

TRAVERSE CITY AREA CHAMBER OF COMMERCE  
202 E GRANDVIEW PARKWAY  
TRAVERSE CITY, MI 49684

Re: LETTER OF UNDERSTANDING – Chamber TCL&P Energy Efficiency  
Revolving Loan Fund

The Traverse City Light and Power Department (TCL&P) is pleased to assist the Traverse City Area Chamber of Commerce (Chamber) by providing funding to the Chamber in the amount of \$50,000 for the Chamber TCL&P Energy Efficiency Revolving Loan Fund (“Program”). TCL&P and the Chamber share an understanding of the importance to promote and encourage energy efficiency in the Traverse City area.

Commercial and industrial customers of TCL&P are some of the area’s largest consumers of electric power. TCL&P anticipates that with the cooperation of the Chamber in the selection of projects most likely to reduce electric demand at peak times, there could be a reduction in its costs of purchased power.

By signing below, the Chamber agrees to conduct the Program as described in Attachment A which is incorporated here by reference. The Chamber further agrees that the funds it receives from TCL&P for the Program will be earmarked to fund qualifying electric energy optimization projects of TCL&P commercial and industrial customers only. Furthermore, if and when the Chamber discontinues the Program, it agrees to reimburse any remaining funds initially provided by TCL&P. Further, the Chamber agrees to provide TCL&P loan status updates and customer energy optimization efforts funded by these loans.

Consistent with TCL&P’s strategic determination that achieving energy efficiency for commercial and industrial customers during system peak will benefit the utility, the Chamber shall report to the Light and Power Board the impact of this investment on reducing energy consumption during peak demand no later than June 30, 2014.

Sincerely,

Timothy J. Arends  
Executive Director  
Traverse City Light and Power Department

Traverse City Area Chamber of Commerce agrees to and accepts the terms detailed above this \_\_\_\_\_ day of June, 2013.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_



## ATTACHMENT A

### **Chamber TCL&P Energy Efficiency Revolving Loan Fund (“Program”)**

#### **Program Description**

The Chamber’s Energy Efficiency Revolving Loan Fund will extend to Traverse City Light and Power (TCL&P) commercial and industrial utility customers. The Program will provide low-interest micro-loans for businesses that are investing in energy efficient measures identified through a comprehensive energy assessment or audit.

#### **Project Selection Process**

Potential applicants will be required to complete a pre-qualification application via the Chamber’s website. A designated Loan Review Task Force will review and score qualified applications based on the following criteria:

- Must be a confirmed TCL&P commercial customer or industrial customer;
- Must be a Traverse City Area Chamber of Commerce member in good standing;
- Completion of a comprehensive energy assessment or audit;
- Proven reduction of electric demand at peak times;
- Capability of paying back loan;

#### **Terms, Interest Rates, and Fees**

Loan conditions will vary based on type of project and the needs of the borrower. The following identifies the average size, term, and interest rate:

- Loan Size: Up to \$50,000
- Loan Term: Up to 5 years
- Interest Rate: between 3% and 5%

#### **Administration**

The Chamber will provide the following administrative services for the Chamber TCL&P Energy Efficiency Revolving Loan Fund:

- Promote the Chamber TCL&P Energy Efficiency Revolving Loan Fund via the Chamber website and standard Chamber marketing and communications;
- Provide pre-qualification services of potential applicants;
- Monitor and service loan(s) for the term of the note;
- Establishment of a designated, restricted bank account;
- Produce auditor ready financial statements;
- Available to report to the TCL&P Board if requested;

In consideration for the above administrative services provided by the Chamber, it will retain 1.5% of the interest payments of any loan for the term of the loan. All loan principle and interest payments (less the 1.5% described above) will be re-deposited into the Chamber TCL&P Energy Efficiency Revolving Loan Fund for future use.



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**To:** Light and Power Board  
**From:** Tim Arends, Executive Director  
**Date:** May 31, 2013  
**Subject:** Board Strategic Planning

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A handwritten signature in dark ink, appearing to be "T. Arends", is written to the right of the header information.

As discussed at previous board meetings, I contacted Hometown Connections and requested a proposal for structured strategic planning services to assist the Board and staff in this very important area. The Board's Strategic Planning is the basis for the short and long-term direction of the utility. An experienced company of industry experts will give the process the best chance for success, and provide goals that are actionable by the Board and staff.

The attached proposal from Hometown Connections will be much more extensive than prior strategic planning sessions that encompassed one day. This process will last approximately four months and allow for education, online surveys, board and staff participation, and most importantly public participation.

Hometown Connections is proposing an intensive effort, however, they are willing to work with the Board on a less intensive approach if that is the desire of the Board. Considering the recent efficiency study, the makeup of newer board members, and several new staff employees at the utility, I recommend to more intensive approach for strategic planning. Future sessions (or updates) will require much less time and effort on everyone's part; and will not require starting from a blank sheet.

Based on the above reasons, staff recommends that the Board approve issuance of a Service Order for strategic planning services to Hometown Connections as detailed in their proposal. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

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

**THAT THE BOARD AUTHORIZES A SERVICE ORDER BE ISSUED TO  
HOMETOWN CONNECTIONS IN THE AMOUNT OF \$60,125, PLUS EXPENSES,  
FOR STRATEGIC PLANNING CONSULTING AND FACILITATION SERVICES  
AS IDENTIFIED IN ITS PROPOSAL.**



May 20, 2013

Tim Arends  
Executive Director  
Traverse City Light & Power  
1131 Hastings Street  
Traverse City, MI 49686

Dear Tim:

Based on prior conversations, you will find attached our proposal for consulting/facilitation services to assist Traverse City Light & Power (TCLP) in its strategic plan development.

Hometown Connections would be pleased to include TCLP among our public power clients for strategic planning. Having worked with a number of public power utilities across the nation, including recent engagements with Marquette Board of Light and Power and Holland Board of Power and Light, we believe that public power has an urgent need to act more strategically in planning for the next 20 to 50 years. The industry continues to undergo significant changes, spurred on by an escalation of state and federal mandates, changing power supply characteristics, environmental concerns and rapidly evolving technologies. Any utility that expects simply to replicate its past 20 years into the next 20 will be placing the utility, its customers and its community at risk.

Hometown Connections has developed a strategic planning process that is targeted specifically to public power. The process recognizes the unique place that public power resides, straddling both the technical world of power distribution and the political world that comes from being a highly visible government agency. We believe our strategic planning process can quickly move both staff and governing board members through these worlds, allowing the utility to be well positioned to serve its customers and community for years to come.

I look forward to discussing these options with you.

Sincerely,



Tim L. Blodgett  
President & CEO  
(303) 526-4515

## Proposal to Traverse City Light and Power for Strategic Planning Consulting and Facilitation

### HOMETOWN CONNECTIONS ROLE

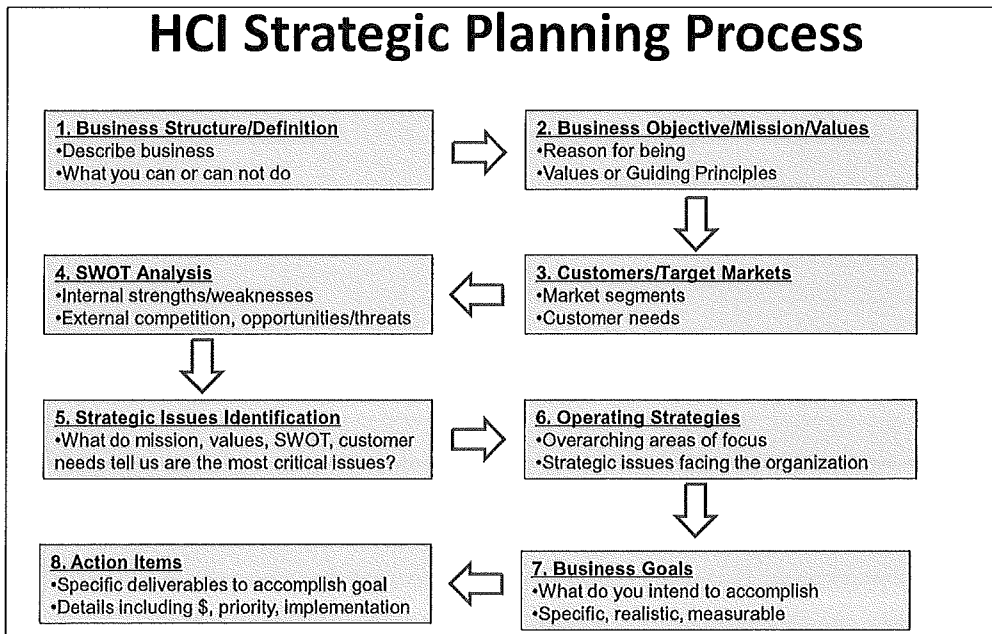
The role of Hometown Connections to TCLP is one of training and facilitation. Although we provide suggestions and input based on our industry knowledge and experience, our main value in the strategic planning process is training and facilitation. We train boards and staff on how to effectively utilize our Strategic Planning process. We also facilitate the implementation of this process by leading our clients through the development of a strategic plan at the macro and micro levels. The facilitation includes developing and tracking project timelines by working closely with the team leaders. We have found through experience that an outside trainer/facilitator can add tremendous value enabling all staff members to participate and be productive in this process.

### TEAM APPROACH

Based on our experience with other APPA members and our work to date with TCLP, we recommend a two-team approach. The first team, an “Advisory” team, would be comprised of the Executive Director and TCLP board members, responsible for setting direction, removing “road blocks”, reviewing and approving the strategic plan along the way. I would facilitate this team. The second team, an “Implementation” team, would be comprised of senior staff and key personnel responsible for developing and implementing the strategic plan. Steve VanderMeer would facilitate this team.

### STRATEGIC PLANNING PROCESS

Hometown’s simple and proven 8 step process.



**DURATION AND SCOPE**

Our proposal contains seven on-site meetings, including a Focus Group, with an estimated duration of 4 months which is highly dependent on TCLP Staff's ability to dedicate time to the process. Three of these meetings would be Advisory and four would be Implementation. We have included public participation components that are optional, either in whole or in part. Given the high public visibility of the utility over the past years, we believe that TCLP could greatly benefit from gathering the voice of the community during its strategic planning process. Further explanation is presented below. The scope of these meetings are as follows:

1. Advisory Meeting (Tim & Steve) = 1 day of facilitation plus 1 day of travel for Tim and Steve. The purpose of this meeting will be for the Advisory Team to understand and approve the process as well as define the objectives, deliverables, and timeline for the Implementation Team. This meeting will result in clear Implementation Team objectives and timing to complete along with a date for the next Advisory Team meeting. This meeting will be followed by an Implementation Team Meeting.
2. Implementation Meeting (Tim & Steve) = 2 day session. Day 1 would be a Strategic Planning Process training for all Implementation Team participants. Day 2 would include a rollout of the Advisory Team's expectations, a process of identifying deliverables, responsible parties, and a start on the work at hand. This meeting will result in an understanding of the overall process, objectives and timeline to complete. Also identified will be the next meeting's deliverables, the responsible parties, and a date for the next meeting.
3. Public Participation and Market Research (as described below) = Focus Group: One day onsite for focus group facilitation plus 1 day of travel for Steve. The Focus Group will precede the following Implementation Meeting. Random Sample Survey: one day offsite prep for project management plus \$12,000 for an outside market research agency. Online Survey: one day offsite prep for project management plus \$2,000 for an outside market research agency.
4. Implementation Meeting (Steve) = 2 day session. This meeting will overlap an Advisory Team's meeting. This meeting will begin with the responsible parties presenting their assigned deliverables to the team. The team will work as a group to complete other tasks, will prepare and present an update to the Advisory Team, and by meetings end, assign deliverables for the next meeting. This meeting will result in an update to the Advisory Team, the completion of certain deliverables, the assignment of new deliverables, the responsible parties, and the timeline to complete along with a date for the next meeting.
5. Advisory Meeting (Tim) = 1 day of facilitation plus 1 day of travel. This meeting will overlap an Implementation Team's meeting. This meeting will begin with an update from the Implementation Team on the work completed to date. The meeting will conclude with updated Implementation Team deliverables and timelines for completion along with the establishment of the next Advisory Team meeting.
6. Implementation Meeting (Steve) = 2 day session plus 1 day of travel. This meeting will begin with the responsible parties presenting their assigned deliverables to the team. The team will work as a group to complete other tasks, and by meetings end assign deliverables for the next meeting. This meeting will result in the completion of certain deliverables, the assignment of additional deliverables, the responsible parties, and the timeline to complete along with a date for the next meeting.
7. Implementation Meeting (Steve) = 2 day session plus 1 day of travel. This meeting will overlap an Advisory Team's meeting. This meeting will begin with the responsible parties presenting their

assigned deliverables to the team. The team will work as a group to complete remaining tasks and will prepare and present its final work to the Advisory Team. This meeting will result in the completion of the project objectives and deliverables assigned by the Advisory Team.

8. Advisory Meeting (Tim) = 1 day of facilitation plus 1 day of travel. This meeting will overlap an Implementation Team's meeting. This meeting will begin with a presentation of the Implementation Team's final work. The Advisory Team will then determine the need for future projects and if any, define the objectives, deliverables, and timeline for the Implementation Team along with a date for its next meeting.

Hometown will include a total of 6 days of preparation, including the 2 days for the public participation and market research, throughout this project for off-site support and assistance by Hometown staff to the Advisory and Implementation Teams.

### **PRICING**

Hometown will provide its services as defined above for \$60,125 (includes \$14,000 for public participation component). This includes a 10% discount off our standard consulting rate. This does not include Hometown staff's travel and living expenses, which we will bill at actual cost. Hometown will provide additional facilitation and consulting services, if required, for an additional fee.

### **PUBLIC PARTICIPATION COMPONENT**

Within public power, one of its key strengths is the direct line of accountability that takes place between the utility and its customer-owners. Unlike an investor-owned utility, with its emphasis on shareholder value, public power's shareholders are its customers, where sound strategic decisions will always create both shareholder and customer value. Public power utilities have a long history of capturing the voice of their customers and the community they serve. In many communities, this voice may be relatively easy to capture, either by virtue of the small size of the community or a fairly homogeneous community culture. It appears to Hometown Connections that there are a number of stakeholders in Traverse City who have divergent and at times incompatible visions of what role TCLP should play in the community.

In many public power towns, the electric utility largely operates under the radar of the community and occasionally even the city council or commission. This does not seem to be the case in Traverse City, where TCLP has been the subject of frequent news articles, differences of opinion between the two governing boards of the city and the utility have existed, and various special interest groups have pressed for specific utility actions or programs. The utility is being asked to assume a number of different roles in the community, some in response to customer priorities and others at the urging of non-customers.

It is Hometown Connections' opinion that a commitment to some level of a public participation effort as part of the strategic planning is important to the overall process. Hometown Connections staff has been involved with a number of citizen participation efforts, from large, community-wide visioning projects to more narrowly focused market research efforts. We believe there are a number of outreach tools that fall in the middle of these two ends of the spectrum, and that would help focus community dialogue on the utility, the role or roles that it should play, and people's satisfaction with utility today. To this end we can offer a number of different approaches, described below. Our recommendation for which tools to use is shown at the bottom.

Public Workshop Facilitation: Moderate one or more publically advertised workshops for the purpose of exploring community perceptions of the utility, identifying gaps in service delivery or programming, and building additional consensus on utility focus and role. Our assumption is that a single workshop, capable of accommodating up to 100 participants would be adequate. We believe far fewer than that could be expected to attend. If necessary, this workshop setting can be replicated several times, which could include daytime and evening forums to allow for citizens with different work hours and time commitments to attend. Should attendance warrant it, small group breakout sessions would be used. This allows a greater number of attendees to have a voice while in their breakouts, but still returns each group's findings to the large assembly.

A large format public meeting that is open to all makes clear that the utility is interested in the community's feedback and would like to hear the entire range of voices that exist and want to be heard. Because there is no control over attendees, it is certainly possible that the more aggrieved will be over-represented at such forums. Further, because of the potential for large numbers of attendees, the ability of all individuals to add their voice may be constrained, even with the small group breakouts. So while there are strong statements of support for the utility's embrace of public dialogue, the large format public meeting may not provide much additional focus or consensus.

Costs: Hometown Connections prep time for this workshop would be one day. This assumes all Traverse City logistics, such as meeting room reservation, advertising, flipchart and other materials provision would be handled by city and/or utility staff. The workshops themselves would be billed by the number of days onsite plus one day of travel unless combined with another onsite meeting in which case there would not be an additional day of travel.

Focus Group Facilitation: Moderate two or more focus groups of TCLP customers, including at a minimum one residential focus group and one commercial. Other options may also be desirable, including residential focus groups separated by city residents and non-residents. The focus group shares some of the purposes as the larger public meeting, but by managing the invitation list, we have the ability to control attendees, for example resident L&P customers only, or commercial customers only. This allows us to develop a more tightly constructed agenda for discussion focusing on that particular group's specific issues and needs. Further, with only a handful of customers in the discussion, Hometown Connections staff can play a more active role in fleshing out comments, testing assumptions and seeking any consensus that may exist. Staff or board members are welcome to observe, either in person or through video if the session were to be recorded.

Costs: Hometown Connections prep time for a residential and commercial focus group would be one day. This assumes all Traverse City logistics, such as meeting room reservation, flipchart, video camera (if desired) and other materials provision would be handled by city and/or utility staff. The focus groups themselves would be billed by the number of days onsite plus one day of travel unless combined with another onsite meeting in which case there would not be an additional day of travel.

Phone or Mail Surveys: Manage third party market research organization in developing a random sample survey of TCLP customers that seeks to quantify customer perceptions of the utility. Surveys and focus groups can each be conducted as a standalone activity. However, the use of a focus group in advance of a survey can lead to a better designed survey, matching survey language to better reflect the degree of comprehension survey population. Further, the focus group can provide some preliminary insight into which issues are of the highest priority for analysis through a survey. Hometown

Connections would recommend a survey that includes a large enough sample size that cross tabs could be run to show differences between resident and non-resident populations.

Costs: Hometown Connections would expect one day of time in project management and working directly with the survey organization to develop and test an appropriate survey instrument. An additional one day of time would be expected for survey interpretation. Hometown Connections has a longstanding partnership with a market research firm whose focus is primarily on public power. We would expect costs for their work not to exceed \$12,000. We would welcome the opportunity, however, to work with any preferred local market research resource. Either option assumes the availability and provision of clean electronic list of TCLP customers by the billing office.

Online Surveys: Random sample surveys are an effective means by which to build a strong and statistically defensible description of customer perceptions and satisfaction. Yet a complaint that many public institutions will face from constituents when survey results are reported out is that they were not given the opportunity to participate. Hometown Connections believes that public participation projects serve two important roles. First is to gather important and actionable information on which to base policy and program decisions. Yet equally important is the value of creating forums that offer significant opportunities for *any* constituent to participate. An online survey, using the same survey instrument as the random sample survey, creates just such a forum. Through bill inserts, billing office displays, press releases, website announcements, etc., TCLP can invite participation from any interested member of the public. Although the results would not be statistically significant, the results can nonetheless be compiled and compared against those of the other survey.

Costs: Hometown Connections would assume any firm capable of phone and/or mail surveys can also offer online survey options. Using the firm with which Hometown Connections is familiar, costs would not exceed \$2,000. Additional time by Hometown Connections staff would be minimal.

Each of these outreach activities can stand on their own, although there are advantages to developing them in an integrated approach. As the client, TCLP will want to weigh the need for both strong market research and providing opportunities for public participation against its budget. Our recommendation would be to conduct two focus groups – one resident and one commercial; a random sample survey of TCLP residential customers; and the online survey for any interested constituent. It is our belief that the issues facing TCLP are not of a magnitude that warrants a large format public workshop.



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**To:** Light and Power Board  
**From:** Tim Arends, Executive Director  
**Date:** May 31, 2013  
**Subject:** Controller New Hire

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A handwritten signature or set of initials, possibly "TA", enclosed in a hand-drawn circle.

An offer of employment has been extended to, and accepted by Karla Myers-Beman for the position of Controller at TCL&P. Karla has been employed by the City since 2006, most recently as the City's Deputy Treasurer/Assistant Finance Director since 2008. She possesses a wealth of knowledge of City and Light & Power's operations based not only on her employment at the City, but with her experience as a past independent auditor of its financial statements.

As required by the Executive Director's job description, the Board must concur with the hiring of a Controller for the utility. Attached is Karla's resume for your review and consideration of your concurrence. I highly recommend Karla for this position as she has the skills, abilities, and drive to move the utility forward in a seamless transition from her current position with the City to TCL&P. If approved by the Board, Karla would begin her new position on July 1<sup>st</sup> and assist the City Treasurers office throughout hiring and training her replacement.

While most Board members know Karla, she plans to be in attendance at your meeting for introductions and to answer any specific questions the Board may have. If you agree with my recommendation that the Board concur with the hiring of Karla Myers-Beman as the Controller for TCL&P, the following motion would be appropriate:

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

**THAT THE BOARD CONCURS WITH THE HIRING OF KARLA MYERS-BEMAN AS THE CONTROLLER FOR TRAVERSE CITY LIGHT & POWER.**

**Karla A. Myers-Beman**

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**CAREER OBJECTIVE**

To obtain a position within the governmental entity that will put in practice my accounting skills along with knowledge gained for the benefit of the organization while providing me new learning opportunities and a challenging work environment.

**PROFESSIONAL EXPERIENCE**

**City of Traverse City**

**Traverse City, Michigan**

Deputy Treasurer/Assistant Finance Director

**July 2008 - Current**

- Manage seven employees that prepare all utility bills, nonoperating invoices, accounts payable, payroll, journal entries, collections on delinquent accounts receivable and customer service for the City and Traverse City Light and Power.
- Prepare the City's annual budget and assist with the preparation of the annual financial statements.
- Manage special projects such as month end benefit posting, online utility account and credit card processing, water committee, and implementation of new software programs.
- Assist with modifying policies and ordinances.

**City of Traverse City**

**Traverse City, Michigan**

Financial Analyst/Compliance Officer

**March 2006 - July 2008**

- Reviewed internal controls in place for various systems within the City. Documented the systems and made formal recommendations.
- Prepared the annual financial statements and worked with the auditors to complete the annual audit.
- Contributed to various special projects, such as the city income tax study, Brown Bridge ballot proposal, analysis of in house vs out of house city attorney services, Light and Power work order system, AutoParking parking software selection and implementation.

**The Rehmann Group, Inc.**

**Saginaw and Traverse City, Michigan**

Audit Manager

**January 1998 - March 2006**

- Managed audit jobs primarily in the governmental and non-profit industries with clientele including counties, cities, villages, school districts, universities, and various non-profits.
- Supervised senior and staff accountants in various engagements.
- Acknowledged with commendable ratings in performance reviews by head principals in the Northern Michigan offices.
- Appointed and volunteered for several specific projects such as the selection committee of paperless software system, coach of the softball team, and author of customized audit programs used by the Northern Michigan offices.
- Prepared proposals and initiated introductory meeting with potential clients.

**EDUCATION**

**Michigan State University**

**East Lansing, Michigan**

Bachelor in Accounting

Graduation: December 1997

**OTHER ACTIVITIES**

**St. Mary's of Lake Leelanau Finance Committee**

**Graduate of Dale Carnegie and Dale Carnegie Leadership Training**

**Registered Certified Public Accountant**

**REFERENCES**

Available upon request



**TRAVERSE CITY LIGHT & POWER  
JOB DESCRIPTION**

**CONTROLLER**

**Supervised By:** Executive Director

**Supervises:** None

**Status:** Exempt

**General Summary:**

Under the general direction of the Executive Director, provides oversight of all financial and budgetary activities. Responsible for financial and administrative policy development and adherence, directs the budgetary process and monitors and refines all finance activities. Coordinates financial reporting with applicable City of Traverse City departments and assists the Executive Director in long-range financial planning and rate analysis. Serves as acting Executive Director during his/her short-term absence.

**Essential Job Functions:**

An employee in this position may be called upon to do any or 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.

1. Functions as chief financial officer with responsibility for financial and budgetary management and the coordination of administrative and financial processes.
2. Monitors and is responsible for oversight and quality assurance of the financial system as pertaining to budgetary issues and all financial and accounting systems. Works with the City Treasurer and other City departments on issues of budget, accounting, bonding and project financing.
3. Generates and develops the annual operating budget and capital plan. Provides oversight for strategic planning, rate structure modification, and the development and deployment of an enterprise-wide risk management program. Conducts cost-of-service studies, rate analyses, rate development, and long-term financial modeling.
4. Performs monthly journal entries and maintains general and subsidiary ledgers for TCL&P.
5. Performs and/or oversees research, compilation of information and data analysis. Audits and creates standard and special reports on various issues as requested. Investigates funding sources and organizes grant reporting related to finance.

6. Develops and administers performance reporting, document retention, purchasing and contract management, project costs/schedules tracking, policy and procedure compliance, disaster recovery planning and business planning.
7. Maintains a professional level of requisite knowledge in finance, accounting, utility rate analysis, customer accounting, customer service, collections, budgetary programs and projections. Keeps abreast of and maintains a financial chart of accounts to stay consistent with FERC & MISO requirements.
8. Assures compliance of Open Meetings Act for Light & Power Board as well as its subcommittees. Serves as Parliamentarian to the Light & Power Board by advising and assuring compliance with all applicable laws and administrative regulations.
9. Reviews Freedom of Information Requests. Oversees the gathering of information, prepares written responses, and coordinates processes with TCL&P's general counsel and applicable City departments.
10. Assists with the development and implementation of TCL&P's policies, rules and regulations. Also assists in developing organizational goals and objectives.
11. Consults with General Counsel regarding legal and charter compliance.
12. Keeps City departments informed of policy and activity changes for Light & Power.
13. Attends Light & Power Board meetings, and other agency meetings as directed by the Executive Director, or, in his/her absence.
14. Develops and monitors key financial and performance statistics as they relate to the municipal power industry.
15. Responds to MPPA billing issues and financial concerns.
16. Assists with more complex customer service issues as required.
17. Serves as Executive Director during periods of short-term absences of the incumbent, as so directed.
18. Performs other duties as assigned.

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

The requirements listed below are representative of the 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.

- Bachelor degree in finance, accounting, or related field, plus seven or more years of progressively greater experience in the administration of accounting and budgetary systems.
- CPA or CPFA preferred, but not required.

- Comprehensive understanding of all aspects of public utility finances including budgeting, cash flow analysis, financial accounting, investments and cash management.
- Skill in interpreting financial data and developing operating budgets and capital plans.
- Skill in planning, directing and prioritizing projects.
- Skill in identifying financial issues and proposing and implementing upgrades or solutions.
- Working knowledge of mainframe applications, utility rate structures, investment portfolio theory, accounting system practices, capital markets, economic analysis, business plan development, process design and customer service policies and practices for a utility.
- Ability to use basic office equipment such as telephone, calculator, photocopier, fax, personal computer and applicable software applications such as word processing, spreadsheet, database and specialized financial applications.
- In addition to the above 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 instructions 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, sobriety, integrity and loyalty as it pertains to and 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 regularly required to communicate in person and by telephone, read regular and small print, view and produce written and electronic documents and enter data on a computer keyboard with repetitive keystrokes. The employee must be mobile in an office setting, stand, sit, stoop and kneel, use hands to finger, handle, or feel and reach with hands and arms. The employee must occasionally lift and/or move items of light weight.

The typical work environment of this job is a business office setting where the noise level is quiet and sometimes moderate.



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** TCL&P Board of Directors  
**From:** Tom Olney, Operations Manager *TO*  
**Date:** June 5, 2013  
**Subject:** M-72 Wind Turbine Update

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Last November I reported that the wind turbine had failed in late August 2012 and that Vestas (wind turbine company in Wisconsin) had assisted TCL&P in determining that the problem was a failed rotor current control (RCC). The board then approved to replace the RCC at a cost of \$37,746.69.

We received the new RCC December 27<sup>th</sup> and installed it on January 4<sup>th</sup> of this year. It failed two days later. We accepted Vestas' recommendation to run the wind turbine without the RCC at half power (300 KW).

At the January 22<sup>nd</sup> board meeting, I reported that the wind turbine continued to operate without the RCC and that TCL&P was trying to work with Vestas to obtain the services of a mechanic who could assist us with trouble shooting since we did not know what caused the RCC to fail.

After unsuccessfully obtaining further assistance from Vestas, TCL&P contracted two technicians from Broadwind Services out of South Dakota to travel to Traverse City to inspect and evaluate the wind turbine at a cost of \$8,036. A very thorough inspection, that included a bore scope as well as other specialized tests, revealed that the wind turbine "appeared to be well maintained, was in good shape overall, and should last at least another six years." In addition, they reported that the gearbox was in good shape. It was also determined that nothing in the generator caused the RCC to fail. They did strongly suspect that the RCC was in need of repair but needed specialized equipment at their lab in South Dakota to verify as well as repair. They also recommended replacing a cable leading from the generator to the RCC to eliminate the possibility of that component being defective.

After replacing the cable, it was confirmed that the RCC purchased from Vestas in December of last year was defective.

Following a lengthy search by Vestas, they sent TCL&P a replacement RCC at no charge, as the RCC that failed was still under warranty in early April. The replacement RCC was installed on April 16<sup>th</sup>, with the assistance of a Vestas technician, and failed on April 19<sup>th</sup>.

TCL&P then contracted with Broadwind Services to repair the RCC that we had taken out prior to the two new replacement RCCs from Vestas.

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 11, 2013

TCL&P received the repaired RCC from Broadwind this past Friday, May 31<sup>st</sup> and plan to install it on Thursday, June 6<sup>th</sup>. The cost of the repair was \$3,443.34. Broadwind, however, will not guarantee the repair due to the age of RCC.

TCL&P is attempting to get a refund for the defective RCC that was received from Vestas in early April, which replaced the first RCC that Vestas sent TCL&P last December.