

MEETING NOTICE

A SPECIAL MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, January 29, 2013

At

5:15 p.m.

In The

COMMISSION CHAMBERS

(2nd Floor Governmental Center)

400 Boardman Avenue

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

AGENDA

Pledge of Allegiance

Roll Call

1. Presentation and discussion of Mary Grover interviews regarding the Executive Director and next steps in the search process.
2. Public Comment

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4942

Posting Date: 01-28-13
9:00 a.m.

MEMORANDUM

To: Members, TCL&P Board
From: Mary M. Grover
Subj: **Profile data, and a proposed profile**
Date: January 25, 2013

What is a Profile and What is its Purpose?

A position profile specifies the educational preparation and degrees, work experiences, skills, expertise, and characteristics that an employer is looking for in candidates who may apply for the job. Some of the elements may be required, some may be preferred (or hoped for) but not required. In our case, the purpose of the profile is to clarify for the Board, for the chosen executive search firm and for potential candidates, the kind of person the Board is looking for to fill the position of Executive Director (ED).

The Central Question

What qualifications, experiences, skills and characteristics must the next TCL&P Director have in order to be successful with the staff, the Board, the City Commission and the community?

The Interviewees

I conducted in-person and telephone interviews with eight Board members (voting and non-voting), the TCL&P attorney, nine staff members, and the Mayor and three City Commissioners. (One City Commissioner declined the invitation to participate, saying the Commission appointed two Commissioners to the Board and he is confident that they know, better than he, what the Board needs.)

Compiling the Response Data

The perspectives of these twenty-two people are divided into three groups: Board members, attorney and staff members, and the elected members of the City Commission who don't serve on the Board.

Some of the responses were heard more than once, and these are followed by numbers in parentheses, indicating frequency. In referring to the ED, I used the male pronoun to avoid using the awkward she/he. To the extent possible, the responses are loosely grouped by the gist of what was said.

Frequent Themes

Good communicator was a common theme, mentioned by people in all three groups. Often a communicator was described as someone who *listens*, and sometimes as someone who knows what he's talking about. The gulf between the "techie" and the lay person was best described as someone who "can put himself in the position of a non-technical listener in order to help that person understand complex and technical things." As one elected official said, it's almost like being fluent in two languages, having an ability to "bridge two worlds and be able to communicate with each: the technical and the [non-technical] public."

Muni experience was often seen as a necessity or a plus. For the uninitiated, an explanation: Cities or villages with municipal electric systems provide electric service to their residents, just as local governments commonly provide water and sewer service. As units of local government, municipal electric systems or munis are non-profit, community owned and operated, and regulated directly by the city and the customers they serve. An investor owned utility, or IOU, is the private corporate structure, such as Consumers Energy.

Respondents emphasized the relevance of muni experience because the governance and policy-making structure is very different from an IOU. People came at this from different directions. The ED must be "responsive to a volunteer board

that doesn't have expertise in the industry;" "understands that the ED is accountable to the Board, the Board is accountable to the City Commission, and the City Commission is accountable to the citizens;" and "has an appreciation of transparency, both with the Board and with the public," all in public view.

An engineering background or a specifically electrical engineering background? A divergence of opinion is evident in the data about the ideal technical qualifications needed in the Executive Director. Most, but not all, of the staff engineers and technicians thought engineering, or better yet *electrical* engineering, should be required. As one respondent said, "If you have a flock of sheep, you don't hire a taxi driver to look after them." A few preferred an engineering background with experience or education in organizational administration or management.

Still others, in all three groups, said the primary responsibility of the ED is the management of people and processes, for which an engineering background would be helpful but not essential. These people said the ED could rely on the electrical and other engineering expertise on staff, or specific expertise could be hired, either temporarily or permanently. One Board member summarized the issue: "We shouldn't limit ourselves to electrical engineers, although it would be a plus if the person has industry experience. It's more important that the ED understands he works for a public board, in public."

These varied opinions reflect an important decision the Board will have to make in defining the profile, and in hiring: Should a background in engineering, electrical or other, be a requirement?

These are the primary themes that I heard. As you read through the compiled data you may find more themes and ideas that you may want to include in the position profile. I'll get you started with a draft of a simple profile. (I didn't include the details of remuneration, benefits, etc.) Keep in mind that an executive search firm would no doubt revise or draft anew whatever we do at this point in the process.

Draft of a Profile for the Position of TCL&P Executive Director

Traverse City Light and Power (TCL&P) invites qualified candidates to apply for the position of Executive Director. Located in Traverse City, Michigan (population approximately 15,000) TCL&P is a municipally owned utility with 41 employees who serve about 12,000 residential, commercial and industrial customers.

The Executive Director is accountable to a seven member volunteer board, appointed by the City Commission and subject to Michigan Open Meetings and Freedom of Information laws. The position requires a bachelor's degree in engineering, business administration, public administration, or a related field. A graduate degree in a related field will be an advantage. The board is looking for candidates with at least 5 years of professional experience in managing employees and complex processes in a related field, and, ideally, working with a public board. Supervisory experience in a municipal utility or in a similar system is highly desirable, as is an understanding of the changing landscape facing electric utilities, including compliance with renewable portfolio standards and other new regulations.

The successful candidate will be skilled in communication, both written and oral, with an ability to convey technical and complex information to non-technical audiences, whether members of the board or members of the public. This candidate will at ease in dealing with people in both formal and informal circumstances.

Profile Suggestions from Eight TCL&P Board Members

Educational background

1. *Is there a basic educational background that this person should have?*
 - Four year degree (BA or BS) (3)
 - The ED doesn't have to be an engineer (2)
 - Education that provides a broad perspective about the energy field now and into the future
 - A degree in engineering, not necessarily electrical
 - Degree in public policy, engineering or public administration
 - Business degree
2. *Beyond that, what academic preparation would be a plus?*
 - An advanced degree in a related field (2)
 - Post-graduate degree in public administration
 - An advanced degree would be a plus but not necessarily in engineering
 - An advanced degree in business

Professional training and experiences

3. *What kinds of job experiences would prepare this person to be the TCL&P Executive Director?*
 - Demonstrated ability to transform or improve an organization; know tactics in navigating change (2)
 - Electric utility experience; the job would be difficult without it
 - Engineering and business background
 - We shouldn't limit ourselves to electrical engineers, although it would be a plus if the person has industry experience. It's more important that the ED understand he works for a public board, in public.
 - Supervisory experience in a muni, or in a local government Department of Public Works, or in a municipality generally
 - Organizational skills, understands professional relationships and munis
 - Managing people within an organization, and being responsive to the community
 - Experience in the field of renewable energy with knowledge of the next generation of power generation, and conservation
 - A progressive resume showing advances in responsibility
 - Somebody who has experience in an executive position such as general manager or ED or lead person, but a #2 person is OK
 - Business experience; knows how to run a business efficiently and effectively; looks for ways to do things better, smarter, leaner
4. *Is there a particular or specific professional experience that you see as essential?*
 - Experience in managing employees and working with a public board (3)
 - An engineering background is important
 - Demonstrated ability to get the job done
 - #1 is a good administrator or manager; the ED can hire engineering expertise if it isn't already on staff
 - A core requirement is to have managed some strategic part of a public utility (power, water, telecommunications, etc.) and managed how the utility presents itself to its regulatory overseers

- Has successfully managed a process or project from start to finish, making sure the process works and is understood by policy-makers

Management style

5. *The Executive Director speaks for TCL&P within the community. What should the ED do, and not do, to be effective in dealing with the public?*
 - An ability to translate the technical to the lay person, whether on the Board or in the community (2)
 - ED must have good communication skills
 - Respectful and responsive to the public
 - Honest, direct and professional
 - A strong communicator, giving community (and the Board) unbiased options along with a professional recommendation
 - Experience in serving on community board would be helpful, giving this person a broader perspective
 - In emergency situations, be out front stressing safety concerns, providing up-to-date and accurate information
6. *The Executive Director establishes the "environment" within the TCL&P organization. How would you describe a healthy and productive work environment?*
 - Be good at delegation, require accountability, and be trusting of employees' expertise
 - Employees feel they are valued members of the team, feeling proud of their roles and of the organization
 - Employees believe what they are doing is important
 - Employees feel free to express concerns
 - Skill in negotiating contracts inside and outside TCL&P
 - Establish measurable goals and objectives (2)
 - Be aware of employees' work loads, and help employees be better at what they do
 - Focus on relational power (different from technical power or position power), and trust will follow
 - Be respectful, fair, transparent, a respected leader who can be trusted to do the right thing, and explain the reasons for it
7. *What do you think the TCL&P Board needs from an Executive Director?*
 - Sufficient, accurate, unbiased and honest information (2)
 - Understand his role as ED of a public body (2)
 - Be articulate (written and oral), and sensitive to Board needs and dynamics (2)
 - Establish a program of on-going education and training for all staff and Board
 - An ability to translate technical information to the lay person in order to help the Board make informed decisions
 - Doesn't withhold information but presents options with pros and cons, and his professional recommendation
 - An honest, forthright people-person who communicates well
 - A team organizer who appreciates the experiences and skills members of the Board bring to TCL&P
 - A person who finds the balance between the majority on the Board and the minority who disagrees; respectful of the needs and perspectives of the minority
 - Open to change, and recognizes the need for change

- A record of collaboration with a variety of organizations
- Has an appreciation of transparency, both with the Board and with the public
- With the Board, establishes goals and objectives for the organization
- Goes beyond maintaining the system and keeping rates as low as possible, and plans for future needs of the organization and changes in the industry
- A strategic thinker
- Engages stakeholders, explains and informs them about what TCL&P is doing

Other comments:

- We shouldn't limit ourselves to industry people who may not understand TCL&P is part of the City organization
- ED should ensure that Board members get an orientation to munis in general and to TCL&P, and on-going education; with predictable Board turnover, communication and education is essential
- The industry is changing, becoming more complex and more difficult to manage

Profile Suggestions from the Mayor and Three City Commissioners

Educational background

1. *Is there a basic educational background that this person should have?*
 - Strong engineering background
 - Must know enough to run an energy company
 - Not necessarily an electrical engineering degree; public administration is preferable
2. *Beyond that, what academic preparation would be a plus?*
(No specific responses.)

Professional training and experiences

3. *What kinds of job experiences would prepare this person to be the TCLP Executive Director?*
 - Recent experience with renewable sources of energy generation; have connections in those organizations and countries that successfully use renewables; knowledgeable about current trends
 - Strong focus on sustainability, on conservation
 - A muni background rather than a large corporate experience
 - A leadership role in the field elsewhere
 - An engineering degree is less important in this job than success in management and leadership experiences
4. *Is there a particular or specific professional experience that you see as essential?*
 - Has to know how to run the business and lead the organization

Management style

5. *The Executive Director speaks for TCLP within the community. What should the ED do, and not do, to be effective in dealing with the public?*
 - Must bridge two worlds and be able to communicate with each: the technical and the public
6. *What do you think the TCLP Board and/or staff needs from an Executive Director?*
 - Must know where the industry is going
 - Responsive to a volunteer board that doesn't have expertise in the industry
 - Provides enough information to the Board so they can make informed decisions, but not too much information
 - Listens to the board; seeks consensus but isn't afraid to make recommendations and explain them
 - Gives information, advice and recommendations to the Board which makes the decisions, and implements those decisions
 - Good leader with a good vision for the organization
 - Willing to take direction from a volunteer Board with diverse backgrounds and views
 - Understands that the Executive Director is accountable to the Board, the Board is accountable to the City Commission, and the City Commission is accountable to the citizens

Profile Suggestions from the TCL&P Attorney and Nine Staff Members

Educational background

1. *Is there a basic educational background that this person should have?*
 - BS degree should be a requirement (2)
 - At a minimum a BS, but a well-rounded education is important
 - A degree in electrical engineering; TCL&P deals with highly technical things and the ED needs to know this stuff (2)
 - Mechanical or electrical engineering background (2)
 - Both engineering and management education and experience
 - Not necessarily an electrical engineering background; could be a professional engineer
 - Doesn't have to have an electrical engineering degree; a basic understanding of the electrical utility business is important, in order to help the Board make decisions

2. *Beyond that, what academic preparation would be a plus?*
 - A graduate degree in business or science
 - An MBA in an area that provides a broader perspective than engineering
 - An MBA or its equivalent would be ideal
 - Can't just be a techie – must be able to explain complex things to others

Professional training and experiences

3. *What kinds of job experiences would prepare this person to be the TCL&P Executive Director?*
 - “If you have a flock of sheep, you don't hire a taxi driver to look after them.”
 - Experience in small munis; needs to be good with people because this is a small organization
 - ED in another muni, or a position where this person has directed staff in an organization our size or larger
 - In a muni as a director or deputy director; needs to have the answers the Board is looking for
 - Would be helpful if this person has worked at an electrical utility, whether or not a muni, but somebody who can hit the ground running
 - Five or more years in an electric utility managing people, operations, generation, distribution, transmission, with emphasis on safety
 - Many years of experience, as many as 20, with transmission, distribution and generation systems (or 2 of these 3)
 - Experience in production and safety; maintain an open door for issues related to safety
 - Board members are new and ED must be knowledgeable and experienced in the electric utility business
 - From the electric utility industry with general understanding of the business
 - An electrical engineering background with maybe an MBA, and experience in government or a quasi-governmental organization
 - Not necessarily an engineer, but if not, must be confident in relying on staff's expertise, and be willing to hire expertise to fill gaps

4. *Is there a particular or specific professional experience that you see as essential?*
 - A “generalist” would be at a disadvantage
 - Experience in a muni
 - Managing people and technical systems

- Organizational development skills; it's the key to managing people and processes
- Demonstrated involvement in the community and activity in civic groups, which suggests broader interests and an ability to relate to people (2)
- Demonstrated willingness to be collaborative rather than competitive
- Somebody who has run an organization and managed people; doesn't need to know all the details of technical matters – can hire and trust staff with technical expertise
- ED can hire “outhouse” expertise for areas he doesn't know well.
- Being a strong manager is more important than being a strong engineer; important to support employees and hold them accountable in doing their jobs
- Working with a variety of people and groups is the ED's most important task; being an engineer is not required

Management style

5. *The Executive Director speaks for TCL&P within the community. What should the ED do, and not do, to be effective in dealing with the public?*
 - Awesome communicator (3)
 - Must know what he's talking about
 - Good, respectful listener, good explainer of technical things
 - Have knowledge of our core business and be able to explain it
 - Be responsive to expressed concerns but avoid community engagement just to promote TCL&P; let our good work speak for us
 - ED works with many groups so should be good at public speaking, communicating in a way people can understand him
 - Present and explain to the public what the Board wants to accomplish
 - An extrovert who likes to talk with people; approachable, open.
 - Negativity drains the workforce
6. *The Executive Director establishes the “environment” within the TCL&P organization. How would you describe a healthy and productive work environment?*
 - The last ED was a strong leader who put a premium on safety, and the staff appreciated that. We need another strong leader
 - The last ED dealt successfully with union employees
 - ED should have annual reviews of all employees; it's good for morale
 - All understand their role and hierarchy of the organization, are held accountable for doing their jobs, and are supported in their work
 - Employees are valued for the work they do
 - ED acts as a buffer between employees and the Board
 - Employees feel they can have open, honest discussions, providing input without fear of negative repercussions
 - Successful managers encourage openness, honesty without fear of retribution, as a way to get the best thinking and work from employees
 - Cares about employees who feel comfortable disagreeing with ED; listens to them, says no but explains why
 - Doesn't create a top-down organization where there is no trust, employees aren't valued and safety isn't a top priority
 - Be a good listener
 - Outgoing
 - Believes in diversity

- Absorbs information quickly and knows whom to rely upon
 - A background in the industry will give employees confidence in the ED's competence.
7. *What do you think the TCL&P Board needs from an Executive Director?*
- An ED who has dealt with public boards
 - Politically savvy
 - Technically competent
 - Presents issues that meet the objectives of the Board in a transparent manner to help the Board make the best decisions possible
 - Someone Board can rely upon to suggest legitimate options, with a recommendation (3)
 - ED should be confident, patient and respectful in dealing with the Board's questions
 - Help the Board be clear and consistent with where they want to go
 - Leadership in carrying out the Board's goals and objectives; good strategic planner
 - Smart enough and experienced enough to see options staff may not suggest
 - OK with two-way communication; clear, respectful and attentive
 - #1, a people person who cares about employees; #2, a good communicator who listens respectfully and takes others' opinions and recommendations into consideration; #3 Board should be supportive of ED
 - Can put himself in the position of a non-technical listener in order to help that person understand complex and technical things (2)
 - Schedule on-site visits for Board members to help them understand TCL&P projects
 - Ask Board members, "How can I make your job easier?" Have 1-on-1 meetings with Board members to know their concerns, provide explanations and information (2)
 - Good public speaker; comfortable with televised meetings

Other comments:

- There has been a shift over the years from a board that pretty much approved whatever the ED recommended, to a board that needs more information and details to make decisions
- Board members should be familiar with the industry
- Issue: Should TCL&P's revenue be used to fill the City's potholes, or should it be put into our sustainability and to maintain low rates? (2)
- The City owns TCL&P; it's a department that provides an essential service as well as revenue
- An ED from the muni side will be more accepting of using TCL&P revenue to support the City's projects
- Entire staff needs to support the ED, and ED needs to support the Board; we're all on the same team
- TCL&P and the City are on the same team
- EDs come and go, like City Managers, as the governing board changes
- Having meetings televised is detrimental; people act differently on TV