

A REGULAR MEETING
Of The
TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, January 27, 2015

At

5:15 p.m.

In The

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

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

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

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

Posting Date: 01-23-15
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 January 13, 2015. (Approval recommended) (p. 4)
- b. Consideration of a revised organizational chart and job description for the Light & Power Department. (Approval recommended) (Arends/Schroeder) (p. 7)

Items Removed from the Consent Calendar

- a.

3. Unfinished Business

None.

4. New Business

- a. Consideration of City Commission Resolution regarding West Front Street reconstruction funding level. (Arends) (p. 13)
- b. Consideration of Six Year Capital Improvements Plan – 2015. (Arends/staff) (p. 16)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Strategic Plan – 2014 Year End Review. (Arends/Taylor) (p. 26)
 2. Presentation of September 30, 2014 (first quarter) financial position. (Myers-Beman) (p. 31)

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, January 13, 2015

Board Members -

Present: Barbara Budros, Jim Carruthers, Pat McGuire, Bob Spence, Jan Geht

Absent: Jeff Palisin, John Taylor

Ex Officio Member -

Present: Jered Ottenwess, City Manager

Others: W. Peter Doren, Scott Menhart, Karla Myers-Beman, Tom Olney, Kelli Schroeder, Stephanie Tvardek, Blake Wilson

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

Vice Chairman Geht announced items 2a, 2b1 and 2b2 would be pulled from the Consent Calendar for full discussion.

Item 2 on the Agenda being Consent Calendar

- a. *Removed from the Consent Calendar*
- b. *Removed from the Consent Calendar*

Items Removed from the Consent Calendar

- a. Consideration of approving minutes of the Regular Meeting of December 9, 2014.

Moved by Carruthers, seconded by McGuire that the Minutes of the Regular Meeting of December 9, 2014 be approved.

CARRIED unanimously. (Taylor and Palisin absent)

- b. Consideration of approving amended Board Policies.

Karla Myers-Beman clarified this item should read "Computer, Internet and Electronic Communications Policy" instead of "Computer, Internet and Email Policy", and the same change should be made to the recommended motion.

1. Computer, Internet and Electronic Communications Policy.

The following individuals addressed the Board:

Karla Myers-Beman, Controller

Moved by McGuire, seconded by Spence, that the Board adopts the amended Computer, Internet and Electronic Communications Policy as amended with an immediate effective date.

CARRIED unanimously. (Taylor and Palisin absent)

c. Consideration of approving amended Board Policies.

1. Family Medical Leave Act Policy.

The following individuals addressed the Board:

Kelli Schroeder, Manager of Human Resources & Communications
W. Peter Doren, General Counsel

Moved by Spence, seconded by McGuire, that the Board adopts the amended Family Medical Leave Act Policy as amended with an immediate effective date.

CARRIED unanimously. (Taylor and Palisin absent)

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business

a. Fiscal year 2013-14 Audit presentation.

The following individuals addressed the Board:

Karla Myers-Beman, Controller
Alan Panter, CPA, Abraham & Gaffney, P.C.

Moved by Spence, seconded by Budros, that the Financial Statements for the fiscal year ended June 30, 2014 be accepted.

Carruthers requested in the future the Financial Statements be brought to a regular meeting first for introduction to be accepted at a subsequent meeting.

CARRIED unanimously. (Taylor and Palisin 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. Nate Elkins, Influence Design Forum, LLC, presented the West Front Street Redevelopment Project.

The following individuals addressed the Board:

Karla Myers-Beman, Controller
Tim Lodge, City Engineer
Blake Wilson, System Engineer
Jered Ottenwess, City Manager
W. Peter Doren, General Counsel

Karla Myers-Beman read for the record comments emailed from Chairman Taylor.

2. Karla Myers-Beman presented the Fiber Optic Fund 2015-16 operating budget.
3. Karla Myers-Beman spoke regarding a letter received from the Fire Department regarding a recent electric demonstration by TCL&P employees.

C. From Board.

None.

Item 7 on the Agenda being Public Comment

No one from the public commented.


There being no objection, Chairman Taylor declared the meeting adjourned at 6:55 p.m.

/st

Tim Arends, Secretary
LIGHT AND POWER BOARD



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Kelli Schroeder, Manager of HR & Communications 
Date: January 21, 2015
Subject: Organizational Chart and Revised Administrative Position

As you may recall, on February 25, 2014 the Board approved eliminating the Staff Engineer position and reassigning those duties to the Operations Manager. In order to officially capture the direct oversight role that this position will have with both operations and engineering, staff is recommending that the title of this position be changed to Manager of Operations and Engineering, and the job description is updated to reflect the additional duties of this combined position. The pay range will remain unchanged.

Both the Organizational Chart and job description have been included in your packet for your consideration of approval

This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar mean's 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 "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 ORGANIZATIONAL CHART AND JOB DESCRIPTION FOR THE MANAGER OF OPERATIONS AND ENGINEERING AS PRESENTED.

TRAVERSE CITY LIGHT & POWER JOB DESCRIPTION

MANAGER OF OPERATIONS & ENGINEERING

Supervised By: Executive Director
Supervises: Line Superintendent
TCL&P Engineering Department Staff

Position Summary:

Under the general direction of the Executive Director, manages and directs all aspects of Light & Power Engineering, service operations, and power production including the operation and maintenance of transmission and distribution facilities. Supervises assigned staff including the Line Superintendent, System Engineer and Field Engineer and in the absence of the Line Superintendent and Field Engineering, oversees the line crews, metering, dispatch, signals and power production and generation staff.

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. Plans and coordinates work required to efficiently repair and maintain electric transmission and distribution systems. Prioritizes work, assigns staff, and coordinates work assignments with the Line Superintendent.
2. Oversees, directs and manages employees assigned to the Engineering Department including monitoring work output, employee performance and recommending disciplinary action, if required.
3. Designs and develops systems and methods to implement orderly electric system modifications without service interruptions.
4. Develops and directs preventive maintenance programs to ensure minimal service disruption.
5. Provides engineering expertise and assists with determining and planning system needs. Determines most appropriate methods and materials for service improvements.
6. Provides direct oversight over engineer cost estimating, budgeting and overall scheduling of overhead and underground distribution construction required to implement work plans, protection studies, line maintenance and the extension of distribution lines required to adequately serve existing and new customers.

7. Oversees the scheduling and coordination of field work between TCL&P and outside construction and/or engineering personnel with engineering functions, assists in the preparation and fulfillment of legal contracts and documents and performs necessary inspections and investigations.
8. Recommends and implements new or improved engineering standards, practices or methods.
9. Assists in developing operating and capital budgets and administers budgets throughout the fiscal year assuring conformance with fiscal goals and expense limitations.
10. Oversees records management related to the operations of TCL&P. Ensures compliance with applicable regulatory requirements and prepares and submits required reports.
11. Prepares and administers contracted services including, but not limited to, tree trimming and line construction work, this includes managing the bid process and issuance of purchase orders as necessary.
12. Assists the Manager of Telecommunications and Technology in the development, implementation, operation and maintenance of the supervisory control and data acquisition (SCADA) system and assures its utilization complies with established safety and operating procedures and assists with system administration and field installation of automation equipment.
13. Monitors compliance of the switching orders and switching procedures for manual system operation and automated system operation through the supervisory control and data acquisition (SCADA) system.
14. Participates in short and long range system planning processes
15. Represents the electric utility at meetings and in communications with engineers, regulatory agencies and consultants. Confers with a variety of internal and external contacts regarding operating and service issues.
16. Represents the utility by serving as a board member at the Michigan Public Power Agency meetings in the Executive Director's or Controller's absence. Makes recommendations to the Executive Director regarding decisions required for the administration of Light & Power's interests within the MPPA.
17. Keeps abreast of changes in electric distribution technology and regulations through attendance at conferences and meetings, contacts with other professionals, reading literature and participating in professional organizations.
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.

- Educational requirements include a Bachelor's degree in electrical engineering or a related field. Licensure as a Professional Engineer (P.E.) preferred.
- Experience requirements include ten years of engineering and operations work within an electric utility, along with a minimum three years of supervisory experience
- State of Michigan Vehicle Operator's License.
- Considerable knowledge of the principles and practices of designing and developing substations and electric distribution and transmission systems along with the operation and maintenance of each.
- Working knowledge of clearance and tagging procedures.
- Basic understanding of construction practices, equipment and materials.
- Working knowledge of SCADA system operations and use.
- Considerable knowledge of National Electric Safety Codes, OSHA regulations, and other codes and regulations governing power transmission and distribution.
- Ability to coordinate, schedule, assign, prioritize and supervise the work of skilled utility workers.
- Ability to effectively communicate and present ideas and concepts orally and in writing and make presentations in public forum.
- Ability to critically assess situations, solve problems and work effectively under stress, within deadlines and changes in work priorities.
- Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with employees, vendors, manufacturers, contractors, other public utility professionals, administrators, regulators and the public.
- 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 applications used in electrical system modeling and automated drafting.

- 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. 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 regularly works both in an office and in the field. 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. The employee must be mobile in both an office and field setting, stand, sit, stoop, walk 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 and must frequently operate a vehicle to travel to other locations.

While performing the duties of this job, the employee is also required to work in the field to inspect work projects. While on project sites, the employee is occasionally exposed to fumes or airborne particles, outside weather conditions and moving mechanical equipment and the potential threat of electric shock. The noise level in the office work environment is usually quiet to moderate, but may become loud on project sites.

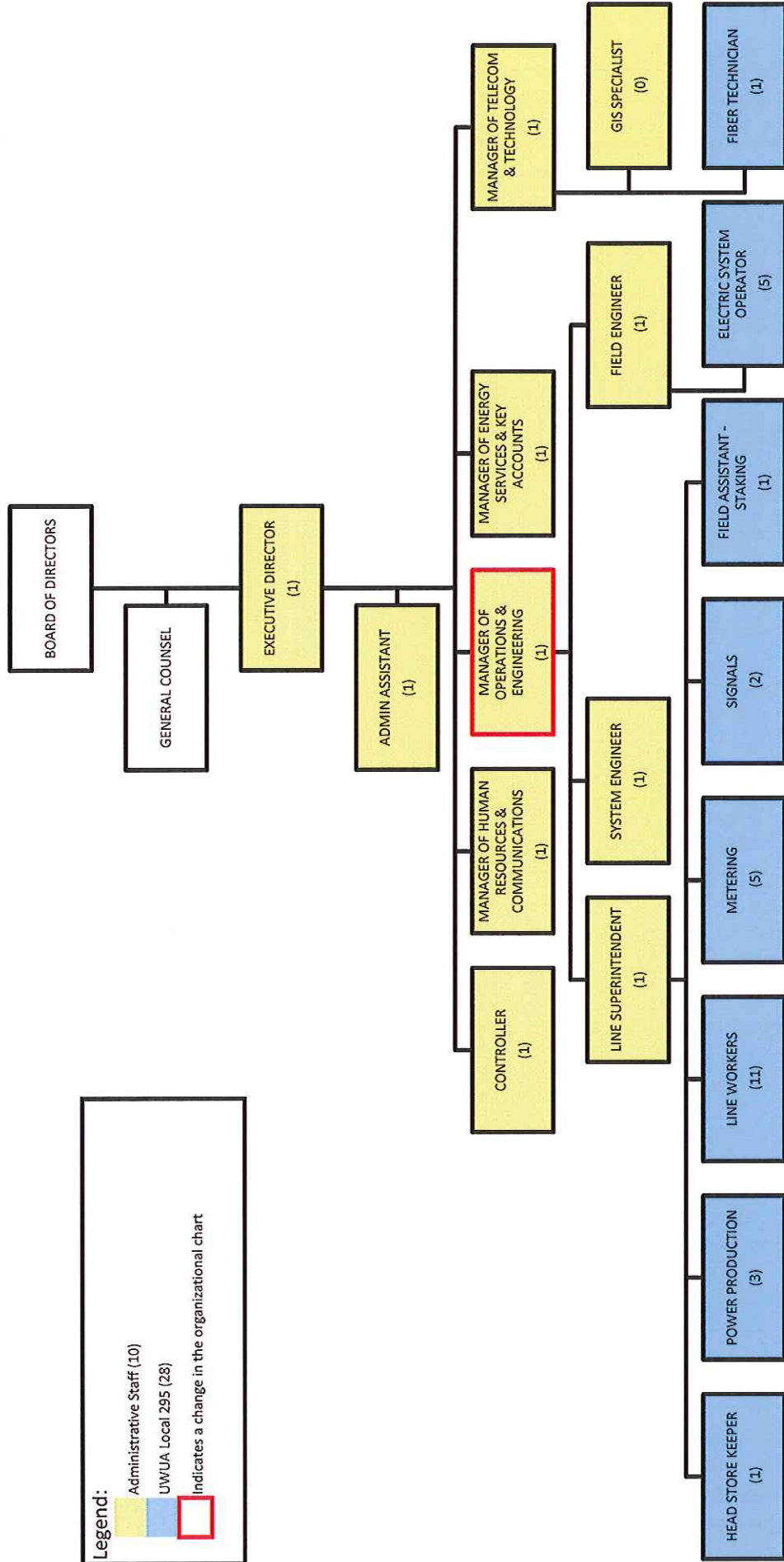


**TRAVERSE CITY
LIGHT & POWER**

PROPOSED Organizational Chart

Legend:

- Administrative Staff (10)
- UWUA Local 295 (28)
- Indicates a change in the organizational chart





**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Tim Arends, Executive Director
Date: January 21, 2015
Subject: City Commission Resolution

Attached is a Resolution approved by the City Commission at its January 20th meeting on a 4-1 vote. The Resolution requests that TCL&P provide financial funding for the West Front Street Reconstruction Project in the amount of \$652,000. The project will be completed in 2015.

Also attached are estimates that were included in the last board meeting's packet, the full and base design level. GRP Engineering, Inc. confirmed if only the existing high level lighting were to be replaced the cost would be \$265,000, the \$245,000 shown on the base level design plus \$20,000 for the primary service.

This meeting agenda also includes consideration of approval of the Six Year Capital Improvements Plan – 2015 (Plan); so it is appropriate that the Board discuss this Resolution in advance of that agenda item. Staff and the City are seeking a decision from the Board on what amount to include in the Plan that will be forwarded to the City Commission and Planning Commission for their consideration of approval.

Staff has no specific recommendation regarding this issue. Funding the project in-part or in-full will not require any immediate increase in utility rates.



**Resolution Requesting Street Lighting Funding Participation
from Traverse City Light and Power for the
2015 West Front Street Reconstruction Project**

- Because, the State of Michigan Legislature created the Roads and Risks Reserve Fund, using \$230 million in one-time General Fund revenue as part of the Fiscal Year 2014 General Government budget;
- Because, the City of Traverse City's West Front Street Reconstruction Project was one of the 103 state and local transportation projects made possible through the special appropriation of the Roads and Risks Reserve Fund and received \$1,000,000 in funding;
- Because, the West Front Street Reconstruction Project is part of a broader effort to implement the City of Traverse City's Corridors Master Plan;
- Because, the West Front Street Reconstruction Project serves an economic development function through placemaking and extending the built environment that characterizes the traditional core downtown area;
- Because, the West Front Street Reconstruction Project will leverage State-appropriated funding for transportation improvements that have a community-wide benefit by utilizing multiple funding sources within the City of Traverse City's control;
- Because, the West Front Street Reconstruction Project is being implemented in conjunction with the replacement of the West Front Street Bridge Replacement Project and thus investing in excess of \$2,500,000 combined between the two projects;
- Because, the Traverse City Light and Power Department has approved a streetscape improvement project as part of its Six-Year Capital Improvement Plan in conjunction with planned construction on West Front Street, including within the West Front Street Reconstruction Project limits;
- Because, maximizing the level of public investment in the West Front Street Reconstruction Project will encourage a greater level of private investment in the project itself and as a result of the project; now therefore, be it

Resolved, that the City of Traverse City City Commission requests that the Traverse City Light and Power Board authorizes spending \$652,000 to fund street lighting improvements as part of the West Front Street Reconstruction Project.

I hereby certify that the above Resolution was adopted by the Traverse City, City Commission at its Regular Meeting held on January 20, 2015, in the Commission Chambers of the Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.



Benjamin C. Marentette, CMC, City Clerk

**TRAVERSE CITY LIGHT & POWER
WEST FRONT STREET LIGHTING - BRIDGE TO DIVISION STREET
FULL DESIGN (HI-LEVEL, LOW-LEVEL, PEDESTRIAN & DECORATIVE CIRCUITS)
CONSTRUCTION COST ESTIMATE**

ITEM	ITEM DESCRIPTION	UNITS	LABOR	MATERIAL	TOTAL	EXTENDED TOTAL
1	Trenching (Feet)	3300	\$8.00	\$2.00	\$10.00	\$33,000
2	Directional Boring (Feet)	300	\$14.00	\$4.00	\$18.00	\$5,400
3	1" PVC Conduit (Spare Wi-fi)	3300	\$1.00	\$1.00	\$2.00	\$6,600
4	1" PVC Conduit (Spare - Cameras)	3300	\$1.00	\$1.00	\$2.00	\$6,600
5	1-1/4" Conduit (Lights)	3980	\$1.00	\$1.15	\$2.15	\$8,557
6	2" Conduit (Lights/Receptacles)	3300	\$1.25	\$1.25	\$2.50	\$8,250
7	3" Conduit (Power Peds)	3300	\$1.50	\$1.50	\$3.00	\$9,900
8	4" Conduit (Primary)	0	\$2.00	\$2.00	\$4.00	\$0
9	Handholes	78	\$250.00	\$180.00	\$430.00	\$33,540
10	#250kCM AL Cable (Power Peds)	3300	\$1.70	\$9.75	\$11.45	\$37,785
11	#6 AL 600V Cable (Hi-Level Lts)	3795	\$2.00	\$0.56	\$2.56	\$9,715
12	#2 CU 600V RHW (Dec Lt's & Rec)	3795	\$2.50	\$2.25	\$4.75	\$18,026
13	#12 CU 600V RHW (Fixtures/Rec)	3340	\$1.50	\$1.75	\$3.25	\$10,855
14	#2 AL 15kV Cable (3Ø Circuit Feet)	300	\$6.00	\$4.50	\$10.50	\$3,150
15	3Ø Padmount Transformer	1	\$700.00	\$8,000.00	\$8,700.00	\$8,700
16	15kV Elbows, Terminations, & Arresters	6	\$125.00	\$75.00	\$200.00	\$1,200
17	Equipment Grounding	1	\$365.00	\$125.00	\$490.00	\$490
18	Street Light Controller	1	\$2,000.00	\$5,000.00	\$7,000.00	\$7,000
19	Street Light Foundation (Low-Level)	37	\$300.00	\$125.00	\$425.00	\$15,725
20	Street Light Foundation (High-Level)	31	\$650.00	\$200.00	\$850.00	\$26,350
21	Street Lights (Low-Level/Laminated)	37	\$250.00	\$3,328.00	\$3,578.00	\$132,386
22	Street Light (High-Level)	31	\$500.00	\$1,745.00	\$2,245.00	\$69,595
23	Secondary Connectors (Handholes)	312	\$85.00	\$20.00	\$105.00	\$32,760
24	Fused Connectors (Lt/Rec)	278	\$50.00	\$10.00	\$60.00	\$16,680
25	Mobilization, Insurance & Bonding	Lot	\$0.00	\$0.00	\$0.00	\$0

		Subtotal	\$502,000
	High Level Lights	\$245,000	
	Low Level Lights	\$262,000	
	Holiday Outlet Circuit	\$42,000	
	Wi-Fi Conduits	\$10,000	
	Security Camera Conduits	\$10,000	
	Power Peds	\$63,000	
	Primary Service	\$20,000	
		Contingency (15%)	\$75,000
		Engineering Design (10%)	\$50,000
		Construction Inspection (5%)	\$25,000
		Total Estimated Project Cost	\$652,000

Notes:

1. All costs are estimated as 2015 construction costs.
2. Cost estimate based on proposed streetscape lighting & receptacle system including high-level, low-level, and pedestrian lights plus a decorative lighting circuit, power pedestals, and conduits for future wi-fi & cameras.
3. Estimate includes costs to remove existing high-level lights, resize & repaint, install new foundations, and reinstall retrofitted lights.

**TRAVERSE CITY LIGHT & POWER
WEST FRONT STREET LIGHTING - BRIDGE TO DIVISION STREET
BASE DESIGN (HI-LEVEL, LOW-LEVEL, & DECORATIVE CIRCUITS)
CONSTRUCTION COST ESTIMATE**

ITEM	ITEM DESCRIPTION	UNITS	LABOR	MATERIAL	TOTAL	EXTENDED TOTAL
1	Trenching (Feet)	3300	\$8.00	\$2.00	\$10.00	\$33,000
2	Directional Boring (Feet)	300	\$14.00	\$4.00	\$18.00	\$5,400
3	1" PVC Conduit (Spare Wi-fi)	0	\$1.00	\$1.00	\$2.00	\$0
4	1" PVC Conduit (Spare - Cameras)	0	\$1.00	\$1.00	\$2.00	\$0
5	1-1/4" Conduit (Lights)	3980	\$1.00	\$1.15	\$2.15	\$8,557
6	2" Conduit (Lights/Receptacles)	3300	\$1.25	\$1.25	\$2.50	\$8,250
7	3" Conduit (Power Peds)	0	\$1.50	\$1.50	\$3.00	\$0
8	4" Conduit (Primary)	0	\$2.00	\$2.00	\$4.00	\$0
9	Handholes	73	\$250.00	\$180.00	\$430.00	\$31,390
10	#250kCM AL Cable (Power Peds)	0	\$1.70	\$9.75	\$11.45	\$0
11	#6 AL 600V Cable (Hi-Level Lts)	3795	\$2.00	\$0.56	\$2.56	\$9,715
12	#2 CU 600V RHW (Dec Lt's & Rec)	3795	\$1.25	\$1.15	\$2.40	\$9,108
13	#12 CU 600V RHW (Fixtures/Rec)	3340	\$1.50	\$1.75	\$3.25	\$10,855
14	#2 AL 15kV Cable (3Ø Circuit Feet)	300	\$6.00	\$4.50	\$10.50	\$3,150
15	3Ø Padmount Transformer	1	\$700.00	\$8,000.00	\$8,700.00	\$8,700
16	15kV Elbows, Terminations, & Arresters	6	\$125.00	\$75.00	\$200.00	\$1,200
17	Equipment Grounding	1	\$365.00	\$125.00	\$490.00	\$490
18	Street Light Controller	1	\$2,000.00	\$5,000.00	\$7,000.00	\$7,000
19	Street Light Foundation (Low-Level)	37	\$300.00	\$125.00	\$425.00	\$15,725
20	Street Light Foundation (High-Level)	31	\$650.00	\$200.00	\$850.00	\$26,350
21	Street Lights (Low-Level, Hook)	37	\$250.00	\$1,200.00	\$1,450.00	\$53,650
22	Street Light (High-Level)	31	\$350.00	\$1,745.00	\$2,095.00	\$64,945
23	Secondary Connectors (Handholes)	292	\$85.00	\$20.00	\$105.00	\$30,660
24	Fused Connectors (Lt/Rec)	204	\$50.00	\$10.00	\$60.00	\$12,240
25	Mobilization, Insurance & Bonding	Lot	\$0.00	\$0.00	\$0.00	\$0

	Subtotal	\$340,000
High Level Lights	\$245,000	Contingency (15%) \$51,000
Low Level Lights	\$177,000	Engineering Design (10%) \$34,000
Primary Service	\$20,000	Construction Inspection (5%) \$17,000
	Total Estimated Project Cost	\$442,000

Notes:

1. All costs are estimated as 2015 construction costs.
2. Cost estimate based on high-level lighting only. No decorative lighting or receptacle circuits included.
3. Estimate includes all new light fixtures, foundations, conduit, handholes, conductors & connections.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Tim Arends, Executive Director
Date: January 21, 2015
Subject: Six Year Capital Improvements Plan - 2015

Attached for your consideration of approval is the Six Year Capital Improvements Plan – 2015 (Plan) as prepared by and amended by staff after review with the Board at a prior meeting.

After hearing input from the Board, staff has removed the generation project from the Plan. This was a conceptual project in the industrial park, but several board members felt there was simply not enough information about the project at this time to even conceptually include it in the Plan. Staff agrees. We will continue to work with the interested parties and provide detailed information to the Board as it becomes available for possible inclusion in a future year's Plan.

All other new and changed projects have been reviewed and updated with the latest cost estimates. Staff will again briefly review these projects at the meeting and seek any further Board input or provide clarification to the Board.

Staff recommends approval of the Plan as presented. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO SUBMIT THE SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2015 AS PRESENTED (OR AS AMENDED) TO THE CITY MANAGER FOR REVIEW AND APPROVAL OF THE CITY COMMISSION AND CITY PLANNING COMMISSION.



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2015

GENERATION:

Community Solar Garden Phase II

Location: Local solar generation either inside or outside city limits

Character: Free standing solar panels

Extent: Installation of solar panels to provide up to 84.6 KW of generation.

Estimated Cost: \$250,000 – Amount to be recovered through 25 year Sun Shares to customers

Fiscal Year(s): 2015-16

DISTRIBUTION and SUBSTATION:

Line Improvements, Extensions, and New Services

Location: Throughout the entire service area

Character: Construction/replacement of overhead and underground distribution facilities involving the use of wire, poles, meters, cabinets, and transformers.

Extent: This is an annual project in which wages, benefits, and equipment charges are capitalized for upgrades to existing services or new customer services.

Estimated Cost: \$6.3 Million

Fiscal Year(s): 2015-16 through 2020-21 (Annual Program)

Distribution Circuit Rebuild

Location: Throughout the entire service area. In 2015-16, the commercial corridor of BW-31 will be completed. Future projects will be evaluated based on specific criteria developed by Engineering.

Character: Replace deteriorated overhead/underground facilities with new wire, conduit, poles, etc. to include conversion of overhead facilities to underground as appropriate.

Extent: New circuits and upgrade of existing circuits to improve reliability and serve anticipated growth to include undergrounding facilities as appropriate.

Estimated Cost: \$6.45 Million

Fiscal Year(s): 2015-16 through 2020-21 (Annual Program)

Overhead to Underground Conversion Projects

Location: Throughout the entire service area

Character: Conversion of overhead distribution facilities to underground.

Extent: Annual Program for approved projects. In the upcoming year, the focus area will be Spruce St. and design of the Orchard Heights area.

Estimated Cost: \$3.6 Million

Fiscal Year(s): 2015-16 through 2020-21 (Annual Program)



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2015

DISTRIBUTION and SUBSTATION (continued):

Pine Street Overhead to Underground Conversion (CHANGE)

Location: Starting from behind Hall Street Substation crossing the Boardman River South along Pine Street east along State St crossing the Union St Bridge ending in Lay Park.

Character: Convert existing overhead distribution facilities to underground.

Extent: In concert with TIF 97 Pedestrian Way project and the proposed Uptown Development.

Estimated Cost: \$1,330,000

Fiscal Year(s): 2015-16

Parsons Switching Station

Location: Parsons Substation

Character: Addition of switching equipment to allow for switching load on the looped transmission system for increased reliability.

Extent: Installation of substation infrastructure and equipment.

Estimated Cost: \$1,050,000

Fiscal Year(s): 2016-17

Recloser Upgrades

Location: Barlow Substation

Character: Upgrading recloser equipment already located at the substation to allow for reconfiguration of distribution systems and maintaining reliable service in the event of a fault.

Extent: This is a one-time occurrence of equipment upgrade.

Estimated Cost: \$175,000

Fiscal Year(s): 2015-16

Street Lighting (LED) System Replacements

Location: Throughout the entire utility service area

Character: LED street lighting replacements.

Extent: Removal of any old high pressure sodium street lights and replace with LED lights.

Estimated Cost: \$240,000

Fiscal Year(s): 2015-16 through 2016-17

Washington Place Underground Conversion (NEW)

Location: Post office located on Union St east down the south alley of State St ending at the Park Place

Character: Convert existing overhead distribution facilities to underground.

Extent: In concert with the Washington Place development.

Estimated Cost: \$230,000

Fiscal Year(s): 2015-16



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2015

DISTRIBUTION and SUBSTATION (continued):

Removal and transfer of Hickory Meadow distribution line to Randolph St. (NEW)

Location: Hickory Meadows, Hickory Hills and Randolph St.

Character: Removal of distribution lines and installation of new distribution including poles, conduit and transformers.

Extent: Removal of the distribution line located in Hickory Meadows and along the driveway of Hickory Hills replaced with a new line down Randolph St.

Estimated Cost: \$370,000

Fiscal Year(s): 2015-16

TRANSMISSION and SUBSTATION:

Substation Transformer Upgrades

Location: Parsons and Cass Road Substation

Character: Installation of higher rated transformers as recommended by Engineers.

Extent: Upgrade existing substation transformers for system reliability due to load growth.

Estimated Cost: \$3 Million

Fiscal Year(s): 2019-20 through 2020-21

Transmission Line Reconductor

Location: Existing transmission corridor along West Side (Wayne Hill), Hammond, Barlow, LaFranier, Cass, and Wadsworth.

Character: Overhead transmission facilities to include new poles and wire.

Extent: Reconductor/rebuilding of existing 69kV transmission lines with new lines and higher poles to bring circuits to current day standards.

Estimated Cost: \$4.365 Million

Fiscal Year(s): 2015-16 through 2018-19

FACILITIES AND OTHER:

Hastings Service Center Facility Improvements

Location: 1131 Hastings Street

Character: Site improvements to existing facility

Extent: Construction of new Building C and an outdoor covered area for inventory and equipment and renovations to the dispatch room.

Estimated Cost: \$1,000,000

Fiscal Year(s): 2015-16 through 2016-17



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2015

SCADA, COMMUNICATIONS, and OTHER ITEMS:

Smart Metering Technologies (AMI) PILOT

Location: Entire service area

Character: Electric meters and software to accommodate smart metering capabilities.

Extent: A program to provide for the migration to electronic smart meters that will assist utility customers on energy use and reliability and provide reads to utility billing.

Estimated Cost: \$2,250,000

Fiscal Year(s): 2015-16 through 2018-19

SCADA System Replacement

Location: 1131 Hastings Street and Substations

Character: Installation of new SCADA equipment.

Extent: Upgrade the system to allow it to interconnect with other related systems such as AMI, billing, GIS, OMS and other technologies.

Estimated Cost: \$350,000

Fiscal Year(s): 2015-16

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS:

Disaster Recovery Center

Location: DPS Building (former bowling alley) located on Woodmere Ave

Character: Renovation of the DPS building to be used as a disaster recovery center.

Extent: Renovation of building and installation of equipment for backup operations center for TCL&P along with other city departments.

Estimated Cost: \$350,000

Fiscal Year(s): 2016-17 through 2017-18

Corridor Upgrade Improvements – OH to UG Improvements around major intersections

Location: Various Locations

Character: Conversion of overhead facilities to underground or rerouting facilities, if possible.

Extent: This will entail various major intersections throughout the City.

Estimated Cost: Unknown

Fiscal Year(s): Various

Front St Lighting Circuits and Receptacles

Location: Downtown North and South along Front Street.

Character: Upgrade circuit to accommodate increased load

Extent: New conduit, wire, and addition of event outlets

Estimated Cost: \$1,300,000

Fiscal Year(s): 2016-17 through 2017-18



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2015

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS (continued):

W. Front Reconstruction from Pine St to Division St (CHANGE)

Location: *W. Front Street from Pine St to Division Street*

Character: *New street lighting installations in conjunction with planned streetscape.*

Extent: *To be determined in coordination with City.*

Estimated Cost: *\$265,000*

Fiscal Year(s): *2015-16*

Riverwalk Lighting (N Side of Boardman River)

Location: *North Side of Boardman River from Front St to Dam*

Character: *New Boardman Riverwalk lighting*

Extent: *To be determined in coordination with City & Uptown Development.*

Estimated Cost: *\$200,000*

Fiscal Year(s): *2016-17*

Cass & Lake Street Streetscapes

Location: *Cass Street from Eighth St to Cass Street bridge and along Lake Street from Cass St to Eighth St.*

Character: *New street lighting installations in conjunction with planned streetscape.*

Extent: *To be determined in coordination with DDA.*

Estimated Cost: *\$350,000*

Fiscal Year(s): *2015-16*

East Front Street Streetscapes

Location: *Along East Front Street from Boardman Ave. to Grandview Parkway*

Character: *New street lighting installations in conjunction with planned streetscape.*

Extent: *To be determined in coordination with DDA.*

Estimated Cost: *\$400,000*

Fiscal Year(s): *2018-19*

Garland Street Streetscapes

Location: *Garland Street in the Warehouse District*

Character: *New street lighting installation in conjunction with planned streetscape.*

Extent: *To be determined in coordination with DDA.*

Estimated Cost: *\$200,000*

Fiscal Year(s): *2015-16*



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2015

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS (continued):

Park Street Streetscapes

Location: From State Street to Grandview Parkway

Character: New street lighting installation and underground existing overhead services.

Extent: Removal of existing fixtures/poles/wires in coordination with DDA project.

Estimated Cost: \$100,000

Fiscal Year(s): 2015-16

Division St Lighting (Eighth Street to Fourteenth Street) (NEW)

Location: Division St from Fourteenth St to the Parkway

Character: New street lighting installation and underground existing overhead services.

Extent: Removal of existing fixtures/poles/wires in coordination with City project.

Estimated Cost: \$350,000

Fiscal Year(s): 2015-16

Eighth St Decorative Lighting (Woodmere to Lake Ave) (NEW)

Location: Eighth St from Woodmere Ave to Lake Ave

Character: New street lighting installation and underground existing overhead services.

Extent: Removal of existing fixtures/poles/wires in coordination with City project.

Estimated Cost: \$350,000

Fiscal Year(s): 2018-19

TRAVERSE CITY LIGHT & POWER
SIX YEAR CAPITAL IMPROVEMENTS PLAN 2015 - DRAFT

(This worksheet is for illustration purposes only and is supplemental information to the Plan)

		Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Project Totals	Project Notes	2014 Funding Level	Change
Generation:											
NO CHANGE	Community Solar Garden Phase II (project to be similar as the 2013 Joint TCL&P/Cherryland project - No cost of land included - location to be determined)	\$ 250,000	---	---	---	---	---	\$ 250,000	Possible locations include Glen Loomis School, Airport Industrial Park, or Traversefield Industrial Park.	\$ 250,000	\$ -
DELETED	Decommission M-72 Wind Turbine (will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ 200,000	\$ (200,000)
Total Generation		250,000	0	0	0	0	0	250,000		450,000	(200,000)
Distribution and Substation:											
NO CHANGE	Line Improvements, Extensions, and New Services	900,000	950,000	1,000,000	1,100,000	1,150,000	1,200,000	6,300,000	Annual Program - In-house construction	\$ 5,950,000	\$ 350,000
NO CHANGE	Distribution Circuit Rebuild (completion of BW-31 in 2015-16)	950,000	1,000,000	1,050,000	1,100,000	1,150,000	1,200,000	6,450,000	Annual Program - In-house construction	\$ 6,150,000	\$ 300,000
DELETED	69kV/13.8kV Distribution South Substation (will be completed by 6/30/2015)	---	---	---	---	---	---	-	In-service date 12/31/2014	\$ 3,400,000	\$ (3,400,000)
NO CHANGE	OH to URG Conversion Projects (residential projects to enhance system reliability - 2015-16 includes Spruce Street Undergrounding)	350,000	450,000	550,000	650,000	750,000	850,000	3,600,000	Annual Program to move inaccessible circuits to road ROW	\$ 2,000,000	\$ 1,600,000
CHANGE	Pine Street Overhead to Underground Conversion (increased extent to include uptown development undergrounding - Includes added circuit to support Front Street reliability during peak times)	1,330,000	---	---	---	---	---	1,330,000	Coordinated with City and DDA Pedestrian Bridge Project	\$ 1,665,000	\$ (335,000)
DELETED	Street Lighting System - Expanded (Central Neighborhood)	---	---	---	---	---	---	-	No requests have been received for additional neighborhood lighting projects	\$ 200,000	\$ (200,000)
DELETED	Cowell Family Cancer Center Alternate Feed (redundant feed for the Cancer Center - will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ 190,000	\$ (190,000)
NO CHANGE	Parsons Switching Station	---	1,050,000	---	---	---	---	1,050,000		\$ 700,000	\$ 350,000
NO CHANGE	Recloser Upgrades	175,000	---	---	---	---	---	175,000		\$ 200,000	\$ (25,000)
NO CHANGE	Street Lighting (LED) System Replacements (accelerated funding to complete 400 changeovers a year)	180,000	60,000	---	---	---	---	240,000		\$ 420,000	\$ (180,000)
NEW	Washington Place Underground Conversion	230,000	---	---	---	---	---	230,000		\$ -	\$ 230,000
NEW	Removal and transfer of Hickory Meadows distribution line to Randolph Street	370,000	---	---	---	---	---	370,000		\$ -	\$ 370,000
Total Distribution and Substation		4,485,000	3,510,000	2,600,000	2,850,000	3,050,000	3,250,000	19,745,000		20,875,000	(1,730,000)
Transmission and Substation:											
NO CHANGE	Substation Transformer Upgrades	---	---	---	---	1,500,000	1,500,000	3,000,000		\$ 3,000,000	\$ -
NO CHANGE	Transmission Line Reconductor (west side transmission project in 2015-16)	1,665,000	600,000	1,500,000	600,000	---	---	4,365,000		\$ 4,275,000	\$ 90,000
Total Transmission and Substation		1,665,000	600,000	1,500,000	600,000	1,500,000	1,500,000	7,365,000		7,275,000	90,000

		Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Project Totals	Project Notes	2014 Funding Level	Change
Facilities and Other:											
DELETED	Stringing Trailer (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 60,000	\$ (60,000)
DELETED	Telephone System Upgrade (will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ 65,000	\$ (65,000)
DELETED	Meter Test Board (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 40,000	\$ (40,000)
DELETED	System Modeling Software (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 80,000	\$ (80,000)
NO CHANGE	Hasting Service Center Facility Improvements (new Building C and covered storage area for inventory and equipment - covered storage in 2015-16 along with renovations in the dispatch room)	430,000	570,000	---	---	---	---	1,000,000		\$ 1,300,000	\$ (300,000)
Total Facilities and Other		430,000	570,000	0	0	0	0	1,000,000		1,545,000	(545,000)
SCADA, Communications, and Other Items:											
NO CHANGE	Smart Metering Technologies (AMI) PILOT	50,000	200,000	1,000,000	1,000,000	---	---	2,250,000	Airport Industrial Park	\$ 2,250,000	\$ -
NO CHANGE	SCADA System Replacement	350,000	---	---	---	---	---	350,000		\$ 350,000	\$ -
DELETED	Substation Security Cameras (project will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ -	\$ -
DELETED	Work Order and Asset Management Software System (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 92,000	\$ (92,000)
Total SCADA, Communications, and Other Items		400,000	200,000	1,000,000	1,000,000	0	0	2,600,000		2,692,000	(92,000)
Joint TCL&P, City of Traverse City, and DDA Projects											
NO CHANGE	Disaster Recovery Center (renovation of DPS building to include installation of equipment for backup operational site - in coordination with City)	---	250,000	100,000	---	---	---	350,000	Visionary project - no details at this time	\$ 350,000	\$ -
NO CHANGE	Corridor Improvement Projects (in coordination with City)	---	---	---	---	---	---	-	Project costs unknown at this time.	\$ -	\$ -
NO CHANGE	Upgraded Front Street Lighting Circuits and Receptacles	---	650,000	650,000	---	---	---	1,300,000		\$ 800,000	\$ 500,000
CHANGE	W. Front Street Reconstruction from Pine Street to Division Street (project expanded from Oak Street to Division Street)	265,000	---	---	---	---	---	265,000		\$ 150,000	\$ 115,000
NO CHANGE	Riverwalk Lighting (N Side of Boardman River)	---	200,000	---	---	---	---	200,000	Grant Funding Reimbursement	\$ 200,000	\$ -

		Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Project Totals	Project Notes	2014 Funding Level	Change
NO CHANGE	Cass & Lake Street Streetscapes	350,000	---	---	---	---	---	350,000	Special Assessment Fund	\$ 350,000	\$ -
NO CHANGE	East Front Street Streetscapes	---	---	---	400,000	---	---	400,000	Special Assessment Fund	\$ 400,000	\$ -
NO CHANGE	Garland Street Streetscapes	200,000	---	---	---	---	---	200,000	Special Assessment Fund	\$ 300,000	\$ (100,000)
NO CHANGE	Park Street Streetscapes	100,000	---	---	---	---	---	100,000	Special Assessment Fund	\$ 100,000	\$ -
NEW	Division Street Lighting (Eighth Street to Fourteenth Street)	350,000	---	---	---	---	---	350,000		\$ -	\$ 350,000
NEW	Eighth Street Decorative Lighting (Woodmere Avenue to Lake Avenue)	---	---	---	350,000	---	---	350,000	Scheduled for 2017-18	\$ -	\$ 350,000
Total Joint TCL&P, City of Traverse City and DDA Projects		1,265,000	1,100,000	750,000	750,000	0	0	3,865,000		2,650,000	615,000
TOTAL		\$ 8,495,000	\$ 5,980,000	\$ 5,850,000	\$ 5,200,000	\$ 4,550,000	\$ 4,750,000	\$ 34,825,000		\$ 35,487,000	\$ (1,962,000)

FIBER FUND PROJECTS:

DELETED	Wi-Fi Project - DDA (project will be completed by 6/30/2015)	---	---	---	---	---	---	-	Funding to come from Downtown Development Authority	\$ 700,000	\$ (700,000)
Total Fiber Fund Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 700,000	\$ (700,000)

(Actual fiscal year that a project may be undertaken may differ from the fiscal year depicted in this spreadsheet. Dollar amounts are estimates for information only and are not a part of the official Plan.)



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Tim Arends, Executive Director
Date: January 20, 2015
Subject: Strategic Planning Board Update

Attached is a report to the Board on the Strategic Plan - 2014 Business Goals. Staff will provide the Board with a year-end summary as a starting point for updating the Plan with 2015 goals.

Staff has already met and assigned each strategic objective team with reviewing their goals and providing input on new goals for the Board's consideration. At your February 10th meeting staff will present those new staff directed goals to the Board. In addition, the Board will be asked to provide any input it may have on its goals for the organization, or a change in the priority of the goals presented.

Staff will take all of this information and update the Plan and seek Board approval at its February 24th meeting.

Strategic Planning

Quarterly Update – January 2015
A Year in Review



2014 *A Year in Review*

- Staff will review all Business Goals that were set for 2014
- Any Business Goals with a 2015 deadline are being reviewed by staff for inclusion in the 2015 Strategic Plan and will be discussed at the February 10 Regular Meeting



Financial Stability

- Develop an improved Key Accounts Program by September 1, 2014.
 - IN PROCESS – To be included in the 2015 Plan as an on-going Business Goal
- Enhance public engagement through quarterly performance reporting to the Board and public (on-going).
 - COMPLETED



Power Supply Strategy

- Educate the Board in power supply by July 1, 2014.
 - COMPLETED
- Evaluate power supply options to replace the Lansing Agreement by December 31, 2014.
 - COMPLETED
- Develop a tool/matrix based on Board input measuring the utility's risk tolerances of different power supply options, including increased renewable energy requirements, by September 30, 2014.
 - COMPLETED



System Reliability & Power Quality

- Annually review, enhance and develop system maintenance programs ensuring Average Service Availability Index (“ASAI”) remains above 99.970%.
 - IN PROCESS
- Develop a rating system by October 31, 2014 to prioritize capital system improvements, to be updated annually.
 - IN PROCESS
- Formalize the Storm Restoration Plan by March 31, 2014.
 - COMPLETED
- Create a program for coordination of projects between TCL&P, other city departments, and other utilities by March 1, 2014.
 - IN PROCESS



Technology

- Enhance video security monitoring at TCL&P’s facilities by June 30, 2014.
 - IN PROCESS
- Implement a new citywide work order management system by September 30, 2014.
 - DELETED
- Install and implement an Integrated Voice Response (IVR) system for outage management by December 31, 2014.
 - IN PROCESS
- Safeguard the utility from cyber threats to stay current with industry standards (on-going).
 - ON-GOING



High Quality Workforce

- Maintain a safe work environment by creating a Safety Development Plan by June 30, 2014.
 - COMPLETED
- Continue to implement 2013 Efficiency Study recommendations that will foster a work environment that encourages professional development for the betterment of the organization (on-going).
 - Revise and include in 2015 Plan
- Develop a plan by December 31, 2014 that measures the organization's efforts to attract and retain qualified candidates.
 - To be included in 2015 Plan
- Enhance and formalize a Board Development Plan by June 30, 2014 that assists the board to make educated decisions in the best interests of the utility.
 - COMPLETED



Customer Satisfaction

- Maintain a customer satisfaction rating above 95%.
 - ON-GOING
- Maintaining residential rates within the top 25th percentile of lowest rates in the state (on-going).
 - ON-GOING
- Develop a communications strategy for residential and commercial customers by June 30, 2014.
 - COMPLETED
- Continually analyze new and current value-added programs to meet or exceed the customer expectations of its utility.
 - ON-GOING
- Develop an improved Key Accounts Program by September 1, 2014.
 - Reported under Financial Stability



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: January 18, 2015
Subject: Quarterly Financial Report

Enclosed in your packet are the first quarter financial statements for the Electric and Fiber Funds.

A goal of the strategic plan is to enhance public engagement through quarterly performance reporting to the Board and Public. As part of the process in reaching this goal, staff reviewed several other utility's financial reports and compiled the following reporting model, which consists of a balance sheet, summary income statement with monthly, annual and year to date budget comparisons, cash flow and supplementary information which consist of sale and purchase power data. The significant changes include a cash flow and supplementary information, which were not provided in the past. The cash flow provides you a snapshot of what the utility's cash resources and outlays are during a specific time period and the supplementary information provides you more detailed information on the utility's largest revenue, utility sales and largest disbursement, purchased power. Additionally, the income statement comparisons are showed on one page rather than two in previous reports. Staff welcomes any feedback regarding future enhancements with this new reporting model.

Electric Utility Fund:

As of September 30, 2014 (25% through the fiscal year) operating revenues are 28% of budgeted operating revenues. Overall revenues have increased over prior year as expected with the PCR uncapping as of October 1, 2013.

Total operating expenses are at 22.5% of budget year-to-date, or very nearly on-budget with purchase power costs at 23.3%, distribution costs at 18.72% lower than expected due to higher capitalization of wages than what was budgeted and expenses incurred subsequent to the period end date. Public service expense at 19.27% with the energy optimization funds not fully expended. General administration expenses at 17.07%, similar to the distribution expenses with expenses expected to be incurred later in the fiscal year.

Net income through the first quarter is \$2.3 million, which is approximately \$800,000 increase over the prior year.

Cash flows shows approximately \$1,000,000 expended in capital assets, mostly for the South Substation capital project.

Fiber Fund:

Revenues in the Fiber Fund are on-budget while expenses are 37.9% of budget year-to-date. Salaries and related fringe benefits attribute to the higher percentage than 25%, time through the fiscal year, because of more time being allocated to fiber maintenance at the beginning of the fiscal year than expected. The Fund has a net income or change in net position of \$8,837 or 12% of budgeted net income.

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

ASSETS	LIABILITIES AND NET POSITION	
Current assets		
Cash and cash equivalents	\$ 8,267,143	\$ 1,538,265
Investments	13,964,745	726,486
Receivables		90,813
Customer, less allowances of \$279,103 for uncollectible accounts (Light and Power Fund)	3,532,159	25,570
Accrued interest	56,287	5,996
Taxes	-	215,851
Other	617,283	
Inventories	2,495,072	
Prepaid expenses	64,727	
Total current assets	<u>28,997,416</u>	<u>2,602,981</u>
Non-current assets		
Other postemployment benefit asset	928,445	
Long-term advances - due from primary government	305,836	
Land and land improvements	1,395,691	
Construction in progress	2,668,618	
Capital assets being depreciated, net	44,136,271	
Total non-current assets	<u>49,434,861</u>	48,200,580
Total assets	<u>78,432,277</u>	<u>27,466,082</u>
		<u>\$ 75,666,662</u>
Current liabilities		
Accounts payable		
Accrued expenses and other liabilities		
Customer deposits		
Unearned revenue		
Compensated absences		
Due to primary government		
Total current liabilities		<u>2,602,981</u>
Long-term liabilities		
Compensated absences		162,633
Total liabilities		<u>2,765,614</u>
Net position		
Invested in capital assets		
Unrestricted		
Total net position		<u>\$ 75,666,662</u>
Total cash and investments	<u>\$ 22,231,888</u>	

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Month to Month Comparison			Year to Year Comparison			Budget to Year to date Comparison			
	Month to date Actual	Month to date Prior Year	Month to date Difference	Year to date Actual	Year to date Prior Year	Year to date Difference	Amended Budget	Year to date Actual	Favorable (Unfavorable)	% of budget
Operating revenues - sales										
Residential	\$ 548,311	\$ 444,740	\$ 103,572	\$ 1,783,805	\$ 1,656,527	\$ 127,278	\$ 6,600,000	\$ 1,783,805	\$ (4,816,195)	27.03%
Commercial	1,514,600	1,231,378	283,222	4,426,219	4,301,126	125,093	15,810,000	4,426,219	(11,383,781)	28.00%
Industrial	1,072,523	805,213	267,310	3,055,420	2,489,728	565,692	10,770,000	3,055,420	(7,714,580)	28.37%
Public authority	36,096	28,363	7,734	126,280	120,300	5,980	309,000	126,280	(182,720)	40.87%
Street lighting	16,559	16,019	540	49,276	64,120	(14,844)	201,600	49,276	(152,324)	24.44%
Yard lights	7,622	6,287	1,335	19,865	21,689	(1,824)	79,900	19,865	(60,035)	24.86%
Total operating revenues - sales	3,195,713	2,532,000	663,713	9,460,865	8,653,490	807,376	33,770,500	9,460,865	(24,309,635)	28.02%
Other operating revenues										
Forfeited discounts	6,293	4,150	2,143	17,246	12,398	4,848	58,000	17,246	(40,754)	29.73%
Merchandise and jobbing	2,566	4,182	(1,616)	6,299	8,257	(1,957)	65,000	6,299	(58,701)	9.69%
Sale of scrap	5,647	6,480	(833)	13,410	13,206	205	35,000	13,410	(21,590)	38.32%
Recovery of bad debts	-	-	-	30	143	(112)	200	30	(170)	15.25%
MISO income	235,982	262,012	(26,030)	720,732	757,057	(36,325)	2,461,000	720,732	(1,740,268)	29.29%
Miscellaneous	4,072	3,414	658	17,005	10,307	6,697	36,500	17,005	(19,495)	46.59%
Total other operating revenues	254,558	280,238	(25,679)	774,722	801,367	(26,645)	2,655,700	774,722	(1,880,978)	29.17%
Nonoperating revenues										
Rental income	2,695	2,678	17	10,486	31,005	(20,519)	45,000	10,486	(34,514)	23.30%
Pole rental income	522	-	522	4,741	4,158	584	36,000	4,741	(31,259)	13.17%
Reimbursements	3,314	5,965	(2,651)	10,462	10,728	(266)	353,600	10,462	(343,138)	2.96%
Interest income	36,221	44,506	(8,284)	86,827	126,352	(39,525)	200,000	86,827	(113,173)	43.41%
Gain/loss on sale of assets	-	-	-	-	-	-	(360,000)	-	360,000	0.00%
Total nonoperating revenues	42,753	53,149	(10,396)	112,516	172,244	(59,728)	274,600	112,516	(162,084)	40.97%
Total revenues	3,493,024	2,865,386	627,638	10,348,103	9,627,100	721,003	36,700,800	10,348,103	(26,352,697)	28.20%
Generation expense										
Non purchase power expenses	40,837	(34,279)	75,116	98,416	52,016	46,401	271,600	98,416	173,184	36.24%
MISO	506	(26,981)	27,487	148,430	526,846	(378,417)	1,250,350	148,430	1,101,920	11.87%
Lansing Bridge	461,927	489,017	(27,090)	1,392,190	1,499,145	(106,955)	6,116,250	1,392,190	4,724,060	22.76%
Stoney Corners	197,104	194,145	2,959	502,396	497,368	5,028	2,894,000	502,396	2,391,604	17.36%
Combustion Turbine	291,562	249,147	42,414	965,098	727,621	237,477	4,536,000	965,098	3,570,902	21.28%
Campbell Coal Plant	341,938	464,390	(122,453)	1,172,770	1,376,441	(203,671)	4,995,000	1,172,770	3,822,230	23.48%
Belle River Coal Plant	469,733	478,150	(8,417)	1,327,438	1,262,406	65,032	4,030,000	1,327,438	2,702,562	32.94%
Landfill Gas	39,573	26,597	12,976	121,578	104,787	16,790	925,000	121,578	803,422	13.14%
Bilateral contracts	59,605	-	59,605	136,333	-	136,333	-	136,333	(136,333)	#DIV/0!
Purchase power expenses	1,861,947	1,874,466	(12,519)	5,766,233	5,994,616	(228,383)	24,746,600	5,766,233	18,980,367	23.30%

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Month to Month Comparison		Year to Year Comparison		Amended Budget	Budget to Year to date Comparison		% of budget	
	Month to date Actual	Month to date Prior Year	Month to date Difference	Year to date Actual		Year to date Prior Year	Year to date Difference		Year to date Actual
Distribution	\$ 278,133	\$ 281,238	\$ (3,104)	\$ 722,805	\$ 3,860,700	\$ (45,451)	\$ 722,805	\$ 3,137,895	18.72%
Transmission	29,919	26,495	3,423	87,929	339,800	9,244	87,929	251,871	25.88%
Customer accounting	41,773	16,661	25,111	126,027	553,050	16,041	126,027	427,023	22.79%
Public service	71,345	15,672	55,673	154,694	802,800	98,252	154,694	648,106	19.27%
General administration expense	57,490	54,613	2,877	146,279	856,700	(48,161)	146,279	710,421	17.07%
Other expenses									
Insurance	4,675	5,655	(980)	14,114	68,000	5,508	14,114	53,886	20.76%
City fee	125,000	120,000	5,000	375,000	1,889,500	15,000	375,000	1,514,500	19.85%
Depreciation	168,932	156,574	12,358	506,796	2,132,000	36,990	506,796	1,625,204	23.77%
Total expenses	<u>2,680,050</u>	<u>2,517,096</u>	<u>162,955</u>	<u>7,998,293</u>	<u>35,530,750</u>	<u>(94,558)</u>	<u>7,998,293</u>	<u>27,522,457</u>	<u>22.52%</u>
Change in net position	\$ 812,974	\$ 348,290	\$ 464,683	\$ 2,349,810	\$ 1,180,050	\$ 815,561	\$ 2,349,810	\$ (367,076)	

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Cash flows from operating activities	
Cash received from customers	\$ 10,559,469
Cash payments to employees	(332,622)
Cash payments to suppliers for goods and services	(7,858,897)
Cash payments of City fee	(375,000)
Net cash provided by operating activities	1,992,950
Cash flows from noncapital financing activities	
Customer deposits paid	(9,035)
Rental income received	15,227
Reimbursements received	10,462
Net cash provided by noncapital financing activities	16,654
Cash flows from capital and related financing activities	
Purchase of capital assets	(956,526)
Cash flows from investing activities	
Sale of investments	1,887,662
Interest and dividends	86,827
Net cash provided by investing activities	1,974,489
Net decrease in cash and cash equivalents	3,027,567
Cash and cash equivalents, beginning of year	5,239,576
Cash and cash equivalents, end of year	\$ 8,267,143

TRAVERSE CITY LIGHT AND POWER
(A Component Unit of the City of Traverse City, Michigan)
ELECTRIC FUND
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2014

SALES	KWH month	KWH year to date	Monthly revenue	Year to date revenue	Current month	Prior month	Revenue/Sales		Revenue/Sales year to date variance	
							monthly variance	Year to date		
Residential Sales	5,163,475	14,043,586	\$ 647,878	\$ 1,660,110	\$ 0.1255	\$ 0.0958	\$ 0.0297	\$ 0.1182	\$ 0.0958	\$ 0.0224
Commercial Sales	14,337,167	35,812,874	1,763,640	4,335,926	0.1230	0.0989	0.0241	0.1211	0.0991	0.0220
Industrial Sales	10,902,850	32,130,490	1,090,757	3,231,870	0.1000	0.0794	0.0206	0.1006	0.0777	0.0229
Yard and Street Lights	127,284	289,997	23,739	52,579	0.1865	0.1649	0.0216	0.1813	0.1797	0.0016
Total Sales	30,530,776	82,276,947	\$ 3,526,014	\$ 9,280,485						

Note: Revenues do not agree to income statement because of monthly accruals.

PURCHASED POWER	KWH month	KWH year to date	Monthly cost	Year to date cost	Cost per kWh for the month	Cost per kWh for the year to date
Lansing Bridges	9,664,000	29,472,000	\$ 461,926.72	\$ 1,392,189.87	\$ 0.048	\$ 0.047
MISO	(516,700)	2,708,000	16,961.69	175,828.07	0.033	0.065
Bilateral Contract	2,688,000	8,192,000	59,605.00	136,333.00	0.022	0.017
Campbell #3	7,341,206	21,770,833	341,937.79	1,172,770.10	0.047	0.054
Belle River	6,087,942	17,860,977	469,732.54	1,327,437.54	0.077	0.074
Combustion Turbine	1,551,403	3,587,574	291,561.67	965,098.32	0.188	0.269
Landfill Gas	734,144	2,251,521	39,572.58	121,577.70	0.054	0.054
Stoney Corners	1,769,021	4,509,030	197,104.32	502,396.13	0.111	0.111
Transmission	not applicable	not applicable	(16,455.20)	(27,398.07)	not applicable	not applicable
Total	29,319,016	90,351,935	\$ 1,861,947.11	\$ 5,766,232.66	\$ 0.064	\$ 0.064

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

FIBER FUND STATEMENT OF NET POSITION SEPTEMBER 30, 2014

ASSETS				
Current assets				
Cash and cash equivalents			\$	151
Accounts receivable	(2,068)			204
Prepaid expenses	10	665		14,270
Total current assets	<u>(1,393)</u>			<u>11,464</u>
Non-current assets				<u>26,089</u>
Construction in progress	389,282			
Capital assets being depreciated, net	<u>1,239,333</u>			<u>1,226</u>
Total non-current assets	<u>1,628,615</u>			<u>27,315</u>
Total assets	<u>1,627,222</u>			<u>\$ 1,599,905</u>
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable				151
Accrued expenses and other liabilities				204
Unearned revenue				14,270
Due to primary government				11,464
Total current liabilities				<u>26,089</u>
Long term liabilities				
Compensated absences				1,226
Total liabilities				<u>27,315</u>
Invested in capital assets				1,628,615
Unrestricted (deficit)				(28,710)
Total net position				<u>\$ 1,599,905</u>

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

FIBER FUND

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

	Amended Budget	Year to date Actual	Favorable (Unfavorable)	Percentage of Budget
Operating revenues				
Charges for services	\$ 243,200	\$ 57,300	\$ (185,900)	23.56%
Operating expenses				
Salaries and wages	30,960	13,017	17,943	42.04%
Fringe benefits	20,930	9,314	11,616	44.50%
Supplies	2,000	329	1,671	16.44%
Overhead	3,000	-	3,000	0.00%
Underground	1,000	-	1,000	0.00%
Customer installations	500	-	500	0.00%
Termination boxes	2,000	-	2,000	0.00%
Professional and contractual	6,000	120	5,880	2.00%
Professional development	2,000	-	2,000	0.00%
Insurance	1,100	215	885	19.54%
Vehicle Rental	4,400	2,941	1,459	66.83%
City fee	12,160	-	12,160	0.00%
Depreciation	90,000	22,527	67,473	25.03%
Total operating expenses	176,050	48,463	127,587	
Operating income	67,150	8,837	(58,313)	
Nonoperating revenues				
Reimbursements	5,000	-	(5,000)	0.00%
Change in net position	72,150	8,837	(63,313)	
Net position, beginning of year	1,591,068	1,591,068	-	
Net position, end of year	\$ 1,663,218	\$ 1,599,905	\$ (63,313)	