

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**Tuesday, January 22, 2019**

At

**5:15 p.m.**

In The

**TRAINING ROOM (behind 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.

Jennifer St. Amour  
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:  
1/18/19  
3:00 P.M.

## AGENDA

### Pledge of Allegiance

#### 1. Roll Call

#### 2. Disclosure of Recusal

#### 3. 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. Approval of Agenda.
- b. Consideration of approving minutes of the Regular Meeting of December 11, 2018. (Approval Recommended (p.4))
- c. Consideration of authorizing a Letter of Agreement with the Utility Workers Union of America, AFL-CIO Local No. 295 and approving an updated Organizational Chart. (Approval Recommended) (Myers-Beman/Schroeder) (p.7)
- d. Consideration of approving a contract with the Downtown Development Authority for attachment of historic signs within the DDA district. (Approval Recommended) (Dixon) (p.13)
- e. Consideration of approving amended personnel policies. (Approval Recommended) (Schroeder) (p.17)

#### 4. Unfinished Business

- a. Consideration of approving the 2018 Six Year Capital Improvements Plan. (Approval Recommended) (Arends) (p.34)
- b. Consideration of staff recommended vendor for the Fiber to the Premise Project. (Menhart/Arends) (p.42)

#### 5. New Business

- a. 2017-18 Financial Audit Presentation. (Myers/Beman/Vredevelde-Haefner, LLC) (p.55)

#### 6. Reports and Communications

From Legal Counsel.

a. From Staff.

1. State report on pension and other post-employment benefits. (Myers-Beman)  
(p.66)

b. From Board.

**7. Public Comment**

a. General.

/js

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Commission Chambers, Governmental Center  
Tuesday, December 11, 2018

**Board Members -**

Present: Pat McGuire, Elysha Davila, Ross Hammersley, Amy Shamroe, Tim Werner, Paul Heiberger, John Taylor

Absent: None.

**Ex Officio Member -**

Present: Marty Colburn, City Manager

**Others:** Tim Arends, Daren Dixon, Scott Menhart, Karla Myers-Beman, Kelli Schroeder, Tony Chartrand, Jacob Hardy, Jennifer J. St. Amour

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

**Item 2 on the Agenda being Disclosure of Recusal – None**

**Item 3 on the Agenda being Consent Calendar**

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

- a. Approval of Agenda.
- b. Approve Minutes of the Regular Meeting of October 9, 2018.
- c. Approves the submission of a letter of intent to the United States Department of Agriculture Rural Energy Savings Program for their approval to participate in the financing and grant award application process relating to the project funding of the Fiber to the Premise Project.
- d. Approves the Member Authorized Representative delegations for the MPPA Energy Services Agreement.

CARRIED unanimously.

**Items Removed from the Consent Calendar**

- a. None.

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

- a. None.



**Item 5 on the Agenda being New Business**

- a. Consideration of a strategy session connected with the negotiation of a collective bargaining agreement with the Utility Workers of America, Local 295 to modify the terms for line worker hired after July 1, 2012. (Possible closed session at the request of TCL&P Executive Director)

The following individuals addressed the Board:

Tim Arends, Executive Director

Moved by Shamroe, seconded by Heiberger, that the Board enter into closed session to discuss a strategy connected with the negotiation of the collective bargaining agreement with the Utility Workers Union of America, Local 295 to modify terms for line workers hired after July 1, 2012 pursuant to MCL 15.268(c.)

Roll Call:

Yes – Hammersley, McGuire, Shamroe, Taylor, Werner, Davila, Heiberger

CARRIED unanimously.

5:19 p.m. the Board entered closed session.

6:01 p.m. the Board returned from closed session.

Moved by Hammersley, seconded by Shamroe, that the Board authorize the Board Chairman to sign the Letter of Agreement between TCL&P and the Utility Workers Union of America Local, No. 295 to modify the terms for line workers hired after July 1, 2012, that has been pre-ratified by the Union.

CARRIED unanimously.

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

- a. From Legal Counsel.
- b. From Staff.
1. Presentation of the 2019 Six-Year Capital Improvements Plan.

The following individuals addressed the Board.

Tim Arends, Executive Director  
Daren Dixon, Operations Manager  
Tony Chartrand, System Engineer  
Scott Menhart, Mgr. Telecom & Technology

2. June 30, 2018 Financial Statements.

The following individuals addressed the Board:

Tim Arends, Executive Director  
Karla Myers-Beman, Controller

## 3. September 30, 2018 Financial Statements.

The following individuals addressed the Board:

Karla Myers-Beman, Controller

## 4. 2019-20 Budget Schedule.

The following individuals addressed the Board:

Karla Myers-Beman, Controller  
Tim Arends, Executive Director  
W. Peter Doren, General Counsel

## c. From Board

Tim Arends announced the passing of a long-time former TCL&P employee, Tony Skiera.

W. Peter Doren expressed sympathy for the Skiera family and for Tony's wife, Dee.

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

## a. General

No one from the public commented.

There being no objection, Chairman McGuire declared the meeting adjourned at 6:38 p.m.

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Tim Arends, Secretary  
LIGHT AND POWER BOARD





**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Daren Dixon, Operations Manager  
Karla Myers-Beman, Controller  
Kelli Schroeder, Manager of HR & Communications  
**CC:** Tim Arends, Executive Director  
**Date:** January 11, 2019  
**Subject:** Union Letter of Agreement  
Amended Organizational Chart

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Staff is continually looking for ways to be more operationally efficient. As a result, staff is recommending the following:

- Creation of a new Assistant Storekeeper classification at a Range 4 and eliminating the vacant Field Assistant/Staking position at a Range 3. The addition of this new classification would provide:
  - Further enhancement of internal controls over inventory. Although safeguards have been put in place, the addition of this position would allow for the separation of purchasing and recording from receiving and issuance to help reduce the opportunity of inventory being misappropriated or misapplied.
  - Effective implementation of the new inventory and logistics processes that management has been working towards over the last year. This includes a complete reorganization of the warehouse and yard, renumbering all inventory items, implementing a bar coding system, creating an inventory staging area that limits the issuing of inventory to the inventory and logistics personnel (Line Worker wage savings) and developing a material bid system that secures pricing for a year.
  - An opportunity for succession planning to ensure a seamless transition should the Head Storekeeper, currently eligible to retire, vacates the position.

Additionally, staff is proposing the following reporting changes:

- Power Production employees to report directly to the System Engineer instead of the Operations Manager. The System Engineer is better suited to help with the technical issues that arise at the Kalkaska Combustion Turbine. Also, over the last year, improvements through recruitment and the overall training process have been completed making it an easier transition for the System Engineer to assume the supervisory role.
- Head Storekeeper and Assistant Storekeeper positions report to the Controller. With duties of these positions primarily focused on logistics, inventory and work order management, the Controller position is better suited to have oversight over this area.

**(RECOMMENDED MOTION ON NEXT PAGE)**

FOR THE LIGHT & POWER BOARD MEETING OF JANUARY 22, 2019

Included in your packet is the Letter of Agreement between TCL&P and the Utility Workers Union of America, along with a revised Organizational Chart.

These items are appearing on the Consent Calendar as they are deemed by staff to be non-controversial items. Approval of the items on the Consent Calendar mean you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss these matters, other than clarifying questions, the items 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 CHANGES TO THE ORGANIZATIONAL CHART AND AUTHORIZES THE BOARD CHAIRMAN TO SIGN THE LETTER OF AGREEMENT BETWEEN TCL&P AND THE UTILITY WORKERS UNION OF AMERICA LOCAL NO. 295.**



LETTER OF AGREEMENT  
BETWEEN  
CITY OF TRAVERSE CITY LIGHT AND POWER

And

UTILITY WORKERS UNION OF AMERICA, AFL-CIO

And Its

LOCAL NO. 295

**WHEREAS**, the CITY OF TRAVERSE CITY LIGHT AND POWER BOARD, (the “Employer”) and the UTILITY WORKERS UNION OF AMERICA, AFL-CIO, and its LOCAL 295, (collectively the “Union”) have entered into a collective bargaining agreement with a term running from July 1, 2017 through June 30, 2020 (the “CBA”); and

**WHEREAS**, the CBA within Appendix A, Section 1, *Pay Ranges, Classifications and Steps*, lists the current classifications and wage ranges; and

**WHEREAS**, the Employer seeks to amend Appendix A to add a new classification and remove a current classification that has been vacant for many years; and

**WHEREAS**, the Employer has determined that a full-time Assistant Storekeeper, at a Range 4, responsible for assisting the Head Storekeeper position is needed not only for succession, but also with the transitioning of new processes and procedures associated with logistics, inventory and work order management; and

**WHEREAS**, the current vacant classification of Field Assistant at a Range 3 will be removed from Appendix A; and

**NOW, THEREFORE, IT IS HEREBY AGREED UPON** between the parties as follows:

1. Appendix A is amended as follows:

**APPENDIX A**

**WAGE AND COMPENSATION PLAN**

**Section 1. Pay Ranges, Classifications and Steps.** There is hereby established the following schedule of pay ranges for the various classes of positions in the service of the Board. Each range consists of six (6) steps to be designated Steps A, B, C, D, E, and F. The minimum rate of compensation for each class of positions shall be Step A of the range to which it has been assigned, and the maximum rate for each shall be Step F of the

range to which it has been assigned. All Classifications have six (6) steps. The class titles herein used are those prescribed by the Executive Director and may be modified with approval of the Union.

<u>RANGE NUMBER</u>	<u>CLASSIFICATION</u>
Range 1	Meter Reader
Range 2	<i>None</i>
Range 3	Metering Assistant Field Assistant Traffic Signal Technician
Range 4	<del>None</del> Assistant Storekeeper
Range 4.A.	Line Worker Apprentice, hired after 7/1/2012
Range 5	Metering Technician Sr. Traffic Signal Technician
Range 6	Power Technician Head Storekeeper Facilities Maintenance Worker
Range 7	Operations & Maintenance Worker (In Training)
Range 8	Fiber Technician & Thermography Specialist Electric System Operator Operations & Maintenance Worker
Range 9	Metering and Technical Services Lead Operation & Maintenance Lead Electric System Operator Lead
Range 10	Line Worker A
Range 11	Line Worker In-Charge
Range 12	Line Worker A, hired after 7/1/2012
Range 13	Line Worker In-Charge, hired after 7/1/2012

6. All other provisions of the CBA will remain unchanged and this Letter of Agreement will be without precedent or prejudice to any future matters.

**IT IS FURTHER AGREED THAT** this Letter of Agreement will become effective on the date it is fully executed by all of the parties below and it shall be unique to this case. Neither the Employer nor the Union waive any rights as to other future cases.

**IN WITNESS WHEREOF**, the parties hereto have, by their representatives duly authorized in the premises, executed this Letter of Agreement.

City of Traverse City  
Light and Power Board

Utility Workers of America  
AFL-CIO and its LOCAL NO. 295

BY \_\_\_\_\_  
Patrick McGuire, Board Chairman

BY *Jim Gennett*  
James Gennett, National Rep.  
Region IV

DATE \_\_\_\_\_

DATE 1-11-19

BY *RHP*  
Robert Hipp, President  
Local 295

DATE 1-12-19

APPROVED AS TO SUBSTANCE:

BY \_\_\_\_\_  
Timothy Arends, Executive Director

DATE \_\_\_\_\_

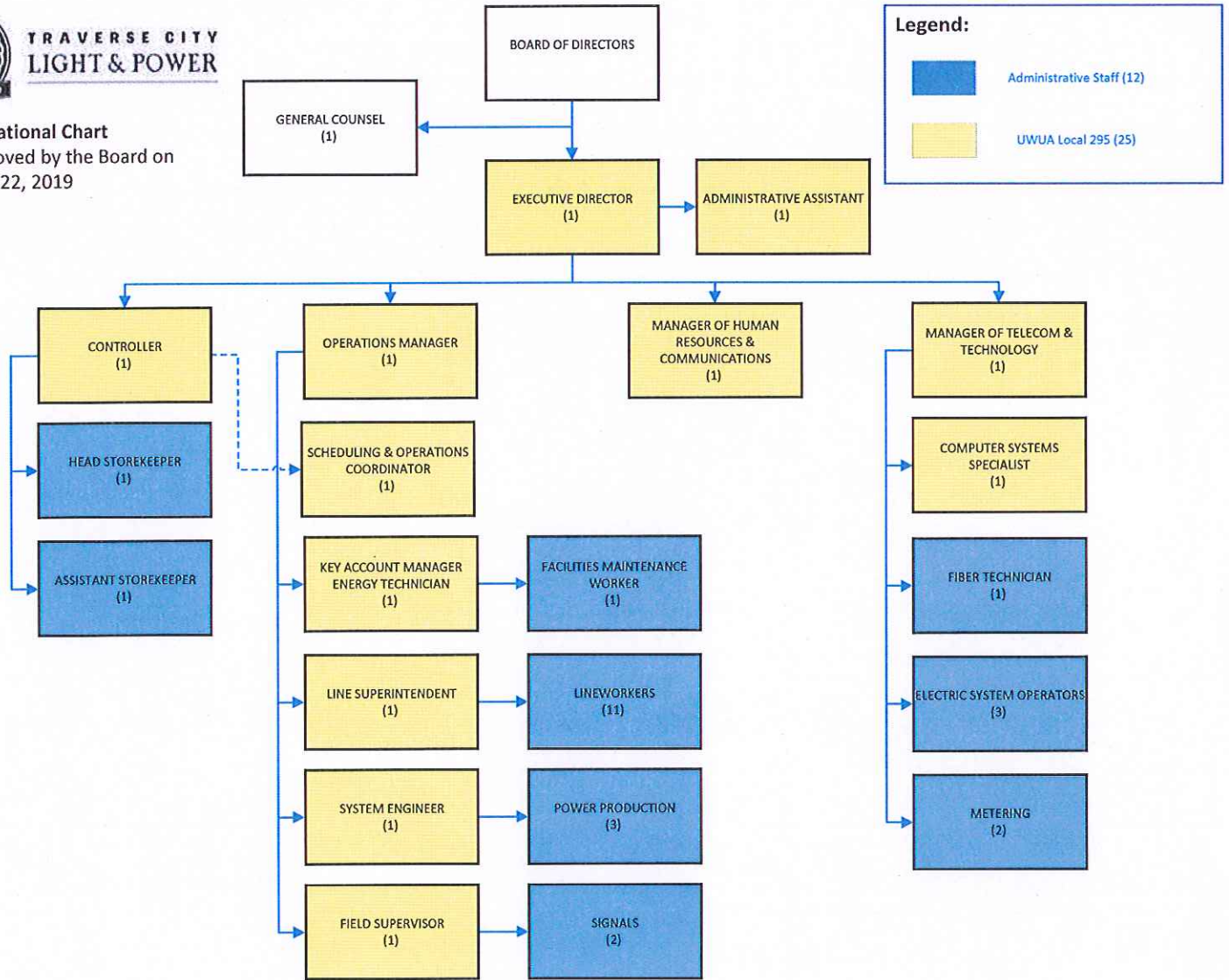






# TRAVERSE CITY LIGHT & POWER

Organizational Chart  
As approved by the Board on  
January 22, 2019



**Legend:**

- Administrative Staff (12)
- UWUA Local 295 (25)





**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Daren Dixon, Operations Manager  
**Date:** January 15, 2019  
**Subject:** Historic Signs Agreement

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The Traverse City Arts Commission has made a request to attach up to ten (10) signs containing historic photographs to existing Traverse City Light & Power streetlight poles in downtown along Front and State Streets as part of a temporary art exhibit titled 'Then and Now'. Staff provided information to the Arts Commission regarding size and location requirements for signs located in the pedestrian way and the Arts Commission has presented a sign design that appears to meet these requirements.

While there are no TCL&P costs related to this request, attachments to utility poles require written agreements between the parties. In this case, the agreement would be with the Downtown Development Authority. The attached Agreement titled "Agreement Regarding 'Then and Now' Signs" references the aforementioned requirements from the Michigan Manual on Uniform Traffic Control Devices, limits which type of poles are eligible for attachments, and specifies how the signs are to be attached to avoid any safety issues or damage to TCL&P facilities.

This item is on the Consent Calendar as it is deemed non-controversial. Approval of this item on the Consent Calendar means you agree with the motion provided below.

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 AUTHORIZES THE CHAIRMAN TO EXECUTE THE  
'AGREEMENT REGARDING "THEN AND NOW" SIGNS' WITH THE DOWNTOWN  
DEVELOPMENT AUTHORITY, SUBJECT TO REVIEW AS TO FORM BY GENERAL  
COUNSEL AND AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR.**

## AGREEMENT REGARDING 'THEN AND NOW' SIGNS

This Agreement for 'Then and Now' Signs is made and entered into as of the \_\_\_\_\_ day of January, 2019, by and between the DOWNTOWN DEVELOPMENT AUTHORITY, a Michigan authority, of 303 East State Street, Suite C, PO Box 42, Traverse City, Michigan, 49685 (the "DDA") and the TRAVERSE CITY LIGHT AND POWER DEPARTMENT, a Michigan municipal electric utility, of 1131 Hastings Street, Traverse City, Michigan 49686 ("TCL&P").

### RECITALS

WHEREAS the DDA is authorized by law to create, operate, and fund marketing initiatives that benefit the downtown districts; and

WHEREAS in furtherance of that authority, the DDA has developed and is operating a 'Then and Now' Sign program (the "Program"); and

WHEREAS, the DDA intends to contract with competent and qualified contractors (the "Contractor") for the installation and maintenance of the 'Then and Now' Signs (the "Signs") as part of the Program; and

WHEREAS, the DDA wishes to install the Signs on TCL&P street light poles on a continuous basis;

NOW THEREFORE, the parties agree as follows:

1. Display. The DDA shall install and properly maintain the Signs on TCL&P street light poles in the locations depicted an Attachment A, attached hereto and made a part hereof. Sign relocations or additions must be pre-approved by the TCL&P Operations Manager in writing before installation. Installed signs must conform to Section 6F.03 the Michigan Manual on Uniform Traffic Control Devices requirements. Signs may be installed lower as provisioned in that section so long as the sign does not extend more than 4" into a pedestrian sidewalk or pathway. Banding shall be the appropriate method of mounting the sign to the poles; pole surfaces shall not be penetrated under any circumstances. Signs may only be mounted to TCL&P high-level cobra head style light poles and not the smaller, decorative 'candy cane'-style poles due to the decreased width of the 'candy cane' poles.

2. Release and Indemnification. The DDA shall obtain the Contractor's agreement to release, indemnify and hold harmless TCL&P and all of its employees and representatives in connection with or arising out of their participation in the Program, including, but not limited to any claims, liabilities, losses, damages, actual attorneys' fees, and settlement expenses for injury or death of any person and damage or loss of any property, allegedly or actually resulting from or arising out of any acts, omissions, or negligence. This promise of indemnification shall not be limited by reason of insurance.



3. Term. This agreement is effective as of the above date and expires on March 1, 2022. Within 30 days of expiration or early termination DDA shall remove all of its signs and attaching hardware. If not so removed, DDA shall pay TCL&P \$1,000 plus all costs of TCL&P in removing the signs or having them removed.

4. Ownership of Photographs. The DDA represents that the photographs being used for the posters are the property of the City of Traverse and that the DDA has all rights to use the photographs and that there are no artists' rights that have not been waived.

5. Early Termination. For any utility or safety related reason, for failing to properly maintain, or if a pole or poles are being serviced or removed, TCL&P may terminate this agreement in whole or in part by giving 30 days advance written notice to the DDA. This agreement shall also automatically terminate if the DDA has not begun to install signs by March 1, 2019, or diligently pursue completion of all installation.

6. Insurance. The DDA shall assure that any Contractors retained by the DDA to install, maintain and remove the Signs shall obtain Comprehensive General Liability coverage and insurance with limits of \$1,000,000.00 per occurrence, which policy shall name TCL&P as an additional insured.

7. Prohibition Against Assignment. This Agreement is not assignable in whole or in part by either party without the other party's consent. However, in its sole discretion, the DDA may retain suitable contractors to install and maintain the Signs.

8. Amendments. This Agreement may be modified from time to time, but such modifications will not be effective unless in writing and signed by both parties.

9. 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.

10. Dispute Resolution. If either 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 as follows:

- (a) Mediation. 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.
- (b) Venue. All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse County.
- (c) Notice. Written notice of a dispute shall be given to the other party not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within 60 days after such notice.

(d) Contractors. This Dispute Resolution paragraph shall be included in all DDA contracts with contractors.

11. Entire Agreement. This Agreement contains all agreements between the parties. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties, except to the extent reference is made thereto in this Agreement.

Dated: \_\_\_\_\_

DOWNTOWN DEVELOPMENT AUTHORITY

\_\_\_\_\_  
By: Leah Bagdon McCallum  
Its: Chairperson

APPROVED AS TO FORM

\_\_\_\_\_  
By: Lauren Tribble-Laucht  
Its: General Counsel

\_\_\_\_\_  
By: Steve Constantin  
Its: Secretary

APPROVED AS TO SUBSTANCE

\_\_\_\_\_  
Jean Derenzy, Executive Director

Dated: \_\_\_\_\_

TRAVERSE CITY LIGHT AND POWER  
DEPARTMENT

\_\_\_\_\_  
By: Patrick McGuire, Chairman

APPROVED AS TO FORM

\_\_\_\_\_  
W. Peter Doren, General Counsel

\_\_\_\_\_  
By: Timothy Arends, Secretary





TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**CC:** Timothy Arends, Executive Director  
**From:** Kelli Schroeder, Manager of HR & Communications *Kelli*  
**Date:** January 11, 2019  
**Subject:** Policy Updates

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Staff continues to amend existing policies as necessary. Currently, we have identified the following four policies that were reviewed and revised by both staff and TCL&P's attorney, Karrie Zeits, to bring them current.

- **Accident Prevention Policy:** This policy was adopted in 1991 with no subsequent amendments to match current day practices. Staff revised the policy to reference current positions and procedures now in place.
- **Educational Assistance Policy:** Adopted in 1984, this policy was in need of minor edits with respect to process changes and overall language.
- **Employee Recognition Policy:** In 2000 when this policy was adopted, the Service Award Program amounts were adequate. However, with recruitment and retention a focus of the utility, staff updated this policy to increase the Service Award Program amounts to make them applicable to today. Also, language was added to better clarify the taxable status of the employee recognitions listed in the policy.
- **Travel Expense Policy:** Language was added for more clarification on what constitutes an expense when traveling for company business and further defined how such expenses should be calculated.

Additionally, staff is recommending rescinding the Employee Suggestion Awards Program Policy adopted in 1993. This policy has not been utilized for many years and is no longer applicable under our current practices.

Staff recommends that the Board approve or rescind the policies as amended or recommended. These items are appearing on the Consent Calendar as they are deemed by staff to be non-controversial items. Approval of the items on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss these matters, other than clarifying questions, the items, individually, should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion.

(RECOMMENDED MOTIONS ON NEXT PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF JANUARY 22, 2019

If after Board discussion you agree with staff's recommendation, the following motions would be appropriate:

**1. ACCIDENT PREVENTION POLICY:**

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

THAT THE BOARD ADOPTS THE AMENDED ACCIDENT PREVENTION POLICY AS PRESENTED WITH AN IMMEDIATE EFFECTIVE DATE.

**2. EDUCATIONAL ASSISTANCE POLICY:**

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

THAT THE BOARD ADOPTS THE AMENDED EDUCATIONAL ASSISTANCE POLICY AS PRESENTED WITH AN IMMEDIATE EFFECTIVE DATE.

**4. EMPLOYEE RECOGNITION POLICY:**

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

THAT THE BOARD ADOPTS THE AMENDED EMPLOYEE RECOGNITION POLICY AS PRESENTED WITH AN IMMEDIATE EFFECTIVE DATE.

**5. TRAVEL EXPENSE POLICY:**

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

THAT THE BOARD ADOPTS THE AMENDED TRAVEL EXPENSE POLICY AS PRESENTED WITH AN IMMEDIATE EFFECTIVE DATE.

**5. EMPLOYEE SUGGESTION AWARDS PROGRAM POLICY:**

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

THAT THE BOARD RESCINDS THE EMPLOYEE SUGGESTION AWARDS PROGRAM POLICY EFFECTIVE IMMEDIATELY.



Light and Power Department  
City of Traverse City, MI  
Adopted: October 3, 1991  
Amended:

## ACCIDENT PREVENTION PROGRAM POLICY

Management has primary responsibility for the accident prevention program at every facility. Management will take advantage of every opportunity to emphasize the importance of accident prevention -- both as a means of protecting employees and of operating efficiently. Management will convey its interest in accident prevention to supervisors and employees through example, leadership, and participation in all of Traverse City Light & Power's (TCL&P) safety and accident prevention programs. In order to assure an accident free and safe workplace for our employees and to protect the general public, ~~TCL&Praverse City Light and Power is implementing itshas implemented an~~ Accident Prevention Program.

1. The ~~Transmission & Distribution Superintendent~~Operations Manager is charged with the responsibility of administering the Accident Prevention Program at ~~the Light and Power Service Center, the all facilities owned, operated or being worked on by~~ TCL&P and any job sites where TCL&P employees have been dispatched by TCL&P.
- 1.2. -TCL&P will provide its employees with the necessary training and re-training with respect to each employee's operating procedures and tools and equipment necessary to perform the employee's job. In the event an employee identifies that the employee needs training or re-training with respect to a particular job, the employee shall notify the Operations Manager who shall then make a determination as to the necessity of the training or re-training and the scope of the training or re-training based on the concerns expressed by the employee. ~~Power Plant Superintendent is charged with the responsibility of administering the Accident Prevention Program at the Power Plant.~~
- 2.3. It is the responsibility of each employee to be familiar with the operating procedures, hazards and safeguards of tools and equipment necessary to perform ~~his job~~the employee's job. Any employee who is unsure of the safe method of performing a job is to immediately contact their supervisor to obtain instructions. Supervisors should have a thorough knowledge of the hazards of any operations within their departments. Employees who disagree with their supervisor's instructions regarding the safe work practices to perform a job, are to discuss with their supervisor the reasons why they disagree and offer suggestions for a manner in which they feel it would be safe to perform the job. If a resolution to the disagreement cannot be reached through discussion, an employee may refuse to perform a job on the basis that it is unsafe to do so, and will not receive disciplinary action if ~~he/shethe employee is determined by the Executive Director to be he is correct in-his or her their~~ determination or that their determination was justifiable under the circumstances.



3.4. ~~The supervisor of a department or foreman, leadman, or senior man-employee on a job site is responsible for implementing all TCL&P accident prevention policies and making certain that employees under their supervision understand and comply with them, ensuring that all sections of the Safety Manual are followed by the employees during the performance of their duties, the inspection of the site, tools, materials and equipment to assure identifying unsafe conditions that could create a hazard, to determine a plan for mitigating the risks, are eliminated and to make employees aware of the issues and mitigation in steps to avoid the risk. All employees on a job site are required to attend aA tailboard meeting is required at the job site before the commencement of any job in the field. Each employee is responsible to inspect the site, tools, materials, equipment and the employee's personal protective equipment prior to its use to ensure hazards are identified and mitigated and to identify whether any safety instruction is unclear to the employee.~~

4. It is the Accident Prevention Program administrator's or designee's responsibility to (a)–instruct each employee in the recognition and avoidance of hazards, (b)–instruct each employee required to handle or use known poisons, toxic materials, caustics, and other harmful substances regarding the potential hazards, safe handling, use, personal hygiene, protective measures required, and applicable first aid procedures to be used in the event of injury, (c)–instruct each employee where known harmful plants, reptiles, animals, or insects are present regarding the potential hazards, how to avoid injury, and applicable first aid procedures to be used in the event of injury, (d)–instruct each employee required to enter a confined space regarding the hazards involved, the necessary precautions to be taken, the use of required personal protective equipment, emergency equipment, and the procedures to be followed if an emergency occurs, (e)–instruct each employee in the steps or procedures to be followed in case of an injury or accident or other emergency, (f)–to assure that each employee has a copy of the Safety Manual ~~and that all sections of the Safety Manual are followed by the employees during the performance of their duties,~~ (g)–to review periodically in Safety Meetings sections of the Safety Manual that pertain to the performance of the employees' jobs, (h)–to document all safety or training provided to employees, (i)–to comply with the Department of Labor ~~and MIOSHA~~ safety standards applicable for their area of responsibility, ~~and~~ (j)–to enforce the ~~Light and Power~~ TCL&P Accident Prevention Program.

5. Each employee shall be responsible for (a)–immediately reporting unsafe practices or hazardous conditions or equipment to the employer, (b)–knowledge of the content of the Safety Manual which the employee he–was issued, (c)–an inspection of the individual employee'shis worksite, tools, materials and equipment to assure that unsafe conditions that could create a hazard are eliminated, (d)–becoming familiar with the appropriate safety precautions and operating procedures of the tools, methods and manner,s and equipment necessary to perform his-the employee's job, (e) – properly using any protective safety gear required or necessary to perform the employee's job, (f) wearing seatbelts when operating or riding any vehicle while performing TCL&P business.

6. An employee shall not do any of the following (a)–engage in any act which would endanger



~~himself the employee~~, another employee, or a member of the public, (b)–work while under the influence of intoxicating beverages or substances which may impair ~~his—the employee’s~~ ability to perform a task ~~in a safe manner~~, (c)–remove a guard or any other safety device from a machine or equipment, except for authorized servicing purposes and ~~—~~the guard or other safety device shall be replaced or equivalent guarding shall be provided before the machine or equipment is returned to normal operation.

~~6.7. First Aid and CPR training on employee on each shift or job site~~ Each employee shall be qualified to administer first aid and CPR and a first aid kit will be available at each job site.

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8. Any accident shall be immediately reported to the supervisor and the accident shall be investigated by the Executive Director or Manager of Operations, the Supervisor and the Manager of HR & Communications within two— working days from the date of the accident or within 24 hours if the accident resulted in death or permanent or partial disability of the employee. Employees involved shall cooperate fully and assist in the investigation of accidents to identify correctable causes and prevent recurrences.

7.9. A Safety Committee representing Management and Labor shall provide recommendations to the administrators of the Accident Prevention Program relevant to their areas of the operation.

10. Employees who violate safety standards shall be subject to disciplinary action up to, and including, termination of employment.

11. A copy of this policy shall be posted and provided to all employees.

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Charles R. Frieke Timothy Arends  
Executive Director and Secretary  
Traverse City Light and Power Board



Light and Power Department  
City of Traverse City, MI  
Approved: July 1, 1984  
Amended:

### EDUCATIONAL ASSISTANCE POLICY

Effective July 1, 1984, the Light and Power Board approved an educational assistance program to be administered by the Executive Director. The program ~~will involve~~ provides up to 100% tuition reimbursement for enrollment in and ~~educational courses subject to the following~~ attendance of and ~~education or training courses which that~~ are directly related to any ~~company~~ Traverse City Light & Power (TCL&P) ~~job description subject to the following:~~

- a. ~~Prior approval by the Executive Director~~ for enrollment in ~~of the course(s) for the employee is required.~~ Approval will be based on whether the course will improve the employee's ability to perform ~~his/her~~ the employee's current or potential future job with ~~Light and Power~~ TCL&P.
- b. Upon ~~Submission~~ of proof of payment, TCL&P will provide ~~(50% reimbursement for the course).~~
- c. Upon ~~Submission~~ of adequate proof of course completion with a passing grade, (2.0 grade point or higher), TCL&P will reimburse the remaining ~~(50% reimbursement) for the course.~~
- ~~d.~~ The Employer ~~TCL&P will not reimburse for courses related to graduate level college courses.~~
- ~~d.~~ e. No maximum reimbursement.
- ~~e.~~ f. Tuition for the course and reasonable fees associated with the course will be ~~covered~~ reimbursed by TCL&P, but expenses related to ~~not~~ books, meals, transportation, or application fees will not be reimbursed.
- ~~f.~~ g. All ~~Course~~ work will be done on the employee's own time.
- ~~g.~~ h. Courses required by ~~Traverse City Light & Power~~ TCL&P are not covered by this policy.
- ~~h.~~ i. The employee must remain employed by TCL&P for a minimum period of 12 calendar months following completion of the course(s), ~~or courses~~, or will be required to pay back the tuition reimbursement to TCL&P. An employee terminated by TCL&P within this time period as a result of Employer action may or may not be required to pay back the tuition ~~payment~~ reimbursement at the Executive Director's discretion.

~~I encourage a~~ All employees are encouraged to consider the formal education and training opportunities available to them. ~~Approval will be based on whether the course will improve the~~

| ~~employee's ability to perform his/her current or future job with Light and Power.~~

| William StromTimothy Arends  
Executive Director and Secretary  
Traverse City Light and Power Board



Light and Power Department  
City of Traverse City, MI  
Adopted: November 28, 2000  
Amended:

### EMPLOYEE RECOGNITION POLICY

The Employee Recognition Policy establishes the parameters for a Service and Retirement Awards Program to recognize and honor Light and Power employees and their years of service with Light and Power.

#### Service Award Program:

Employees will receive a service award in an amount based upon years of service per the following schedule:

5 years	\$ <u>720.00</u>	25 years	\$ <u>400140.00</u>
10 years	\$ <u>140.00</u>	30 years	\$ <u>500250.00</u>
15 years	\$ <u>20070.00</u>	35 years	\$ <u>600275.00</u>
20 years	\$ <u>3100.00</u>	40 years	\$ <u>700400.00</u>

Service awards will be included in the pay period in which the employee's anniversary falls and an announcement will be made in the applicable quarterly employee newsletter. Service awards will be presented to employees quarterly, in conjunction with the all-employee meeting; recipients will be invited to attend a luncheon with the Executive Director.

#### Retirement Award Program:

Employees retiring under within the requirements of the Municipal Employees Retirement System (MERS) will receive a retirement award in an amount based upon the years of service per the following schedule:

10 through 14 years of service	\$100.00
15 through 19 years of service	\$200.00
20 through 24 years of service	\$300.00
25 through 29 years of service	\$400.00
30 through 34 years of service	\$500.00
35 through 39 years of service	\$600.00
40 years of service or more	\$700.00

"Years of service" for purposes of this policy will include the total number of years of combination of consecutive service at ~~TCL&P~~Light and Power and any other city department of the City of Traverse City when continuous employment occurred.

Retirement awards will be presented to employees during the retirement celebration or on their last worked day at a small retirement celebration at the appropriate work facility.

**Expenses:**

All expenses associated with the Service and Retirement Awards Program will be charged to the Recognition Committee Budget line item 582-530-825.01. and will be taxable through the payroll system.

**Taxable Income:**

All awards under this policy are social security earnings and taxable as income to the employee. Light and Power will deduct the appropriate amount of social security withholding and federal and state income taxes from the award based upon the employee's withholding selection. Awards received under this policy are not to be counted as income for purposes of Light and Power's defined benefit pension plan, Health Care Savings Plan or the 457 or MERS deferred compensation plan.

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Jeffery W. Feldt Timothy Arends  
Executive Director and Secretary  
Traverse City Light and Power Board



Light and Power Department  
City of Traverse City, MI  
Adopted: September 24, 1996  
Revised: April 6, 2004  
Amended:

## TRAVEL EXPENSE POLICY

1. ALL TRAVEL ON TRAVERSE CITY LIGHT AND POWER BUSINESS SHALL BE AUTHORIZED IN ADVANCE BY THE EXECUTIVE DIRECTOR OR CHAIRPERSON~~MAN~~ OF THE BOARD. THIS POLICY ALSO APPLIES TO ~~EX-OFFICIO~~ BOARD MEMBERS.
  
2. For those employees or Board members not provided a company credit card, whenever possible, all registration fees, travel fees for rental car, air, train, or bus and lodging fees shall be made through the Administrative Assistant whenever possible.
  
- 1.3. EXPENSES INCLUDED: The following expenses are reimbursable provided that they have received prior authorization by the Executive Director for all TCL&P employees and Chairperson of the Board for the Executive Director or any member of the Board:
  - A. Registration Fees and charges associated with seminars, association meetings, and field trips.
  
  - B. Mileage and Parking - For use of personal car while traveling on TCL&P business, an amount equivalent to the maximum allowable amount by the then current IRS rules. For anyone receiving a monthly auto allowance, the per mile reimbursement rate shall be in accordance with the current TCL&P policy for Use of Personal Vehicles.
  
  - C. Air, Train, Bus or Taxi expenses shall be reimbursed. Employees and Board Members traveling on TCL&P business shall take advantage of the lowest practical fares. First class air fares airfares for any employee or Board member may only be reimbursed if can only be approved in advance by the Board.
  
  - D. Car Rentals when necessary will be reimbursed. Employees and Board Members are encouraged to rent the most economical vehicle for the situation and are required to purchase through the rental car company at the time of rental the necessary insurance to ensure coverage of the vehicle including, but not- limited to collision damage waiver or physical damage waiver insurance and supplemental liability protection.

E. Travel Expense - Meals consumed while on TCL&P business shall be reimbursed according to IRS Publication 1542 (Per Diem Rates the following\*\*):

1. The total amount for meals as evidenced by receipts for the meals, excluding alcohol.
2. A per diem rates determined as follows (these rates are set in accordance with IRS Publication 1542):

For travel within the United States, find total Meals & Incidental Expenses (M&IE) for travel in the continental U.S at <https://www.gsa.gov/travel/plan-book/per-diem-rates/meals-and-incidentals-expenses-mie-breakdown>.

- a. Determine the location where you will be working while on official travel.
  - b. Look up the location-specific information at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).
  - c. In the per diem rates table provided, find the row for your specific location and note the amount listed in the last column for "M&IE." This is the total -daily M&IE for your specific location for a single calendar day of travel when that day is neither the first nor last day of travel.
  - e. First and last day of travel will be reimbursed in the amount indicated for first and last day of travel unless:
2. Find M&IE Breakdown by meal
- a. Match the amount noted above to the M&IE total in the table to determine the breakdown for breakfast, lunch and dinner.

Breakfast is not allowed on the day of departure unless departure is before 7:00 a.m., and dinner on the day of return is not allowed unless return is after 6:00 p.m. Per Diem rates can be used instead of receipts for meals. These rates will be set in accordance with IRS Publication 1542 which gives the maximum allowable per diem rate you can use without treating part of the per diem allowance as wages for tax purposes. Partial day travel is prorated as follows: Breakfast 20%, Lunch 30%, and Dinner 50%.

For travel outside of the United States, receipts are required.

TCL&P shall not provide per diem for meals provided by the host (covered by the registration fee) or paid for by another party, except for continental breakfast.

\*\*Above These limits are guidelines. If circumstances require spending additional



amounts on meals, an explanation is required.

- F. **Travel Expense - Lodging** while on TCL&P business shall be reimbursed. Employees and Board Members traveling to seminars or association meetings should stay at the designated hotel at the convention rate if possible. Other lodging arrangements are only permitted if it is less expensive than the convention hotel, unless the room block at the site is fully booked. Lodging while on other TCL&P business shall be at modest facilities with modest rates for best available rate accommodations.
- G. **Entertainment of Others** expenses such as meals or beverages for others shall be reimbursed only when it can be shown to be clearly in the best interests of TCL&P. Any request for entertainment expense reimbursement must be accompanied by a receipt and a written statement of who was entertained and the business relationship, to comply with IRS rules.
- H. **Gratuities** that are reasonable and traditional shall be reimbursed provided a receipt evidencing the gratuity is presented for reimbursement.
- I. ~~**Telephone** - Reasonable expenses for calls to spouse or minor children shall be reimbursed up to \$5.00 per day.~~

### 3. **EXPENSES EXCLUDED:**

- A. **Employee Entertainment Expenses** such as theaters, concerts, movies, ball games, etc., shall not be reimbursed unless they are part of an official function and included in the registration fee.
- B. **Beverages** - The cost of ~~alcoholic or~~ other beverages not accompanying a meal or alcoholic beverages shall not be reimbursed except when part of an official event or function reception.
- C. **Personal Purchases** - The cost of personal items such as toiletries, clothes, books, or magazines shall not be reimbursed.
- D. **Expenses of Others** - Meals, beverages, or travel expenses for persons other than TCL&P employees or Board Members shall not be reimbursed except that the Executive Director or a Board Member may be reimbursed if the expense is in the clear best interests of TCL&P (see 2G).
- B.E. **Non-Direct Route** - Travel by other than a direct route shall not be reimbursed unless it is in the clear best interests of TCL&P. If a non-direct route is chosen, reimbursement will be at the lowest direct route rate as determined by MapQuest.

**4. CASH ADVANCES:**

Cash advances are discouraged but may be obtained when other expense funding is not practical.

**RECORDS AND REIMBURSEMENT:**

Reimbursement shall be made upon submission of a properly signed travel expense report accompanied by the appropriate receipts. The Executive Director shall review, and approve for payment, expense reports as they comply with this policy.

The expense reports of the Executive Director shall be reviewed and approved by the Board Chair ~~personman~~ or, in ~~his/her~~ the Chairperson's absence, the Vice Chair ~~personman~~.

Expense reports shall be submitted within five (5) working days after date of return.

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



# RESCIND

Light and Power Department  
City of Traverse City, MI  
Adopted: September 14, 1993

## EMPLOYEE SUGGESTION AWARDS PROGRAM POLICY

### Purpose:

This procedure establishes and defines the administration of the Employee Suggestion Awards Program which is designed to encourage, promote, and reward employee participation in the development of methods, procedures, and ideas for the improvement and efficiency of Traverse City Light and Power.

### Procedure:

Qualified employees who submit eligible suggestions that will enhance the effectiveness of Traverse City Light & Power both in terms of cost savings and improved services will have those suggestions evaluated and receive recognition and monetary awards for approved and implemented suggestions.

### Qualified Employees:

All employees of Traverse City Light & Power are eligible to submit suggestions except the Executive Director.

### Criteria for Judging Suggestions:

Suggestions that will be accepted should result in one or more of the following results:

- Improved operations
- Saved time, labor, materials or reduced costs
- Increased revenues (except fees and charges regularly reviewed)
- Increased efficiency or productivity
- Improved service to public
- Improved safety conditions
- Reduced energy usage

**Eligible Suggestions:**

All areas of activity within Traverse City Light & Power are eligible for submission. Suggestions that cover the following areas are not likely to receive favorable consideration:

Solutions to problems that an employee would normally be expected to offer as part of the assigned job function, or whose duties include the development of new ideas.

Involves personal grievances, position reclassification, or salary recommendations.

Reports of unsafe equipment, unsafe tools, and other hazardous conditions are not to be documented through the suggestion program. These conditions should be reported immediately to appropriate supervision and documented as outlined in the Safety Hazard Reporting procedure.

**Awards:**

A combination of monetary and non-monetary recognition will be awarded an employee for the implementation of an approved suggestion as follows:

Tangible Savings - Cash awards are based on 10% of the first year's measurable savings in labor, materials, equipment, cost reductions or an increase in revenue to a maximum award of \$5,000.

Intangible Savings - Cash awards range from \$25 to \$100 and are based on intangible savings (net savings or net increase in revenue which cannot be estimated).

Non-Monetary Recognition - All awardees will have their awards presented to them on a quarterly basis at a regularly scheduled Light & Power Board meeting and upon receipt of letter of recognition will be placed in their personnel files.

**Employee Suggestion Awards Committee:**

The Board Chairman shall appoint three (3) Board members to the Employee Suggestion Awards Committee. This Employee Suggestion Awards Committee shall review the suggestion and the Executive Director's recommendations and make a determination as to the level of award appropriate. The determination of this committee shall be final.

**Promotion:**

All employees submitting suggestions will receive a promotional item (i.e. coffee mug) for participating in the Program and the Program will be promoted in the following ways:

- Flyer with paycheck
- Posters
- Discussion with employee groups



**Submission of Suggestion:**

To be considered, a suggestion must be submitted on an Employee Suggestion Awards form. This form may be obtained from, and must be returned to, the Executive Director's Office.

*Charles R. Fricke*

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Charles R. Fricke  
Executive Director and Secretary  
Traverse City Light and Power Board

**EMPLOYEE SUGGESTION AWARDS FORM**

Describe the problem, current method, and why it should be changed:

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Describe your suggestion: (attach additional pages, sketches or samples, specify in as much detail as necessary to fully explain your suggestion)

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How will your suggestion benefit Traverse City Light & Power? (Show actual dollar savings if possible)

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Suggested by: \_\_\_\_\_  
(Name)

Job Title: \_\_\_\_\_ Date: \_\_\_\_\_

Employee Signature: \_\_\_\_\_





**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Tim Arends, Executive Director  
**Date:** January 8, 2019  
**Subject:** Six Year Capital Improvements Plan - 2019

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Attached for your consideration of approval is the Six Year Capital Improvements Plan -- 2019 (Plan). The Plan has been modified to reflect an updated estimate on the Barlow Street Substation Switching Station Project, which increased from \$1,610,000 to \$2,198,000, Eighth Street Underground Lighting Circuit from \$100,000 to \$170,000 along with the removal of the duplicated PC-22 Project. The impact of the three modifications caused an overall increase in capital costs of approximately \$358,000.

The estimate for the Barlow Street Substation Switching Station Project was updated by GRP to reflect the costs obtained from the Parsons Substation Switching Station Project, as well as another recent substation project they worked on. This resulted in an overall cost increase as mentioned above. The majority of this was due to an increase in labor costs being seen in the industry due to the amount of work available to contractors, as well as the substation steel and control house, which are affected by new steel tariffs.

The cash flow projection shows the cash balance ending at \$11.5M by the end of 2024/25 approximately \$2M above the minimum cash reserve. Staff would like the cash and investment balance to be around \$12 to \$14M but feels the \$11.5M is acceptable based on the anticipated MERS acceleration funding for the utility's pension system ending fiscal year 2025-26. This will cause the contribution to the pension system to decrease by \$2M resulting in a reduction of cash outflow of this amount. Additionally, as staff goes through the budget process over the next couple of months, staff will evaluate whether a rate increase will be needed in the upcoming 2019-20 fiscal year versus the 2020-21 fiscal year.

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 – 2019 AS PRESENTED TO THE CITY MANAGER FOR REVIEW AND APPROVAL OF THE CITY COMMISSION AND CITY PLANNING COMMISSION.**



**TRAVERSE CITY LIGHT & POWER  
CAPITAL IMPROVEMENTS PLAN 2019**

ELECTRIC FUND							
Sum of Amount	FISCAL YEARS						
Row Labels	Column Labels						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Grand Total
<b>Transmission</b>			\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,045,000.00		\$ 4,045,000.00
<b>Transmission Line Reconstruction</b>			1,500,000.00	1,500,000.00	1,045,000.00		4,045,000.00
Cass Road Substation to Cass Road Junction 1.66 Miles rebuild					615,000.00		615,000.00
Cass Road Junction to Hall Street Substation 1.17 Miles rebuild					430,000.00		430,000.00
Barlow Street Substation to Parsons Road Substation 2.71 Miles rebuild			1,500,000.00	1,500,000.00			3,000,000.00
			1,500,000.00	1,500,000.00			3,000,000.00
<b>Substation</b>	1,498,000.00	1,775,000.00		775,000.00	750,000.00		4,798,000.00
<b>Substation Transformer Upgrades</b>				775,000.00	750,000.00		1,525,000.00
Cass Road #1 Transformer					750,000.00		750,000.00
Parsons Road #1 Transformer				775,000.00			775,000.00
<b>Substation Switching Stations</b>	998,000.00	1,200,000.00					2,198,000.00
Barlow Street Substation	998,000.00	1,200,000.00					2,198,000.00
<b>Grand Traverse Substation Upgrades</b>	500,000.00	575,000.00					1,075,000.00
<b>Distribution</b>	2,875,000.00	3,025,000.00	3,167,000.00	2,695,000.00	2,845,000.00	2,575,000.00	17,182,000.00
<b>Critical and Large Customers</b>	925,000.00	925,000.00					1,850,000.00
<b>Hartman Road Overhead Tie</b>	725,000.00	725,000.00					1,450,000.00
<b>Extensions and New Services</b>	600,000.00	650,000.00	700,000.00	750,000.00	800,000.00	850,000.00	4,350,000.00
<b>Distribution Circuit Reliability Projects</b>			1,642,000.00	1,020,000.00	1,020,000.00	600,000.00	4,282,000.00
<b>Grandview Parkway</b>			950,000.00	650,000.00			1,600,000.00
Install new 750 MCM CU URG & Padmount Equipment along Grandview Pkwy & Behind Bldgs North of Front St - 2.0 Miles			650,000.00	650,000.00			1,300,000.00
Install new street lighting circuit from M-72 to Front Street			300,000.00				300,000.00
<b>HL-33 Circuit</b>			85,000.00				85,000.00
69 KV Underbuild along Wadsworth St from 5th to 13th St - .78 Miles			85,000.00				85,000.00
<b>PC-22 Circuit</b>			82,000.00	370,000.00			452,000.00
OH in back lot area from Parsons Rd to Munson Ave - .48 Miles			82,000.00				82,000.00
OH Munson Avenue from Davis Street to 3 Mile Road - 1.43 Mile				370,000.00			370,000.00
<b>PC-23 Circuit</b>					320,000.00		320,000.00
OH Munson Avenue from 3 Mile Road to 4 Mile Road - 1.19 Mile					320,000.00		320,000.00
<b>BW-23 Circuit</b>			400,000.00				400,000.00
OH 8th St/Hastings St Area East to Munson Avenue			400,000.00				400,000.00
<b>PC-22 Circuit (New)</b>					300,000.00	150,000.00	450,000.00
OH to UG behind Tom's Market East Bay						150,000.00	150,000.00
R.O.W. s/o Munson from Ave B to Ave E					300,000.00		300,000.00
<b>SS-31 Circuit (New)</b>						250,000.00	250,000.00
Crestwood						250,000.00	250,000.00
<b>HL-33 Circuit (New)</b>					400,000.00		400,000.00
Locust Street					400,000.00		400,000.00
<b>CD-31/SS-30 Circuits (New)</b>						200,000.00	200,000.00
Smart Grid Automatic Restoration						200,000.00	200,000.00



**TRAVERSE CITY LIGHT & POWER  
CAPITAL IMPROVEMENTS PLAN 2019**

ELECTRIC FUND							
Sum of Amount Row Labels	FISCAL YEARS						Grand Total
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
PC-23 Circuit (New)			125,000.00				125,000.00
Mitchell Creek			125,000.00				125,000.00
Overhead Line Improvements	350,000.00	400,000.00	450,000.00	500,000.00	550,000.00	600,000.00	2,850,000.00
Underground Line Improvements	275,000.00	325,000.00	375,000.00	425,000.00	475,000.00	525,000.00	2,400,000.00
Facilities and Other	350,000.00	300,000.00	50,000.00	50,000.00	50,000.00	50,000.00	850,000.00
Hastings Service Center Facility Improvements	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	300,000.00
SCADA System Upgrade	250,000.00						250,000.00
Building D Rehabilitation	50,000.00	250,000.00					300,000.00
Joint TCL&P, City of Traverse City and DDA Projects	141,000.00	435,000.00				2,840,000.00	3,416,000.00
Alley between State and Front Street - Overhead to Underground Conversion						1,500,000.00	1,500,000.00
Division Street Underground Lighting Circuit							-
East Front Street Underground Lighting Circuit	56,000.00						56,000.00
Eighth Street Underground Lighting Circuit	85,000.00	85,000.00					170,000.00
Upgrade Front Street Underground Lighting Circuits and Receptacles						1,340,000.00	1,340,000.00
Utility Billing Software (New)		350,000.00					350,000.00
<b>Grand Total</b>	<b>\$ 4,864,000.00</b>	<b>\$ 5,535,000.00</b>	<b>\$ 4,717,000.00</b>	<b>\$ 5,020,000.00</b>	<b>\$ 4,690,000.00</b>	<b>\$ 5,465,000.00</b>	<b>\$ 30,291,000.00</b>
Sum of Amount Row Labels	FISCAL YEARS						Grand Total
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25		
Fiber	4,050,000.00	4,050,000.00	4,050,000.00	4,050,000.00	-	-	16,200,000.00
Fiber to the Premise	4,050,000.00	4,050,000.00	4,050,000.00	4,050,000.00	-	-	16,200,000.00
<b>Grand Total</b>	<b>4,050,000.00</b>	<b>4,050,000.00</b>	<b>4,050,000.00</b>	<b>4,050,000.00</b>	<b>-</b>	<b>-</b>	<b>16,200,000.00</b>
NOTES:							
1) THIS WORKSHEET IS FOR ILLUSTRATION PURPOSES AND ONLY IS SUPPLEMENTAL TO THE PLAN.							
2) 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.							
3) STREET LIGHTING PROJECTS ARE SUBJECT TO FUNDING REQUIREMENTS PER THE DECORATIVE LIGHTING POLICY AND STREET LIGHTING OPERATIONS AND MAINTENANCE POLICY.							





**TRAVERSE CITY  
LIGHT & POWER**

**SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2019**

**ELECTRIC FUND**

**TRANSMISSION:**

**Transmission Line Reconstruction**

*Location: Existing transmission corridor from Barlow Street Substation to Parsons Road Substation, Cass Road Substation to Cass Road Junction, and Cass Road Junction to Hall Street Substation.*

*Character: Overhead transmission facilities to include new poles and wire and portion of the transmission line from Barlow Street to Parsons Road will be converted to underground.*

*Extent: Reconductor/rebuilding of existing 69kV transmission lines with new lines, higher poles, and undergrounding portion of the line to bring circuits to current day standards and in compliance with FAA regulations.*

*Fiscal Year(s): 2021-22 through 2023-24*

**SUBSTATION:**

**Substation Transformer Upgrade**

*Location: Cass and Parsons Road Substations*

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

*Extent: Upgrade existing substation transformers for system reliability due to load growth and age of transformers.*

*Fiscal Year(s): 2022-23 through 2023-24*

**Substation Switching Stations**

*Location: Barlow Street 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.*

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

**Grand Traverse Substation Upgrades**

*Location: Keystone Road*

*Character: Installation of a new control system, breakers, and switches along with land improvements of removing an unused foundation and expanding the fence perimeter.*

*Extent: Upgrade existing equipment within the substation for system reliability due to load growth and age of equipment.*

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





## SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2019

### DISTRIBUTION:

#### Critical and Large Customers

Location: Aero Park Industrial Park

Character: Replacement of underground distribution facilities involving the use of wire, meters, cabinets, and transformers.

Extent: Project in which wages, benefits, materials and equipment charges are capitalized for upgrades to existing services for improvements needed for our top ten and most critical customers.

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

#### Hartman Road Overhead Tie

Location: Southwest portion of the service area

Character: Overhead and underground construction, poles, wires and related materials.

Extent: Allow a second feed into the circuit to enhance reliability.

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

#### Extensions and New Services

Location: Throughout the entire service area

Character: Construction/replacement of services 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 installation of new customer services.

Fiscal Year(s): 2019-20 through 2024-25 (Annual Program)

#### Distribution Circuit Rebuild (Some NEW)

Location: Throughout the entire service area.

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.

Fiscal Year(s): 2021-22 through 2024-25

#### Overhead Line Improvements

Location: Throughout the entire service area.

Character: Accumulation of small construction/replacement projects of overhead distribution facilities involving the use of wire, poles, meters, cabinets and transformers.

Extent: Annual Program for approved projects

Fiscal Year(s): 2019-20 through 2024-25 (Annual Program)



## **SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2019**

### **Underground Line Improvements**

*Location: Throughout the entire service area.*

*Character: Accumulation of small construction/replacement projects of underground distribution facilities involving the use of wire, poles, meters, cabinets and transformers.*

*Extent: Annual Program for approved projects*

*Fiscal Year(s): 2019-20 through 2024-25 (Annual Program)*

## **FACILITIES AND OTHER:**

### **Hastings Service Center Facility Improvements**

*Location: 1131 Hastings Street*

*Character: Site improvements to existing facility*

*Extent: Improvements needed determined on an annual basis.*

*Fiscal Year(s): 2019-20 through 2024-25 (Annual Program)*

### **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.*

*Fiscal Year(s): 2019-20*

### **Building D Rehabilitation**

*Location: 1125 Hastings Street*

*Character: Renovation of existing building and site*

*Extent: Eliminate driveway, demolish the front office portion of the building, and brick the new front of the building to match the existing service center building.*

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

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

### **Alley between State and Front Street – Overhead to Underground Conversion**

*Location: Alley between State and Front Street.*

*Character: Conversion of overhead distribution facilities to underground.*

*Extent: Remove all overhead lines and transformers and install new underground lines and transformers. The utility may need to purchase easements/real estate to set equipment or purchase vaults to set in alley right of way.*

*Fiscal Year(s): 2024-25*





## SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2019

### Division Street Streetscapes Lighting

Location: Fourteenth Street to Grandview Parkway

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

Extent: To be determined in coordination with MDOT.

Fiscal Year(s): 2019-20

### East Front Streetscapes Lighting

Location: Boardman Avenue to Holiday Inn

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

Extent: To be determined in coordination with the City.

Fiscal Year(s): 2019-20

### Eighth Street Streetscapes Lighting

Location: Boardman Avenue to Woodmere Avenue

Character: New street lighting installations in conjunction with planned corridor improvements.

Extent: To be determined in coordination with the City.

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

### Upgraded Front Street 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.

Fiscal Year(s): 2024-25

### Utility Billing Software (NEW)

Location: Hastings Street Service Center and Governmental Center

Character: Upgrade the current utility billing software package to enhance the customer experience, gain efficiencies in the billing/receipting cycle, and provide real time integration into multiple other software platforms.

Extent: New software programs for utility billing.

Fiscal Year(s): 2020-21

## FIBER FUND

### Fiber to the Premises

Location: Entire service area

Character: Fiber cable, engineering, and installation to accommodate running fiber to residents and businesses.

Extent: Deployment of a fiber optic network to the community.

Fiscal Year(s): 2019-20 through 2022-23



Traverse City Light & Power - Electric Fund - 2% Rate Increase in Fiscal Years 2020/21, 2022/23 and 2024/25

Cash Flow Forecast

Fiscal Year:	Actual 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
<b>Receipts</b>								
Charges for Services	\$ 31,435,708	\$ 31,159,000	\$ 31,626,385	\$ 32,733,308	\$ 33,224,308	\$ 33,387,159	\$ 33,885,524	\$ 35,071,517
PCR Increase	-	-	155,795	158,132	163,667	166,122	166,122	169,428
PCR Decrease	-	-	-	-	-	(1,000,000)	-	-
Load Growth Increase	-	-	311,590	316,264	327,333	332,243	332,243	338,855
Base Rate Increase	-	-	-	632,528	-	664,486	-	677,710
Other Operating Revenues	3,406,238	3,012,700	3,072,954	3,134,413	3,197,101	3,261,043	3,326,264	3,392,790
Non-Operating Revenues	1,257,800	539,400	550,188	561,192	572,416	583,864	595,541	607,452
Transfers In	125,000	175,000	175,000	175,000	175,000	83,875	-	-
<b>Total Receipts</b>	<b>36,224,746</b>	<b>34,886,100</b>	<b>35,424,527</b>	<b>36,603,913</b>	<b>37,168,825</b>	<b>37,315,941</b>	<b>37,807,329</b>	<b>39,071,758</b>
<b>Payments</b>								
Generation Expense	20,872,911	21,098,175	21,520,139	21,950,541	22,389,552	21,837,943	22,274,090	22,719,572
Distribution Expense	3,698,027	4,319,950	4,406,349	4,494,476	4,584,365	4,676,053	4,769,574	4,864,965
Transmission Expense	466,889	471,400	480,828	490,445	500,253	510,259	520,464	530,873
Metering & Customer Accounting	473,467	501,000	479,020	488,600	498,372	508,340	518,507	528,877
Conservation & Public Service	448,326	569,300	580,686	592,300	604,146	616,229	628,553	641,124
Information Systems	-	480,650	490,263	500,068	510,070	520,271	530,676	541,290
Administrative & General	1,189,644	981,900	1,001,538	1,021,569	1,042,000	1,062,840	1,084,097	1,105,779
Insurance	67,619	87,625	89,378	91,165	92,988	94,848	96,745	98,680
City Fee	1,745,295	1,712,200	1,758,336	1,848,732	1,845,620	1,840,553	1,877,364	1,914,911
GASB 68 Adjustment	-	531,000	531,000	681,000	831,000	901,000	971,000	1,071,000
Timing of receivables/payables	328,635	-	-	-	-	-	-	-
Capital Investments	8,222,972	7,760,000	4,864,000	5,535,000	4,717,000	5,020,000	4,690,000	5,465,000
<b>Total Payments</b>	<b>37,513,885</b>	<b>38,513,200</b>	<b>36,201,536</b>	<b>37,693,896</b>	<b>37,615,368</b>	<b>37,587,735</b>	<b>37,961,070</b>	<b>39,482,071</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>(1,289,139)</b>	<b>(3,627,100)</b>	<b>(777,009)</b>	<b>(1,089,983)</b>	<b>(446,543)</b>	<b>(271,794)</b>	<b>(153,741)</b>	<b>(410,313)</b>
<b>Opening Cash &amp; Investments Balance</b>	<b>19,415,948</b>	<b>18,126,809</b>	<b>14,499,709</b>	<b>13,722,700</b>	<b>12,632,717</b>	<b>12,186,174</b>	<b>12,186,174</b>	<b>11,914,380</b>
<b>Closing Cash &amp; Investments Balance</b>	<b>18,126,809</b>	<b>14,499,709</b>	<b>13,722,700</b>	<b>12,632,717</b>	<b>12,186,174</b>	<b>11,914,380</b>	<b>12,032,434</b>	<b>11,504,068</b>
<b>Reserved Cash &amp; Investment Balance</b>	<b>8,700,000</b>	<b>8,900,000</b>	<b>9,000,000</b>	<b>9,200,000</b>	<b>9,300,000</b>	<b>9,300,000</b>	<b>9,300,000</b>	<b>9,500,000</b>
<b>Unreserved &amp; Undesignated Cash &amp; Investm</b>	<b>9,426,809</b>	<b>5,599,709</b>	<b>4,722,700</b>	<b>3,432,717</b>	<b>2,886,174</b>	<b>2,614,380</b>	<b>2,732,434</b>	<b>2,004,068</b>





**TRAVERSE CITY  
LIGHT & POWER**

---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director  
Scott Menhart, Manager of Telecom & Technology  
**Date:** January 16, 2019  
**Subject:** FTTP Vendor Selection

---

TCL&P Staff has finalized a review of request for information (RFI) proposals for a fiber to the premise (FTTP) project. During this process, staff solicited information requests from potential organizations that would be willing to act as an overall contractor for TCL&P for all aspects of an FTTP deployment. This includes but is not limited to: design, engineering, construction, and operation & maintenance including a business plan.

During the evaluation period of the submissions staff created an internal FTTP team to review and analyze all submissions (10). This entailed formulation of Q&A sessions and virtual meetings with every single vendor that submitted a proposal. The team eventually narrowed the selections down to two remaining candidates for further processing and conducted on-site meetings/tours of their deployments and facilities.

The final two candidates were brought onsite to meet the rest of TCL&P's Executive Administration along with the existing FTTP Team for further in-depth Q&A sessions. A few staff members then conducted site visits of a sampling of each vendor's deployment and operations to bring back information to a final internal TCL&P meeting. During these final discussions the executive administration and FTTP team unanimously selected Fujitsu as the vendor to move forward with on this project.

If the board agrees with TCL&P Staff to move forward with Fujitsu, the next steps would be for Fujitsu to begin immediately working closely with TCL&P Staff to create a detailed business and operational plan, along with design and engineering for a phase one FTTP rollout. These plans, including costs for an initial deployment, would be brought back to the board for consideration of approval upon completion, which is estimated to be completed by June of 2019.

The concept of the phase one deployment with the selected vendor, and other phases as the TCL&P Board wishes, would be to deploy a strategy for a managed takeover by TCL&P. This means that the selected vendor would run all portions of the project, under the control of TCL&P Board and Staff, and allow for gradual and complete takeover of operations as deemed fit by TCL&P. The final resulting outcome of this approach would align TCL&P Board and Staff to run the services in the same manner as the electrical utility currently operates, giving the best setting for local control of all aspects of the business.

Moving forward with this process will create engineering and design, along with a detailed business plan, for the board's future consideration. As such, staff would also like to issue a service order to procure these services from Fujitsu. Staff has discussed this internally, and

FOR THE LIGHT & POWER BOARD MEETING OF JANUARY 22, 2019

Fujitsu will be delivering design and engineering for this project, much like GRP delivers design and engineering on electrical projects; therefore, it would be suitable for TCL&P to compensate Fujitsu for this level of work. Given board approval, staff would like to issue Fujitsu a service order for a not-to-exceed amount of \$25,000 for procurement of a full executable business and operational plan, along with engineering and design for phase one. Please note that is an incredibly reduced rate as a similar business plan from CTC, without design and engineering, was upwards of \$90,000. This is by design to allow both entities, TCL&P and Fujitsu, to have stake and incentive to move forward in the best possible approach to gain the Board's approval of the future submitted material.

Staff recommends selecting Fujitsu to begin working on the FTTP project along with issuing a service order to Fujitsu for services which include, but are not limited to: a detailed business plan, an operational plan, managed services takeover plan, engineering & design for phase one deployment, and a detailed networking architecture plan.

If, after presentations from staff and the recommended vendor, you agree with staff's recommendation then the following motion would be appropriate:

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

**THAT THE BOARD APPROVES STAFFS RECOMMENDATION TO SELECT FUJITSU AS THE VENDOR TO BEGIN WORKING ON AN FTTP DEPLOYMENT PLAN FOR PHASE I DEPLOYMENT FOR THE BOARDS FUTURE CONSIDERATION.**

**FURTHER, THE BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO ISSUE A SERVICE ORDER TO FUJITSU IN A NOT TO EXCEED AMOUNT OF \$25,000 FOR THE PROCUREMENT OF SERVICES AS OUTLINED IN THIS MEMO.**



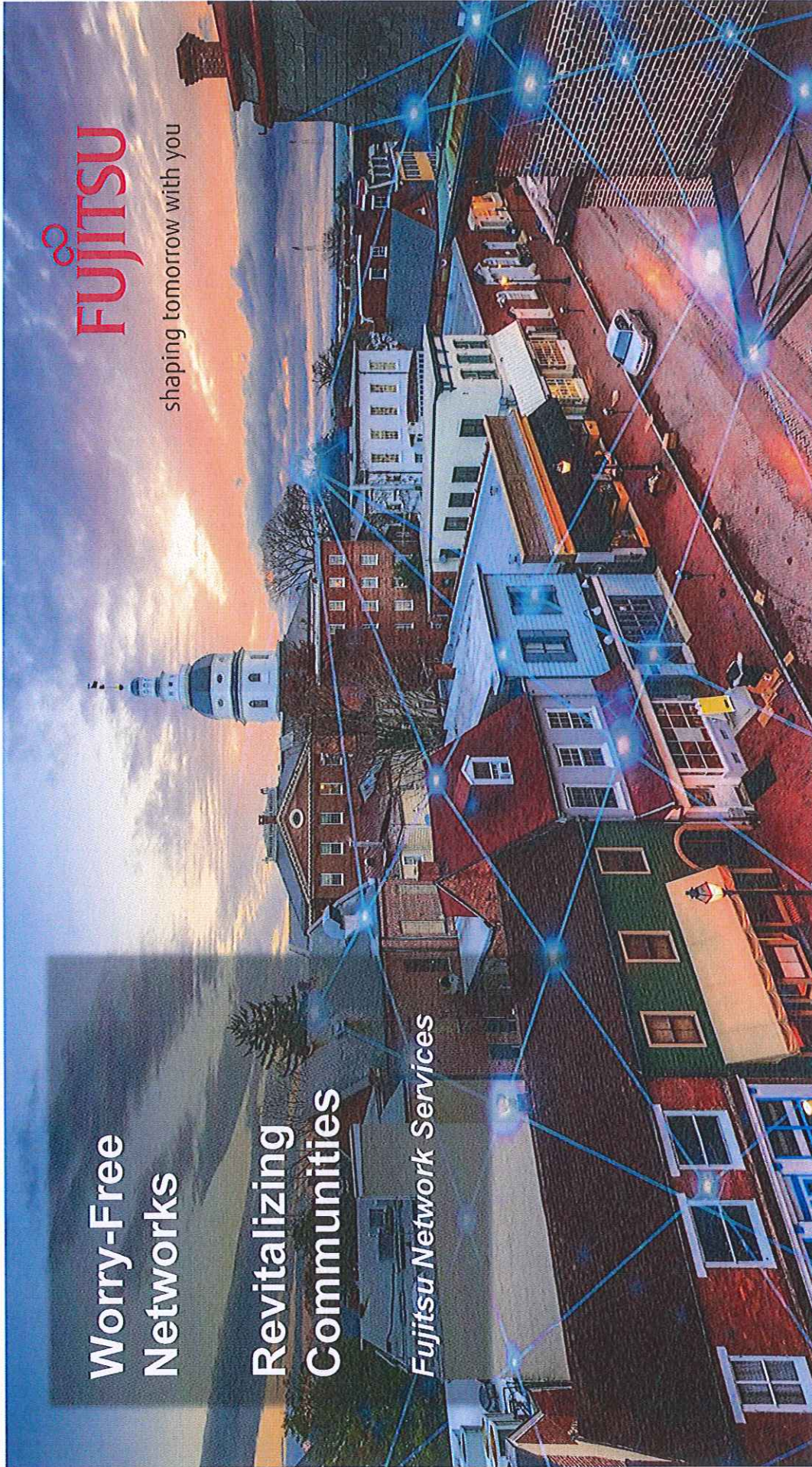
**Worry-Free  
Networks**

**Revitalizing  
Communities**

**Fujitsu Network Services**

**FUJITSU**

shaping tomorrow with you





# Fujitsu Global at a Glance



**FORTUNE**  
WORLD'S MOST  
**ADMIRED**  
COMPANIES<sup>2015</sup>



**EST. 1935**

**TOKYO, JAPAN**

**\$40B**  
NET SALES

**3rd**  
LARGEST  
GLOBAL ICT  
COMPANY

EMPLOYEES  
WORLDWIDE  
**159,000**



**100+**

DATA CENTERS  
WORLDWIDE



**\$2B**  
R&D




**97,000**  
PATENTS

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# Fujitsu Network Communications HQ : Richardson, Texas



**CERTIFIED QUALITY**  
 **ISO 14001**  
**CERTIFIED** **TL9000**

**PRIME NETWORK  
 INTEGRATOR  
 & OPERATOR**



**1 Million sq. ft.**  
 Corporate Headquarters in  
 North America

**35 YEARS**  
 IN NORTH AMERICA



**FIBER & WIRELESS  
 NETWORKS**

**500K+**  
 NETWORK  
 ELEMENTS  
 DEPLOYED



**24/7/365**  
 NETWORK  
 OPERATIONS  
 CENTER

**EVERY  
 30 MIN**  
 WE MANUFACTURE



**2.6K** PROJECTS  
 CLOSED in 2017



**MULTI-VENDOR  
 INTEROPERABILITY**

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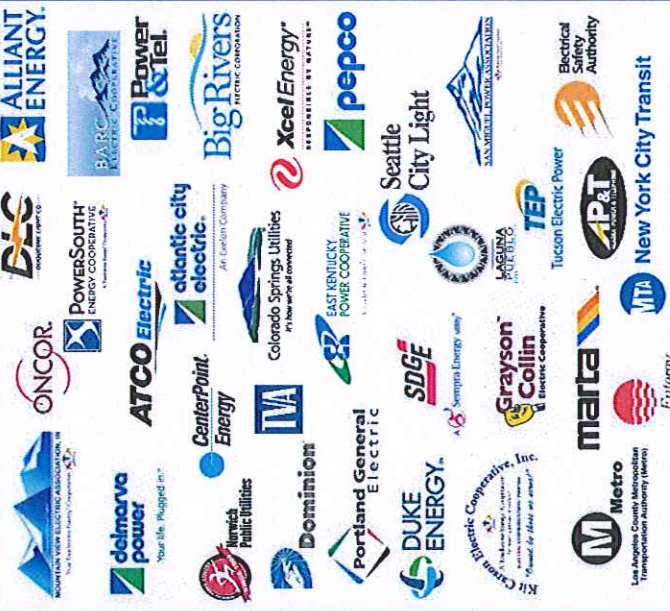
# Fujitsu Has Worked With Great Organizations



## Service Providers



## Utilities and Transportation



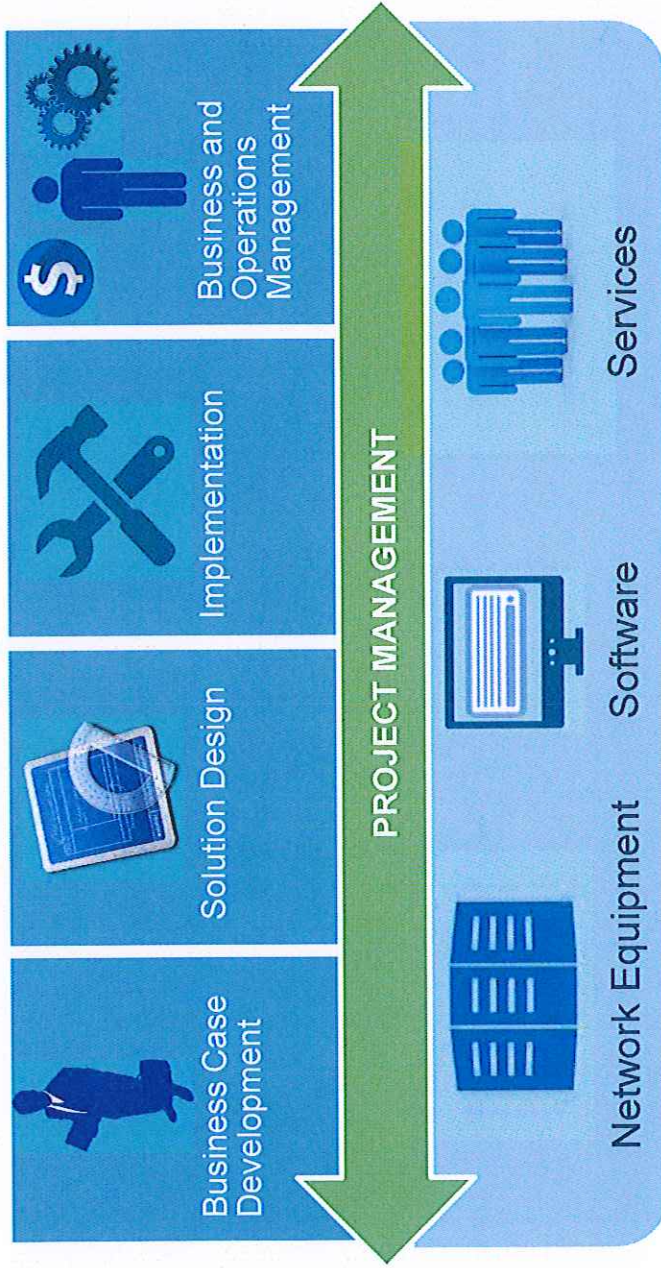
## State & Local Government and Public Safety



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# Fujitsu Will Design, Build, Operate, and Run a New Broadband Utility to Serve Traverse City



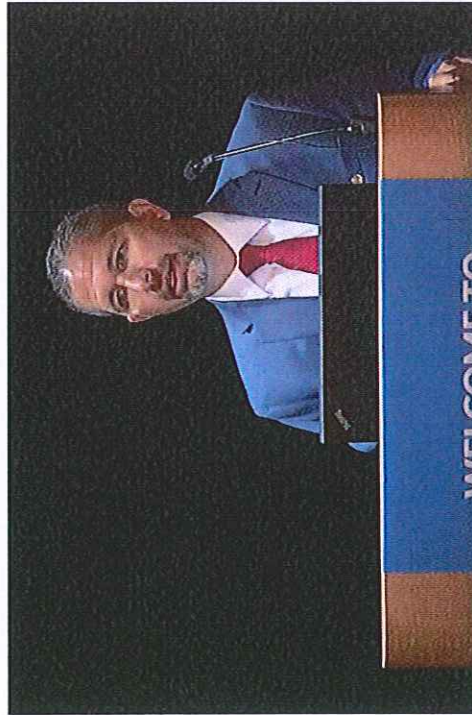
- Building & Operating networks is our business
- We will transfer operations to TCLP when you are ready

**Fujitsu Partners With You To Deliver Successful Outcomes**

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## How Fujitsu Worked with FairlawnGig



**Ernie Staten**  
Director of Public Service,  
Fairlawn Ohio

- **Fujitsu Created Their Broadband Game Plan in 3 Months**
- **Built, Operates, and Maintains The Network**
- **Has 50%+ Take Rate, New Business Relocation**

***We Will Provide A Broadband Game Plan***

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## Fujitsu Investing in Our Customer's Communities



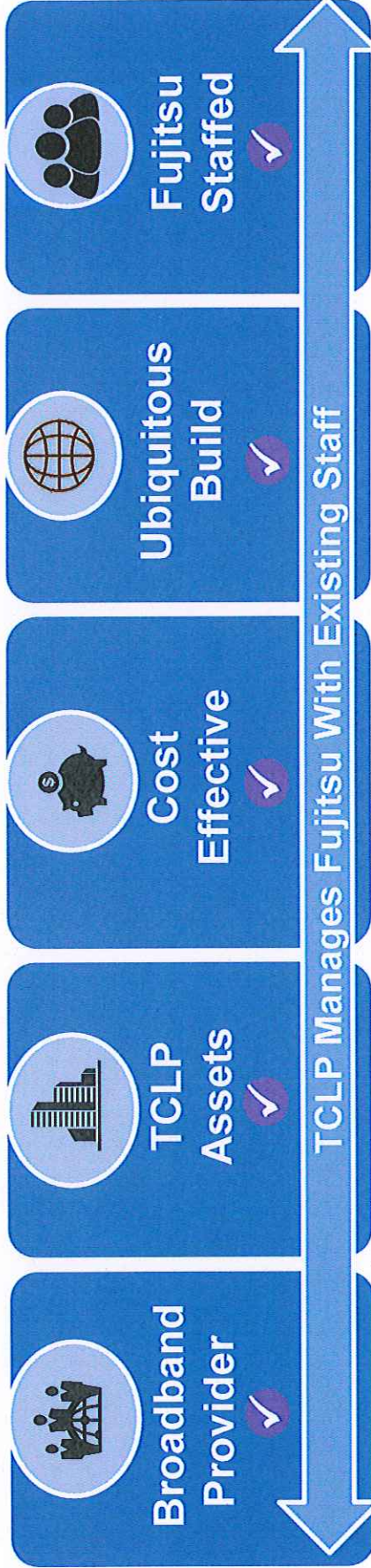
- University of Akron Internship program
- Fujitsu
- City of Fairlawn

**Fujitsu Gives Back to the Communities We Serve**

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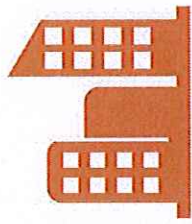


# TCLP Project Understanding and Goals





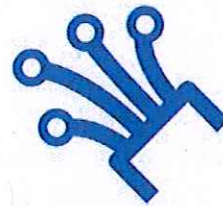
## Next Step Process To Build The Business Plan



Market  
Assessment



Financial Models &  
Commercialization

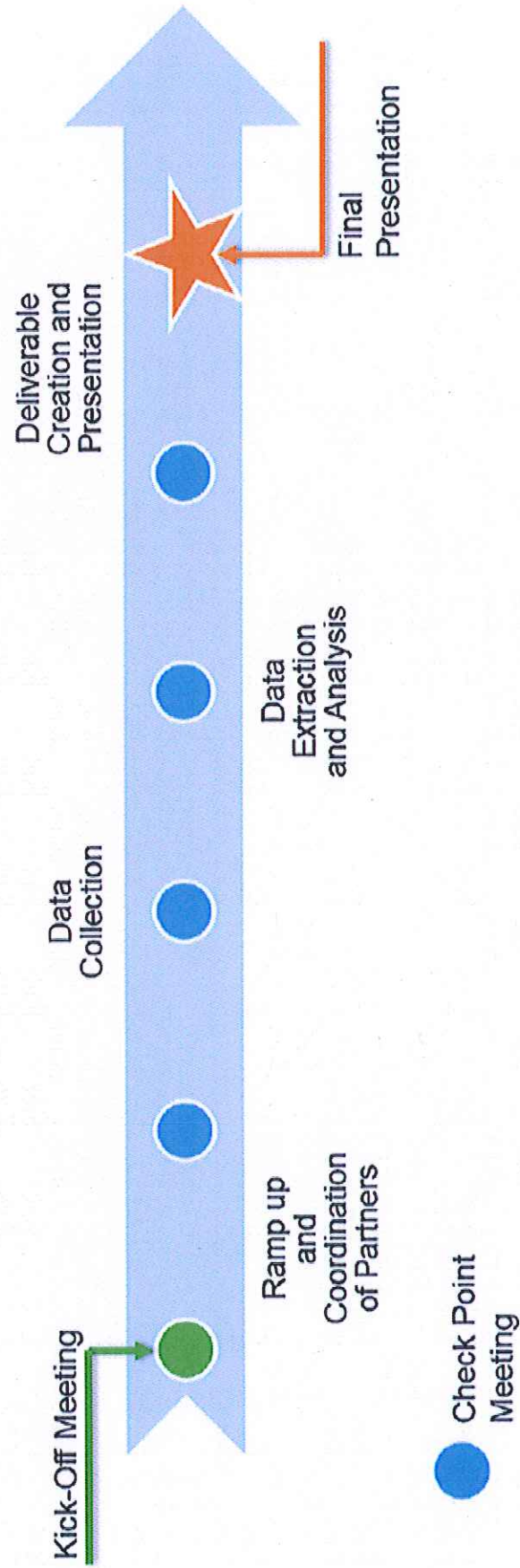


Design and Build  
Architecture



Operate and  
Maintain Plan

# Projected Timeline





# FUJITSU

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10



**TRAVERSE CITY  
LIGHT & POWER**

---

**To:** Light & Power Board  
**From:** Karla Myers-Beman, Controller  
**Date:** January 8, 2019  
**Subject:** Presentation of the 2017-18 Financial Audit

---

The TCL&P Financial Audit for the fiscal year ended June 30, 2018 will be presented by the audit firm of Vredevelde Haefner LLC. A copy of the audit is in your board binder along with the PowerPoint presentation. The public will be able to view the audit on-line at TCL&P's web page: [www.tclp.org](http://www.tclp.org).

If after the Board's questions have been answered and it is satisfied with the report, the following motion would be appropriate:

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

**THAT THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30,**

**2018 RECEIVED AND FILED.**

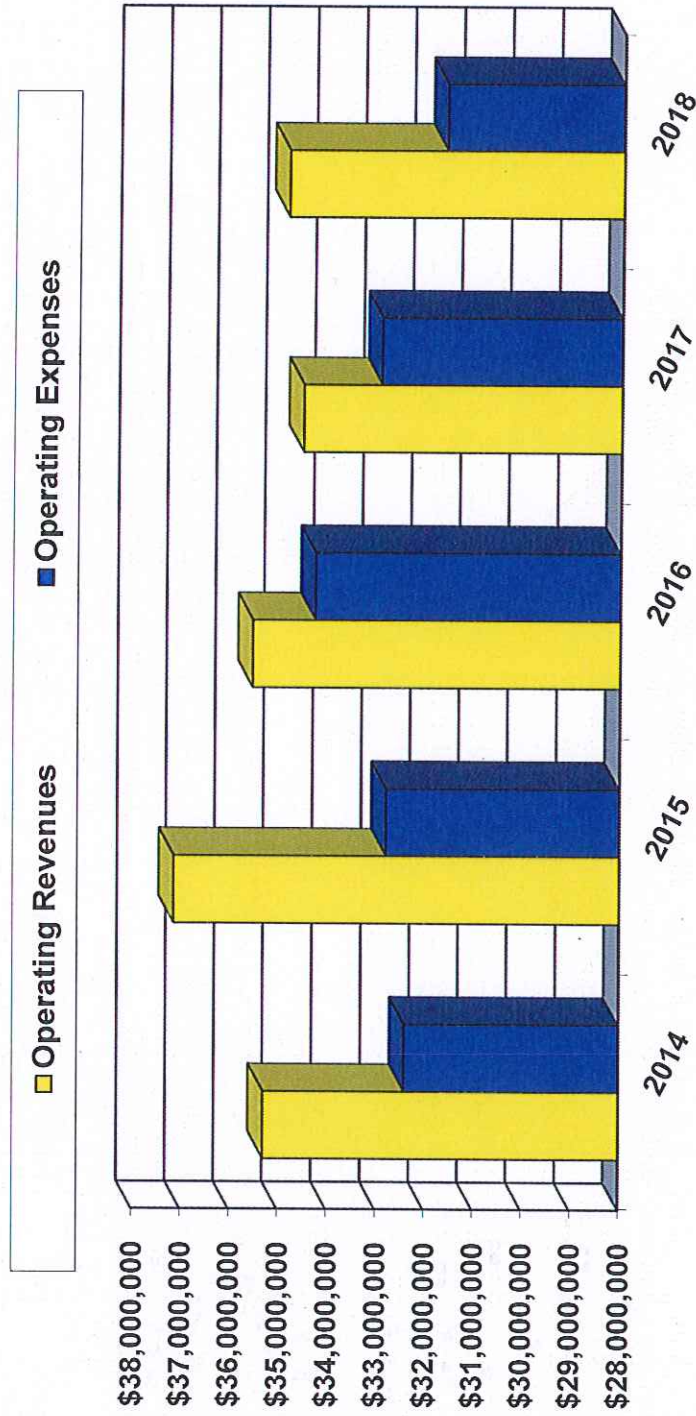


**TRAVERSE CITY LIGHT & POWER  
YEAR ENDED JUNE 30, 2018**

**VREDEVELD HAEFNER LLC  
CPAS AND CONSULTANTS**

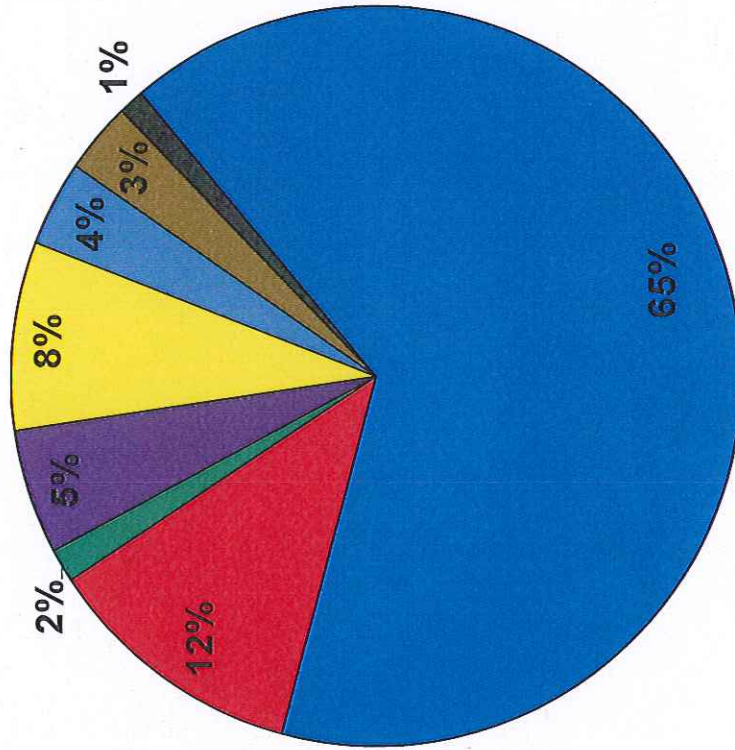


# LIGHT & POWER FUND OPERATING REVENUES AND EXPENSES





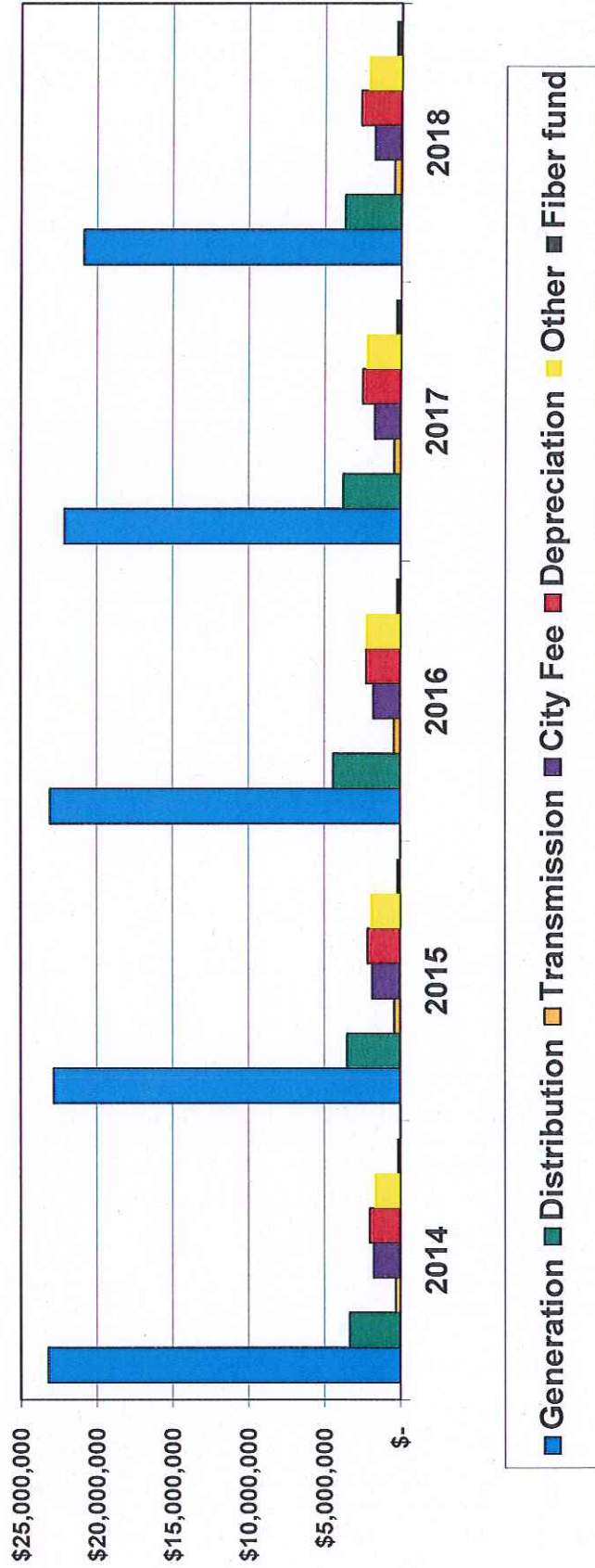
# LIGHT & POWER AND FIBER FUNDS OPERATING EXPENSES



- Purchase Power
- Distribution
- Transmission
- City Fee
- Depreciation
- Administration
- Other
- Fiber

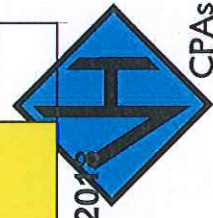
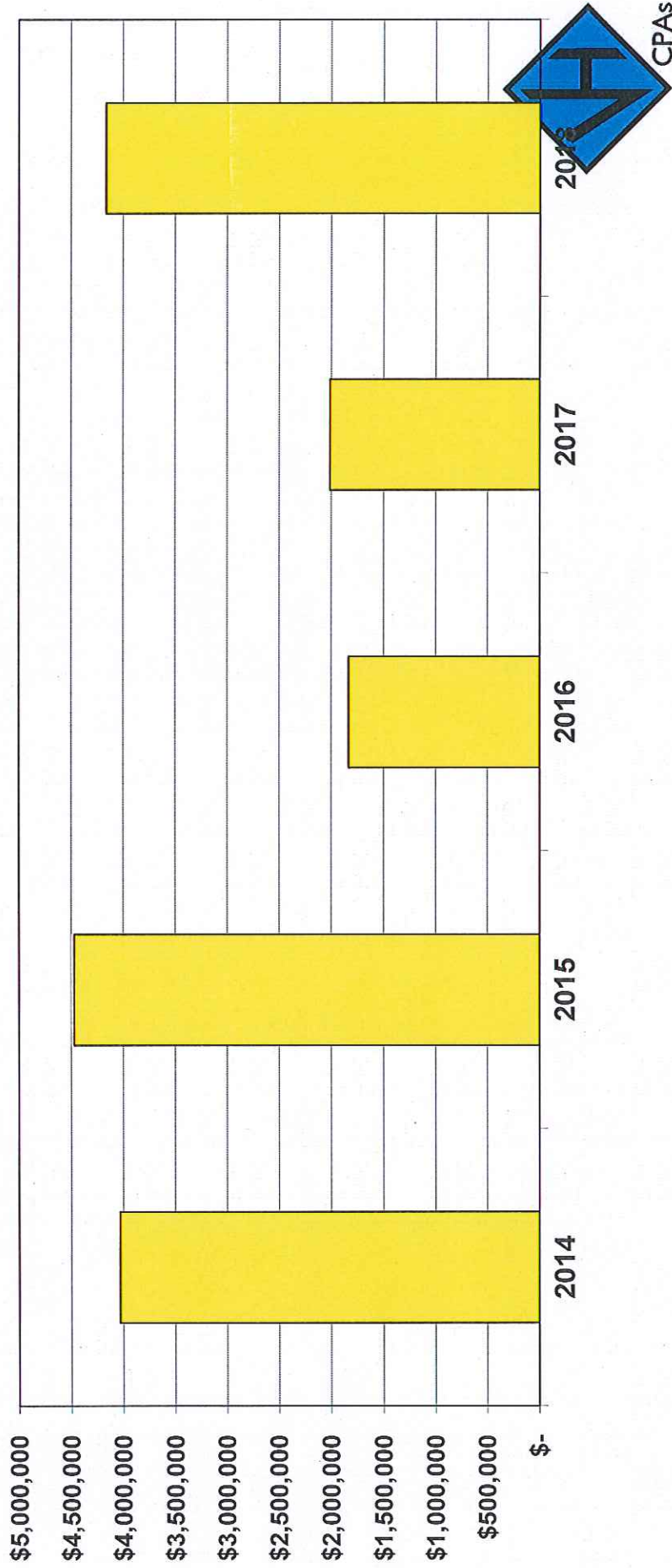


# LIGHT & POWER AND FIBER OPERATING EXPENSES

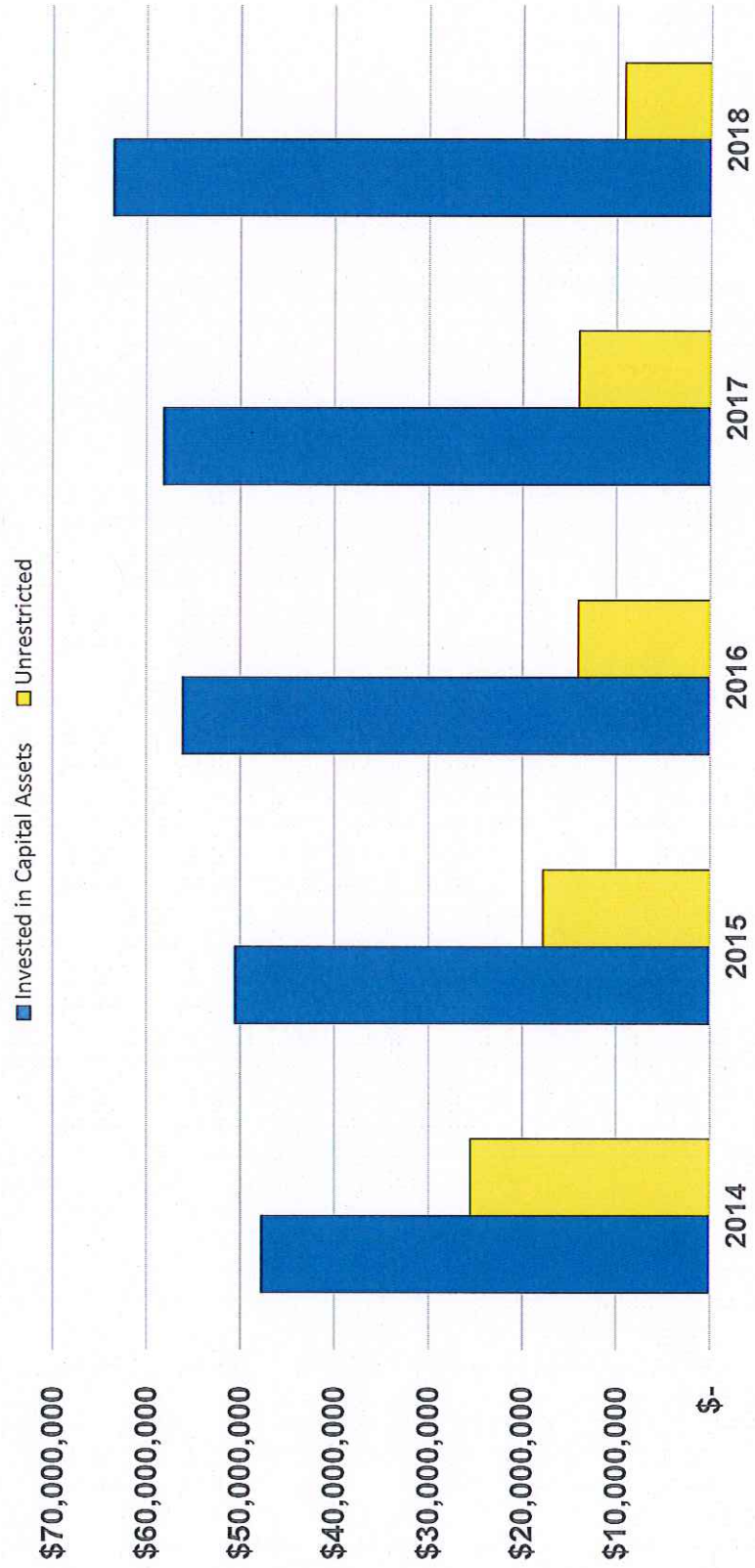




# LIGHT & POWER FUND CHANGE IN NET POSITION



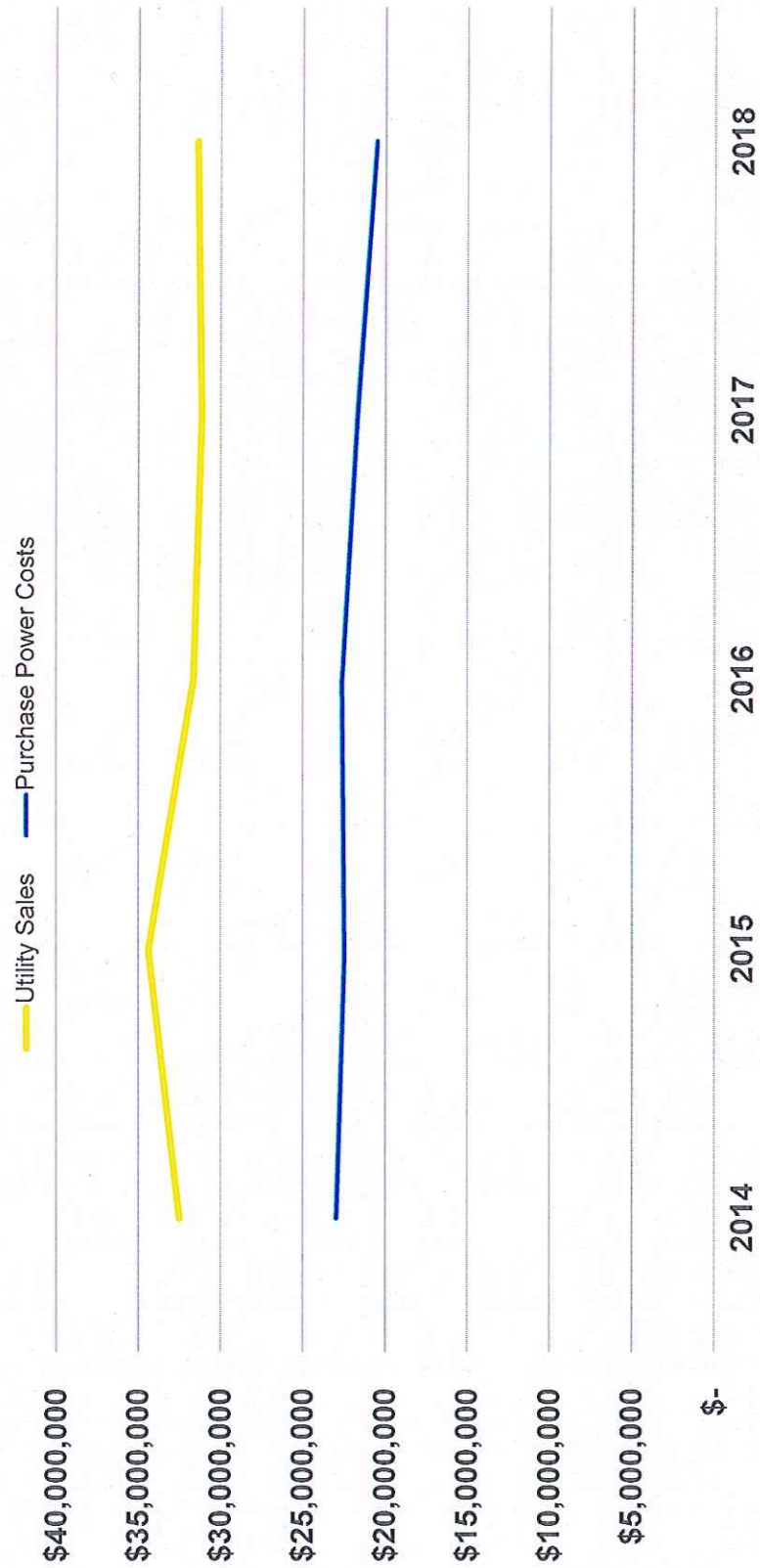
# LIGHT & POWER FUND NET ASSETS





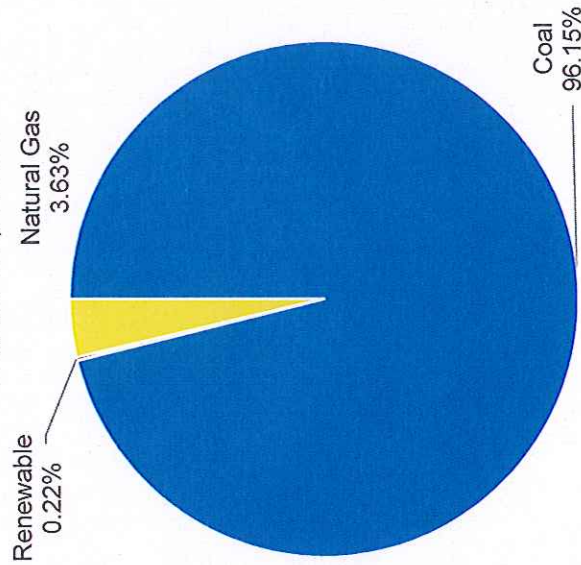
# LIGHT & POWER FUND

## UTILITY SALES AND PURCHASE POWER COSTS

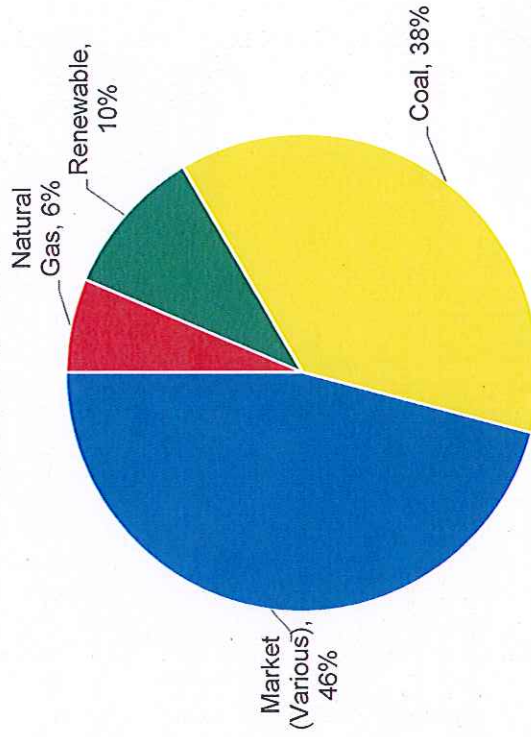


# LIGHT & POWER FUND PURCHASE POWER PORTFOLIO

**TCL&P Generation Mix  
For the Fiscal Year Ending  
June 30, 2008**



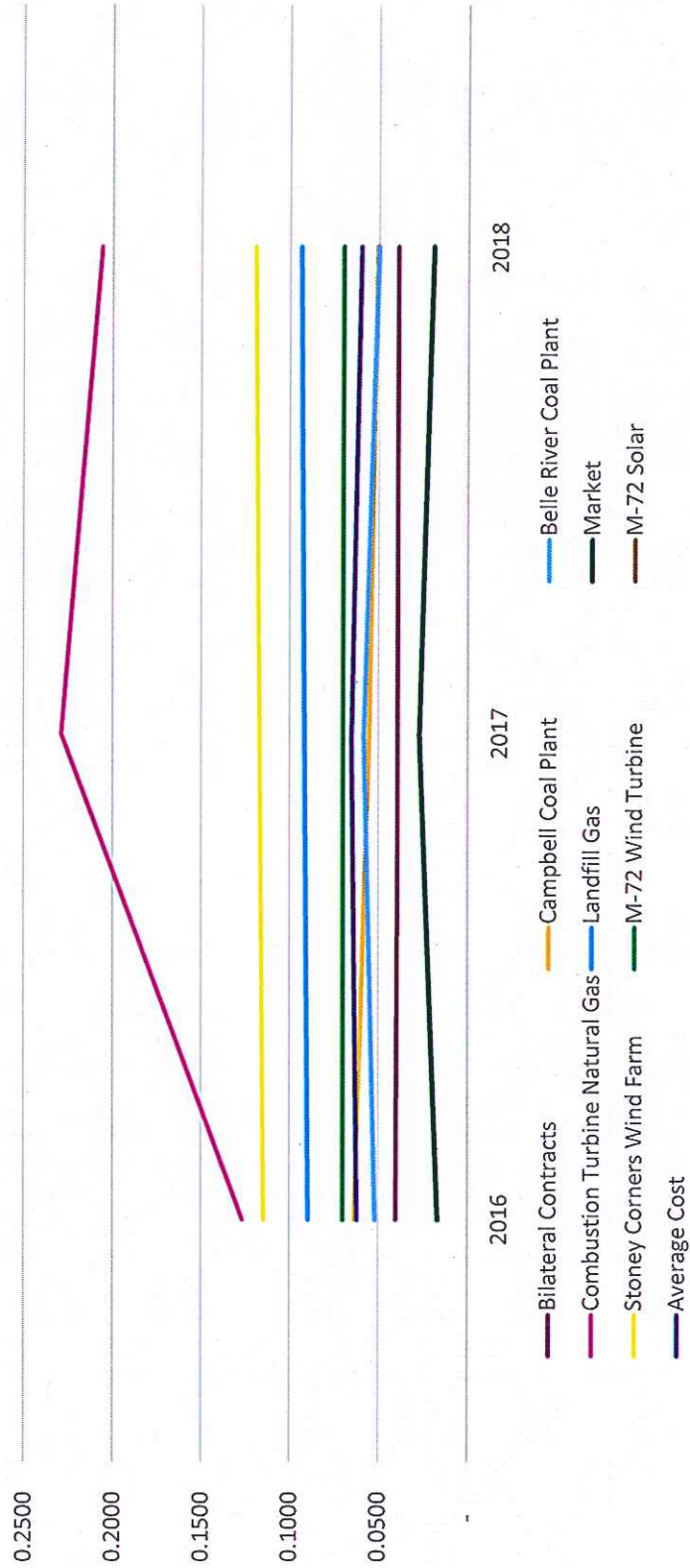
**TCL&P Generation Mix  
For the Fiscal Year Ending  
June 30, 2018**





# LIGHT & POWER FUND PURCHASE POWER PORTFOLIO

Cost per kWh for Purchase Power Sources  
*including average cost*



# CONTACT US!

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**Vredeveld Haefner LLC**







**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Karla Myers-Beman, Controller  
**Date:** January 8, 2019  
**Subject:** Public Act 202 of 2017 – Form 5572

---

Public Act 202 of 2017 became effective December 2017 with the primary purpose to protect local government retirement and benefits. One of the requirements of this act is to annually report to the State of Michigan through Form 5572, which is included for your review. The form's purpose is to provide the funding status of each local entity's pension and other post-employment benefit systems. The State also requires this form to be submitted to the local entity's Board for review, but no formal approval or governing resolution is required.

TCL&P's funding levels were 62% for both pension and other post-employment benefit systems. This year, TCL&P's pension and other post-employment benefit systems meet the minimum funding requirements of 60% funding level for pension system and 40% funding level for other post-employment benefit systems.

Public Act 202 of 2017 Pension Report

Instructions/Questions: For a list of detailed instructions on how to complete and submit this form, visit [michigan.gov/LocalRetirementReporting](http://michigan.gov/LocalRetirementReporting). For questions, please email [LocalRetirementReporting@michigan.gov](mailto:LocalRetirementReporting@michigan.gov). Return this original Excel file. Do not submit a scanned image or PDF.

Enter Local Unit Name: Traverse City Light and Power  
 Enter Six-Digit Municode: 287516  
 Unit Type Authority  
 Fiscal Year (four-digit year only, e.g. 2018): 2018  
 Contact Name (Chief Administrative Officer): Tim Arends  
 Title if not CAO: Executive Director  
 CAO (or designee) Email Address: [kmyarab@tcip.org](mailto:kmyarab@tcip.org)  
 Contact Telephone Number: 231-932-4560

If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.

Pension System Name (not division): 1. Benefit Plan  
 Pension System Name (not division): 2  
 Pension System Name (not division): 3  
 Pension System Name (not division): 4  
 Pension System Name (not division): 5

Line	Description	Source of Data	Statute Reference	System 1	System 2	System 3	System 4	System 5
1	Provide the name of your retirement pension system	Calculated From Above	Sec. 5(6)	Traverse City Light				
2	Enter retirement pension system's assets (system fiduciary net position)	Most Recent Audit Report	Sec. 5(4)(b)	18,986,521				
3	Enter retirement pension system's liabilities (total pension liability)	Most Recent Audit Report	Sec. 5(4)(b)	30,499,579				
4	Date (system year ending) of valuation of system's assets and liabilities (e.g. 12/31/2017)	Most Recent Audit Report	Sec. 5(6)	12/31/17				
5	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	Sec. 5(4)(b)	1,110,648				
6	Governmental Fund Revenues	Most Recent Audit Report	Sec. 5(4)(b)	36,078,075				
7	Pension Trigger Summary							
8	Is this unit a primary unit (County, Township, City, Village)?	From Municode		NO	NO	NO	NO	NO
9	Funded ratio	Calculated	Sec. 5(4)(b)	62.3%	0.0%	0.0%	0.0%	0.0%
10	All systems combined ADC/Governmental fund revenues	Calculated	Sec. 5(4)(b)	3.2%	0.0%	0.0%	0.0%	0.0%
11	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary units trigger: Less than 60% funded AND greater than 10% ADC/Governmental fund revenues. Non-Primary units trigger: Less than 60% funded	Sec. 5(4)(b)	NO	NO	NO	NO	NO

By emailing this report to the Michigan Department of Treasury, the local unit of government acknowledges that this report is complete and accurate in all known respects. Public Act 202 of 2017 also requires the local unit of government to electronically submit the report to its governing body.



Public Act 202 of 2017 Health Care (OPEB) Report

Instructions/Questions: For a list of detailed instructions on how to complete and submit this form, visit [michigan.gov/LocalRetirementReporting](http://michigan.gov/LocalRetirementReporting). For questions, please email [LocalRetirementReporting@michigan.gov](mailto:LocalRetirementReporting@michigan.gov). Return this original Excel file. Do not submit a scanned image or PDF.

Enter Local Unit Name: Traverse City Light and Power  
 Enter MTDID: MTD00001287516  
 Unit Type Authority  
 Fiscal Year (four-digit year only, e.g. 2018): 2018  
 Contact Name (Chief Administrative Officer): Jim Arends  
 Title if not CAO Executive Director  
 CAO (or designee) Email Address: jimarends@tcip.org  
 Contact Telephone Number: 231-932-4560

If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.

OPEB System Name (not division): 1. Traverse City Light and Power Other Post Employment  
 OPEB System Name (not division): 2.  
 OPEB System Name (not division): 3  
 OPEB System Name (not division): 4  
 OPEB System Name (not division): 5

Line	Description	Source of Data	Statute Reference	System 1	System 2	System 3	System 4	System 5
1	Provide the name of your retirement health care system	Calculated From Above	Sec. 5(6)	Traverse City Light and Power Other Post				
2	Enter retirement health care system's assets (system fiduciary net position)	Most Recent Audit Report	Sec. 5(4)(b)	3,343,884				
3	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	Sec. 5(4)(a)	5,383,439				
4	Date (system year ending) of valuation of system's assets and liabilities (e.g. 12/31/2017)	Most Recent Audit Report	Sec. 5(6)	6/30/18				
5	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	Sec. 5(4)(a)	175,757				
5a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-3?	Most Recent Audit Report	Sec. 5(4)(a)	Yes				
6	Governmental Fund Revenues	Most Recent Audit Report	Sec. 5(4)(a)	36,078,075				
7	Health Care Trigger Summary							
8	Is this unit a primary unit (County, Township, City, Village)?	From MTDcode		NO	NO	NO	NO	NO
9	Funded ratio	Calculated	Sec. 5(4)(a)	62.1%				
10	All systems combined ADC/Governmental fund revenues	Calculated	Sec. 5(4)(a)	0.3%	0.0%	0.0%	0.0%	0.0%
11	Did the local government pay the retiree insurance premiums for the year?	Accounting Records	Sec. 4(1)(ii)	Yes				
12	Did the local government pay the normal cost for employees hired after June 30, 2017?	Accounting Records	Sec. 4(1)(i)	Yes				
13	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary units trigger: Less than 40% funded AND greater than 12% ADC/Governmental fund revenues. If No ADC is provided, will trigger if less than 40% funded. Non-Primary units trigger: Less than 40% funded. All units trigger: Failure to make required retirement system payments.	Sec. 5(4)(a)	NO	NO	NO	NO	NO

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