

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, December 13, 2011

At

5:15 p.m.

At The

LIGHT & POWER SERVICE CENTER

1131 Hastings Street

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.

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Traverse City Light and Power
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Traverse City, MI 49686
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Posting Date: 12-9-11
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- a. Consideration of approving minutes of the Regular Meeting of November 29, 2011.

3. Old Business

None.

4. New Business

- a. Consideration of authorizing a Utility Bill Processing Contract. (Arends/Myers-Beman)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Verbal update re: Customer Giving Program. (Wheaton)
 2. Verbal update re: Kids Creek Commons Neighborhood Association meeting on January 15, 2012. (Wheaton)
 3. Verbal update re: Major Customer Meeting. (Rice/Cooper)
 4. Discussion of next scheduled Regular Meeting date (12/27/11). (Rice/Coco)
 5. Verbal update re: Tall Ship and Hall Street tenant space. (Arends)
 6. Verbal update re: WiFi. (Rice/Menhart)
 7. Verbal update re: status of specific Strategic Objectives. (Rice)
 8. Discussion of MPPA. (Rice)
- c. From Board.

7. Public Comment

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, November 29, 2011

Board Members -

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

Absent: None

Ex Officio Member -

Present: R. Ben Bifoss

Others: Ed Rice, W. Peter Doren, Tim Arends, Stephanie Tvardek, Jim Cooper, Glen Dine, Rod Solak, Jessica Wheaton

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

Chairman Coco recognized the two newest Board Members, Patrick McGuire and Commissioner Barbara Budros.

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of October 25, 2011.

CARRIED unanimously.

Item 3 on the Agenda being Old Business

None.

Item 4 on the Agenda being New Business

- 3(a).** Consideration of approving Red Tag Revenue Distribution.

Moved by Johnson, seconded by McGuire, that the Light & Power Board authorizes the disbursement of \$22,940, representing 100% of the annual revenues for non-payment shut-off notice tagging fees, to the Father Fred Foundation, Love I.N.C., the Salvation Army, and Northwest Human Services Agency; subject to approval of the City Commission.

CARRIED unanimously.

- Presentation from Martie Manty, Executive Director of the Father Fred Foundation

Item 5 on the Agenda being Appointments

5(a.) Consideration of appointments to the Human Resources Ad Hoc Committee.

Chairman Coco confirmed John Taylor is willing to continue serving on the Human Resources Ad Hoc Committee and recommended Board Member McGuire and Commissioner Budros be appointed to fill the vacant seats.

Moved by Johnson, seconded by Snodgrass that Board Member McGuire and Commissioner Budros be appointed to serve on the Human Resources Ad Hoc Committee.

CARRIED unanimously.

Item 6 on the Agenda being Reports and Communications

A. From Legal Counsel.

1. W. Peter Doren gave an update on the Brown Bark I court proceedings and the Brewery Creek tax lien.

B. From Staff.

1. Jim Cooper spoke re: the Energy Optimization Plan and the recent Clean Up Green Up recycling event.

R. Ben Bifoss departed the meeting at 6:28 pm.

2. John Snodgrass spoke re: questions he has relating to MPPA.
3. Glen Dine gave an update on the Bay Street Undergrounding Project.
4. Rod Solak spoke re: downtown Christmas lighting.
5. Jessica Wheaton made an announcement re: the 100th Anniversary kick-off event on December 2, 2011.
6. Ed Rice spoke re: MERC Case No. C11 D-086.
7. Ed Rice spoke re: the Tall Ships use of the coal dock.
 - Dave McGinnis, 10671 Center Rd., addressed the Board
 - Mike Wills, 110 Fairway Hills, addressed the Board

C. From Board.

1. Jim Carruthers made an announcement re: the upcoming alley party/open house on December 17th in his neighborhood.
2. Mike Coco gave a reminder about the TC Saves program.


Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman Coco declared the meeting adjourned at 7:33 p.m.



TRAVERSE CITY
LIGHT & POWER

To: Light and Power Board
From: Tim Arends, Controller 
Date: December 9, 2011
Subject: Utility Bill Processing Contract

Attached is a memo from Karla Myers-Beman, Deputy Treasurer/Asst. Finance Director of the City Treasurer's Office that explains the process they followed in obtaining bids for outsourcing utility bill printing/mailing.

As you may know, the Treasurers Office handles all of the customer service, accounts payable, billing, and collection activities for the electric, water and wastewater utilities. Since their office will be administering the contract with the provider, the contract will be between the City and the vendor. It is estimated that this new contract will cost L&P approximately \$30,000 per year, which is about \$2,400 per year less than what is being charged with the current provider. While the annual expense is within the Directors spending authority, it is a multi-year agreement that requires board approval.

Staff recommends the Board approve this request. Karla will be available at your meeting to answer any questions you may have. If the Board is in agreement with Staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT & POWER BOARD AUTHORIZES THE CITY TREASURER TO EXECUTE A CONTRACT WITH PINNACLE DATA SYSTEMS FOR UTILITY BILL PROCESSING SERVICES, SUBJECT TO CITY COMMISSION APPROVAL.

Memorandum

The City of Traverse City



TO: Ed Rice, Executive Director

FROM: Karla Myers-Beman, Deputy Treasurer

DATE: December 9, 2011

SUBJECT: RFP's for Mail Processing Utility Statements

On September 16, 2011 the Treasurer's office solicited bids for utility bill mail processing. The City received seven responses from Small Business Service Center, Huntington, Best Practice Systems, DataMatx, Presort, DataMail and Pinnacle Data Systems.

Small Business Service Center was eliminated because it did not meet the requirements of the request for proposal. Best Practice Systems was eliminated because it did not conform to the pricing of the other six potential vendors requesting a significant amount of funds up front following with minimal pricing each month. This type of pricing method brings potential risk of lost investment if the company were to lose financial viability in later years.

The remaining potential vendors are shown below. The cost is expressed as a price per unit which includes preprocessing, laser printing, fold and insert, insertion of #9 envelope, seal and meter, produce bar code for receipting and mail processing along with all stock (customer paper, #10 envelope and #9 envelope). Each of the potential vendors are able to provide postage at a rate of \$.34 per envelope.

Pinnacle (Alabama)	\$.103
DataMatx (Georgia – current provider)	.143
DataMail (Michigan)	.147
Presort (Michigan)	.155
Huntington (Michigan)	.207

It is the recommendation of the Treasurer's office that the contract be awarded to the Pinnacle Data Systems based on price and the high quality reviews they have received from references provided in their proposal. Additionally, the Treasurer's office took into consideration the internal cost (hours of staff and MIS) of transferring, the contract to a new vendor and there is still a substantial cost benefit of approximately \$24,000 for the City of Traverse City and Traverse City Light and Power to change vendors. The term of the contract will be for five years with no escalation.



Mission Statement:
TCL&P is a customer focused utility which provides safe, reliable, competitively priced energy and related services in an environmentally conscious manner.

AGENDA

Major Customer Meeting
December 8, 2011
7:30 – 8:45 a.m.
Traverse City Country Club

1. 7:30 - Welcome, Introductions and Purpose of Meeting (Ed Rice)
2. 7:40 - Breakfast
3. 8:05 - Discussion of rate forecast and reliability (Ed Rice)
4. 8:20 - Energy Optimization Program (Jim Cooper)
5. 8:30 - Open Discussion (All)
Feedback and customer expectations of Light & Power
6. 8:45 - Meeting Adjourned

Please feel free to stay after and speak one on one with Light & Power representatives.

