

MEETING NOTICE

STUDY SESSION

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, April 5, 2011

At

5:30 p.m.

In The

LIGHT AND 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.

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

AGENDA

Roll Call

1. Discussion of the Proposed 2011-12 Six Year Capital Improvements Plan and Operating Budgets.
2. Public Comment.

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

Posting Date: 4-1-11
4:30 p.m



TRAVERSE CITY
LIGHT & POWER

To: Light and Power Board
From: Ed Rice, Executive Director
Subject: Proposed Six Year Capital Plan-2011 & 2011-12 Operating Budgets
Date: April 1, 2011



Enclosed are the proposed Six Year Capital Plan-2011 and the 2011-12 operating budgets for the Fiber Optics Fund and the Electric Utility Fund that will be discussed at our study session on Tuesday, April 5, 2011. I have reviewed the individual budgets by line item for each business with staff and will be prepared to answer questions you may have.

SIX YEAR CAPITAL PLAN:

Staff has incorporated three **new** projects into next year's Capital Plan along with updating anticipated capital costs for other previously approved projects. The project "Baseload Capacity – Biomass" has been changed to "Baseload Capacity – 30MW Natural Gas" as determined through Strategic Planning. The Plan also includes new street lighting along Silver Drive through the GT Commons area. Another addition is vehicle additions/replacements that will transfer responsibility of financing and managing the utility's fleet from the City to the utility and the Light & Power Board.

FIBER OPTICS FUND:

Fiber Fund expenses for 2010-11 included revenues and expenses for Wi-Fi operations. This year has brought a change in the scope of the project that will limit that activity to the DDA/TIF Districts for open area Wi-Fi services to be financed by Light and Power with capital and operational costs to be reimbursed by the DDA. While the details of an agreement have not been finalized or approved, we felt it prudent to budget for this in the next year.

The fund continues to provide positive cash flows that will enable it to begin reimbursing the Electric Utility Fund for its initial capital contribution in building the fiber network.

ELECTRIC UTILITY FUND:

Current year 2010/11 revenues are anticipated to be over budget due mainly to a hotter than normal summer in 2010 and an uptick in the commercial/industrial sectors.

Recommended year 2011/12 revenues are budgeted to increase due to an increase in electric generation supply costs with a slight increase in commercial/industrial activities.

Revenues and generation supply expenses are based on a 325,000 MWH sales levels which is 5,000 MWH less than projections due to an additional emphasis on energy optimization efforts.

There are significant changes to electric generation supply sources for 2011/12.

1. Stoney Corners Wind Farm
2. Lansing Board of Water & Light 5 year bridge contract
3. Granger landfill gas contract
4. Direct MISO purchases from the LMP

Staff has performed a detailed analysis and believes the individual budgeted amounts are reflective of market costs. Additional expenses of \$650,000 are budgeted to achieve the 5,000 MWH reductions in sales and to enhance community communications as directed through the Strategic Goals.

In summary, operating revenues are projected to increase by 8.5% which is more than offset by an increase in operating expenses of 12.1%. Other than those items previously identified, expenses were increased by an inflation factor of 2%. I believe this recommended budget incorporates direction from the Board through the Strategic Planning Process.



Vision Statement

The Vision of TCL&P is to enhance the local quality of life by securing our energy future.

Mission Statement

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

2011 Strategic Goals

1. Ensure employee and public safety.
2. Resolve long term baseload requirement deficiencies.
3. Insulate customers from volatile power market prices while keeping rates competitive.
4. Provide a high level of transmission and distribution system reliability.
5. Improve communication with the community.
6. Promote energy efficiency, conservation and provide our customers the information and tools to best manage their energy use.
7. Promote a culture of continuous improvement throughout the organization.
8. Determine customer and community interest in local generation with a baseload goal of 30MW.
9. Reduce the L&P carbon footprint through a diversified portfolio and renewable energy sources.



TRAVERSE CITY
LIGHT & POWER

SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

INTERNAL FINANCING:

GENERATION:

Baseload Capacity – 30MW Natural Gas (NEW)

Location: Either inside or outside city limits

Character: Natural gas electric generating facility

Extent: Costs related to the construction of a natural gas generating facility to provide up to 30 Megawatts of local baseload generation capacity.

Estimated Cost: \$7 Million

Fiscal Year(s): 2011-12 through 2014-15

Community Solar – 50 KW

Location: Local solar generation either inside or outside city limits

Character: Solar panels either free standing or on buildings or rooftops

Extent: Costs related to installation of solar panels to provide up to 50 Kilowatts of generation.

Estimated Cost: \$400,000

Fiscal Year(s): 2011-12 through 2012-13

DISTRIBUTION and SUBSTATION:

Line Improvements, Extensions, New Services

Location: Throughout the entire service area

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

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

Estimated Cost: \$6.275 Million

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)

Overhead to Underground Conversion Projects

Location: Throughout the entire service area

Character: Conversion of overhead transmission and/or distribution facilities to underground.

Extent: Annual Program for Approved Projects.

Estimated Cost: \$6.5 Million

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)



TRAVERSE CITY
LIGHT & POWER

SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

DISTRIBUTION and SUBSTATION (continued):

Distribution Circuit Additions/Upgrades

Location: *Throughout the entire service area*

Character: *Construction of new overhead distribution circuits*

Extent: *New circuits and upgrade of existing circuits to improve reliability and serve anticipated growth.*

Estimated Cost: *\$11.3 Million*

Fiscal Year(s): *2011-12 through 2016-17 (Annual Program)*

69kV/13.8kV Distribution Substation-SOUTH

Location: *Southern portion of service area – possibly outside city limits*

Character: *Construction of new 69/13.8kV distribution substation.*

Extent: *To include land purchase and facilities*

Estimated Cost: *\$5 Million*

Fiscal Year(s): *2011-12 through 2012-13*

Street Lighting System Additions (NEW)

Location: *New street lighting along Silver Drive in the Grand Traverse Commons area*

Character: *LED street lighting.*

Extent: *Removal of any old street lights and installation of new LED street lights.*

Estimated Cost: *\$225,000*

Fiscal Year(s): *2011-12*

Pine Street Overhead to Underground Conversion

Location: *Starting from behind Hall Street Substation South along Pine Street & crossing the Boardman River*

Character: *Convert existing overhead distribution facilities to underground.*

Extent: *In concert with TIF 97 Plan for Pine Street projects – this is a two phase project as directed by the DDA through the TIF 97 Plan.*

Estimated Cost: *\$1 Million*

Fiscal Year(s): *2012-13*



TRAVERSE CITY
LIGHT & POWER

SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

TRANSMISSION and SUBSTATION:

69kV Load Break Switches

Location: Three separate locations - S Airport Sub Junction on LaFranier Rd, Barlow Junction near Barlow Substation, & Cass Road Junction near Twelfth Street

Character: New steel poles & transmission switches

Extent: Replacing wood poles and switches with new steel poles & switches

Estimated Cost: up to \$600,000

Fiscal Year(s): 2013-14 through 2015-16

69kV Transmission Line and Substation – EAST

Location: East Side of Service Area (to be determined – substation and majority of the transmission line would be outside the city limits)

Character: Overhead transmission facilities to include new poles and wire

Extent: From a new transmission substation to an existing distribution substation (to be determined)

Estimated Cost: \$5.2 Million

Fiscal Year(s): 2011-12 through 2012-13

Transmission Line Reconductor

Location: Existing transmission corridor along Hammond, Barlow, LaFranier, Cass, Wadsworth, and north end of Boardman Lake

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

Extent: Reconductor/rebuilding of existing 69kV transmission lines with new 69kV transmission lines.

Estimated Cost: \$3.675 Million

Fiscal Year(s): 2013-14 through 2016-17

FACILITIES:

M-72 Wind Turbine Refurbishment

Location: Bugai Road @ M-72

Character: Replace existing gear box with new gear box

Extent: Repair or replacement due to normal wear.

Estimated Cost: \$150,000

Fiscal Year(s): 2015-16



TRAVERSE CITY
LIGHT & POWER

SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

FACILITIES (continued):

Hastings Service Center Facility Improvements

Location: 1121 to 1131 Hastings Street

Character: Site improvements to existing facility

Extent: Demolition/Property acquisition and facility expansion/improvements

Estimated Cost: \$2.75 Million

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)

SCADA, COMMUNICATIONS, and OTHER ITEMS:

Smart Metering Technologies

Location: Entire Service Area

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

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

Estimated Cost: \$650,000

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)

SCADA (Supervisory Control and Data Acquisition)/Dispatch Improvements

Location: 1131 Hastings Street and Hall Street Substation

Character: Expansion of capabilities in 24 hour control center

Extent: Equipment upgrades and improvements/modifications to the current control room and to provide for a remote SCADA control center.

Estimated Cost: \$250,000

Fiscal Year(s): 2011-12 through 2012-13

Vehicle Additions/replacements (NEW)

Location: N/A

Character: Service vehicles for utility operations

Extent: Add or replace vehicles as required for efficient utility operations.

Estimated Cost: \$1.2 Million

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)



TRAVERSE CITY
LIGHT & POWER

SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

OTHER FINANCING SOURCES:

GENERATION:

Baseload Capacity – 30MW Natural Gas (NEW)

Location: Either inside or outside city limits

Character: Natural gas electric generating facility

Extent: Costs related to the construction of a natural gas generating facility to provide up to 30 Megawatts of local baseload generation capacity.

Estimated Cost: \$68 Million

Fiscal Year(s): 2013-14 through 2014-15

FIBER OPTICS FUND:

Fiber Extensions – Customer Installations

Location: Within the L&P service area

Character: Fiber optic facilities extending from current facilities.

Extent: Costs related to line extensions to customer facilities (either overhead or underground)

Estimated Cost: \$450,000

Fiscal Year(s): 2011-12 through 2016-17

Wifi Project

Location: Within the L&P service area

Character: Upgrade of facilities to allow for Wifi (wireless internet access)

Extent: Costs related to installing facilities that allow for open area wireless internet access, or “hot zones” primarily in the DDA/TIF Districts.

Estimated Cost: \$160,000

Fiscal Year(s): 2011-12

TRAVERSE CITY LIGHT & POWER
SIX YEAR CAPITAL IMPROVEMENTS PLAN - 2011

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

	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Project Totals	Project Notes
INTERNAL FINANCING:								
Generation:								
NEW Baseload Capacity - 30MW Natural Gas	\$ 500,000	\$ 1,500,000	\$ 2,500,000	\$ 2,500,000	---	---	\$ 7,000,000	
Community Solar - 50KW	100,000	300,000	---	---	---	---	400,000	
Total Generation	600,000	1,800,000	2,500,000	2,500,000	0	0	7,400,000	
Distribution and Substation:								
Line Improvements, Extensions, New Services	950,000	1,000,000	1,025,000	1,050,000	1,100,000	1,150,000	6,275,000	Annual Program
OH to URG Conversion Projects	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,500,000	Annual Program
Distribution Circuit Additions/Upgrades	2,300,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	11,300,000	Annual Program
69kV/13.8kV Distribution Substation-SOUTH	2,500,000	2,500,000	---	---	---	---	5,000,000	
NEW Street Lighting System Additions	225,000	---	---	---	---	---	225,000	
Pine Street Overhead to Underground Conversion	---	1,000,000	---	---	---	---	1,000,000	With TIF 97 Project
Total Distribution and Substation	7,475,000	7,300,000	3,825,000	3,850,000	1,650,000	1,650,000	30,300,000	
Transmission and Substation:								
69kV Load Break Switches	---	---	200,000	200,000	200,000	---	600,000	
69kV Transmission Line & Substation - EAST	2,000,000	3,200,000	---	---	---	---	5,200,000	
Transmission Line Reconductor	---	---	575,000	1,000,000	1,500,000	600,000	3,675,000	
Total Transmission and Substation	2,000,000	3,200,000	775,000	1,200,000	1,700,000	600,000	9,475,000	
Facilities:								
M-72 Wind Turbine Refurbishment	---	---	---	---	150,000	---	150,000	
Hasting Service Center Facility Improvements	300,000	2,250,000	50,000	50,000	50,000	50,000	2,750,000	Annual Program
Total Facilities	300,000	2,250,000	50,000	50,000	200,000	200,000	2,900,000	
SCADA, Communications, and Other Items:								
Smart Metering Technologies (AMI)	100,000	200,000	200,000	50,000	50,000	50,000	650,000	Annual Program
SCADA/Dispatch Improvements	100,000	150,000	---	---	---	---	250,000	
NEW Vehicle Additions/replacements	350,000	125,000	275,000	75,000	75,000	300,000	1,200,000	
Total SCADA, Communications & Other Items	550,000	475,000	475,000	125,000	125,000	350,000	2,100,000	
TOTAL INTERNAL FINANCING	\$10,925,000	\$15,025,000	\$7,625,000	\$7,725,000	\$3,675,000	\$2,800,000	\$52,175,000	

OTHER FINANCING SOURCES:

Generation:

NEW Baseload Capacity - 30MW Natural Gas	---	---	\$ 35,000,000	\$ 33,000,000	---	---	\$ 68,000,000	
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FIBER PROJECTS:

Fiber Extensions - Customer Installations	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 450,000	
Wifi project - DDA	160,000	---	---	---	---	---	160,000	
Total Fiber Projects	\$235,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$610,000	

(Actual fiscal year that a project may be undertaken may differ from the fiscal year depicted in this spreadsheet.)

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER DEPARTMENT
 2011-12 Budgeted Revenues and Expenses

	FY 09/10 Actual	FY 10/11 Budgeted	FY 10/11 Projected	FY 11/12 Recommended
<u>Operating Income:</u>	\$27,063,181	\$28,660,000	\$30,591,000	\$33,201,550
<u>Operating Expenses:</u>				
<u>Generation Expenses:</u>				
MPPA Purchased Power	\$6,446,442	\$2,850,000	\$2,733,100	\$0
MISO Purchased Power	0	0	716,900	1,200,000
Lansing Purchased Power	0	2,500,000	4,250,000	7,200,000
Stoney Corners - Wind Energy	0	1,250,000	1,550,000	1,595,000
Combustion Turbine Power Cost	3,657,141	3,680,000	3,275,000	3,750,000
Cambell #3 Power Cost	3,223,417	3,280,000	3,260,000	3,670,000
Belle River #1 Power Cost	2,732,687	2,883,000	2,650,000	3,500,000
Landfill Gas - Granger Project	15,319	250,000	140,000	90,000
Other Generation Expenses	662,696	426,000	494,500	472,900
Total Generation Expenses	16,737,702	17,119,000	19,069,500	21,477,900
<u>Distribution Expenses:</u>				
Operations & Maintenance	3,005,426	3,083,900	3,380,700	3,449,250
<u>Transmission Expenses:</u>				
Operations & Maintenance	186,162	178,600	240,950	246,000
<u>Other Operating Expenses:</u>				
Metering & Customer Accounting	583,173	627,400	612,950	632,050
Conservation & Public Services	421,841	563,700	776,150	1,574,600
Administrative & General	1,241,816	1,281,800	1,256,400	1,276,900
Insurance	80,809	90,000	71,350	72,800
Depreciation Expense	1,624,621	1,665,000	1,695,000	1,715,000
City Fee	1,374,844	1,450,000	1,556,900	1,687,850
Total Other Operating Expenses	5,327,104	5,677,900	5,968,750	6,959,200
Total Operating Expenses	25,256,394	26,059,400	28,659,900	32,132,350
Operating Income/Loss	\$1,806,787	\$2,600,600	\$1,931,100	\$1,069,200
<u>Non Operating Revenues/(Expenses):</u>				
Non Operating Revenues	839,606	482,400	902,900	805,800
Non Operating Expenses	(12,431)	0	0	0
Total Non Operating Revenue/(Exp)	827,175	482,400	902,900	805,800
Net Income	\$2,633,962	\$3,083,000	\$2,834,000	\$1,875,000

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER
 2011-12 Budgeted Revenues and Expenses

	FY 09/10 Actual	FY 10/11 Budgeted	FY 10/11 Projected	FY 11/12 Recommended
<u>OPERATING REVENUES:</u>				
State Grants	\$ 21,176	\$ 15,000	\$ 27,650	\$ -
Residential Sales	4,799,781	5,212,000	5,720,000	6,207,000
Commercial Sales	12,490,638	13,375,000	13,835,000	15,085,000
Industrial Sales	7,467,368	7,922,000	8,245,000	8,985,000
Public Authority Sales	226,101	222,500	251,000	272,000
Street Lighting Sales	193,937	189,500	194,250	195,000
Yard Light Sales	82,614	85,000	84,900	86,600
Forfeited Discounts	47,627	50,000	52,350	53,400
Merchandise and Jobbing	110,665	64,000	174,400	177,900
Recovery of Bad Debts	0	500	100	500
Sale of Scrap	10,666	10,000	20,950	21,400
Miscellaneous Income	11,076	14,500	17,400	17,750
MISO Revenue	1,601,533	1,500,000	1,968,000	2,100,000
TOTAL OPERATING REVENUES	\$ 27,063,181	\$ 28,660,000	\$ 30,591,000	\$ 33,201,550

OPERATING EXPENSES:

GENERATION-OPERATING & MAINTENANCE:

Wind Generation - Traverse	\$ 38,318	\$ 37,500	\$ 15,500	\$ 16,000
Brown Bridge	4,363	4,000	600	0
Wind Generation Farm	33,132	0	500	5,000
Trap and Transfer	22	1,000	1,000	1,000
Union Street Fish Ladder	162	350	250	250
Kalkaska Combustion Turbine	218,900	185,000	265,000	225,000
Sabin Dam	2,896	4,700	1,000	900
Boardman Dam	3,289	3,700	1,300	900
Operation Supplies	2,080	2,100	850	1,500
MPPA Purchased Power	6,446,442	2,850,000	2,733,100	0
MISO Purchased Power	0	0	716,900	1,200,000
Lansing Purchased Power	0	2,500,000	4,250,000	7,200,000
Stoney Corners - Wind Energy	0	1,250,000	1,550,000	1,595,000
Combustion Turbine Power Cost	3,657,141	3,680,000	3,275,000	3,750,000
Campbell #3 Power Cost	3,223,417	3,280,000	3,260,000	3,670,000
Belle River #1 Power Cost	2,732,687	2,883,000	2,650,000	3,500,000
Landfill Gas - Granger Project	15,319	250,000	140,000	90,000
<i>total purchased power</i>	<i>16,075,006</i>	<i>16,693,000</i>	<i>18,575,000</i>	<i>21,005,000</i>
Coal Dock	8,971	8,400	2,150	4,500
Communications	5,164	6,000	500	550
Safety	5,741	9,000	4,100	4,200
Tools	9,833	2,500	500	1,500
Professional and Contractual	328,101	150,000	200,000	210,000

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER
 2011-12 Budgeted Revenues and Expenses

	FY 09/10 Actual	FY 10/11 Budgeted	FY 10/11 Projected	FY 11/12 Recommended
Professional Development	1,075	10,000	500	750
TCLP Equipment Maintenance	648	1,000	700	750
Miscellaneous	<u>1</u>	<u>750</u>	<u>50</u>	<u>100</u>
Total Generation O & M	<u>16,737,702</u>	<u>17,119,000</u>	<u>19,069,500</u>	<u>21,477,900</u>
<u>DISTRIBUTION OPERATION & MAINTENANCE:</u>				
Office Supplies	8,918	7,100	8,000	8,200
Operation Supplies	36,258	32,000	38,650	39,450
Utilities	49,823	60,300	43,600	44,500
Communications	24,806	27,500	18,000	18,400
Supervision and Maintenance	613,505	555,000	710,500	725,000
Substation	192,349	130,000	232,650	237,350
Overhead Lines	425,093	315,000	515,500	525,850
Load and Dispatching	540,880	510,000	567,150	578,500
Underground Lines	230,710	295,000	160,450	163,700
Customer Installations	27,366	21,600	43,550	44,450
Electric Meters	38,343	35,000	69,800	71,200
Street Lighting	129,576	324,000	276,700	282,250
Traffic Signal Oper. & Maint.	69,973	180,600	153,000	156,100
Radio Equipment	256	0	1,850	1,900
Plant & Structures	280,603	235,000	207,700	211,900
Shop Labor	125,548	139,000	92,050	93,900
Safety	62,468	60,000	33,150	33,850
Tools	16,488	14,000	18,350	18,750
Professional and Contractual	19,395	33,000	33,300	34,000
Rent Expense	2,850	5,100	3,000	3,100
Professional Development	107,291	100,000	152,050	155,100
Printing and Publishing	597	1,800	1,500	1,550
Miscellaneous	2,022	2,900	200	250
Inventory Adjustments	<u>307</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Distribution O & M	<u>3,005,426</u>	<u>3,083,900</u>	<u>3,380,700</u>	<u>3,449,250</u>
<u>TRANSMISSION OPERATIONS & MAINTENANCE:</u>				
Supervision & Maintenance	13,882	12,000	18,650	19,050
Substation	18,126	8,000	58,750	60,000
Overhead Lines	47,946	24,100	38,500	39,300
Load and Dispatching	54,057	93,500	56,500	57,650
Underground Lines	0	0	150	200
MISO Transmission	19,987	21,000	20,000	20,400
Professional and Contractual	3,500	0	0	0
Miscellaneous	<u>28,665</u>	<u>20,000</u>	<u>48,400</u>	<u>49,400</u>
Total Transmission O & M	<u>186,162</u>	<u>178,600</u>	<u>240,950</u>	<u>246,000</u>

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER
 2011-12 Budgeted Revenues and Expenses

	FY 09/10 Actual	FY 10/11 Budgeted	FY 10/11 Projected	FY 11/12 Recommended
<u>METERING & CUSTOMER ACCOUNTING:</u>				
Salaries and Wages	276,411	304,000	270,100	275,000
Fringe Benefits	124,634	158,100	148,700	158,500
Office Supplies	3,944	4,750	4,500	4,750
Operation Supplies	141	350	0	0
Communications	594	850	800	850
Meal Payments	212	350	150	200
Safety	8	100	0	100
Uniforms	2,124	1,750	2,500	2,550
Professional and Contractual	42,410	12,500	41,500	42,350
Postage	37,920	39,000	34,650	35,350
Uncollectable Accounts	50,979	50,000	65,000	66,300
Collection Costs	770	1,000	500	550
Data Processing	15,253	18,000	20,050	20,500
Transportation	149	400	4,950	5,050
Professional Development	2,878	3,750	2,450	2,500
Printing and Publishing	7,946	11,000	4,150	4,250
Vehicle Rentals	14,877	18,500	12,050	12,300
Miscellaneous	<u>1,926</u>	<u>3,000</u>	<u>900</u>	<u>950</u>
Total Customer Accounting	<u>583,173</u>	<u>627,400</u>	<u>612,950</u>	<u>632,050</u>
<u>CONSERVATION & PUBLIC SERVICES:</u>				
Professional and Contractual	15,964	25,000	43,200	120,000
Public Service & Communications	29,823	30,000	62,500	128,500
Marketing & Public Services	6,063	7,500	0	0
In-Kind Community Services	75,016	120,000	68,700	70,100
Community Investment Fund	56,985	75,000	54,900	75,000
CFL Grant Expense	59,032	26,200	30,850	0
LED Street Lighting Grant Expense	6,031	0	125,000	0
Energy Audits	2,320	5,000	0	0
Community Relations Liaison	0	0	0	155,000
PA295 Energy Optimization Compliance	170,606	275,000	391,000	526,000
Increased Energy Optimization Efforts	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>
Total Conservation & Public Services	<u>421,841</u>	<u>563,700</u>	<u>776,150</u>	<u>1,574,600</u>
<u>ADMINISTRATIVE AND GENERAL:</u>				
Salaries and Wages	672,882	775,000	745,350	760,300
Fringe Benefits	188,585	203,000	256,650	261,800
Office Supplies	11,593	13,000	8,250	8,450
Communications	9,292	10,000	7,050	7,200
Fees and Per Diem	54,514	56,000	60,450	61,700

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER
 2011-12 Budgeted Revenues and Expenses

	FY 09/10 Actual	FY 10/11 Budgeted	FY 10/11 Projected	FY 11/12 Recommended
Board Related Expenses	11,348	10,500	7,600	7,750
Professional & Contractual	134,911	85,000	11,000	11,150
Legal Services	112,140	80,000	83,350	85,000
Employee Appreciation	8,053	7,000	12,800	13,100
Rent Expense	581	1,500	0	0
City Fee	1,374,844	1,450,000	1,556,900	1,687,850
Transportation	4,074	3,800	9,100	4,500
Professional Development	19,225	20,000	39,600	40,400
Printing & Publishing	8,225	8,500	3,450	3,550
Insurance and Bonds	80,809	90,000	71,350	72,800
Miscellaneous	6,392	8,500	11,750	12,000
Depreciation Expense	<u>1,624,621</u>	<u>1,665,000</u>	<u>1,695,000</u>	<u>1,715,000</u>
Total Administrative and General	<u>4,322,090</u>	<u>4,486,800</u>	<u>4,579,650</u>	<u>4,752,550</u>
Total Operating Expenses	<u>25,256,394</u>	<u>26,059,400</u>	<u>28,659,900</u>	<u>32,132,350</u>
Operating Income / (Loss)	<u>\$1,806,788</u>	<u>\$2,600,600</u>	<u>\$1,931,100</u>	<u>\$1,069,200</u>
<u>NON OPERATING REVENUES/(EXPENSES):</u>				
Rents and Royalties	\$31,976	\$56,050	\$44,150	\$45,400
Pole Rentals	35,662	35,650	31,750	31,750
Reimbursements	214,759	140,700	335,150	228,650
Interest & Dividend Earnings	557,209	250,000	491,850	500,000
Gain/(Loss) on Sale of Fixed Assets	(12,431)	0	0	0
Total Non Operating Revenue/(Expenses)	<u>827,175</u>	<u>482,400</u>	<u>902,900</u>	<u>805,800</u>
NET INCOME/(LOSS)	<u>\$2,633,962</u>	<u>\$3,083,000</u>	<u>\$2,834,000</u>	<u>\$1,875,000</u>

Traverse City Light & Power
Fiber Optics Fund
2011-12 Budgeted Revenues and Expenses

	FY 09/10 Audited	FY 10/11 Budgeted	FY 10/11 Projected	FY 11/12 Recommended
Operating revenues:				
Charges for services	\$ 167,692	\$ 192,800	\$ 183,600	\$ 216,850
Wifi sales & commissions	-	20,000	-	-
Miscellaneous	4,464	-	-	-
Total operating revenues	\$ 172,156	\$ 212,800	\$ 183,600	\$ 216,850
Operating expenses:				
Office & operating supplies	\$ 2,542	\$ 4,600	\$ 2,150	\$ 2,200
Supervision & maintenance	32,628	33,600	13,650	15,000
Overhead & Underground lines	5,753	1,500	6,800	7,000
Customer installations	12,279	18,700	2,500	2,750
Termination boxes	20,389	21,000	45,500	46,200
Wifi operations & maintenance	-	-	3,500	30,000
Tools	1,314	2,750	850	900
Professional services	-	82,200	750	20,000
Legal services	2,612	1,000	800	500
Rent expense	8,214	-	-	-
City fee	8,608	10,600	9,150	10,800
Professional development	100	1,500	-	500
Insurance	-	-	1,250	1,300
Repair and maintenance	544	5,000	150	450
Vehicle rental	-	1,000	-	-
Miscellaneous	-	350	100	150
Depreciation expense	84,745	99,500	85,400	86,500
Total operating expenses	179,727	283,300	172,550	224,250
Operating income/(loss)	(7,571)	(70,500)	11,050	(7,400)
Non-operating revenues:				
Reimbursements	53,486	86,500	24,250	37,400
Net income	\$ 45,915	\$ 16,000	\$ 35,300	\$ 30,000