

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**TUESDAY, May 28, 2013**

At

**5:15 p.m.**

In 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.

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

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

Posting Date: 04-24-13  
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 April 9 and May 14, 2013. (Approval recommended)
- b. Receive and file the minutes of the Charitable Giving/Sponsorship Ad Hoc Committee Meeting of May 2 and of the Executive Director Recruitment Ad Hoc Committee Meeting of May 14, 2013. (Approval recommended)
- c. Adoption of the 2013-2014 operating budgets and six year capital improvements plan. (Approval recommended) (Arends)
- d. Consideration of property exchange with City of Traverse City. (Approval recommended) (Arends)

#### Items removed from the Consent Calendar

- a.
- b.
- c.

#### 3. Unfinished Business

- a. Consideration of Executive Director's Contract. (Doren)

#### 4. New Business

- a. Consideration of additional funding for the Chamber/TCL&P Energy Efficiency Revolving Loan Fund. (Arends/Galbraith)
- b. Consideration of seeking bids for service center security enhancements. (Arends/Sommerville)
- c. Consideration of setting a Minimum Cash Reserve for 2013-2014. (Arends)
- d. Consideration of a Sponsorship Policy. (Arends)

**5. Appointments**

None.

**6. Reports and Communications**

a. From Legal Counsel.

b. From Staff.

1. TC Saves Program update. (Mary Templeton, Better Buildings Program)
2. Amended Decorative Lighting Policy review. (Arends)

c. From Board.

**7. Public Comment**

/st

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Commission Chambers, Governmental Center  
Tuesday, April 9, 2013

**Board Members -**

Present: Barbara Budros, Jim Carruthers, Jeff Palisin, Bob Spence, John Taylor,  
Patrick McGuire

Absent: John Snodgrass

**Ex Officio Member -**

Present: R. Ben Bifoss

**Others:** Tim Arends, W. Peter Doren, Stephanie Tvardek, Scott Menhart, Tom  
Olney

The meeting was called to order at 5:15 p.m. by Secretary Tim Arends.

Secretary Tim Arends opened the floor to nominations for Chairperson of the Light and Power Board:

Commissioner Budros nominated Member McGuire, Commissioner Carruthers seconded.

CARRIED unanimously. (Snodgrass, Taylor absent)

Tim Arends turned the meeting over to Chairman McGuire.

Chairman McGuire opened the floor to nominations for Vice Chairperson of the Light and Power Board:

Commissioner Budros nominated Member Taylor, Member Palisin seconded.

CARRIED unanimously. (Snodgrass, Taylor absent)

Chairman McGuire recommended Tim Arends be appointed the Secretary for the Light and Power Board. Commissioner Budros moved and Commissioner Carruthers seconded the nomination of Tim Arends as Secretary of the Board.

CARRIED unanimously. (Snodgrass, Taylor absent)

Chairman McGuire recommended the current members of the Human Resource Ad Hoc Committee, Barbara Budros, Bob Spence and John Taylor, be reappointed. Commissioner Carruthers moved and Member Palisin seconded the reappointment of the Human Resource Ad Hoc Committee.

CARRIED unanimously. (Snodgrass, Taylor absent)

Chairman McGuire recognized Mike Coco for his service on the Light and Power Board. Mike Coco addressed the Board, staff and public.



**Item 2 on the Agenda being Consent Calendar**

None.

**Item 3 on the Agenda being Old Business**

None.

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

4(a). Consideration of approving minutes of the Regular Meeting of March 26, 2013.

Moved by Carruthers, seconded by Budros, that the minutes of the Regular Meeting of March 26, 2013 be approved.

CARRIED unanimously. (Snodgrass, Taylor absent)

4(b). Consideration of approving the 2013-14 Operating Budget and Six Year Capital Improvements Plan.

The following individuals addressed the Board:

Tim Arends, *Interim* Executive Director  
R. Ben Bifoss, City Manager

Moved by Budros, seconded by Spence, that the Light & Power Board approves submittal of the 2013-14 Operating Budget and Six Year Capital Improvements Plan as presented.

5:34 p.m. John Taylor joined the meeting.

Tim Arends clarified the current motion on the floor is to approve the 2013-14 Operating Budget and Six Year Capital Improvements Plan presented. The motion should be to submit the 2013-14 Operating Budget and Six Year Capital Improvements Plan to the City Commission.

With the support of Spence, Budros amended her motion as follows: That the Light & Power Board approves submittal of the 2013-14 Operating Budget and Six Year Capital Improvements Plan as presented to the City Commission for its consideration.

CARRIED unanimously. (Snodgrass absent)

4(c). Consideration of approving a revised Organizational Chart.

The following individuals addressed the Board:

Tim Arends, *Interim* Executive Director  
W. Peter Doren, General Counsel

Moved by Taylor, seconded by Budros, that the Light & Power Board approves the staff recommended revised organizational chart as presented and further eliminates the job descriptions for Part-Time Human Resource Specialist, Energy Supply Manager, Generation Project Manager, Manager of Communications & Energy Services, and Network Administrator.

CARRIED unanimously. (Snodgrass absent)

**4(d).** Consideration of authorizing TCL&P and City H.R. Agreement.

The following individuals addressed the Board:

Tim Arends, *Interim* Executive Director/Controller  
R. Ben Bifoss, City Manager

Moved by Palisin, seconded by Budros, that the Board approves funding in the 2013-14 Fiscal Year Budget related to the Agreement between Traverse City Light & Power Department and the City of Traverse City for human resources services, and further agrees to the terms and conditions as set forth in the Agreement.

CARRIED unanimously. (Snodgrass absent)

**Item 5 on the Agenda being Appointments**

None.

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

a. From Legal Counsel.

None.

b. From Staff.

1. Michael McGeehan, GRP Engineering, gave an update on the East Hammond Transmission Line.

The following individuals addressed the Board:

W. Peter Doren, General Counsel

2. Tim Arends spoke re: the Public Process for Informing Michigan's Energy Future Kick-off.
3. Tim Arends gave a reminder of the Rule 411 Lunch and Learn scheduled for April 18, 2013.

c. From Board.

1. Jim Carruthers spoke re: fiber article in recent Governing Magazine.
2. John Taylor requested an update on the Grand Vision survey results.
3. Bob Spence and Jeff Palisin thanked Tim Arends for the new board member orientation.
4. Pat McGuire requested availability of the Board to schedule a study session to review the Hometown Connections report.
5. Bob Spence requested an update on the status of the Community Solar Project.

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

No one from the public commented.

There being no objection, Chairman McGuire declared the meeting adjourned at 6:26 p.m.

/st

---

Tim Arends, Secretary  
LIGHT AND POWER BOARD

DRAFT

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Commission Chambers, Governmental Center  
Tuesday, May 14, 2013

**Board Members -**

Present: Barbara Budros, Jim Carruthers, Jeff Palisin, Bob Spence, John Taylor,  
Patrick McGuire

Absent: John Snodgrass

**Ex Officio Member -**

Present: R. Ben Bifoss

**Others:** Tim Arends, W. Peter Doren, Stephanie Tvardek, Scott Menhart, Tom  
Olney, Jessica Wheaton, Mark Watson

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

**Item 2 on the Agenda being Consent Calendar**

None.

**Item 3 on the Agenda being Unfinished Business**

None.

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

**4(a).** Consideration of approving minutes of the Joint Study Session with City Commission of April 1, Study Session of April 2, Regular Meeting of April 23 and Study Session of April 23, 2013.

Moved by Budros, seconded by Taylor, that the minutes of the Joint Study Session with City Commission of April 1, Study Session of April 2, Regular Meeting of April 23 and Study Session of April 23, 2013, be approved.

CARRIED unanimously. (Snodgrass absent)

**4(b).** Public Hearing regarding Solar Garden Rate Tariff.

The following individuals addressed the Board:

Tim Arends, *Interim* Executive Director/Controller  
Stephanie Tvardek, Administrative Assistant

Moved by Budros, seconded by Palisin, that the Board adopts the Community Solar Garden Phase I Rate with an immediate effective date.

CARRIED unanimously. (Snodgrass absent)

**4(c).** Consideration of Second Extension of Option Agreement.

The following individuals addressed the Board:

Tim Arends, *Interim* Executive Director/Controller  
Karrie Zeits, Special Counsel, 101 N. Park  
W. Peter Doren, General Counsel

Moved by Budros, seconded by Taylor, that the Light & Power Board authorizes the *Interim* Executive Director to enter into a "Second Extension of Option Agreement" with Dixie Roethlisberger at a cost of \$7,500 for each of two six month terms for property located in Garfield Charter Township.

The following individuals from the public addressed the Board:

Rick Buckhalter, 932 Kelley Street, Ratepayer

Roll Call:

Yes – Budros, Palisin, Spence, Taylor

No – Carruthers, McGuire

CARRIED. (Snodgrass absent)

**4(d).** Consideration of naming Tim Arends as permanent Executive Director.

The following individuals addressed the Board:

Tim Arends, *Interim* Executive Director/Controller

Moved by Budros, seconded by Spence, that the Light & Power Board revokes its action of February 26, 2013 of its intent to conduct a search for a permanent Executive Director and names Tim Arends as the Executive Director of Traverse City Light & Power effective immediately at his current salary; and further directs General Counsel to negotiate contract terms with Tim Arends for the Boards consideration at a future meeting.

The following individuals from the public addressed the Board:

Rick Buckhalter, 932 Kelley Street, Ratepayer

Roll Call:

Yes – Budros, Palisin, Spence, McGuire

No – Carruthers, Taylor

CARRIED. (Snodgrass absent)

Chairman McGuire requested the board rules be suspended in order to propose a motion to show support for the newly appointed Executive Director.

Moved by Spence, seconded by Budos that the board rules be suspend.

CARRIED unanimously. (Snodgrass absent)

Moved by Spence, seconded by Palisin that the Traverse City Light & Power Board show unanimous support for Tim Arends as the newly appointed Executive Director.

CARRIED unanimously. (Snodgrass absent)

**Item 5 on the Agenda being Appointments**

None.

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

a. From Legal Counsel.

None.

b. From Staff.

1. Tim Arends gave the 3<sup>rd</sup> Quarter financial report.
2. Jessica Wheaton made an announcement re: the Community Solar Informational Meeting scheduled for May 23, 2013 and Ribbon Cutting Ceremony scheduled for June 7, 2012.
3. Tim Arends introduced the new Field Engineer, Mark Watson.

c. From Board.

1. Jim Carruthers spoke re: the prospect of a new City Manager and the property exchange that was discussed at last night's City Commission meeting.
2. Bob Spence spoke re: the local summer training opportunity provided to the Board.

The following individuals addressed the Board:

Tim Arends, Executive Director

3. John Taylor asked about a Strategic Planning timeline.

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

No one from the Public commented.

There being no objection, Chairman McGuire declared the meeting adjourned at 6:14 p.m.

/st

---

Tim Arends, Secretary  
LIGHT AND POWER BOARD

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes

*Charitable Giving/Sponsorship Ad Hoc Committee*

Held at 1:00 p.m., Large Conference Room, TCL&P Service Center  
Thursday, May 2, 2013

**Committee Members -**

Present: Barbara Budros, John Taylor, Pat McGuire

Absent: None

**Others:** Tim Arends, Bob Cole, Justin Roy

The meeting was called to order at 1:00 p.m.

**1. Discuss sponsorships and review a possible sponsorship policy.**

Committee members and staff engaged in discussion regarding possible National Cherry Festival sponsorship and a board sponsorship policy.

**2. Public Comment**

No one from the public commented.

There being no objection, Chairman McGuire declared the meeting adjourned at 2:00 p.m.

/st

---

Patrick McGuire, Chairman  
LIGHT AND POWER BOARD

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes

*Executive Director Recruitment Ad Hoc Committee*

Held at 4:30 p.m., Committee Room, Governmental Center

Tuesday, May 14, 2013

**Committee Members -**

Present: Pat McGuire, John Taylor

Absent: None

**Others:** Bob Spence

The meeting was called to order at 4:30 p.m.

**1. Discuss potential next steps in the recruitment process.**

Committee members discussed.

**2. Public Comment**

No one from the public commented.

There being no objection, Committee Chairman Taylor declared the meeting adjourned at 4:55 p.m.

/st


---

Patrick McGuire, Chairman  
LIGHT AND POWER BOARD





---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director   
**Date:** May 22, 2013  
**Subject:** 2013-2014 Budget Adoption

---

At its May 13, 2013 meeting the City Commission passed a Resolution (attached) that authorizes the Traverse City Light & Power Board to adopt the budget and capital plan it submitted for their consideration of approval, as required by City Charter. As a final step in the budget process, it is now appropriate for the Board to formally adopt the budget documents for the 2013-2014 fiscal year.

This item is appearing on the consent calendar as staff deems it to be a non-controversial housekeeping matter, and recommends the Board adopts the 2013-2014 operating budgets for the electric and fiber optic funds, and the six year capital improvements plan. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the agenda as an item under Unfinished Business. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

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

**THAT THE LIGHT & POWER BOARD FORMALLY ADOPTS THE 2013-2014  
OPERATING BUDGETS FOR THE ELECTRIC UTILITY AND FIBER OPTIC FUNDS  
AND THE SIX YEAR CAPITAL IMPROVEMENTS PLAN.**

---

The City of Traverse City

Office of the City Clerk

GOVERNMENTAL CENTER  
400 Boardman Avenue  
Traverse City, MI 49684  
(231) 922-4480  
tcclerk@traverscitymi.gov



---

**Resolution Adopting the Traverse City Light and Power Budget and Capital  
Improvements Plan  
for Fiscal Year 2013-2014**

**Resolved,** that the Traverse City Light and Power Board has caused a budget document, including a Capital Improvements Plan to be prepared and presented to the City Commission covering the fiscal year commencing July 1, 2013, and ending June 30, 2014, and that the proposed budget document of the Traverse City Light and Power Department for the fiscal period of July 1, 2013, through June 30, 2014, along with the Capital Improvements Plan, is hereby approved in its entirety in the amount of \$33,105,050, and the Fiber Optics Fund of \$247,000, pursuant to the Charter of the City of Traverse City, Section 179(j); and that the Traverse City Light and Power Board is hereby authorized to adopt this budget, as submitted.

I hereby certify that the above Resolution was adopted by the City Commission on May 20, 2013, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

A handwritten signature in cursive script, appearing to read "Benjamin C. Marentette".


---

Benjamin C. Marentette, CMC, City Clerk

Prepared by: Katie Lowran  
Deputy City Clerk and  
William E. Twietmeyer  
City Treasurer/Finance Director



---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director   
**Date:** May 23, 2013  
**Subject:** Property Transfers with City of Traverse City

---

Attached is a memo from the City Attorney Lauren Tribble-Laucht outlining the details of the transfer of properties with the City of Traverse City as discussed by the Board at its April 23 study session. The City Commission approved the transfers at its May 20 meeting.

This item is appearing on the consent calendar as suggested by the Board. Staff recommends Board authorization to execute the documents with the city to effectuate the transfer. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the agenda as an item under New Business. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

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

**THAT THE CHAIRMAN AND EXECUTIVE DIRECTOR BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS FOR THE TRANSFER OF REAL PROPERTIES AS OUTLINED IN THE CITY ATTORNEY'S MAY 9, 2013 COMMUNICATION, WITH TRAVERSE CITY LIGHT & POWER TO PAY THE CITY \$8,407 IN CONNECTION WITH TRANSFER.**

---

# Memorandum

The City of Traverse City



---

TO: R. Ben Bifoss, City Manager

FROM: Lauren Tribble-Laucht, City Attorney *LTL*

DATE: May 9, 2013

SUBJECT: TCL&P Property Swap

Traverse City Light and Power (TCL&P) and the City each own certain parcels of property as shown in the attached three maps, which they have contemplated transferring to one another for some time. The maps show the property owned by the City in blue and the TCL&P property in pink.

The City owns 743 Boyd Avenue, an easement located at 2456 North Aero Park Court and property at 2459 North Aero Park Court. I have not commissioned any title work on the City owned properties in question, but my files do contain some information from a previously contemplated sale of 743 Boyd Avenue, which did not close. 743 Boyd Avenue appears to be a tax reverted parcel which has some title issues, namely that a portion of the parcel may have been transferred to another individual in 1943 by the State of Michigan. Further action would be required to clear the title to this parcel, however I understand TCL&P is willing to accept a transfer of this parcel with the cloud upon the title. Additionally it will be necessary for the City to retain any necessary easements for the road adjacent to this parcel.

TCL&P owns property located along the Boardman River. Because this property is former railroad corridor I recommend the City undertake the appropriate environmental investigation once it has been conveyed to avoid any potential liability under NREPA. This must be completed within 45 days after purchase or occupancy (whichever is sooner).

Also attached to this memorandum you will find a spreadsheet outlining the breakdown of values for the respective properties. TCL&P will owe the City an amount of \$8,407.00 as a result of these transactions. Please include this information in the City Commission's packet for their Study Session of May 13, 2013 and let me know if there are any further questions.

**Traverse City Light & Power Department**  
**City of Traverse City, Michigan**  
**Detail of Potential Property Swap - 2013**

Parel ID	Address	Assessed Value	
		Owned by TCL&P	Owned by City of TC
28-51-642-293-00	743 Boyd Avenue		\$ 25,263
28-51-851-048-00	2459 N Aero Park CT		\$ 19,384
28-51-851-047-00	2456 N Aero Park Ct-Easements		\$ 12,000
28-51-658-045-20	N Bank of Boardman River #1	\$ 6,240	
28-51-103-014-30	N Bank of Boardman River #2	\$ 42,000	
		\$ 48,240	\$ 56,647
<b>TCL&amp;P Amount Due City of TC</b>		\$ <b>8,407</b>	\$ -
	Balance	\$ 56,647	\$ 56,647

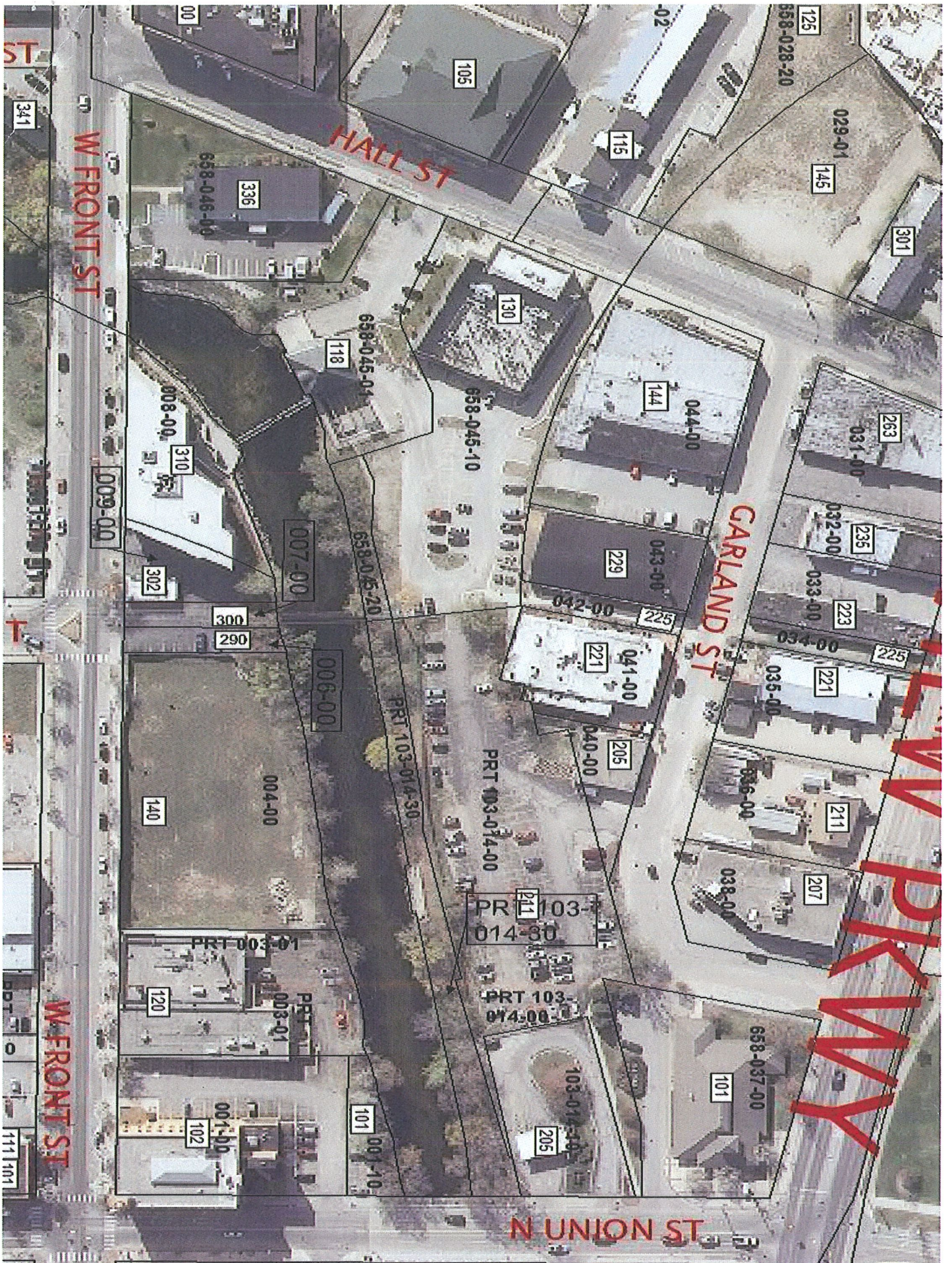
















TRAVERSE CITY  
LIGHT & POWER

---

**To:** Light & Power Board  
**From:** W. Peter Doren, General Counsel  
**Date:** May 24, 2013  
**Subject:** Executive Director Contract

---

The Board had directed me to negotiate the employment contract with the new Executive Director, Timothy Arends. Attached is a suggested Contract for your review and action.

Mr. Arends' salary as Interim Director is \$105,164.80 annually. His predecessor Edward Rice's annual salary was \$116,833.

The annual salary proposed for Mr. Arends as Executive Director is \$108,000.

Attached are tables 2B and 2C from the APPA 2012 survey of management salaries in local publically owned electric utilities. TCL&P has revenue in roughly thirty million dollars and approximately 11,000 customers. These APPA tables show the proposed salary is below, but close to, the median and first quartile salaries for Executive Directors for utilities our size. However, there has always been an effort to attempt some parity between the Executive Director's salary and that of the City Manager. The incoming City Manager is being given a \$100,000 annual salary, and the outgoing City Manager currently has a \$102,000 annual salary.

In light of the market and in light of the fact that the new Controller has not been hired and will require training which means Mr. Arends will continue to perform that function, it is recommended that a one-time stipend also be given to Mr. Arends in the amount of \$3,500.

The above salary and stipend are agreeable to Mr. Arends.

The other terms of the contract are the same as the last contract with Edward Rice (e.g., civic organization and responsibilities) or reflect the current fringe benefits that Mr. Arends had before becoming the Executive Director (e.g., car allowance).

If you have any questions or concerns, please feel free to contact me prior to the meeting or at the meeting itself where this will be considered.

If this Contract meets with your approval, the following motion would be in order:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,  
TO AUTHORIZE THE CHAIRPERSON TO EXECUTE THE EXECUTIVE DIRECTOR  
CONTRACT 2013 WITH TIMOTHY J. ARENDS SUBJECT TO APPROVAL AS TO FORM  
BY GENERAL COUNSEL.**

<b>Table 2B: General Manager Annual Salaries, by Revenue Class Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2012</b>					
<b>Revenue Class (in millions)</b>	<b>Number of Responses</b>	<b>Mean</b>	<b>First Quartile</b>	<b>Median</b>	<b>Third Quartile</b>
Less than \$3	48	77,539	55,318	65,500	79,850
\$3 to \$6	41	84,181	65,021	77,157	89,003
\$6 to \$10	41	97,196	77,300	98,560	114,060
\$10 to \$15	30	111,744	86,645	101,450	114,806
\$15 to \$25	49	112,980	96,117	108,000	128,345
\$25 to \$50	66	135,789	111,585	132,490	154,411
\$50 to \$100	39	153,872	138,625	157,608	174,443
\$100 or more	58	218,626	160,378	194,910	278,376

<b>Table 2C: General Manager Annual Salaries, by Customer Size Class Publicly Owned Utilities (Excluding Joint Action Agencies), May 2012</b>					
<b>Customers</b>	<b>Number of Responses</b>	<b>Mean</b>	<b>First Quartile</b>	<b>Median</b>	<b>Third Quartile</b>
Less than 1,000	31	75,543	50,241	60,000	70,750
1,000 to 2,000	38	87,754	63,841	73,888	87,116
2,000 to 4,000	54	92,693	75,457	84,368	103,807
4,000 to 10,000	96	111,888	95,372	105,873	123,549
10,000 to 20,000	56	138,975	116,074	136,041	150,661
20,000 to 40,000	49	151,778	127,296	159,994	176,364
40,000 to 100,000	29	188,322	145,000	175,588	207,268
100,000 or more	19	293,994	232,599	282,150	345,819

**TRAVERSE CITY LIGHT and POWER  
EXECUTIVE DIRECTOR  
CONTRACT 2013**

THIS AGREEMENT made this 28<sup>th</sup> day of May, 2013, by and between the TRAVERSE CITY LIGHT and POWER DEPARTMENT, a Michigan municipal electric utility, 1131 Hastings Street, Traverse City, Michigan 49686, (the Board) and TIMOTHY J. ARENDS, of 10176 Elk Lake Trail, Williamsburg, Michigan 49690, (the Executive Director) it supersedes and replaces all previous agreements between the parties;

WITNESSETH:

WHEREAS, the Board wishes to retain the services of Timothy J. Arends as Executive Director; and

WHEREAS, Timothy J. Arends wishes to be employed by the Board in the capacity of Executive Director; and

WHEREAS, it is to the advantage of both the employer and the employee to specify the conditions under which the employee is to work and to be compensated;

NOW, THEREFORE, it is mutually agreed by the parties as follows:

1. Employment. The Board hereby employs Timothy J. Arends as the Executive Director, and Timothy J. Arends hereby accepts such employment upon the terms and conditions hereinafter set forth.

2. Applicable Laws. This Agreement is subject to all applicable laws and administrative rules bearing upon the parties and the subject matter of this Agreement as such law may be in effect from time to time, including without limitation, the Charter of the City of Traverse City, and such law is incorporated herein by reference. In the event of conflict between the provisions of this Agreement and such applicable law, such applicable law shall control.

3. Term. This Agreement shall commence on May 28, 2013, and shall continue thereafter until termination, amendment or renegotiation. The parties intend to renegotiate the terms hereof to be effective with the anniversary of this Agreement.

4. Compensation. For all services rendered by the Executive Director under this Agreement, the Board shall pay the Executive Director an annual salary of ONE HUNDRED EIGHT THOUSAND DOLLARS (\$108,000) effective the first day of the term, to be paid in the same manner and intervals as regular full-time management employees effective as of the commencement date of this Agreement. In addition, the Executive Director shall be paid a one-time

bonus in the amount of THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00) to be paid as soon as practicable upon execution of this Agreement.

5. Termination. Either party has the right to terminate the employment relationship at any time and in the sole discretion of the party terminating the relationship, upon sixty (60) days advance notice or the equivalent of sixty (60) calendar days pay or a portion thereof, where no notice or less than sixty (60) days notice is given. However, in the event the Executive Director is terminated because of conviction of a felony or any illegal act involving personal gain, the Board shall have no obligation to give advance notice or the alternative severance pay.

6. Duties. In addition to the duties enumerated in the City Charter, the Executive Director shall be the Chief Administrative Officer for the Department and the Board. The Executive Director shall direct all employees of the Department and such others as the Board shall direct. The attached description of the Executive Director's responsibilities, attached hereto as Attachment A, is the present determination and may be relied upon by the Executive Director. However, the Board may from time to time, by resolution, alter this description of the Executive Director's responsibilities, provided that such alterations shall not be effective until a copy of such resolution shall be delivered to the Executive Director.

7. Extent of Services. The Executive Director shall devote his professional time, attention and energies to the business of the Traverse City Light and Power Department. In order to discharge the functions of the office of Executive Director, early morning, luncheon and night-time meetings and activities may occur outside regular office hours that require the Executive Director's attendance.

8. Conventions and Seminars. With the prior approval of the Chairperson of the Board, the Executive Director may attend seminars and conventions relating to utility management for technology and other matters involved in the discharging of the responsibilities of the office of Executive Director. The Department shall pay for or reimburse the Executive Director for expenses in connection with such seminars and conventions as per Board policy up to the amount authorized in the budget. Days used in attending seminars and conventions shall be regarded as days worked.

9. Vacations. The Executive Director shall be entitled to vacation time which shall accrue on the basis of 25 days per year of employment. It may be used during the term of this Agreement. During such vacation time, compensation will be paid in full. Accrued vacation time may be accrued up to a maximum of 200 hours in the same manner as Department ACT employees.

10. Civic Organizations and Responsibilities. The Board encourages membership of the Executive Director in local civic organizations and in executing civic responsibilities. The Board agrees to reimburse the Executive Director for dues and reasonable expenses incurred in membership in one local recognized civic organization involved in public service. In addition, the Executive Director shall have the discretion to expend an amount not to exceed Five Hundred dollars (\$500) per year to participate in, or attend, those civic events or functions which appropriately assist him in meeting these civic responsibilities.

11. Other Benefits. Except as modified herein, the Executive Director shall enjoy all such other fringe benefits afforded to Department ACT employees as of the effective date of this Agreement, including, but not limited to, retirement, deferred compensation plan and short and long term disability coverage.

12. Assignment. This Agreement is not assignable by either party hereto.

13. Waiver of Breach. A waiver by the Board of a breach by the Executive Director of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the Executive Director.

14. Non-Discrimination. The Executive Director agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant may be regarded as a material breach of this Agreement.

15. Car Allowance. In addition to other compensation, the Executive Director shall receive THREE HUNDRED FIFTY DOLLARS (\$350) per calendar month as car allowance. Mileage reimbursement shall also be paid for travel in accordance with the Board's Use of Personal Vehicle for L&P Business Policy. The Executive Director shall at all times maintain insurance covering property damage and public liability for such motor vehicle in the combined single limit of \$500,000.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

TRAVERSE CITY LIGHT and POWER BOARD

\_\_\_\_\_  
Patrick McGuire, Chairperson

EXECUTIVE DIRECTOR

\_\_\_\_\_  
Timothy J. Arends

Approved as to form:

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

**ATTACHMENT A**

**TRAVERSE CITY LIGHT AND POWER  
JOB DESCRIPTION**

**TITLE:        EXECUTIVE DIRECTOR**

The City Charter mandates basic duties of the Executive Director. Many of these are contained in Charter Sections 178 and 179.

**General Summary:**

Provide leadership for Light and Power Department that assures: the highest level of satisfaction and competitive rates for customers, a safe productive and motivated staff, the short-term and long-term strategic direction, a positive and cooperative relationship with all Light and Power stakeholders, and sound management of both human and fiscal resources.

**Typical Duties:**

1.     Create an organizational climate that enables the Utility staff to be productive, motivated, and to work safely and cooperatively.
2.     Assist the Board in carrying out its duties to establish policies that lead to excellence in: customer service, operational efficiency, and employee relations. After those policies are established, make sure they are implemented fairly and consistently in the Utility.
3.     Prepare and present issues for Board consideration and action, including assistance with agenda preparation and keeping accurate record of Board proceedings.
4.     Assure that the Utility's generation, transmission and distribution systems are operationally efficient, reliable and safe. Further, the Utility's purchased power must be reliable, competitively priced, and adequate to meet the future needs of all customers.
5.     Demonstrate sound fiscal management including: budgeting, accounting, and investment of reserves.
6.     Represent the Utility with all external agencies and regulatory bodies (i.e. Michigan Public Power Agency, Michigan Municipal Electric Association, American Public Power Association, Michigan Public Service Commission, OSHA, Environmental Protection Agency, Department of Natural Resources, etc.)
7.     Complete, with assistance from the City Personnel Department, the hiring, training, promotion and termination of Utility staff. Be directly responsible for the performance management and professional development of all directly reporting staff. The Executive

Director may appoint or remove a Controller only with a concurring vote of five members of the Board.

8. Contract with, supervise, and coordinate the activities of all external service providers to the Utility (i.e. legal, construction, professional services, etc.).
9. Work cooperatively within the city government framework, especially where other City Departments provide service to the Utility and where the Utility provides services to the City.
10. Regularly and frequently collaborate with and exchange information with the City Manager. This collaboration shall include, but not be limited to, the following:
  - a. The City Manager should be given an opportunity to participate in labor and administrative negotiations.
  - b. The City Manager should be encouraged to attend all TCL&P staff meetings and the Director is encouraged to attend all City staff meetings.
  - c. The City Manager should be given an opportunity to participate in all sessions establishing the agenda of the Light and Power Board.
  - d. The City Manager should be considered the acting TCL&P Director in the event the Director is absent for extended periods.
11. Assure that the activities provided on a contractual basis to other agencies are carried out effectively and efficiently.
12. Act as the chief spokesperson for the Utility with the media, customers, city government and other critical stakeholders.
13. Plan for and implement a personal plan for professional development, in conjunction with Board feedback, to assure preparedness for leading the Utility into the future with innovation and creativity.
14. Create and change, as needed, the organizational structure, reporting relationships, and job roles to achieve both staff job satisfaction and organizational effectiveness and efficiency.
15. Perform other duties as may be assigned by the Light and Power Board.

Board approved: 3-26-13





**TRAVERSE CITY  
LIGHT & POWER**

---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director  
**Date:** May 23, 2013  
**Subject:** Chamber/TCL&P Energy Efficiency Revolving Loan Fund Program Update

---

On November 27, 2012, the TCL&P Board authorized a Letter of Understanding (attached) that provided \$50,000 in funding to the Chamber TCL&P Energy Efficiency Program Revolving Loan Fund (“Program”) which is to be used to assist TCL&P commercial and industrial customers for the implementation of energy efficiency projects as part of TCL&P’s state mandated PA 295 Energy Optimization requirements.

Recently, two TCL&P customers submitted applications for funding and additional requests are anticipated. Because of the increased interest in the Program, and overall interest in TCL&P’s Energy Optimization programs, the Chamber is requesting an additional \$50,000 contribution to the Fund in this fiscal year. Energy Optimization funds are available in TCL&P’s budget for the current fiscal year for this additional contribution. Laura Galbraith with the Traverse City Area Chamber of Commerce will be in attendance at the meeting to provide an update on the Program and to answer any questions you may have.

Staff is seeking direction from the Board on future funding of the program. If supported by the Board, staff will have a formal request/motion on its next meeting agenda.



TRAVERSE CITY  
LIGHT & POWER

Investing Our Energy In You

November 28, 2012

TRAVERSE CITY AREA CHAMBER OF COMMERCE  
202 E GRANDVIEW PARKWAY  
TRAVERSE CITY, MI 49684

Re: LETTER OF UNDERSTANDING – Chamber TCL&P Energy Efficiency  
Revolving Loan Fund

The Traverse City Light and Power Department (TCL&P) is pleased to assist the Traverse City Area Chamber of Commerce (Chamber) by providing funding to the Chamber in the amount of \$50,000 for the Chamber TCL&P Energy Efficiency Revolving Loan Fund (“Program”). TCL&P and the Chamber share an understanding of the importance to promote and encourage energy efficiency in the Traverse City area.

Commercial and industrial customers of TCL&P are some of the area’s largest consumers of electric power. TCL&P anticipates that with the cooperation of the Chamber in the selection of projects most likely to reduce electric demand at peak times, there could be a reduction in its costs of purchased power.

By signing below, the Chamber agrees to conduct the Program as described in Attachment A which is incorporated here by reference. The Chamber further agrees that the funds it receives from TCL&P for the Program will be earmarked to fund qualifying electric energy optimization projects of TCL&P commercial and industrial customers only. Furthermore, if and when the Chamber discontinues the Program, it agrees to donate any remaining funds initially provided by TCL&P to the City of Traverse City to be earmarked for energy efficiency upgrades in city owned buildings.

Consistent with TCL&P’s strategic determination that achieving energy efficiency for commercial and industrial customers during system peak will benefit the utility, the Chamber shall report to the Light and Power Board the impact of this investment on reducing energy consumption during peak demand no later than March 1, 2014.

Sincerely,

Timothy J. Arends  
Interim Executive Director  
Traverse City Light and Power Department

Traverse City Area Chamber of Commerce agrees to and accepts the terms detailed above this  
30<sup>th</sup> day of November, 2012.

Signed:

Title: PRESIDENT & CEO

1131 Hastings Street Traverse City, MI 49686	t: 231 922 4940 f: 231 922 4638	tclp.org	
---	------------------------------------	----------	--

## ATTACHMENT A

### Chamber TCL&P Energy Efficiency Revolving Loan Fund ("Program")

#### Program Description

The Chamber's Energy Efficiency Revolving Loan Fund will extend to Traverse City Light and Power (TCL&P) commercial and industrial utility customers. The Program will provide low-interest micro-loans for businesses that are investing in energy efficient measures identified through a comprehensive energy assessment or audit.

#### Project Selection Process

Potential applicants will be required to complete a pre-qualification application via the Chamber's website. A designated Loan Review Task Force will review and score qualified applications based on the following criteria:

- Must be a confirmed TCL&P commercial customer or industrial customer;
- Must be a Traverse City Area Chamber of Commerce member in good standing;
- Completion of a comprehensive energy assessment or audit;
- Proven reduction of electric demand at peak times;
- Capability of paying back loan;

#### Terms, Interest Rates, and Fees

Loan conditions will vary based on type of project and the needs of the borrower. The following identifies the average size, term, and interest rate:

- Loan Size: Up to \$50,000
- Loan Term: Up to 5 years
- Interest Rate: between 3% and 5%

#### Administration

The Chamber will provide the following administrative services for the Chamber TCL&P Energy Efficiency Revolving Loan Fund:

- Promote the Chamber TCL&P Energy Efficiency Revolving Loan Fund via the Chamber website and standard Chamber marketing and communications;
- Provide pre-qualification services of potential applicants;
- Monitor and service loan(s) for the term of the note;
- Establishment of a designated, restricted bank account;
- Produce auditor ready financial statements;
- Available to report to the TCL&P Board if requested;

In consideration for the above administrative services provided by the Chamber, it will retain 1.5% of the interest payments of any loan for the term of the loan. All loan principle and interest payments (less the 1.5% described above) will be re-deposited into the Chamber TCL&P Energy Efficiency Revolving Loan Fund for future use.

May 28, 2013

## Chamber / TCLP Energy Efficiency Revolving Loan Fund

### Program Update

- Marketing the Energy Efficiency Fund was the focus in Q1 2013
  - Chamber staff made presentations to the following:
    - SCORE
    - Business Leadership Council
    - EDC Annual Luncheon Access to Capital Workshop
    - TBEDC Board of Directors
    - Northern Michigan Angels
    - Chamber Foundation Board of Directors
  - Chamber *Bulletin* promotion (weekly e-news)
  - Chamber website promotion (*Need Money*)
  - Other media appearances:
    - Record-Eagle, Dec. 2, 2012
    - The Ticker, Dec. 5, 2012.
    - Traverse City Business News, January edition, 2 stories  
(*Briefs section at the front of the magazine and a larger story done by freelance writer Amy Lane, where she interviewed Doug Luciani*)
    - The Michigan Land Use Institute, Jim Dulzo  
(*Major report on the TCLP loan program entitled "For Energy Efficiency, It Takes a Village" in a special publication entitled "Efficiency First" dated Jan. 31, 2013.*)

### Projects Identified

- In late April 2013, the Chamber received 4 energy efficiency loan requests totaling \$105,000:
  - \$50,000 TCLP commercial customer
  - \$36,000 TCLP commercial customer
  - \$15,000 non TCLP commercial customer
  - \$4,000 non TCLP commercial customer

*The above mentioned projects will save over 150,000 kWh annually*

### Funding Overview

- \$140,000 in funding has been loaned for energy efficiency projects:
  - \$50,000 Original Chamber Energy Efficiency Fund
  - \$50,000 TCLP grant
  - \$40,000 Chamber Foundation matching funds

### Request

The Chamber is seeking additional funding to continue the Energy Efficiency Loan fund. There are more projects in the pipeline that are seeking funding. The Chamber is requesting an additional \$50,000 grant from TCLP to be used in the same manner as the original \$50,000 grant.

## **Program Description**

The Chamber's Energy Efficiency Revolving Loan Fund will extend to Traverse City Light and Power (TCLP) commercial and industrial utility customers. The program will provide low-interest micro-loans for businesses that are investing in energy efficient measures identified through a comprehensive energy assessment or audit.

## **Project Selection Process**

Potential applicants will be required to complete a pre-qualification application via the Chamber's website. A designated Loan Review Task Force will review and score qualified applications based on the following criteria:

- Must be a confirmed TCLP commercial customer;
- Must be a Traverse City Area Chamber of Commerce member in good standing;
- Completion of a comprehensive energy assessment or audit;
- Proven reduction of electric demand at peak times;
- Capability of paying back loan;

## **Terms, Interest Rates, and Fees**

Loan conditions will vary based on type of project and the needs of the borrower. The following identifies the average size, term, and interest rate:

- Loan Size: Up to \$50,000
- Loan Term: Up to 5 years
- Interest Rate: between 3% and 5%

## **Administration**


The Chamber will provide the following administrative services for the Energy Efficiency Revolving Loan Fund:

- Promote the Chamber Energy Efficiency Revolving Loan Fund via the Chamber website and standard Chamber marketing and communications;
- Provide pre – qualification service of potential applicants;
- Monitor and service loan(s) for the term of the note;
- Establishment of a designated, restricted bank account;
- Produce auditor ready financial statements;
- Available to report to the TCLP Commission if requested;

The Chamber will provide the above administrative services by collecting 1.5% on the interest of any loan for the term of the loan. All loan principle payments and remaining loan interest will be redeposited into the Chamber Energy Efficiency Revolving Loan Fund for future use.



---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director   
**Date:** March 23, 2013  
**Subject:** Hastings Street Building Security Enhancements

---

TCL&P's Capital Improvements Plan includes funding for site development at the Hastings Street Service Center in both the current and next fiscal years. Because the Service Center is a 24/7 operation control center for the entire system, a recommendation was made by Hometown Connections to increase security, or limit access to the facility.

Staff is recommending a renovation to the entrance that will limit access, monitors visitors, and allow for a better functioning workspace. AAI has completed the project drawings, reviewed them with staff, and has prepared a preliminary project cost estimate (attached). Mr. Bob Sommerville of AAI will be in attendance to describe the project and answer any questions you may have on the renovation from bidding to final walk-through of the completed project.

In accordance with the utility's Purchasing and Contracting Policy, staff will seek sealed bids for this project. The awarding of any construction contracts will come back to the Board for approval. At this time staff is recommending that the Board authorize bids for the Hastings Street building addition.

If the Board is in agreement with Staff's recommendation the following motion may be appropriate:

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

**THAT THE BOARD AUTHORIZES STAFF TO SEEK BIDS FOR HASTINGS STREET BUILDING SECURITY ENHANCEMENTS AS PRESENTED; AND FURTHER DIRECTS STAFF TO PREPARE CONTRACTS WITH THE SUCCESSFUL BIDDER(S) FOR THE BOARD'S CONSIDERATION.**



May 14, 2013

### **Proposed Renovations at Hastings St. Facility**

#### Narrative

AAI has prepared documents outlining renovations to the entry area of TCLP's Hastings St. Facility in response to TCLP's concerns for building security and as recommended by the Hometown Connections Study.

These renovations include:

The existing door and wall from the vestibule into the reception area will be removed and a new wall in a slightly different location will be added. This wall will contain a secure door, a security glass fixed window with a deal tray passing under the glass to allow for paper transfer. The wall will be "hardened" for additional security. The card swipe will be relocated to the new door.

The reception desk area will be reconfigured. A new five foot high wall will be provided to separate the reception area from the workroom area. New casework will be added to the workroom area.

The existing exterior entry door will be rehabbed to reduce heat loss and the need for excessive heat in the vestibule.

A new exterior window will be added to the southeast corner office to allow for surveillance of visitors to the adjacent building to the east.

Heating/AC deficiencies will be corrected so Stephanie and other employees are finally comfortable. New electrical work will be done to satisfy the requirements of the plan and equipment.

It is anticipated that this project will be bid on a lump sum combined trades basis.

robert j. sommerville, AIA    robert l. holdeman, AIA

1004 east 8th street, traverse city, michigan 49686    231.947.0080 tel    231.947.4720 fax

May 14, 2013

**Preliminary Construction Cost Estimate**  
**Proposed Renovations at Hastings St. Facility**

Selective demolition, metal stud framing and drywall, painting, wood trim, acoustical ceilings, installation of hollow metal door, glazing, upgrades to exterior door, new window .....	\$15,400.00
Furnish new door, hardware, security material.....	\$4,300.00
Ceramic tile floor, base.....	\$3,600.00
HVAC.....	\$2,900.00
Electrical.....	<u>\$6,500.00</u>
	\$32,700.00
Contingency.....	<u>\$3,200.00</u>
Total Construction	\$35,900.00



May 14, 2013

Mr. Tim Arends  
Traverse City Light & Power  
1131 Hastings Street  
Traverse City, MI 49686

**Preliminary Project Cost Estimate**  
Proposed Renovations at Hastings St. Facility  
Estimated A/E costs thru Construction Phase

Estimated Construction Cost .....	\$35,900.00
See attached breakdown	
Fee .....	\$7,900.00
Estimated reimbursable expenses for printing/duplication of bidding documents, permit fees paid up front by AAI, Inc.....	<u>\$2,400.00</u>
Total Project	\$46,200.00

Prepared by:

\_\_\_\_\_  
Robert J. Sommerville, AIAE

RJS:jv



---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director  
**Date:** May 23, 2013  
**Subject:** 2013-2014 Minimum Cash Reserve

---

A small, handwritten signature or set of initials, possibly "TA", enclosed in a hand-drawn oval.

The Light & Power Board adopted a Cash Reserve Policy to maintain appropriate cash reserves to help ensure that cash exists for timely payment of bills, short-term and long-term financial health of the utility, stable rates for customers, that cash exists to fund unanticipated costs of contingencies, that the amount and timing of future bond issues are identified, and that a significant factor is being met for bond rating agencies.

The calculated amount in accordance with the policy for fiscal year 2013-2014 is \$9,525,000, based on the budget and capital plan adopted by the Board. This represents an increase of \$775,000 over the previous year's minimum cash reserve.

If the Board agrees with staff's calculations and recommendation to adjust the minimum cash reserve balance the following motion would be appropriate to do so:

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

**THAT THE LIGHT & POWER BOARD SETS THE UTILITY'S MINIMUM CASH RESERVE BALANCE IN THE AMOUNT OF \$9,525,000 FOR FISCAL YEAR 2013-2014.**

# Traverse City Light & Power - Fiscal Year 2013-14

## Minimum Cash Reserve Calculation

*(in compliance with the board policy adopted 1/22/2013)*

	<b>Risk % Allocated</b>	<b>Reserve Amount</b>
Yearly O&M Less Depreciation & Power Supply	11.0%	\$ 927,856
Power Supply	2012 Peak Month	\$ 2,349,947
Historical Investment in System	1.0%	\$ 603,906
Current Portion of Debt Service	0.0%	\$ -
Five Year Capital Plan - <i>(net of bond proceeds)</i>	20.0%	\$ 5,643,000
<b>Minimum Reserves Required 2013-2014</b>		<b>\$ 9,524,709</b>



---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director  
**Date:** May 23, 2013  
**Subject:** Sponsorship Policy

---

A small, handwritten mark in a circle, possibly initials, located to the right of the header information.

Recently, I met with the Board's Charitable Giving/Sponsorship Ad-Hoc Committee (McGuire, Budros, Taylor) to gain input for drafting a new policy that would provide direction to staff on the appropriateness of utility sponsored programs and events. Being a city with events happening year-round, requests for sponsorships are numerous; however, funds are limited for these purposes. A policy, along with the sponsorship application (attached), will provide the necessary guide management needs in determining which events/programs, and to what extent, the utility should sponsor.

The Committee has reviewed the attached policy and recommends its approval by the Board. If there are any specific changes requested they may be considered at the meeting, or the proposed policy can be referred back to the Committee.

If after Board discussion you agree with the Committee's recommendation the following motion would be appropriate:

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

**THAT THE BOARD APPROVES THE SPONSORSHIP POLICY AS PRESENTED (OR AS AMENDED).**

Light and Power Department  
City of Traverse City, MI  
Adopted: \_\_\_\_\_

**SPONSORSHIP POLICY**

Traverse City Light & Power (TCL&P) intends to foster community goodwill and understanding in order to facilitate the attainment of its mission, vision and current business objectives through the limited sponsorship of certain programs selected as set forth in this policy. TCL&P recognizes and encourages programs that provide energy related customer education or other utility purposes to further the benefits of the community’s public utility.

The utility may not sponsor religious, fraternal, or labor organizations, individuals or individual endeavors. Sponsorships shall not support advertising, or general operating funding for any group. Further, the utility may not sponsor organizations or events that violate the non-discrimination policy of the City of Traverse City.

Funding for sponsorships is limited to the board approved budget for each fiscal year; multi-year pledge campaigns, annual fund drives, and automatic contributions are disallowed. Annual requests must be resubmitted.

All sponsorships shall meet the following criteria:

**Criteria for Sponsorships:**

- Requests must provide direct energy related or community benefit.
- Must be a non-profit business or event.
- Sponsorships for national organizations must be centered on a local or regional event.
- Must provide clear recognition of the utility’s support.
- Applications for sponsorships must be received 60 days before the event.

\_\_\_\_\_  
Timothy J. Arends  
Executive Director and Secretary  
Traverse City Light and Power Board



# SPONSORSHIP APPLICATION

EVENT/ORGANIZATION NAME	FEDERAL ID#	Are you a not-for-profit organization? <input type="checkbox"/> YES <input type="checkbox"/> NO	
CONTACT PERSON'S NAME AND POSITION	CONTACT PHONE #		
ADDRESS	CITY	STATE	ZIP CODE
TRAVERSE CITY LIGHT & POWER CUSTOMER? <input type="checkbox"/> YES <input type="checkbox"/> NO	EVENT DATE, TIME AND DURATION  START TIME:      ENDING TIME:		
WEBSITE/URL	EMAIL		

**BACKGROUND:**

I. Please provide the following information typed on a separate sheet of paper:

1. What is the purpose of your event?
2. What is the purpose of your organization?
3. Who is your audience and how many have attended in the past? If a new event, what's the expected attendance?
4. What other organizations are you seeking funding from?
5. Has TCL&P supported the organization/event in the past?
6. Provide a detailed list of all benefits and exposure TCL&P will receive (i.e. print ads, inserts, banners, etc.)
7. Provide a timeline for the promotion of this event.
8. How, specifically, will these funds be used?
9. Will TCL&P be the primary sponsor? If not, who?

II. Level of support:

- \$100 - \$250     
  \$250 - \$500     
  \$500 - \$750  
 \$750 - \$1,000     
  \$1,000 - \$1,500     
  Other \$ \_\_\_\_\_

I have read and agree to the Traverse City Light & Power Sponsorship Policy and certify that the sponsorship request meets all required criteria detailed in the policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Submit application and other applicable documents to:**  
 Traverse City Light & Power, Attn: Sponsorship Request  
 1131 Hastings Street, Traverse City, MI 49686

FOR OFFICE USE ONLY	
Application received on: <input type="checkbox"/> Approved <input type="checkbox"/> Declined <input type="checkbox"/> Notice Sent	Follow Up: <input type="checkbox"/> Support materials received



TRAVERSE CITY  
LIGHT & POWER

---

**To:** TCL&P Board of Directors  
**From:** Jessica Wheaton, Marketing & Community Relations Coordinator  
**Date:** May 8, 2013  
**Subject:** TCSaves Presentation



---

Mary Templeton, the BetterBuildings for Michigan State Program Director, and Mark Clevey from the Michigan Energy Office, will present the attached presentation regarding the Department of Energy funded BetterBuildings for Michigan home energy retrofit sweeps. This program has been known locally as TCSaves and has been very successful.

Brian Beauchamp, Policy Specialist at Michigan Land Use Institute, and Sarna Salzman, Executive Director of SEEDS, will also be available to answer questions about the local program and discuss next steps for TCSaves.



# Michigan Energy Office and Michigan Saves

## BetterBuildings for Michigan Program Review

May 28, 2013

Traverse City Light & Power

Mark Clevey, Michigan Energy Office

Mary Templeton, Michigan Saves

PURE MICHIGAN®  
Energy Office





- US DOE: High-performing grantee
- Nationally recognized best practices
- Widespread energy efficiency education
- Long-lasting value



# Partner Collaboration



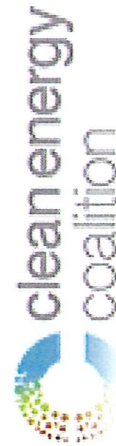
TRAVERSE CITY  
LIGHT & POWER  
Investing Our Energy In You



City of  
TRAVERSE CITY



SEEDS  
Ecology + Education + Design

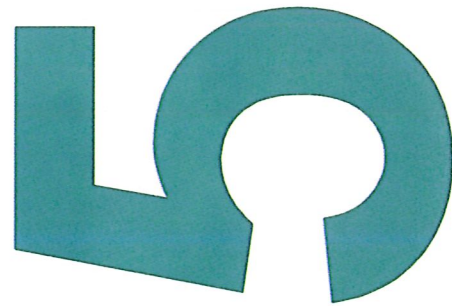


[www.michigansaves.org](http://www.michigansaves.org)

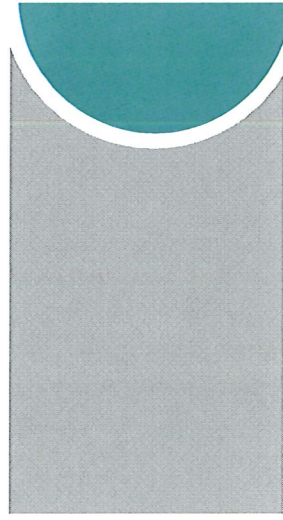








# 5 Grant goals



[www.michigansaves.org](http://www.michigansaves.org)



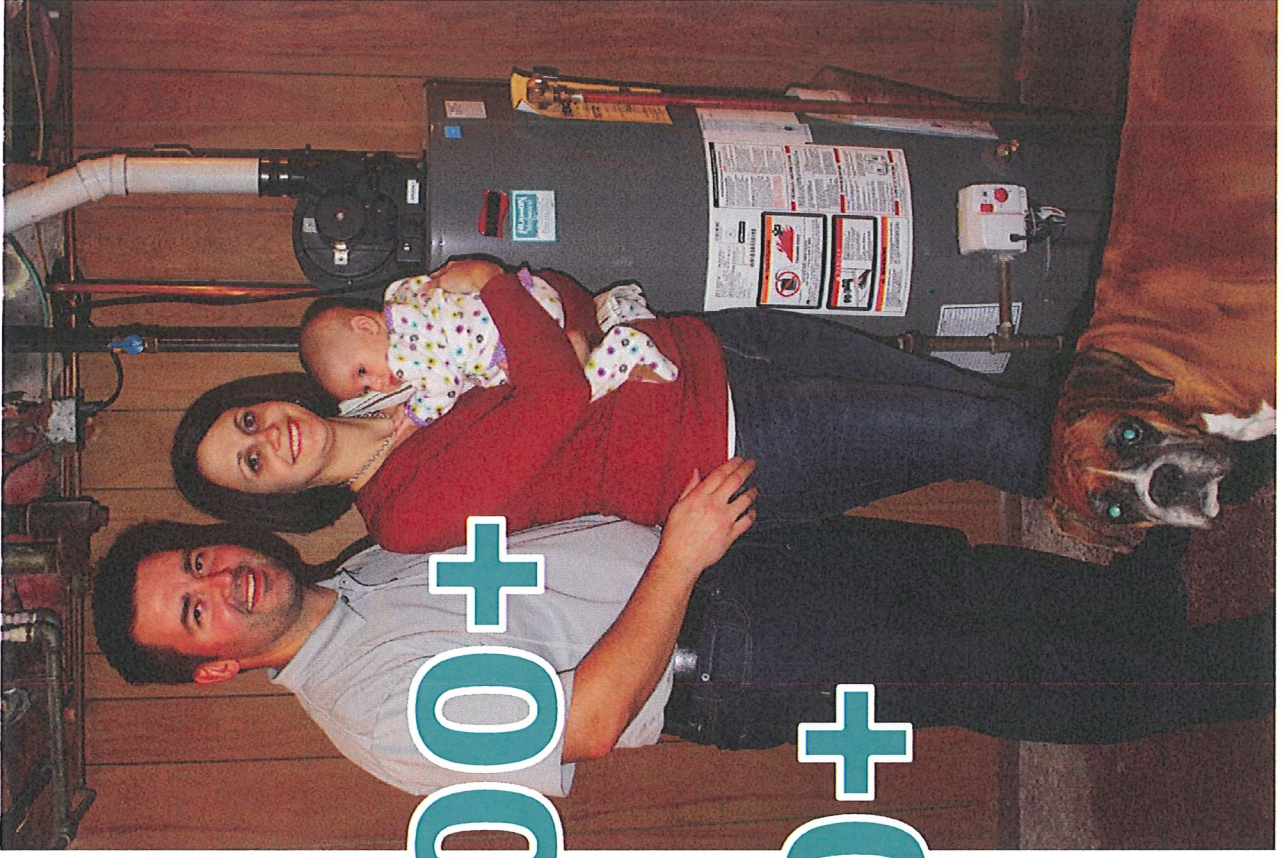
# Goal 1

communicate with 11,340

**500,000+**

serve 9,180

**10,000+**



[www.michigansaves.org](http://www.michigansaves.org)

# >50 sweeps

of varying size:

- 1-99
- 100-199
- 200-299
- 300+





# Goal 2

# 14.8M

weatherize 13.5M  
square feet of commercial,  
industrial & public buildings



[www.michigansaves.org](http://www.michigansaves.org)

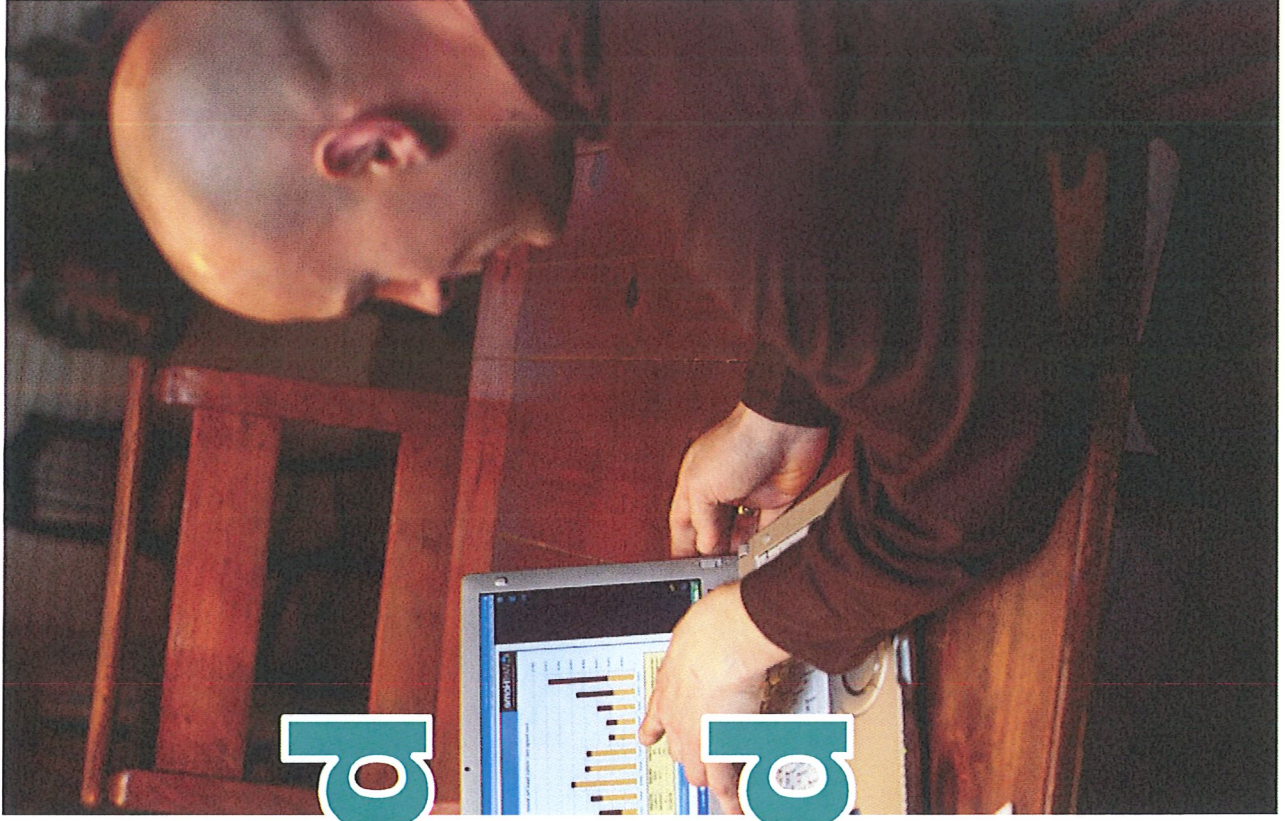
# Goal 3

**tbd**

avoid 1.2 TBTUs  
of energy consumption

**tbd**

avoid 19.6 tons of  
greenhouse gas emissions



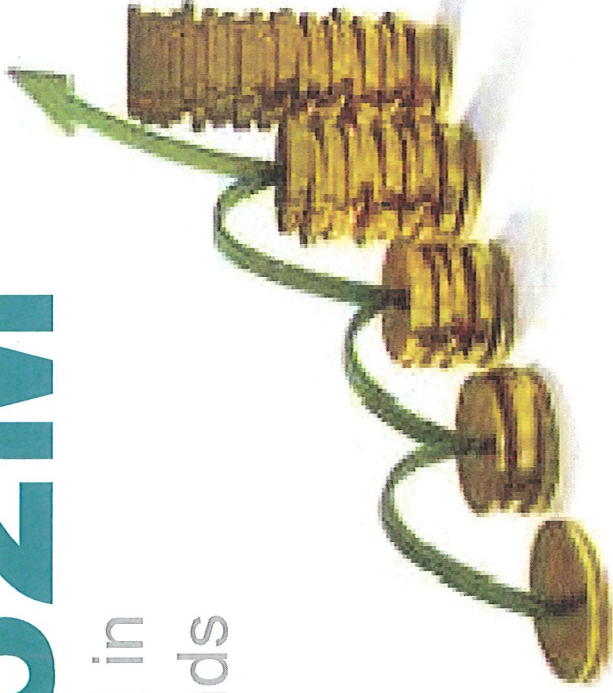
[www.michigansaves.org](http://www.michigansaves.org)



# Goal 4

# > \$162M

leverage \$150M in  
private funds



# Goal 5

create 2,063 green jobs

# 3,214



[www.michigansaves.org](http://www.michigansaves.org)



# Traverse City Highlights

- Awarded second round of funds to support more homeowners
- Over 550 homeowners participated – about 20% of eligible homeowners
- Over 200 made deep energy efficiency improvements
- Investments in homes: >\$700,000
- Low interest Michigan Saves loans: >60
- Federal funds infused locally: >\$370,000



[www.michigansaves.org](http://www.michigansaves.org)



# Strong Private Market

anderson builders



**GEOFURNACE**  
HEATING & COOLING, LLC

**MICHIGAN**  
energy options  
Efficiency. Savings. Renewables.



[www.michigansaves.org](http://www.michigansaves.org)

PURE MICHIGAN®  
Energy Office

...features

Making Your Dwelling Well

ZENTA ASTARS | THURSDAY, NOVEMBER 01, 2012



ANDERSON AND YOUNGBLOOD WORK TOGETHER TO PROVIDE ENERGY-EFFICIENT HOMES TO WEST MICHIGAN.

SHARE THIS PAGE

Like 58 people like this. Be the first of your friends.

Share Tweet Share Email

GIVE US YOUR EMAIL AND WE WILL GIVE YOU OUR WEEKLY ONLINE MAGAZINE. FAIR?

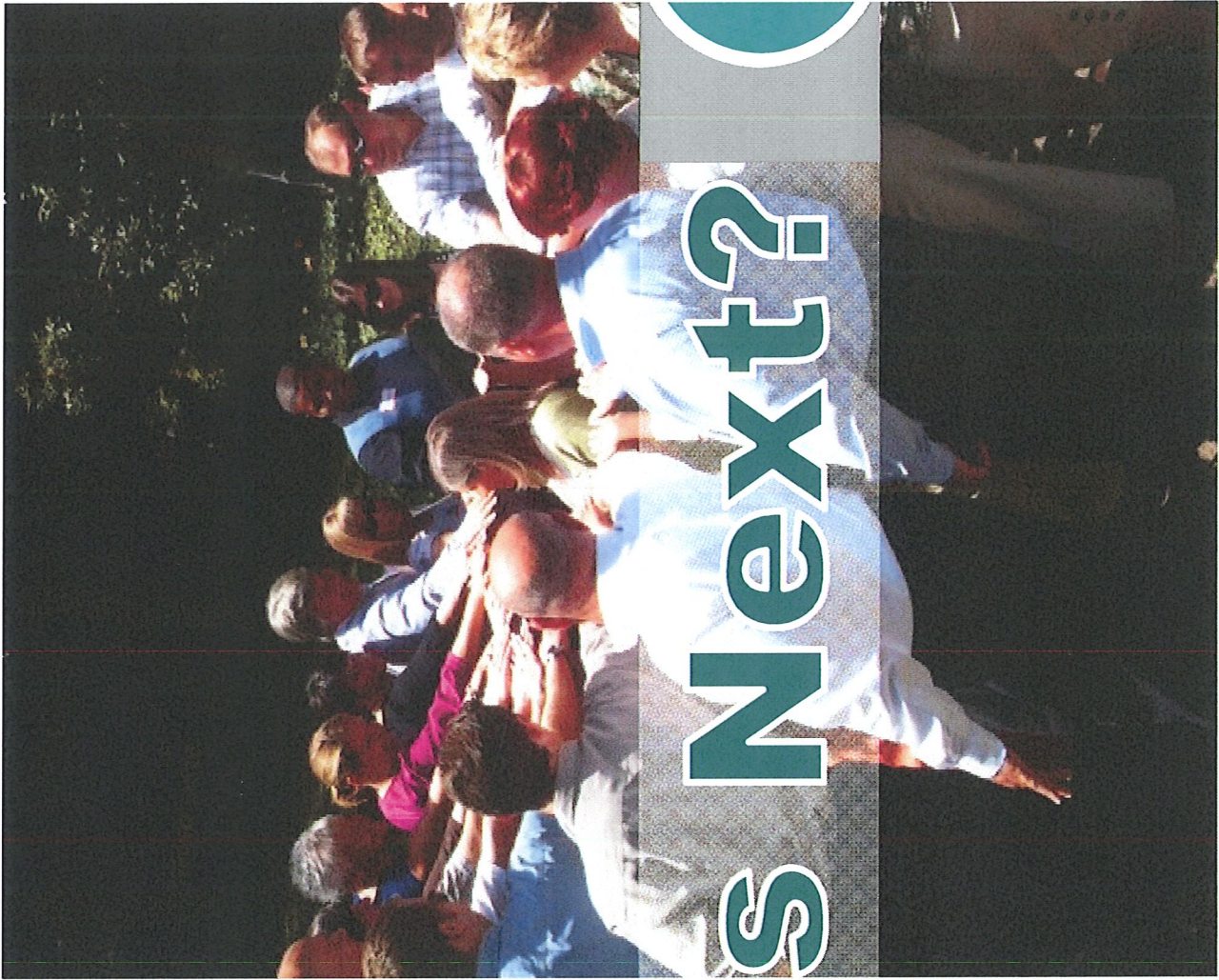
Subscribe



Easy. Affordable. Smart.

Michigan Saves is a nonprofit dedicated to making energy improvements easy and affordable.





# What's Next?



[www.michigansaves.org](http://www.michigansaves.org)



## After the Grant

- Energy savings benefits continue
- Michigan Saves financing endures
- Wide and deep contractor capacity
- Market awareness has grown
- Yet...not at market transformation



[www.michigansaves.org](http://www.michigansaves.org)

PURE MICHIGAN<sup>™</sup>  
Energy Office





What's Next?

# How can **we serve** **you** in the future?




[www.michigansaves.org](http://www.michigansaves.org)





---

**To:** Light and Power Board  
**From:** Tim Arends, Executive Director   
**Date:** May 23, 2013  
**Subject:** Decorative Lighting Policy Introduction

---

Attached is a staff developed Decorative Lighting Policy that provides the utility, customers, and the Board guidance in considering future decorative lighting projects in the utility service area. Also attached for your reference is the current Decorative Street Lighting Policy that would be replaced with the new policy, if approved by the Board.

Approximately one year ago, the Board created an ad-hoc committee to review its policy on decorative lighting. The committee was charged with recommending changes that would help better define the process for obtaining lighting in neighborhoods, trails, and business districts; further, the Board was interested in clarity of ownership of lighting projects, the responsibility for operation & maintenance, funding options, and eventual replacement(s).

Staff met with the committee and presented and recommended the attached policy, however, the recommendation never made it back to the full board for its consideration. The proposed policy is fundamentally structured after the Minneapolis Street Lighting Policy, which has a much more comprehensive policy due to its Street Lighting Plan and the size of its lighting district, but the fundamental aspects of the policy are similar. The Old Towne neighborhood has now expressed interest in possibly obtaining decorative lighting, similar to other city neighborhoods; clarification of the process for obtaining decorative lighting will assist TCL&P staff with these requests in the future.

Please be prepared to provide staff with your feedback on the proposed policy. Based on that feedback, a new policy may appear on a future agenda for the Board's consideration of adoption.



Light and Power Department  
City of Traverse City, MI  
Adopted: November 13, 1990  
Amended: \_\_\_\_\_

## **DECORATIVE LIGHTING POLICY**

TO PROVIDE guidance to the Department in facilitating the development of Decorative Lighting Projects within the utility service area for Traverse City Light & Power Board consideration of approval. Further, to define ownership, operation & maintenance, system replacements, and funding options.

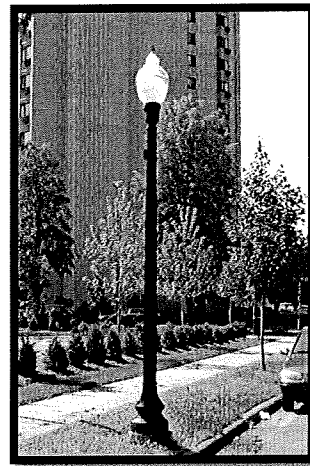
**DECORATIVE LIGHTING DEFINED:** A system consisting one or more luminaries where the Department has an existing distribution system with secondary voltage available that is not intended to illuminate a public street or roadway for motorist/pedestrian safety due to motor vehicle traffic. There are three types of decorative lighting systems within the community: Residential/neighborhood, Pedestrian/trail, and Commercial Districts. This policy covers only those projects that provide lighting in public areas or within the public right-of-way that are accessible to the general public. Projects within private developments and/or on private property shall be privately designed, constructed, and owned. Light & Power shall meter and bill private development projects at Board approved tariff rates.

**LIGHTING SPECIFICATIONS:** the Department shall design, furnish, install, and own all equipment and infrastructure comprising the decorative lighting system. Specifications will be in compliance with City of Traverse City Master Plan Urban Design Element, along with City of Traverse City regulations for lighting levels, if any. Environmental concerns and energy use are some of the factors that will be considered to limit the amount of lighting. Lighting will be installed to Department specifications, which will be regularly updated as technologies advance.

**MATERIALS/EQUIPMENT:** Poles and fixtures used for decorative lighting must be approved for use by the Executive Director. Approval will be based on operation, maintenance, conservation, and cost criteria. There are 2 styles of decorative fixtures that are currently approved: the acorn and the candy cane. The acorn is used in both residential and commercial districts; while the candy cane is used in the commercial districts. Fixtures other than styles supported by the Department will require approval by the Executive Director and may subject the requestor(s) to reimbursing the utility for any additional costs, including the cost of maintaining an appropriate level of inventory for repairs and/or replacement equipment and fixtures.



Candy Cane



Acorn

**INSTALLATION PROCESS:** This section will address when Decorative Lighting Systems will be installed and/or upgraded, the end of the service life, cost of replacement, and the approval process.

- a) **Installation/Upgrades:** Every effort will be made to install and/or upgrade Decorative Lighting Systems in conjunction with the City's plans for street reconstruction. During the annual Capital Planning Process, it is requested that the City Manager provide a written request to the Department's Executive Director on any City projects that will or could require decorative lighting additions/replacements. Additionally, the Department shall notify the City Manager in writing of any systems that are scheduled for replacement well in advance for City Capital Planning purposes.

It is anticipated that the City and the Department will work together to minimize project costs and to reduce the inconvenience/disruption to residents, businesses and visitors.

The Light & Power Board retains the right to deny or delay participation in any project.

- b) **End of Service Life:** The lighting infrastructure that the Department installs is designed to last approximately 20 to 30 years. At some point the cost to maintain the system becomes more than its present value and/or safety concerns have resulted in the infrastructure reaching the end of its usable service life. The end of service life will be determined by the Department's Executive Director. The end of service life shall not occur before all street lighting assessments are paid in full. When the end of service life is reached the Department may schedule its replacement in its Six Year Capital Improvements Plan for approval by the Board and City Commission. Approval of the Plan will determine that the system will be replaced. If the project is not approved the system will be scheduled for removal.
- c) **Cost of Replacement:** The Decorative Lighting System shall be owned, operated and maintained by the Department. Replacement of the system shall occur as follows:

- The related underground systems will be replaced, as required, with the entire cost borne by the Department. The underground distribution system supporting the Decorative Lighting System becomes part of the Departments overall distribution system upon its installation, and it shall be maintained and replaced in the same manner as any other underground distribution system.
  - The above ground equipment/fixtures shall be replaced with the cost of the equipment/fixture paid by the benefiting party. This can be done through special assessments, Tax Increment Financing, bonds, City Capital Projects Fund, or any other funding mechanism that reimburses the utility for the cost of the replacement fixtures/equipment. Whatever form of reimbursement is used, including the timeframe for reimbursement to the utility will be presented to the Board at the time the Board considers approval of the purchase or replacement equipment/fixtures.
  - The Light & Power Board retains the right to self-fund any project it deems in the best interest of the City or Light & Power.
- d) Approval Process: Time permitting; all Decorative Lighting Projects shall be included in the Light & Power Six Year Capital Improvements Plan (the “Plan”). The Plan will have been approved by the Light & Power Board, City Planning Commission and City Commission.

Initiation of a Decorative Lighting Project can be from either the City, Downtown Development Authority, neighborhood organization, or other interested parties. With approval of the Executive Director, staff will prepare conceptual plans and cost estimates for inclusion in the Plan (the cost estimate will separate the cost of fixtures, underground infrastructure and installation charges.) If outside of the Plan timing process, these conceptual plan and cost estimates shall be forwarded to the Board for consideration of participation in the project, along with a recommendation from the Executive Director.

Upon Board approval of the Plan, staff (or other party if by agreement) shall commence with engineering, design, and preparation of bid packages in coordination with the City or other party(s) so that Light & Power staff is prepared to seek bids in a timely manner for the project. Actual bids shall be submitted to the Board for final approval, as required by the Purchasing Policy.

The Department reserves the right to delay approved decorative lighting projects due to other priorities, at the discretion of the Executive Director.

**FUNDING**: The cost of a Decorative Lighting Project includes preliminary engineering, administration, design, installation, inspection, and final closeout. Generally, Light & Power’s contribution to Decorative Lighting Projects will include the cost of underground infrastructure,

preliminary engineering, administration, installation charges, inspections, and final closeout. The cost of fixtures, and their eventual replacement, shall be borne by the requestor or benefiting party.

- a) Decorative Lighting with Street Reconstruction Projects: Decorative lighting will be installed as part of a street reconstruction project at the request of the City and as approved by the Board. Decorative light fixtures will be purchased and installed by Light & Power. The cost of the fixtures shall be reimbursed to Light & Power as approved by the Board. Funding may come from the City's Capital Improvements Fund, TIF Funds, Grants, special assessments, or other funds.
- b) Decorative Lighting Stand Alone Projects: Decorative lighting can be installed in advance of street reconstruction or along designated recreation/pedestrian trails in the public right-of-way. Decorative light fixtures will be purchased and installed by Light & Power. The cost of the fixtures shall be reimbursed to Light & Power as approved by the Board. Funding may come from the City's Capital Improvements Fund, TIF Funds, Grants, special assessments, or other funds.
- c) Operation and Maintenance Costs: Decorative lighting that has been installed in the public right-of-way and to Light & Power standards (lighting levels and equipment used) will be owned by the utility. The operation and maintenance costs for decorative lighting are borne by Light & Power in accordance with the City of Traverse City and Traverse City Light & Power Street Lighting Operations and Maintenance Policy adopted on June 22, 2010.

As in all lighting projects, Light & Power retains the right to self-fund projects it deems in the best interests of the community or Light & Power.

This policy supersedes and replaces the Decorative Street Lighting Policy adopted on November 13, 1990, and all other policies in conflict with this policy.

---

Timothy J. Arends  
*Interim* Executive Director and Secretary  
Traverse City Light and Power Board

Light and Power Department  
City of Traverse City, MI  
Adopted: November 13, 1990

### **DECORATIVE STREET LIGHTING POLICY**

In order to facilitate the development of Decorative Street Lighting projects in Traverse City, the Light and Power Board will participate financially in such projects under the following criteria:

1. The Light and Power Board would consider installing Decorative Street Lighting, at Light and Power expense, in areas that would benefit the Traverse City community in general. The Light and Power Board retains the right to deny or delay participation in any project.
2. All other Decorative Street Lighting projects will be paid for by others, either through the establishment of a Special Assessment District (S.A.D.) by the local unit of government or the inclusion of the Capital Costs in the rates for the specific style of lighting fixture installed.
3. The Operation and Maintenance Costs (O & M) of all Decorative Street Lights shall be included in the billing to the local unit of government.
4. The City must approve any installation, or upgrade, of lighting installed on public right-of-way.
5. All lighting projects are subject to the availability of funding through the Light and Power budget process and Light and Power Board approval.

*Charles R. Fricke*

---

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