

A REGULAR MEETING
Of The
TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, May 24, 2016

At

5:15 p.m.

In The

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

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

Jennifer J. St. Amour
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940 ext. 201

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

Posting Date: 05-20-16
2:00 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 May 10, 2016. (Approval recommended) (p.4)
- b. Consideration of the transfer of funds from the Fiber Fund to Electric Fund. (Approval recommended) (Myers-Beman) (p.7)

Items Removed From Consent Calendar

- a.

3. Unfinished Business

None.

4. New Business

None.

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. TCL&P Funding Survey results presentation. (Schroeder/CS Research) (p.8)
- c. From Board.

7. Public Comment

/js

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, May 10, 2016

Board Members -

Present: Pat McGuire, Bob Spence, John Taylor, Tim Werner, Jan Geht, Jeff Palisin

Absent: Amy Shamroe

Ex Officio Member -

Present: Marty Colburn, City Manager

Others: Tim Arends, Pete Schimpke, Kelli Schroeder, Scott Menhart, Jennifer St. Amour,

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

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of April 26, 2016
- b. Rescinding the following policies related to the Coal Dock.
 1. Coal Dock Improvements Policy
 2. Coal Dock Use Policy
- c. Receive and file minutes of the Executive Director's Performance Evaluation Ad Hoc Committee meeting of April 22, 2016.

CARRIED unanimously.

Items Removed from the Consent Calendar

None.

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business

- a. Consideration of a periodic personnel evaluation of Tim Arends, Executive Director.

The following individuals addressed the Board:

Tim Arends, Executive Director

Moved by McGuire, seconded by Spence, that the Board renew the employment contract with Tim Arends as Executive Director, with an effective date of June 9, 2016, to include a 5% increase in annual salary as recommended by the Human Resources Ad Hoc Committee, subject to approval as to form by General Counsel.

CARRIED unanimously.

- b. Consideration of approving a change to the employer and employee share of health insurance premiums.

The following individuals addressed the Board:

Kelli Schroeder, Manager of Human Resources & Communications
Tim Arends, Executive Director

Moved by Spence, seconded by Palisin, that the resolution to adopt the 80/20 cost sharing model to comply with the requirements of Public Act 152 of 2011 be approved.

CARRIED unanimously.

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. Follow up discussion on Advanced Metering Infrastructure.

The following individuals addressed the Board:

Scott Menhart, Manager of Telecom & Technology
Tim Arends, Executive Director
Pete Schimpke, Manager of Operations & Engineering

- c. From Board.

The following individuals addressed the Board:

Marty Colburn provided the following:

1. Update on the coal dock transfer and ceremony.
2. Update on the City Budget process.

3. A request to TCL&P for restoration efforts at Hickory Hills.

None.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman Geht declared the meeting adjourned at 6:18 p.m.

/js

Tim Arends, Secretary
LIGHT AND POWER BOARD

DRAFT



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: May 16, 2016
Subject: Interfund transfer

As part of the budgeting process this year, staff projected for the 2015-16 fiscal year and budgeted for the 2016-17 fiscal year a voluntary transfer from the Fiber Fund to the Electric Utility Fund in the amount of \$175,000. This voluntary transfer is for repayment of the initial capital contribution in the amount of \$ 1,208,876 made by the Electric Utility Fund to the Fiber Fund for the construction of the dark fiber system. The initial capital contribution was not originally recorded as an interfund loan between the two funds, because at the time it was not management's intention for the capital contribution to be repaid.

The March 31, 2016 Fiber Fund's balance sheet shows a cash balance of \$295,518 and staff has projected the Fiber Fund to have an approximate cash balance of \$ 375,000 not including the transfer as of June 30, 2016. Staff believes this is an adequate cash balance to allow for the voluntary transfer of \$175,000 in the 2015-16 fiscal year and is requesting authorization from the Board to make the transfer.

Staff will review this on an annual basis and bring this before the Board before the end of each fiscal year if the Fiber Fund warrants adequate cash balance for the voluntary transfer payment.

This item is appearing on the Consent Calendar as staff deems to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any of the Board or member of the public wishes to discuss this matter, other than clarifying questions, it should be removed and place under "Items Removed from Consent Calendar" portion for the agenda for full discussion.

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

**MOVED BY _____, SECONDED BY _____, THAT THE
BOARD AUTHORIZES THE INTERFUND TRANSFER OF \$175,000 FROM THE FIBER FUND
TO THE ELECTRIC UTILITY FUND.**



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Kelli Schroeder, Manager of HR & Communications
CC: Tim Arends, Executive Director
Date: May 18, 2016
Subject: 2016 Funding Survey Results

A handwritten signature in black ink, appearing to be "Kelli Schroeder", is written to the right of the "From:" line.

Included in your packet is the 2016 City Project Funding Research report that resulted from the funding survey that was dispersed the middle of April. Cathlyn Sommerfield from CS Research and Consulting, LLC will be in attendance at the May 24 board meeting to present the survey findings and answer any questions.

In addition, we have also included a customer response received outside of the random sampling done by CS Research and Consulting, LLC for your information.

Traverse City Light & Power (TCL&P) has enlisted the services of CS Research & Consulting to conduct a survey soliciting feedback from rate payers as to the level of additional funding, if any, the utility might provide to the City of Traverse City (City) in the future. The results of the survey will be used to assist the TCL&P Board as it develops a City Project Funding Policy to ensure fair, consistent and transparent consideration of future City funding requests.

As way of background, TCL&P is required by the City Charter to pay the City a fee of 5% of its gross revenue each fiscal year. You could think of this as a sales tax of 5% on your monthly electric bill. In 2015 the City had a \$15 million budget of which approximately \$1.8 million came from TCL&P pursuant to this Charter requirement.

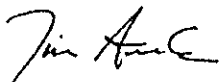
In the recent past the City has requested, and TCL&P has agreed to pay, amounts in addition to the City 5% annual fee in order to fund certain other non-utility City projects such as the West Front Street Project in the amount of \$527,000 and the Clinch Park Redevelopment Project in the amount of \$1,000,000. Other such projects are being planned for which the City might request TCL&P funding. This additional funding is not required by the City Charter, and is therefore at the discretion of the TCL&P Board.

Please take a few minutes to complete the enclosed survey, providing your feedback on additional funding. Your responses are confidential and will be combined with those of other rate payers to assist the TCL&P Board on what its next steps should be.

Please return your completed survey in the enclosed postage-paid envelope by Friday, April 22. If you should have any questions regarding the survey, please contact Kelli Schroeder, TCL&P Manager of Human Resources & Communications, at 231-932-4545.

Thank you in advance for your participation. Your opinions are very important to us.

Sincerely,



Timothy Arends
Executive Director
Traverse City Light & Power

Traverse City Light & Power

2016 Commercial/Residential/Industrial Customer Survey - City Project Funding

For each survey question, please circle your response using a dark pencil or ball point pen.
Please complete the survey by April 22, 2016 and return in the enclosed postage - paid envelope.

1. On average, what percent of your monthly budget is your utility bill?

0-15% 16%-30% 31%-45% 46% or above Uncertain

2. Do you support TCL&P spending rate payer dollars to fund non-utility related City of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?

Yes No Uncertain

If your response is Yes or Uncertain, please continue to Q3. If your response is No, survey is complete.

3. TCL&P has a \$35 million budget in the 2015-2016 fiscal year. What amount would you support going towards a non-utility related City general fund project or projects?

\$250,000 - \$500,000 \$500,000 - \$750,000 \$750,000 - \$1 million \$1 million and above Uncertain

4. Would you support a change in the City Charter that would set a maximum percentage of gross revenue to be transferred to the City specifically for general fund projects, above the required 5%?

Yes No Uncertain

If your response is Yes or Uncertain, please continue to Q5. If your response is No, survey is complete.

5. Considering amounts based on the current 2015-2016 fiscal year, which of the following percent increases do you feel is most appropriate? (Please choose only one)

1%, currently \$375,000 2%, currently \$750,000 3%, currently \$1,100,000 Uncertain

Thank you for your participation.



TRAVERSE CITY
LIGHT & POWER

2016 City Project Funding Research

May 24, 2016

Cathlyn Sommerfield, Ph.D.
CS RESEARCH & CONSULTING, LLC |

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 APPENDIX A No Survey Skip Patterns/Based on ALL responses provided	

EXECUTIVE SUMMARY

- Mail survey conducted with a randomly selected sample of TCL&P rate payers, stratified to target a final sample comprised of 20% residential and 80% commercial/industrial, with sampling stratification designed to be representative of approximate revenue contribution of each rate payer segment to the whole. Final sample comprised of 50 residential and 385 commercial/industrial rate payers.
- The majority of responding rate payers (71%) reported their utility bill is 0 – 15% of their monthly budget, with 17% of respondents reporting a percentage of 16% – 30%, and approximately 4% reporting a percentage 31% or higher; 8% of respondents indicated they are Uncertain as to the percentage of their utility bill to monthly budget.
- When asked “Do you support TCL&P spending rate payers dollars to fund non-utility related City of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?” approximately 27% of responding rate payers indicated Yes or Uncertain, while approximately 73% indicated No.
 - Percent of utility bill to monthly budget was found to significantly interact with expressed support. That is, Rate Payers reporting their utility bill is 0-15% of their monthly budget were significantly more likely to indicate Yes with regard to support in Q2, and significantly less likely to indicate No or Uncertain; Rate Payers reporting their utility bill is 16% or more of monthly budget were significantly more likely to indicate No or Uncertain with regard to support, and significantly less likely to indicate Yes; Rate Payers reporting they are Uncertain as to the percent of their utility bill to monthly budget were significantly more likely to indicate No or Uncertain with regard to support.

Respondents indicating No regarding support had at this point completed the survey; those indicating Yes or Uncertain (n=115) were asked to continue on to the next question.

- When asked what amount they would support going towards a non-utility related City general fund projects or projects, the single largest group of responding rate payers (20%) indicated \$250,000 - \$500,000, with an additional 19% indicating \$1 million and above. Approximately 35% indicated they were Uncertain as to the amount they would support.
- Responding rate payers were then asked “Would you support a change in the City Charter that would set a maximum percentage of gross revenue to be transferred to the City specifically for general fund projects, above the required 5%?” Approximately 34% indicated Yes, with 26% indicating Uncertain, for a total of 60% Yes/Uncertain; 40% indicated they would not support this change in the charter.

Respondents indicating No regarding support had at this point completed the survey; those indicating Yes or Uncertain (n=66) were asked to continue on to the next/last question.

- When asked “Considering amounts based on the current 2015-2016 fiscal year, which of the following percent increases do you feel is most appropriate?” the single largest group of responding rate payers (30%, n=19) indicated 2%, currently \$750,000; approximately 35% (n=22) indicated they were Uncertain as to percent increase considered appropriate.

1.0 OVERVIEW



The Mission of Traverse City Light & Power is to provide the Public Power benefits of safety, lower rates, high reliability, local control and exceptional customer service to the City and its residents and all Traverse City Light & Power customers.

1.1 Objective The objective of the current research was to gather feedback from customers to be used in the development of a policy that would provide the TCL&P Board guidance on evaluating utility requested contributions to various city projects that will take into consideration cash availability, rates and the appropriateness of the contribution based on the type and extent of the request.

1.2 Methodology A mail survey was conducted with a randomly selected sample of TCL&P rate payers, stratified to target a final sample comprised of 20% residential and 80% commercial/industrial. This sampling stratification was designed to be representative of the approximate revenue contribution of each rate payer segment to the whole. The sampling plan and projected response rate targeted an approximate +/-5% margin of error for commercial/industrial ratepayers and +/-11% for residential ratepayers.*

A total of 2,000 surveys were mailed, made up of a sample of 470 residential and 1,530 commercial/industrial rate payers, the goal being a 20% response rate with a single mailing. Fifty-three surveys were returned undeliverable – 34 commercial and 19 residential – bringing valid mail total to 1,947** for an overall response rate of approximately 22.5%***. Based upon a final sample of 50 residential rate payers, margin of error is +/-13.8%; based upon a final sample of 385 commercial/industrial rate payers, margin of error is +/-4.41% (see Section 1.2.1: Notes and Assumptions).

1.2.1 Notes and Assumptions A mail survey methodology affords the respondent complete control in response. In the case of this research, the survey was noted to conclude with a “No” response to the second question; however, a percentage of those responding “No” went on to complete a portion, or all, of the remaining survey questions. This report includes survey results based upon responses following the noted survey routing. However, all survey responses were captured and are presented in their entirety in Appendix A. In addition, all respondent comments are included in Section 2.7: Additional Comments.

To note, there is slight overlap assumed in residential and commercial/industrial respondents, with the latter potentially reflecting a small percentage of residential response. This is due to respondent noted reference to each perspective – that is, business decision makers who also maintain residential accounts – and to an intersection of commercial/industrial and residential mailings. Based on an assumed 22.5% response rate by group, this can be recognized in the calculation of range in final sample and margin of error for the commercial/industrial rate payer group of 337 – 385 and +/-4.41% to +/-4.79%, respectively.

*Based upon total unduplicated population of approximately 1,739 commercial/industrial and 8,262 residential ratepayers.

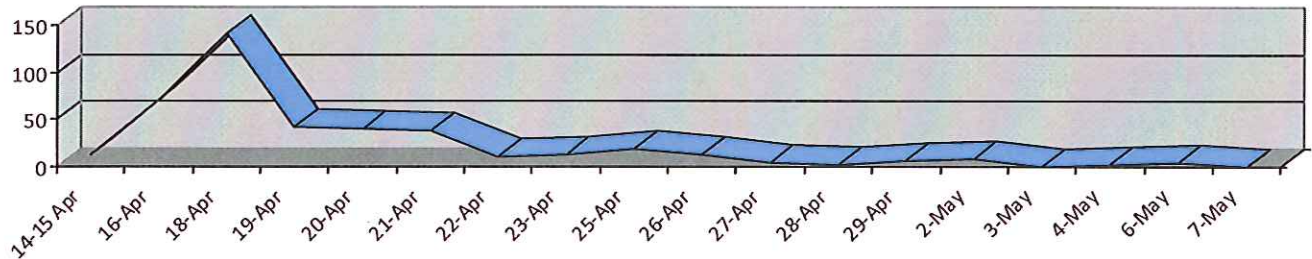
**451 residential and 1,496 commercial/industrial

*** Calculated response rate and analysis does not include 11 surveys received after data entry close.

2.0 SURVEY RESULTS

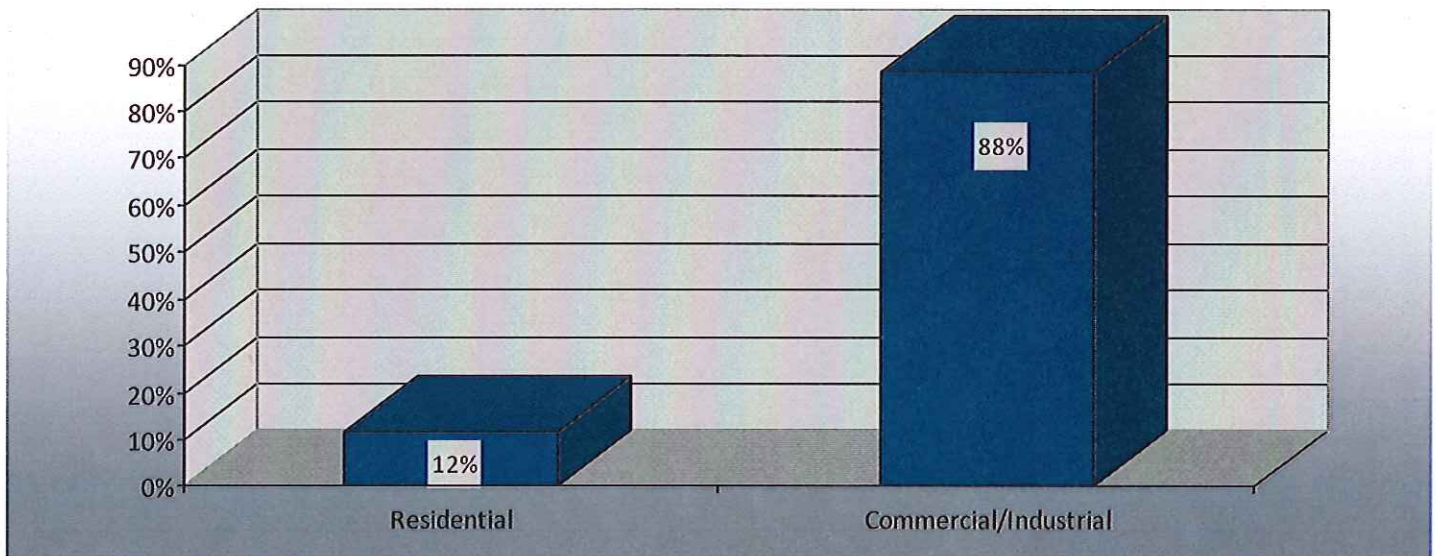
2.1 Return Pattern and Rate Payer Type

Figure 1. Survey Return Pattern



The majority of surveys (83%) were returned by the requested date of 4/22/16. Surveys received through 5/7/16 were included in analysis.

Figure 2. Rate Payer Type

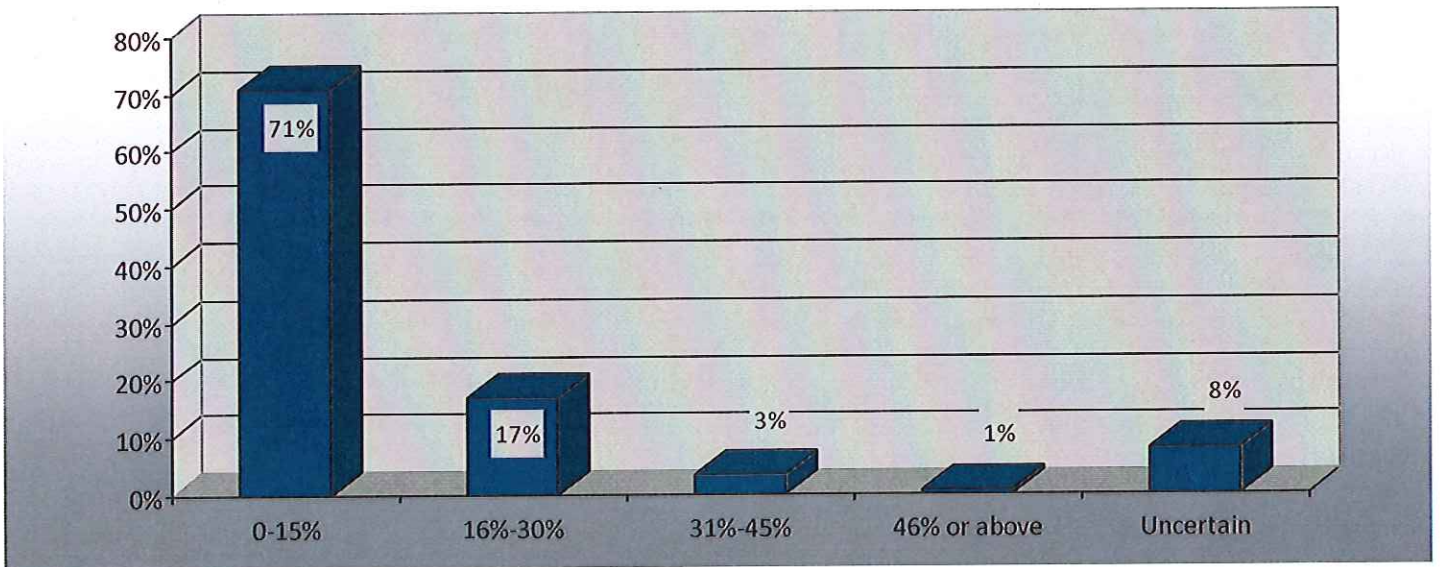


	%	count
Residential	11.5%	50
Commercial/Industrial*	88.5%	385

Rate Payer Type was analyzed against all other survey variables, with results identifying no statistically significant interaction. That is, residential and commercial/industrial respondents did not vary significantly in expressed support on Question 2 or any subsequent item response.

2.2 Question 1: Utility Bill – Percent of Monthly Budget

Figure 3. On average, what percent of your monthly budget is your utility bill?



	%	count
0 - 15%	70.8%	293
16% - 30%	17.1%	71
31% - 45%	3.4%	14
46% or above	0.7%	3
Uncertain	8.0%	33

Percent of utility bill to monthly budget significantly interacts with support expressed in the following question: *“Do you support TCL&P spending rate payers dollars to fund non-utility related City of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?”* That is, Rate Payers reporting their utility bill is 0-15% of their monthly budget were significantly more likely to indicate Yes with regard to support in Q2, and significantly less likely to indicate No or Uncertain; Rate Payers reporting their utility bill is 16% or more of monthly budget were significantly more likely to indicate No or Uncertain with regard to support, and significantly less likely to indicate Yes; Rate Payers reporting they are Uncertain as to the percent of their utility bill to monthly budget were significantly more likely to indicate No or Uncertain with regard to support.

		Percent of utility bill to monthly budget		
		0-15%	16% and above	Uncertain
Do you support TCL&P spending rate payers dollars to fund non-utility related City of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?	Yes	19.8%	6.8%	3.0%
	No	69.6%	79.5%	81.8%
	Uncertain	10.6%	13.6%	15.2%
		100.0%	100.0%	100.0%

Respondent comments regarding Q1 include: Too much; "Monthly Budget" - of my business budget, "Utility Bill" - for business electric; \$1,000 or so; Less than 1%; None of your business (2)

2.3 Question 2: Support for Non-Utility Related Funding

Figure 4. Do you support TCL&P spending rate payers dollars to fund non-utility related City of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?

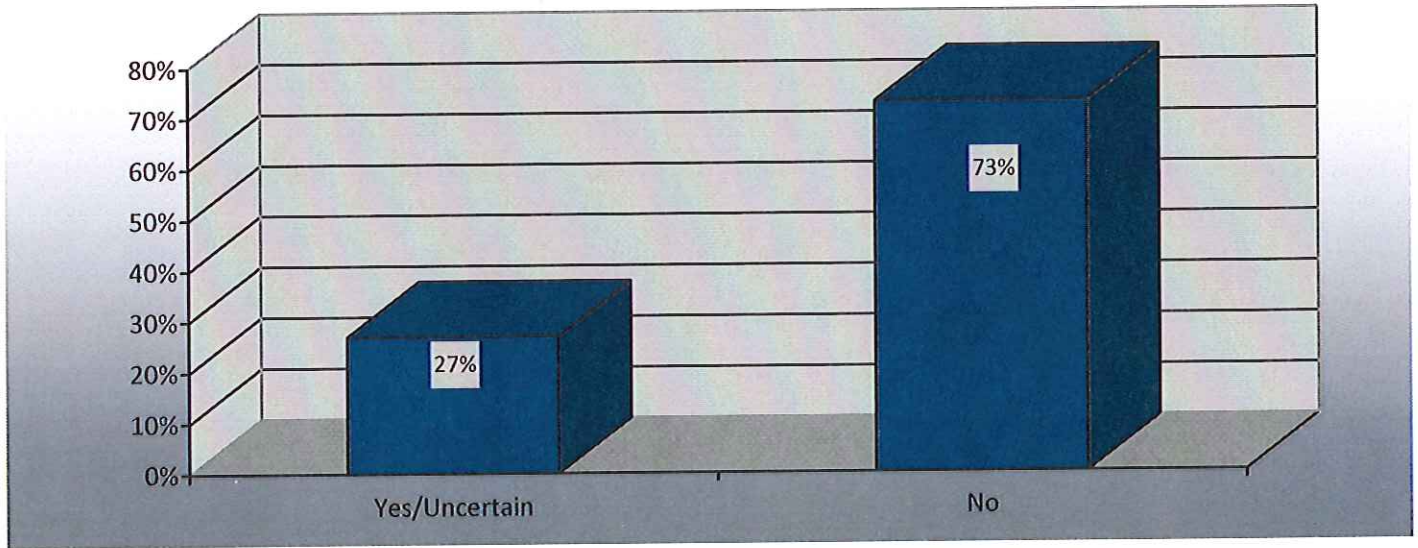


Table 3. Do you support TCL&P spending rate payers dollars to fund non-utility related City of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?

	%	count
Yes/Uncertain	26.5%	115
No	73.5%	319

Respondent comments if Yes or Uncertain include:

- If City projects include improvements to or creation of streets.
- Only if environmental impact.
- Seems like you need to mention % increase potential. Not enough info.
- Support renewable energy - no other projects (parks, etc.)

Respondent comments if No include:

- Absolutely Not!
- I don't understand why the city itself does not fund these projects with taxpayers \$. The projects benefit the taxpayers, both residential and commercial.
- I'm in favor of lower rates.
- Manufacturers subsidize the lions share. This is an unfair survey! (regarding residential inclusion)
- Maybe a loan option
- Especially if TCL&P is contributing 12% to the City. Does any other single entity contribute that much? Ridiculous!!
- It appears there are a lot of utility upgrades needed. Let's do that first.
- This is just a hidden tax!!
- We find it a little sneaky that the city puts this on Light & Power, rather than general taxes.
- You would be giving \$ to people with very poorly thought out ideas.
- No!

2.4 Question 3: Amount of Support

Those respondents indicating Yes or Uncertain regarding support in Q2 were then asked what amount they would support going towards a non-utility related city general fund projects or projects. A total of 111 respondents are included.

Figure 5. TCL&P has a \$35 million budget in the 2015-2016 fiscal year. What amount would you support going towards a non-utility related City general fund project or projects?

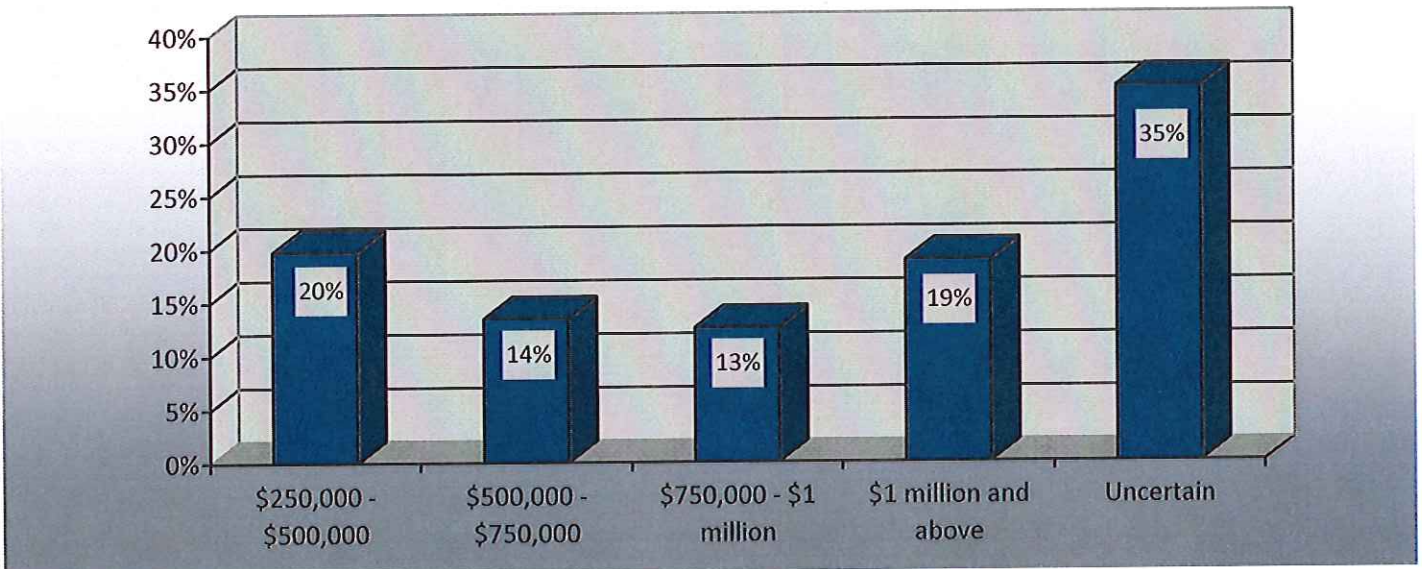


Table 4. TCL&P has a \$35 million budget in the 2015-2016 fiscal year. What amount would you support going towards a non-utility related City general fund project or projects? (n=111)

	%	count
\$250,000 - \$500,000	19.8%	22
\$500,000 - \$750,000	13.5%	15
\$750 - \$1 million	12.6%	14
\$1 million and above	18.9%	21
Uncertain	35.1%	39

- If spent on environmental projects.
- Misleading and confusing question - how much more would I pay each month?
- Bad question - How much is spent now? Past 5 year history? What are the proposed projects?
- If truthful, they don't need any.
- But I agree to fund broadband and solar projects.

2.5 Question 4: Support for Change in City Charter

Figure 6. Would you support a change in the City Charter that would set a maximum percentage of gross revenue to be transferred to the City specifically for general fund projects, above the required 5%?

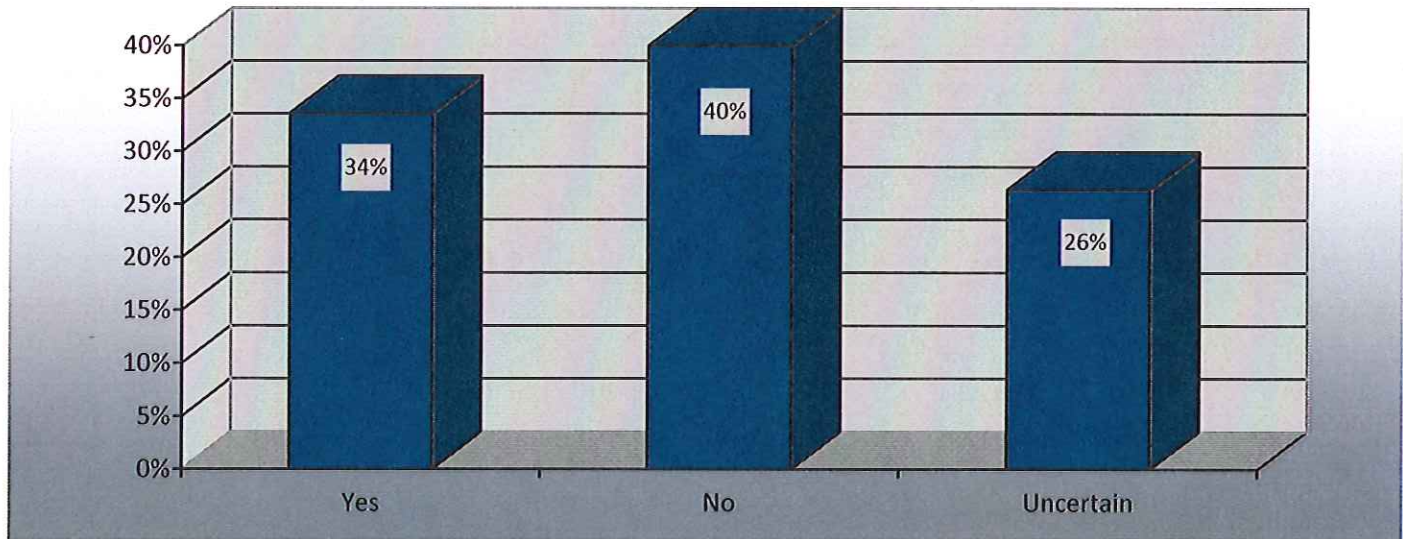


Table 5. Would you support a change in the City Charter that would set a maximum percentage of gross revenue to be transferred to the City specifically for general fund projects, above the required 5%?

	%	count
Yes	33.6%	37
No	40.0%	44
Uncertain	26.4%	29

- Any new street or improvement (Garland, e.g.) should have TCL&P provide infrastructure.
- Project related decision. What is TCL&P net? Need to see historic income statement & balance sheet.
- Need more info!
- Should be flexible.
- Need to read to see that the intention is to divert less to general fund projects.
- Do you mean "maximum available" or "maximum % number?"
- No additional funding.
- Only if you have lots of extra money.

2.6 Question 5: Percent Increase

Those respondents indicating Yes or Uncertain regarding support in Q4 were then asked which of several presented percent increases they feel is appropriate. A total of 63 respondents are included.

Figure 7. Considering amounts based on the current 2015-2016 fiscal year, which of the following percent increases do you feel is most appropriate?

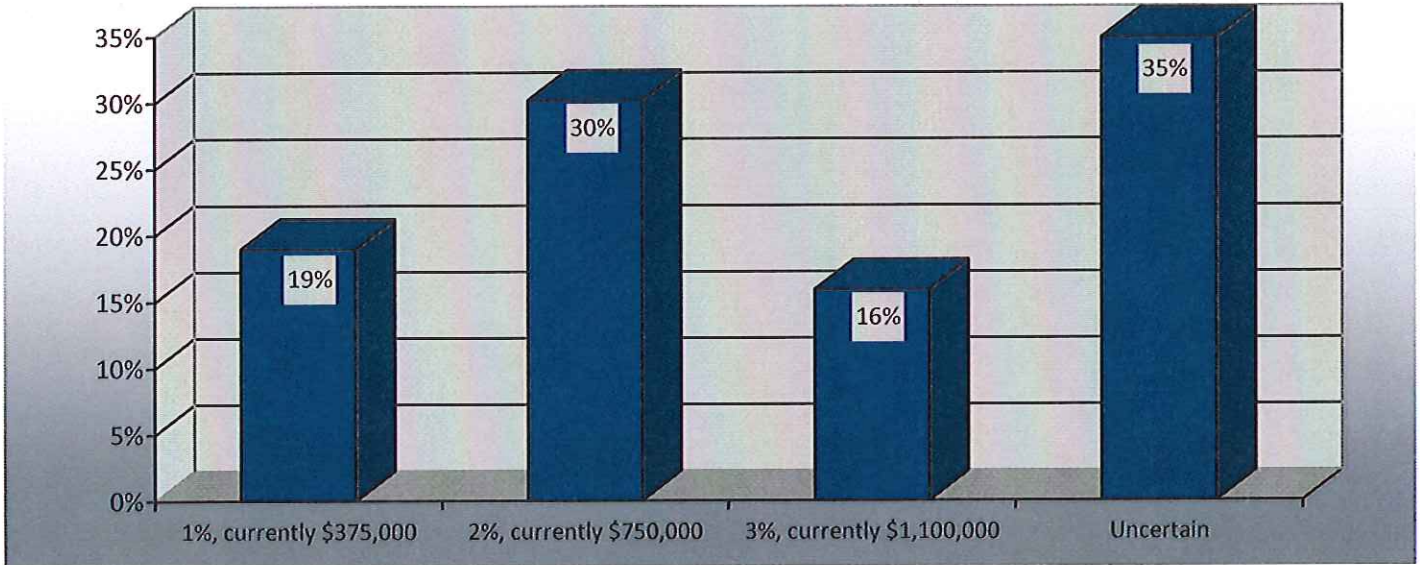


Table 6. Considering amounts based on the current 2015-2016 fiscal year, which of the following percent increases do you feel is most appropriate? (n=63)

	%	count
1%, currently \$375,000	19.0%	12
2%, currently \$750,000	30.2%	19
3%, currently \$1,100,000	15.9%	10
Uncertain	34.9%	22

2.7 Additional Comments

Each bullet represents comment/s from individual/same respondent.

If Yes or Uncertain to “Do you support TCL&P spending rate payers’ dollars to fund non-utility related city of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?”

- Q2: Only if environmental impact Q3: If spent on environmental projects Q5: If spent on efficiency and less pollution
- Q2: Support renewable energy - no other projects (parks, etc.)
- Q2: Seems like you need to mention % increase potential - not enough info. Q3: Bad question - How much is spent now? Past 5 year history? What are the proposed projects? Q4: Project related decision. What is TCL&P net? Need to see historic income statement & balance sheet. Q5: Cannot answer without net income information. *General Comment:* Very poor survey.
- Q4: Need more info! Q5: Would like to know about projects before funding!
- Q4: Would you support a change...? Should be flexible.
- Q5: 1 - 2%
- We want to get rid of charter and get fiber!
- Without seeing basic financials, at least expense and revenues, how can anyone make a rational decision?
- All depends on types of projects funded.
- I do not have enough knowledge to make an educated response.
- I'm not going to pretend to know what's best.
- It is hard to be certain about projects that are not specific. We would support utility-based spending on upgrades (like LED lighting), consumer upgrades (like smart meters) and so on (broadband coverage).
- Not enough information to make these choices.
- You don't want comments? There is plenty of extra expenditure in the TCL&P budget that could be reduced. City Commission just needs to appoint a TCLP Board willing to compare to other municipal electrics with smaller admin staffs.

If No to “Do you support TCL&P spending rate payers’ dollars to fund non-utility related city of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?”

- Q1: Too much Q3: 0
- Q1: "Monthly Budget" - of my business budget; "Utility Bill" - for business electric
- Q1: \$1,000 or so Q3: 0 Q5: 0
- Q1: Less than 1%
- Q1: None of your business
- Q1: None of your business Q3: 0
- Q2: Absolutely Not!
- Q2: I don't understand why the city itself does not fund these projects with taxpayers \$. The projects benefit the taxpayers, both residential and commercial.
- Q2: I'm in favor of lower rates.
- Q2: Manufacturers subsidize the lions share. This is an unfair survey! (regarding residential inclusion)
- Q2: Maybe a loan option
- Q2: Especially if TCL&P is contributing 12% to the City. Does any other single entity contribute that much? Ridiculous!!
- Q2: It appears there are a lot of utility upgrades needed. Let's do that first. Q3: \$250,000 or less Q5: if I have to pick from above, 1%. I prefer no rate increase.
- Q2: This is just a hidden tax!!
- Q2: We find it a little sneaky that the city puts this on Light & Power, rather than general taxes. *General Comment:* If you are a profitable business, you should support projects like this in the community. The City is making a request - if you decide to do it, let it be charitable rather than putting it off on your customers.

- Q2: You would be giving \$ to people with very poorly thought out ideas. *General Comment:* Thanks for saying NO to Garland Street!
- Q2. No!
- Q3 & Q5: None
- Q3: 0 - \$250,000 Q4: No additional funding
- Q3: If truthful, they don't need any.
- Q3: None Q5: None
- Q3: Zero Q5: Zero
- Q3: 0
- Q3: 0 Q5: 0
- Q3: 0 Q5: None
- Q3: Actually, none.
- Q3: But I agree to fund broadband and solar projects.
- Q3: If any Q4: only if you have lots of extra money.
- Q3: None
- Q3: None, 0 Q5: None, NADA
- Q3: Zero Q5 Zero *General Comments:* That's what city taxes are for, not my utility!
- Q4: Need to read to see that the intention is to divert less to general fund projects.
- Q4: Do you mean "maximum available" or "maximum % number?" Q5: Not clear on math - % of what line item? % available (up to) or set rate?
- Q5: 0%
- Q5: None
- Q5: None, 0
- And thank you for asking!
- What a pathetic excuse for a survey.
- Keep Rates Low!
- Make developers pay! If I build a house, I pay for infrastructure.
- My bill for a part time, very low usage, resident is ridiculously high! I guess this based on minimal usage charges. Doesn't this encourage waste? And discourage conservative usage! Option: Eliminate the City's false budgeting process, spend that 5% to encourage and reward residents for conservative usage! (Commercial Rate Payer - provided comments regarding residential account)

I believe that 5% is a fair payment to the city. The voters have spoken and have kept TCL&P as a separate entity with their own board for a reason. I do wonder if too many commissioners sit on the board, which leads to a weakening of checks and balances between TCL&P and the city commission.

Good design need not be the most expensive option. The city needs to design projects within their budget. They have many pots – TIF, DDA, parking, brownfield. TCL&P is not an extra piggy bank to be raided. Extra amenities – no! TCL&P responsibilities – yes.

TCL&P need to look at their reserves for future projects. If you have too much money – return it to rate payers by lower rates. Lower rates do spur business development as utility costs are lower for large companies. West front is nice (except for the awful lights) but not a location for manufacturing job growth.

Finally, as a rate payer, why would we put “extra” money only on infrastructure projects as defined by city/DDA goals? What about people – students – the needy-

APPENDIX A No Survey Skip Patterns/Based on ALL responses provided

Rate Payer Type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Residential	50	11.5	11.5	11.5
	Commercial	376	86.4	86.4	97.9
	Industrial	9	2.1	2.1	100.0
	Total	435	100.0	100.0	

1. On average, what percent of your monthly budget is your utility bill?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-15%	293	67.4	70.8	70.8
	16%-30%	71	16.3	17.1	87.9
	31%-45%	14	3.2	3.4	91.3
	46% or above	3	.7	.7	92.0
	Uncertain	33	7.6	8.0	100.0
	Total	414	95.2	100.0	
Missing	System	21	4.8		
Total		435	100.0		

2. Do you support TCL&P spending rate payers dollars to fund non-utility related

City of Traverse City general fund projects with an understanding that it will contribute to a rate increase in the future?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	67	15.4	15.4	15.4
	No	319	73.3	73.5	88.9
	Uncertain	48	11.0	11.1	100.0
	Total	434	99.8	100.0	
Missing	System	1	.2		
Total		435	100.0		

3. TCL&P has a \$35 million budget in the 2015-2016 fiscal year.

What amount would you support going towards a non-utility related City general fund project or projects?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	\$250,000 - \$500,000	46	10.6	30.5	30.5
	\$500,000 - \$750,000	15	3.4	9.9	40.4
	\$750 - \$1 million	15	3.4	9.9	50.3
	\$1 million and above	22	5.1	14.6	64.9
	Uncertain	53	12.2	35.1	100.0
Total		151	34.7	100.0	
Missing	System	284	65.3		
Total		435	100.0		

4. Would you support a change in the City Charter that would set a maximum

percentage of gross revenue to be transferred to the City specifically for general fund projects, above the required 5%?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	51	11.7	26.6	26.6
	No	104	23.9	54.2	80.7
	Uncertain	37	8.5	19.3	100.0
	Total	192	44.1	100.0	
Missing	System	243	55.9		
Total		435	100.0		

5. Considering amounts based on the current 2015-2016 fiscal year,

which of the following percent increases do you feel is most appropriate? (Please choose only one)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1%, currently \$375,000	33	7.6	32.7	32.7
	2%, currently \$750,000	19	4.4	18.8	51.5
	3%, currently \$1,100,000	13	3.0	12.9	64.4
	Uncertain	36	8.3	35.6	100.0
Total		101	23.2	100.0	
Missing	System	334	76.8		
Total		435	100.0		



A Note From...

Mrs Kay Serratelli

Wed. 4/20/16

Kelli Schneider:

Enclosed is

the paper copy of our
completed survey;
hope it can be in-
cluded in the overall
summary. This is a
companion to our
e-mail earlier
today.

Thank you -

Kay Serratelli

237 Midtown

TC 49684



Traverse City Light & Power

2016 Commercial/Residential/Industrial Customer Survey - City Project Funding

For each survey question, please circle your response using a dark pencil or ball point pen. Please complete the survey by April 22, 2016 and return in the enclosed postage - paid envelope.

1. On average, what percent of your monthly budget is your utility bill?

- 0-15% 16%-30% 31%-45% 46% or above Uncertain

2. Do you support TCL&P spending rate payer dollars to fund [non-utility related City of Traverse City general fund projects] with an understanding that it will contribute to a rate increase in the future?

- Yes No Uncertain

↳ Definition?

If your response is Yes or Uncertain, please continue to Q3. If your response is No, survey is complete.

3. TCL&P has a \$35 million budget in the 2015-2016 fiscal year. What amount would you support going towards a [non-utility related City general fund project or projects]? - Definition?

- \$250,000 - \$500,000 \$500,000 - \$750,000 \$750,000 - \$1 million \$1 million and above Uncertain

↳ What do these figures mean to the average rate-payer?

4. Would you support a change in the City Charter that would set a maximum percentage of gross revenue to be transferred to the City specifically for general fund projects, above the required 5%?

- Yes No Uncertain

If your response is Yes or Uncertain, please continue to Q5. If your response is No, survey is complete.

5. Considering amounts based on the current 2015-2016 fiscal year, which of the following percent increases do you feel is most appropriate? (Please choose only one)

- 1%, currently \$375,000 2%, currently \$750,000 3%, currently \$1,100,000 Uncertain

↳ There is no objective, rational information given in this question, thus rendering any response invalid. Thank you for your participation.

Comments!

Since the survey instrument itself is vague, and biased, we have written our own opinions on the back of the form and will return it via US mail. Here they are again:

1. YES, the TCL&P Board should pay for lighting (and expenses directly involved with installation of the lighting) for all City streets, both current and newly improved or developed.
2. Thus, the Board should in fact have voted to support provision of lighting for Garland Street, as well as any other similar street situations (improved streetscape lighting for Cass/Lake, for example).
3. The minimum should be a standard lighting option; the Board should discuss the viability of upgraded/decorative lighting expense and decide on a case-by-case basis.
4. YES, if funding of new lighting projects for streets necessitates a rate increase, then so be it.
5. NO, the Board should not feel compelled to financially support tangential projects—park benches, waterscapes, new asphalt, whatever else.
6. NO, there should not be a need to increase the 5% contribution as defined in the City Charter, as long as individual, specific capital-fund projects are duly considered, vetted, and approved along the way.

Thank you for your time and consideration.

Sincerely,

John & Kay Samatelli
237 Midtown
TC, MI. 49684

4-20-16

From: John F Serratelli <jfskbs@gmail.com>
Sent: Wednesday, April 20, 2016 11:58 AM
To: Kelli Schroeder; Tim Arends
Cc: Jan Geht; Amy Shamroe; Tim Werner; Marty Colburn; Jeff Palisin; Robert Spence III; John Taylor; patmcguire.tc@gmail.com; Jim Carruthers
Subject: Feedback for TCL&P City Project Funding Survey

Dear Ms. Schroeder and Mr. Arends:

Enclosed is our own completed survey 'City Project Funding'. Please consider our responses, both as indicated on the survey and in this note, in your consolidated final report to your Board. Although we were not included in the random mailing of this survey, we inquired about it via the on-line 'ask' feature of the TCL&P website.

Our primary feedback is two-fold: *1) This survey seems VERY skewed in that it is leading respondents to a certain desired response, and 2) it would be an abdication of responsibility for the TCL&P Board to use such an invalid survey as a basis of any sort for decision-making relative to funding of City projects.*

Further detail:

1. Neither the survey itself, nor the cover letter, provides a clear definition of certain terms such as 'non-utility related' projects or 'general fund' projects. The average TC resident most likely doesn't understand those terms in the same manner as the TCL&P organization.
2. Instead of definitions, Ms. Schroeder explained that 'a couple examples' were provided: "...the West Front Street Project (\$527,000) and ...the Clinch Park Redevelopment Project (\$1,000,000)." Those are very broad examples and huge dollar figures. Specifically WHAT was entailed in TCL&P's funding of these projects? Was it basic light poles? Was it fancy, up-scale light poles? Was it infrastructure to support the lighting? Was it park benches? Was it drinking fountains or parking places? Without any specifics, each respondent will make his or her own assumptions about what these two examples entail, thus rendering the survey invalid.
3. The survey is not tailored to provide response choices that make sense from the viewpoint of an actual ratepayer; only large, multi-dollar figures are given as options. The survey itself does not 'personalize' these questions about spending in household terms (i.e. \$10/month). Again, this tends to invalidate the survey. Basically, without any objective detail on projects, and without any personal point of reference, the survey seems to be leading respondents to say NO to everything.
4. There is no place on the survey for a respondent to indicate 'write-in' comments. (This would be analogous to 'public comment' at Board meetings). In many survey instruments, these verbatim comments are the very most valuable part of total input received.

5. Such a short turn-around time for return of the survey (barely over a week) arguably lessens the response rate and thus undermines its validity. Additionally, the survey is completely hard copy, snail-mail based, which is certainly an antiquated approach in today's world. There is no on-line option available for the randomly selected respondents, let alone anyone else.

6. Ms. Schroeder indicated that this survey was mailed to a random selection of ratepayers, based on a 'margin of error' method. That's fine. However, if we are to assume (however incorrectly) that the Board is truly interested in receiving as much honest, open feedback as possible from the broad population, it would seem wise to publicize the Board's desire for input, both with a press release and information on its website; have a link on the website for any rate-payer who wishes to provide input. There are many effective instruments for this purpose. Again, a low-key survey, done only in the mail to a random sample without communication to anyone else, seems very shortsighted if in fact the true goal is plenty of open, honest feedback on clearly delineated decision points.

Since the survey instrument itself is vague, and biased, we have written our own opinions on the back of the form and will return it via US mail. Here they are again:

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6. NO, there should not be a need to increase the 5% contribution as defined in the City Charter; as long as individual, specific capital-fund projects are duly considered, vetted, and approved along the way.

Thank you for your time and consideration.

Respectfully,

John and Kay Serratelli


TC

PS: Lest you feel that we are unique in our opinion, please know that during a recent dinner with friends, they casually remarked (unsolicited): “Hey, we got this survey from L&P... what’s up with it? It is *so* skewed!!”

From: Tim Arends
Sent: Friday, May 20, 2016 3:05 PM
To: Kelli Schroeder
Subject: Fwd: TCLP

This should be included.

Tim Arends, Executive Director
Traverse City Light & Power

Begin forwarded message:

From: Luke Haase <luke@traverseticker.com>
Date: April 22, 2016 at 10:28:10 AM EDT
To: <tarends@tclp.org>
Subject: TCLP

Subject: TCLP
Date: April 22, 2016 at 10:10:17 AM EDT
To: tarends@ci.traverse-city.mi.us
Cc: twerner@traversecitymi.gov, ashamroe@traversecitymi.gov,
patmcguire.tc@gmail.com, john.a.taylor@gmail.com, Jan Geht
<geht@traverselaw.com>, bobspence@spencebrothers.com,
jeffpc@normicind.com, jcarruthers@traversecitymi.gov

Mr. Arends:

I received your survey of “business decision makers” regarding city project funding.

Just wanted to pass along my not-so-bold prediction about the results you’ll be receiving.

When you ask a survey participant if they wish to spend “rate payer dollars” that “you could think of as a sales tax” to fund “non-utility” projects that will “contribute to a rate increase” and you don’t detail any potential benefits or explanation of said projects, I will guarantee you’ll get a negative response. It’s a fundamentally — and likely not accidentally — flawed survey instrument.

Luke Haase