

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, February 28, 2012

Board Members -

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

Ex Officio Member -

Present: R. Ben Bifoss

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

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

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of February 14, 2012.

CARRIED unanimously.

Item 3 on the Agenda being Old Business

- 3(a).** Consideration of authorizing an Engineering Services Contract with GRP Engineering for the South Side Distribution Substation.

The following individuals addressed the Board:

Ed Rice, Executive Director
Glen Dine, Chief Engineer
W. Peter Doren, General Counsel

Moved by Johnson, seconded by McGuire, that the Light and Power Board authorize the Chairman and Secretary to execute an agreement for professional services with GRP Engineering, Inc., for a total fee not to exceed \$290,000 including expenses for design and construction management services for the South Side Distribution Substation Project; subject to approval as to substance by the Executive Director and approval as to form by Counsel;

Further, authorizing the Executive Director to execute work orders for professional services and administer amendments and change orders that are in the best interest of the Light and Power Department.

The following individuals addressed the Board:

Janice Hicks, 1687 David Place, Non-Ratepayer
Rick Buckhalter, 932 Kelley Street, Ratepayer

Roll Call:

Yes – Budros, Carruthers, McGuire, Taylor, Johnson, Coco
No – Snodgrass

CARRIED.

3(b). Consideration of adopting a Resolution in Support of a Bayfront Revitalization Legacy Project.

The following individuals addressed the Board:

W. Peter Doren, General Counsel
Ben Bifoss, City Manager
Gary Howe, Parks and Recreation Commission Chair, 926 Lincoln Street, Ratepayer

Moved by McGuire seconded by Johnson, that the Light & Power Board enter into Closed Session immediately to discuss the privileged and confidential attorney-client communication regarding the Resolution in Support of a Bayfront Revitalization Legacy Project.

Roll Call:

Yes – Budros, Carruthers, McGuire, Snodgrass, Taylor, Johnson, Coco
No – None

CARRIED unanimously.

The Board entered into Closed Session at 6:00 p.m.
The Board returned to Open Session at 6:17 p.m.

Moved by Carruthers, seconded by Budros, that the Light & Power Board support the Resolution in Support of a Bayfront Revitalization Legacy Project including the change “Whereas, if these funds are needed for such projects and they are included in an approved capital plan, the City Commission will consider a recommendation for revenue bond financing pursuant to City Charter Section 179(k) taking the contribution authorized by this Resolution into account.”

Moved by Johnson, seconded by Taylor to amend the motion and approve the original Resolution in Support of a Bayfront Revitalization Legacy Project which includes the language “...act favorably on...”

Johnson proposed a friendly amendment to her motion with the support of Taylor, so the language in the sixth paragraph of the Resolution will read “...will favorably consider a recommendation for revenue bond financing pursuant to City Charter Section 179(k) taking the contribution authorized by this Resolution into account.”

CARRIED unanimously.

Moved by McGuire, seconded by Budros, that the following language be added to the proposed Resolution: “Whereas, Traverse City Light & Power Board assures the residential ratepayers that a \$1,000,000 contribution for a Legacy Project will not be the cause of a rate increase and hence residential rates will be frozen at the current level for the 2012-2013 fiscal year.”

The following individuals addressed the Board:

Doug Luciani, TC Chamber of Commerce & TBEDC President/CEO, 202 E. Grandview

Motion amended by McGuire with the support of Budros to remove the word "...residential..." so all classes of customers are included in the freezing of rates.

Therefore, the motion before the Board is as follows: "That the following language be added to the proposed Resolution: 'Whereas, Traverse City Light & Power Board assures the ratepayers that a \$1,000,000 contribution for a Legacy Project will not be the cause of a rate increase and hence rates will be frozen at the current level for the 2012-2013 fiscal year.'"

Roll Call:

Yes – Budros, Carruthers, McGuire, Snodgrass, Taylor, Johnson

No – Coco

CARRIED.

Board discussion continued on the amended motion.

Commissioner Carruthers called the question on the motion, seconded by McGuire.

Roll Call:

Yes – Budros, Carruthers, McGuire, Snodgrass, Taylor, Johnson

No – Coco

CARRIED.

Chairman Coco opened the motion up for Public Comment.

The following individuals addressed the Board:

Rick Buckhalter, 932 Kelley Street, Ratepayer

Mike Coco, Chairman of TCLP Board

John Taylor, TCLP Board Member

John Snodgrass, TCLP Board Member

Chairman Coco restated the amended motion before the Board: "That the Light & Power Board support the Resolution in Support of a Bayfront Revitalization Legacy Project including the change 'Whereas, if these funds are needed for such projects and they are included in an approved capital plan, the City Commission will favorably consider a recommendation for revenue bond financing pursuant to City Charter Section 179(k) taking the contribution authorized by this Resolution into account.'"

Roll Call:

Yes – Budros, Carruthers, McGuire, Taylor, Johnson

No – Snodgrass, Coco

CARRIED.

- 3(c).** Consideration of approving a Letter of Understanding Regarding Operations Audit of TCLP.

The following individuals addressed the Board:

W. Peter Doren, General Counsel

Ben Bifoss, City Manager

Doug Luciani, TC Chamber of Commerce & TBEDC President/CEO, 202 E. Grandview

Moved by Carruthers, seconded by Snodgrass, that the Light & Power Board approve the Letter of Understanding Regarding Operations Audit of TCLP.

Budros proposed a friendly amendment to the motion, that the language in the third paragraph of the Letter of Understanding read "TBEDC shall present the proposed RFQ to the City and TCLP for approval." and "TBEDC shall present its recommendation to the City and TCLP for approval." and "The RFQ shall specify the Operations Audit shall ensure a timeline and RFQ which results in completion of the Audit." And to eliminate one TCLP Board member and one City Commissioner from the listed task force.

Carruthers accepted the friendly amendment with the support of Snodgrass.

Therefore, the motion before the Board is as follows: "That the Light & Power Board approve the Letter of Understanding Regarding Operations Audit of TCLP including the changes to the third paragraph 'TBEDC shall present the proposed RFQ to the City and TCLP for approval.' and 'TBEDC shall present its recommendation to the City and TCLP for approval.' and 'The RFQ shall specify the Operations Audit shall ensure a timeline and RFQ which results in completion of the Audit.' And the elimination of one TCLP Board member and one City Commissioner from the listed task force."

Roll Call:

Yes – Budros, Carruthers, McGuire, Snodgrass, Coco

No – Taylor, Johnson

CARRIED.

Commissioner Budros departed the meeting at 8:09 p.m.

Item 4 on the Agenda being New Business

John Taylor made the following disclosure: He is President of SEEDS, a party to Agenda Item 4(a). Taylor indicated he will be refraining from voting upon or otherwise participating in the making of the decision.

- 4(a).** Consideration of authorizing a Business Energy Management Services Contract with SEEDS.

The following individuals addressed the Board:

Jim Cooper, Manager of Communications & Energy Services

Mike Powers, SEEDS

Ed Rice, Executive Director

Moved by Johnson, seconded by Coco, that the Board authorize the Chairman and Executive Director to enter into a Consulting Agreement with SEEDS, in the amount not to exceed \$34,500 for Business Energy Management Services; subject to approval as to substance by the Executive Director and as to form by General Counsel.

Roll Call:

Yes – Carruthers, Snodgrass, Johnson, Coco

No – McGuire

CARRIED. (Budros absent)

John Taylor abstained and refrained from voting upon or otherwise participating in the making of a decision on Agenda Item 4(a).

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

A. From Legal Counsel.

1. W. Peter Doren gave an update on Brown Bark I v. TCLP.

The following individuals addressed the Board:

Tim Arends, Controller

B. From Staff.

1. Jim Cooper spoke regarding the Clean Up Green Up event on March 11, 2012.

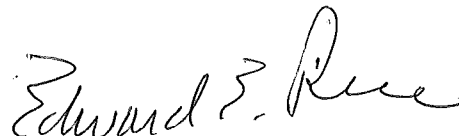
C. From Board.

1. Jim Carruthers referenced an article titled “Neighborhoods powered by parks” from the Siemens website.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman Coco declared the meeting adjourned at 8:34 p.m.



Edward E. Rice, Secretary
LIGHT AND POWER BOARD