

A REGULAR MEETING
Of The
TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On
Tuesday, May 9, 2023

At
5:15 PM

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 & Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Jennifer St. Amour
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:
05/05/2023
3:00 P.M.

AGENDA

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<u>Organizational Meeting Document</u>	
1. Roll Call	
2. Disclosure of Recusal	
3. Consent Calendar	
<i>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.</i>	
a. Approval of Agenda	
b. Consideration of approving minutes of the Regular meeting of April 11, 2023. (Approval recommended) <u>Regular Board - Apr 11 2023 - Minutes</u>	5 - 9
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d. Consideration of approving a change order with Newkirk Electric Associates, Inc. for the Barlow to Parsons Transmission Line Project. (Approval recommended) (Chartrand) <u>Barlow to Parsons Steel Pole Modification</u>	11
e. Consideration of Purchasing Transformers for Inventory. (Approval recommended) (Dixon) <u>Purchasing Transformers for Inventory</u>	12 - 14
f. Consideration of approving two dental benefit options beginning July 1, 2023 benefit plan year. (Approval recommended) (Schroeder) <u>Letter of Agreement - Dental Insurance Buy Up Option</u>	15 - 17
g. Consideration of authorizing the Executive Director to approve a change order for Hastings Street Construction Project. (Approval recommended) (Hardy) <u>Hastings Street Construction Project Change Order</u>	18
4. Unfinished Business	
None.	

- 5. New Business**
- a. Discussion of the periodic evaluation of Brandie Ekren, Executive Director. 19
(Heiberger/Davila) (Possible closed session) (4 votes required)
[Executive Director Evaluation](#)
- 6. Reports and Communications**
- a. From Legal.
- b. From Staff.
1. Traverse Connect Presentation - 2023 Quarterly Investor Review 20 - 29
(Warren Call)
[Traverse Connect Presentation](#)
2. Unveil new website (Schroeder)
3. Climate Action Plan Presentation (Ekren/Myers-Beman) 30 - 55
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4. March 31, 2023 Financial Statements (Myers-Beman) 56 - 69
[March 31, 2023 Financial Statements](#)
- c. From Board.
- 7. Public Comment**
- a. General Public Comment
- 8. Adjournment**



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Brandie Ekren, Executive Director
Date: May 09, 2023
Subject: L&P Board Organizational Meeting

As required by City Charter Section 177(f), the board meeting of May 09, 2023 will be the annual organizational meeting in which a chairperson and vice-chairperson are elected, and a secretary is appointed by the Board. The Charter language is as follows:

“An election of officers of the Board shall be held annually at the first regular meeting following the appointment of a new Board member after the end of a regular term of office. No member shall serve as chairperson for more than two (2) consecutive terms.”

All Board Members are eligible for nomination as board chairperson. All Board Members are eligible to serve as vice-chairperson. The following procedure would be appropriate for the organizational portion of the meeting.

- Brandie Ekren, as Secretary to the Board, shall initially preside over the meeting.
 - Call meeting to order – Pledge of Allegiance
 - Roll Call
 - Open the floor to nominations for chairperson (nominations need support), call for any further nominations for chairperson.
 - Close nominations
 - Board discussion (nominations will be voted on in order received)
 - Public comment (specific to nominations for chairperson)
 - Voice Vote – Once four votes are received by any one nominee that nominee becomes the new chairperson.
 - Secretary turns the meeting over to the new chairperson.
- The newly elected chairperson follows the same process described above in electing a vice-chairperson of the Board.
- The Chairperson should then appoint a Secretary to the Board with approval of a Board majority. This has historically been the Executive Director.
- Next, a Human Resources Committee should be formed consisting of two or three board members and one alternate. City Charter Section 177(h) allows for ad hoc subcommittees, however, there can be no standing committees. Therefore, it is appropriate to have this committee term renewed.
- Proceed to the Consent Calendar portion of the Agenda.

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of the Regular Board Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, April 11, 2023

Board Members Present: Paul Heiberger – Chairperson, Elysha Davila – Vice-Chairperson, Ross Hammersley – Board Member, John Taylor – Board Member, Maura Brennan – Board Member, Amy Shamroe – Board Member & City Commissioner

Board Members Absent: Tim Werner – Board Member & City Commissioner

Ex Officio Member Present: Penny Hill, Interim City Manager

Staff Present: Brandie Ekren – Executive Director, Jenn St. Amour – Executive Assistant, Karla Myers-Beman – Chief Financial Officer, Mark Watson – Fiber Superintendent, Kelli Schroeder – Customer & Employee Relations Manager, Adam Lansdell – Business/Planning Analyst, Tony Chartrand – Engineering Manager, Jacob Hardy – Sustainability & Key Accounts Manager

1. **Roll Call**

2. **Disclosure of Recusal**

None.

3. **Consent Calendar**

- a. Approval of Agenda
- b. Consideration of approving minutes of the Regular Meeting of March 14, 2023, minutes of the Community Investment Fund Ad Hoc meeting of March 10, 2023, and the minutes of the Sustainability Ad Hoc meeting of March 10, 2023. (Approval recommended)

that the minutes of the Regular meeting of March 14, 2023, the Community Investment Ad Hoc minutes of March 10, 2023, and the Sustainability Ad Hoc meeting minutes of March 10, 2023, be approved.

- c. Consideration of approving an Anonymous Reporting Policy. (Approval recommended) (Schroeder)

that the Light & Power Board approves the Anonymous Reporting Policy effective immediately.

- d. Grand Traverse to Cass transmission line - MDOT Railroad Lease (Approval recommended) (Chartrand)

that the Light & Power Board authorizes the Secretary to execute a lease agreement amendment with Michigan Department of Transportation in the amount of \$33,222.00, subject to review as to substance by the Executive Director and as to form by General Counsel.

- e. Grand Traverse Substation Upgrade Project Construction Bid Award (Approval recommended) (Chartrand)

that the Light & Power Board authorizes the Secretary to execute a contract with Rauhorn Electric, Inc. for the Grand Traverse Substation Upgrade Project in the amount of \$239,328, more or less, and authorizes the Executive Director to approve change orders in the best interest of the utility. Contract is subject to review as to substance by the Executive Director and as to form by General Counsel.

- f. Consideration of authorizing a temporary cap suspension for Net Metering. (Approval recommended) (Chartrand)

that the Light & Power Board authorizes a temporary cap suspension for Net Metering until the existing policy is changed or replaced with a new policy.

- g. Consideration of a six-month suspension on the Minimum Cash Reserve Policy. (Approval recommended) (Myers-Beman)

that the Light & Power Board approves a six-month suspension of the Minimum Cash Reserve Policy.

Amy Shamroe moved that as recommended, the Consent Calendar portion of the agenda be approved. Elysha Davila seconded the motion.

Yes: Maura Brennan, Elysha Davila, Ross Hammersley, Amy Shamroe,
Paul Heiberger, and John Taylor

Absent: Tim Werner

Carried 6 to 0.

4. Unfinished Business

None.

5. New Business

- a. Consideration of approving the Community Investment Fund awards as recommended by the CIF Ad Hoc Committee.

The following individuals addressed the Board:

Elysha Davila, Ad Hoc Chairperson
Kelli Schroeder, Customer & Employee Relations Manager

Amy Shamroe moved that the Light & Power Board approve funding from the approved Community Investment Fund Budget line item towards the following organizations.

- Child & Family Services of NW Michigan in the amount of \$8,000.
- Botanical Garden Society of NW Michigan in the amount of \$18,635.
- Groundwork Center for Resilient Communities in the amount of \$30,000.

Ross Hammersley seconded the motion.

Yes: Maura Brennan, Elysha Davila, Ross Hammersley, Amy Shamroe, Paul Heiberger, and John Taylor

Absent: Tim Werner

Carried 6 to 0.

b. Customer Service Center Remodel Presentation

The following individuals addressed the Board:

Jacob Hardy, Sustainability & Key Accounts

c. Consideration of approving a construction contract with Hallmark Construction for a customer service remodel at Hastings Street service center.

The following individuals addressed the Board:

Jacob Hardy, Sustainability & Key Accounts

Maura Brennan moved that the Light & Power Board authorizes the Chairman and Secretary to execute a construction contract with Hallmark Construction for the Customer Service Center remodel in the amount of \$176,200.00, subject to review as to substance by the Executive Director and as to form by General Counsel. Ross Hammersley seconded the motion.

Yes: Maura Brennan, Elysha Davila, Ross Hammersley, Amy Shamroe, Paul Heiberger, and John Taylor

Absent: Tim Werner

Carried 6 to 0.

d. Consideration of approving the Smartgrid Finance request to forward to City Commission.

The following individuals addressed the Board:

Karla Myers-Beman, Chief Financial Officer

Amy Shamroe moved that the Light & Power Board approves forwarding the request to the City Commission to approve the issuance of the USDA General Obligation Bond and the Notice of Intent for General Obligations Bonds for the additional project costs related to inflationary and contingency costs. In addition, approve execution of an Intergovernmental

Agreement outlining TCL&P's pledge of its funds to cover any financial costs or liabilities to the City in connection with the issuance in bonds.

John Taylor seconded the motion.

Yes: Maura Brennan, Elysha Davila, Ross Hammersley, Amy Shamroe, Paul Heiberger, and John Taylor

Absent: Tim Werner

Carried 6 to 0.

- e. Consideration of forwarding the Electric Fund 2023-24 Operating Budget to the City Commission for consideration as required by Charter.

The following individuals addressed the Board:

Karla Myers-Beman, Chief Financial Officer

Ross Hammersley moved that the Light & Power Board approves forwarding the 2023-24 Electric Fund Operating Budget as presented (or as amended) to the City Commission for its consideration of approval.

that the Light & Power Board directs staff to contribute into the retirement system based on the accelerated amortization calculated on the market value of assets option provided by MERS for the fiscal year ending June 30, 2024, and pay the retiree health insurance premiums for the fiscal year ending June 30, 2024, in addition to the actuarially determined contribution calculated by the OPEB actuary based on the plans assumptions. Further, direct staff to reimburse the utility operating fund for the retiree health insurance premiums out of the retiree health trust fund for the fiscal year ending June 30, 2024.

that the Light & Power Board approves the minimum cash reserve amount as presented in the cash flow. Amy Shamroe seconded the motion.

Yes: Maura Brennan, Elysha Davila, Ross Hammersley, Amy Shamroe, Paul Heiberger, and John Taylor

Absent: Tim Werner

Carried 6 to 0.

6. Reports and Communications

a. From Legal.

None.

b. From Staff.

None.

c. **From Board.**

7. **Public Comment**

a. General Public Comment

No one from the Public addressed the Board.

8. **Adjournment**

There being no objection, Chairperson Heiberger adjourned the meeting at 6:05 p.m.

Brandie Ekren, Secretary
LIGHT AND POWER BOARD

Draft

To: TCLP Board
From: Karla Myers-Beman - Chief Financial Officer
Meeting: Regular Board - May 09 2023
Subject: Card Connect Agreement

Through feedback received from customers, staff would like to provide another payment option, one time E-checks also referred to as ACH payments, for utility bills. This would provide the ability for customers to initiate an E-check payment (transfer payment from the customers to the utility's bank account) through the utility's web portal.

Along with providing another payment option to enhance customer service, it would also be less expensive than credit card processing fees.

General counsel has reviewed the amendment to the executed Card Connect agreement.

This item is appearing on the Consent Calendar as it is deemed a non-controversial item by staff. 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 "items removed from the consent calendar" portion of the agenda for full discussion. If after the Board discussion you agree with staff's recommendation the following motion would be appropriate

MOVED BY _____, SECONDED BY _____, THAT THE LIGHT & POWER BOARD DIRECTS THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT WITH CARD CONNECT FOR ACH (E-CHECK) SERVICES.

To: TCLP Board
From: Tony Chartrand - Engineering Manager
Meeting: Regular Board - May 09 2023
Subject: Barlow to Parsons Steel Pole Modification

Upon installation of the underground cable terminations it was discovered that the bolt holes did not line up with the terminations. In order to remedy this Newkirk proposed drilling 72 additional holes in the steel pole to facilitate the termination installation

This item is appearing on the Consent Calendar as it is deemed a non-controversial item by staff. 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 "items removed from the consent calendar" portion of the agenda for full discussion. If after the Board discussion you agree with staff's recommendation the following motion would be appropriate

MOVED BY _____, SECONDED BY _____, THAT THE LIGHT & POWER BOARD APPROVES A CHANGE ORDER FOR THE BARLOW TO PARSONS TRANSMISSION LINE PROJECT WITH NEWKIRK ELECTRIC ASSOCIATES, INC. IN THE AMOUNT OF \$18,925.38.

To: TCLP Board
From: Daren Dixon - Operations Manager
Meeting: Regular Board - May 09 2023
Subject: Purchasing Transformers for Inventory

As part of TCL&P's process for the procurement of materials, a Weekly Reorder Report is run from the inventory system indicating the need for material purchases. As transformers are very long lead items, are only quoted by certain vendors, and the quotes take much longer to get, they are separated out from the report.

The report from April 11, 2023 indicates that two transformer stock items have dipped below the 'Minimum Stock' quantity; therefore, more must be ordered to get to full stock level. Due to severely increased lead times for transformers nationally, a closer look at upcoming projects, quantities on hand, and estimated delivery times of outstanding orders is warranted. In looking at these conditions, staff is recommending ordering two additional transformers beyond those listed in the reorder report in order to serve upcoming projects and maintain enough for emergency replacements. Note that a second additional padmount was quoted due to requirements at the time, but staff will be able to reuse one that was removed from the field, eliminating the need for it.

TCLP Logistics staff received multiple quotes for these transformer purchases, with the results as follows:

Pole-Mounted Transformers

Vendor (Manufacturer)	Price	Lead Time	Recommended
Resco (Howard)	\$27,300.00	60 weeks	
Irby (Seti)	\$19,762.56	20 weeks	
Irby (Prolec)	\$17,982.00	23 weeks	x
Irby (Howard)	\$27,606.00	60 weeks	
Power Line Supply (Power Partners)	\$16,188.00	199 weeks	
Power Line Supply (Eaton)	\$32,469.00	199 weeks	

Padmount Transformers

Vendor (Manufacturer)	Price	Lead Time	Recommended
Resco (Howard)	\$121,475.00	52 weeks	
Irby (Seti)	\$166,872.15	24 weeks	x
Irby (Howard)	\$122,835.00	52 weeks	
Power Line Supply (Hitachi)	\$129,500.00	107 weeks	

While not the least expensive, staff recommends purchasing the transformers as recommended above from Stuart C Irby Co. due to significantly shorter lead times. This is critical as TCLP heads into construction season.

This item is appearing on the Consent Calendar as it is deemed a non-controversial item by staff. 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 "items

removed from the consent calendar” portion of the agenda for full discussion. If after the Board discussion you agree with staff’s recommendation the following motion would be appropriate

MOVED BY _____, SECONDED BY _____, THAT THE LIGHT & POWER BOARD AUTHORIZES A PURCHASE ORDER BE ISSUED TO THE STUART C. IRBY CO. IN THE AMOUNT OF \$114,787.00, MORE OR LESS, FOR THE PURCHASE OF TRANSFORMERS FOR INVENTORY.

Item ID	T-TRO-760
Part Number	25P277/480
Item Desc	Xfmer-1P-Pole-277V-25kVA
Qty on Hand	0
Qty on Order	6
Min Stock	9
Reorder Qty	3
Max Qty	11
Calculate Reorder Qty	5
Adjusted Reorder Qty	6

Vendor	Brand	Price	Lead Time	Extended Pricing
Resco	Howard	\$ 4,550.00	60 weeks	\$ 27,300.00
Irby	Seti	\$ 3,293.76	20 weeks	\$ 19,762.56
Irby	Prolec	\$ 2,997.00	23 weeks	\$ 17,982.00
Irby	Howard	\$ 4,601.00	60 weeks	\$ 27,606.00
Power Line Supply	Hitachi	N/B	N/B	N/B
Power Line Supply	Power Partners	\$ 2,698.00	199 weeks	\$ 16,188.00
Power Line Supply	Eaton	\$ 5,411.50	199 weeks	\$ 32,469.00

Item ID	T-TRU-842
Part Number	75U208120
Item Desc	Xfmer-3P-Pad-120/208V-75kVA
Qty on Hand	1
Qty on Order	0
Min Stock	3
Reorder Qty	3
Max Qty	5
Calculate Reorder Qty	4
Adjusted Reorder Qty	5

Vendor	Brand	Price	Lead Time	Extended Pricing
Resco	Howard	\$ 24,295.00	52 weeks	121475
Irby	Seti	\$ 33,374.43	24 weeks	166872.15
Irby	Prolec	NB	N/B	N/B
Irby	Howard	\$ 24,567.00	52 weeks	122835
Power Line Supply	Hitachi	\$ 25,900.00	107 weeks	129500
Power Line Supply	Power Partners	NB	N/B	N/B
Power Line Supply	Eaton	NB	N/B	N/B

To: TCLP Board
From: Kelli Schroeder, Customer & Employee Relations Manager
Meeting: Regular Board - May 09 2023
Subject: Letter of Agreement - Dental Insurance Buy Up Option

Beginning with the July 1, 2023 benefit plan year, the City of Traverse City will be offering the choice between two dental benefit options, the existing base dental plan and one with higher annual coverage maximums (buy-up dental plan).

Currently for both union and non-union employees, TCLP provides dental insurance to employees, their spouse, and their dependent children until age 26 at a coverage level equivalent to the coverage level in effect as of January 1, 2017 (base dental plan). TCLP pays 100% of the insurance premium.

Staff is recommending that both options be made available to employees. If an employee elects the buy-up dental plan, the employee will be responsible for what is not covered by the employer's current premium contribution (the premium difference between the base dental plan and the buy-up dental plan).

Included in your packet is a Letter of Agreement with the union. Staff recommends approval of offering this additional option to both union and non-union TCLP employees

This item is appearing on the Consent Calendar as it is deemed a non-controversial item by staff. 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 "items removed from the consent calendar" portion of the agenda for full discussion. If after the Board discussion you agree with staff's recommendation the following motion would be appropriate

MOVED BY _____, SECONDED BY _____, THAT THE LIGHT & POWER BOARD APPROVES OFFERING A DENTAL BUY UP OPTION FOR TCL&P ADMINISTRATIVE, CONFIDENTIAL, TECHNICAL EMPLOYEES WITH THE DIFFERENCE IN PREMIUM TO BE PAID BY THE EMPLOYEE AND AUTHORIZES THE BOARD CHAIRMAN TO SIGN THE LETTER OF AGREEMENT BETWEEN TCL&P AND THE UTILITY WORKERS UNION OF AMERICA LOCAL NO. 295.

LETTER OF AGREEMENT
BETWEEN
CITY OF TRAVERSE CITY LIGHT AND POWER

And

UTILITY WORKERS UNION OF AMERICA, AFL-CIO

And Its

LOCAL NO. 295

WHEREAS, the CITY OF TRAVERSE CITY LIGHT AND POWER BOARD, (the “Employer”) and the UTILITY WORKERS UNION OF AMERICA, AFL-CIO, and its LOCAL 295, (collectively the “Union”) have entered into a collective bargaining agreement with a term running from July 1, 2021 through June 30, 2024 (the “CBA”); and

WHEREAS, TCLP provides dental insurance to employees of the Collective Bargaining unit, to the employee’s spouse, and their dependent children until end of the month in which they turn 26 years old; and

WHEREAS, the dental insurance is paid entirely by the employer at a coverage level equivalent to the coverage that was in effect as of January 1, 2017 that includes \$1,000 annual maximums (base dental plan); and

WHEREAS, beginning benefit plan year July 1, 2023, the City of Traverse City plans to provide employees the choice between two dental benefit options, to include the base dental plan and one with higher annual coverage maximums (buy-up dental plan); and

WHEREAS, TCLP would also like to provide its employees the option of electing the buy-up dental plan;

NOW, THEREFORE, IT IS HEREBY AGREED UPON between the parties as follows:

1. TCLP CBA employees are eligible for and may elect the buy-up dental plan option.
2. The employer’s premium contribution towards the buy-up dental plan will be the equivalent to the premium cost for the base dental plan.
3. Should the employee elect the buy-up dental plan, the employee will be responsible for what is not covered by the employer’s premium contribution (the premium difference between the base dental plan and the buy-up dental plan).
4. The base dental plan that includes \$1,000 annual coverage maximums will continue to be paid at 100% by the employer.
5. The employee’s premium contribution will be handled pre-tax once per month through payroll deduction in accordance with the payroll deduction agreement (Section 125 Plan).

IT IS FURTHER AGREED THAT this Letter of Agreement will become effective on the date it is fully executed by all of the parties below and it shall be unique to this case. Neither the Employer nor the Union waive any rights as to other future cases.

IN WITNESS WHEREOF, the parties hereto have, by their representatives duly authorized in the premises, executed this Letter of Agreement.

City of Traverse City
Light and Power Board

Utility Workers of America
AFL-CIO and its LOCAL NO. 295

BY _____
Paul Heiberger, Board Chairperson

BY _____
James Gennett, National Rep.
Region IV

DATE _____

DATE _____

BY _____
Robert Hipp, President
Local 295

APPROVED AS TO SUBSTANCE:

DATE _____

BY _____
Brandie Ekren, Executive Director

DATE _____

To: TCLP Board
From: Jacob Hardy - Sustainability & Key Accounts Manager
Meeting: Regular Board - May 09 2023
Subject: Hastings Street Construction Project Change Order

In April the board approved a construction contract in the amount of \$176,200 with Hallmark Construction to remodel the front of the Hastings Service Center. This will serve as the new customer service area with the addition of an office.

Upon demolition of the existing interior, there were a few unforeseen structures that need to be modified in order to construct the specs that were designed. There was also an opportunity to make existing spaces better and more efficient as the contractor went along.

For this reason, staff is asking for approval for an additional amount not to exceed \$20,000, more or less.

This item is appearing on the Consent Calendar as it is deemed a non-controversial item by staff. 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 "items removed from the consent calendar" portion of the agenda for full discussion. If after the Board discussion you agree with staff's recommendation the following motion would be appropriate

MOVED BY _____, SECONDED BY _____, THAT THE LIGHT & POWER BOARD APPROVES THE ADDITIONAL AMOUNT NOT TO EXCEED \$20,000, MORE OR LESS, FOR ADDITIONAL WORK WITH THE HASTINGS STREET CONSTRUCTION PROJECT.

To: TCLP Board
From: Paul Heiberger - Board Chair, Elysha Davila – Vice Chair
Meeting: Regular Board - May 09 2023
Subject: Executive Director Evaluation

As allowed by the Open Meetings Act (MCL15.268 (1)(a), Brandie Ekren, the Executive Director of TCLP as a public officer and employee of the TCLP Board would like to have her personnel evaluation in closed session. Therefore, a roll call vote is required with four affirmative votes authorizing the closed session. If you concur with her request and wish to proceed, the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____, THAT THE LIGHT & POWER BOARD ENTER INTO CLOSED SESSION IMMEDIATELY FOLLOWING PUBLIC COMMENT TO CONSIDER THE ANNUAL PERSONNEL EVALUATION OF THE EXECUTIVE DIRECTOR AS REQUESTED BY BRANDIE EKREN, THE EXECUTIVE DIRECTOR AND PERMITTED BY THE OPEN MEETINGS ACT MCL 15.268(1)(A).

To: TCLP Board
From: Warren Call
Meeting: Regular Board - May 09 2023
Subject: Traverse Connect Presentation

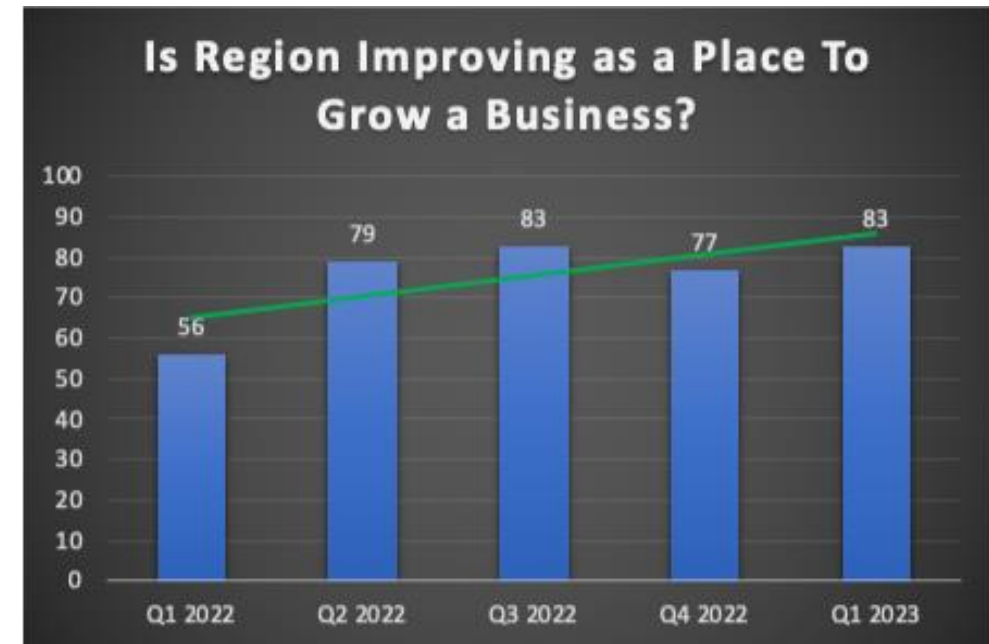
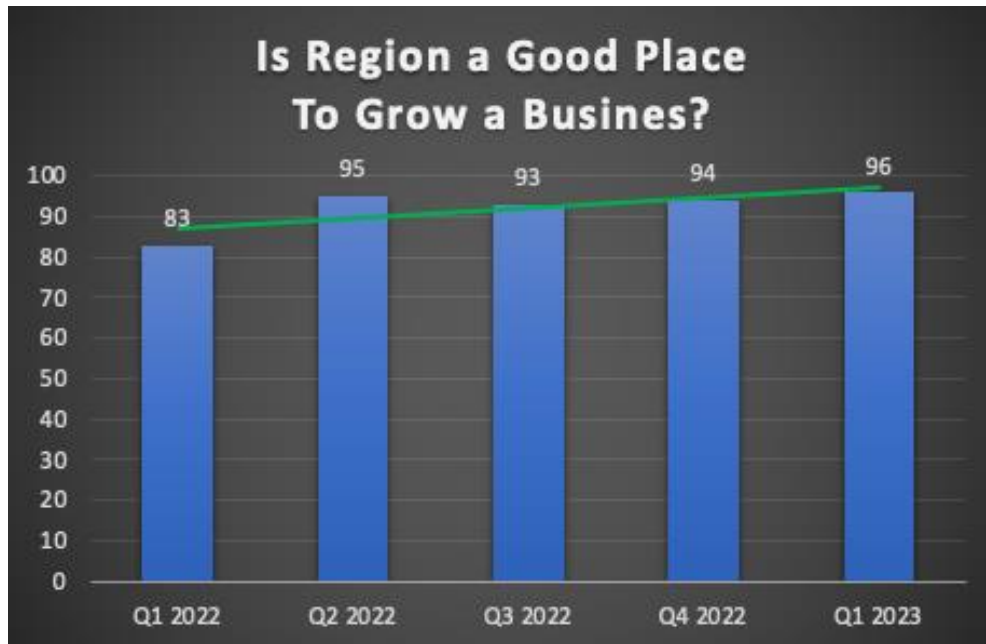
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RELATIONSHIP REVIEW



TRAVERSE CITY
LIGHT & POWER

Quarterly Business Growth Barometer



REGIONAL ECONOMIC DEVELOPMENT DASHBOARD

ANNUAL GDP PER EMPLOYEE /
2030 GOAL: \$84,000

\$69,845 

MORE

STATE AVERAGE WAGE % /
2030 GOAL: 90%

87% 

MORE

TALENT ATTRACTION & DEVELOPMENT

BACHELOR'S DEGREE OR
POST-SECONDARY
CERTIFICATE ATTAINMENT /
2030 GOAL: 60%

50.6%



MORE

GROWTH OF PRIME WORKING
AGE POPULATION (35-49) /
2030 GOAL: 5% GROWTH

3%



MORE

SCIENTIFIC, PROFESSIONAL,
TECHNICAL, AND IT JOBS /
2030 GOAL: 3,200 JOBS

2,761



MORE

BUSINESS EXPANSION AND ATTRACTION

- TCLP Leadership/Partnership
- Outdoor Recreation Technology
- Electric Waterways- Governor's State of the Great Lakes Report
- Fresh Coast Maritime Challenge

ADVOCACY AND GOV. RELATIONS



Government Advocacy

- Office of Rural Development
- Rural Readiness Grant Program
- Childcare Reform/Housing Incentives Signed Into Law
- Immigration Reform

Leading Community Priorities

- NMPC
- Housing Michigan Coalition Bills
- Budget Priorities



TCLP MEMBER ENGAGEMENT

- **350+** TCLP information page views on Traverse Connect website
- **150+** Direct communications for news, events, programs, etc.
- **3** Direct referrals from Traverse Connect to the TCLP
- **23** TCLP attendees at Traverse Connect events

SAVE THE DATE

- Innovation in the Great Lakes: The Blue Economy May, 11, 2023, 3:00 – 6:30 pm
- Leadership Speakers Series – May 16th 2:00 – 5:00 pm
- Cocktails & Connections, June 1, 2023 5:00 – 7:00 pm
- Economic Strategy Sessions – Each of these events include breakfast and as a Champion Investor receives (2) two tickets
 - #2 June 7, 8-11am
 - #3 Oct 18, 8-11am

THANK YOU

Warren Call, President and CEO of Traverse Connect

Email: warren.call@traverseconnect.com

Phone: 231.995.7108

Mobile: 231.651.9174

Brenda McLellan, Director of Investor Engagement

Email: brenda.mclellan@traverseconnect.com

Mobile: 231.342.9474

Henry Wolf, Director of Government Relations

Email: henry.wolf@traverseconnect.com

Mobile: 517.730.2499

Krista Esckilsen, Investor Engagement Coordinator

Email: krista.esckilsen@traverseconnect.com

Phone: 231.995.7106

Mobile: 231.360.0828

To: TCLP Board
From: Brandie Ekren - Executive Director, Karla Myers-Beman - Chief Financial Officer
Meeting: Regular Board - May 09 2023
Subject: Climate Action Plan Presentation

As a refresher, Traverse City Light & Power (TCLP) embarked on a journey in June 2023 to develop an integrated resource plan (IRP) that would model and develop its energy portfolio strategy over the coming years. The endeavor also sought to incorporate identified industry solutions and strategies that could be leveraged to move it forward on its clean energy journey. Those industry solutions and strategies included: *Decarbonization, Distributed Energy Resources (DERs), Energy Storage, Energy Efficiency (aka Energy Waste Reduction), and Demand Response*. This initiative was labeled as a “*Climate Action Plan*.”

Consultants were engaged to work along TCLP staff in the following areas: IRP modeling, industry solution insights, cost of service study analysis, and transmission analysis. TCLP also engaged in an extensive stakeholder engagement process that involved the following: 3rd party survey, focus groups, open houses, solicitation of public feedback and one-on-one interviews. We have also had public board discussion and preliminary feedback at various points in time up until today in the form of Sustainability Ad Hoc meetings, IRP kick off and workshop discussions.

While feedback and one-on-one interviews continue, *Community Education and Energy Literacy* has been identified and added as a pivotal industry solution in TCLP’s Climate Action Plan.

As a supplement to the presentation that will occur at the May 9, 2023 Board meeting, below is an additional summary update. This summary is a compilation of input from TCLP consultant partners (5 Lakes Energy, Michigan Energy Options, Elevate, NextEnergy) and Staff. It also takes into consideration the cost-of-service study and rate design considerations by Utility Financial Solutions.

As of the date of this memorandum, work continues towards finalizing the formal Climate Action Plan report and stakeholder engagement report. We remain on target to have those finalized reports completed no later than June 30, 2023, with the stretch target being June 9, 2023.

Climate Action Plan

The framework for the Climate Action Plan is organized such that the core measure of climate impact at this time is decarbonization. While all greenhouse gas emissions offend planet health, decarbonization is a globally recognized measure for progress.

The following industry solutions will drive decarbonization:

1. TCLP Energy Portfolio Mix (investments)
2. Demand Response
3. Energy Efficiency (aka Energy Waste Reduction)
4. Beneficial Electrification

5. Distributed Energy Resources (DER)
6. Energy Storage (Energy Portfolio and DERs)

Community Education and Energy Literacy will be the instrumental backbone that increases the probability of success for each of these solutions.

TCLP TODAY

The solutions referenced above are not new to TCLP, which has always been amongst the early majority from a national perspective, and early adopter from a state perspective, in terms of climate policy, programs and strategies. TCLP's Climate Action Plan merely pulls things together in a manner that ensures efforts are coordinated and moving toward measurable key performance measures and a focus on decarbonization.

While the establishment of decarbonization goals and strategies will be new, Staff and its consultant partners have the following observations on TCLP's current efforts and influence with certain industry solution tactics. Each consultant partner took the lead on certain observations as identified below.

Distributed Energy Resources (Michigan Energy Options & 5 Lakes Energy)

Solar (Michigan Energy Options)

- Net metering Program
 - The Traverse City Light and Power (TCLP) net metering agreement is easily accessible and appears to be in line with similar agreements for interconnection and net metering.
 - Residential and commercial participation: TCLP is in the best position to provide information on participation rates and aggregate system sizes for both residential and commercial customers.
 - Financing options: TCLP offers on-bill financing for PV installations, but customers should be aware that an energy audit may be required, which could add to the cost.
 - TCLP's net metering page could benefit from improvements to make it easier for customers to quickly access relevant information, such as a summary of key provisions or a FAQ section.
- Other DERs (5 Lakes Energy)
 - TCLP currently does not programmatically support distributed energy resources other than solar. The only common non-solar distributed energy resource is combined heat and power (CHP).

Energy Storage (5 Lakes Energy)

- TCLP currently does not have a customer program that promotes behind-the-meter storage.
- Energy storage provides economic benefits by exploiting price variation – “buy low and sell high.” Behind-the-meter storage will only provide economic benefits if tariffs provide significant price variation. TCLP customers generally do not experience significant energy price variation that would support economical use of storage, except that some commercial customers could avoid demand charges through storage operations.
- TCLP recently agreed to participate in an attractive MPPA grid-integrated storage project.

Beneficial Electrification (Elevate)

- TCLP's residential rebates for air source heat pump heating and hot water systems are available on their website and it is up to the homeowner to navigate and apply. The incentive levels are at the industry norm for similar utilities in Michigan to encourage modest uptake of beneficial electrification technologies.
- TCLP's website also provides a link for residential customers to a US Department of Energy Home Energy Savers calculator to support homeowners to identify potential savings from energy efficiency

and electrification projects. This is a useful tool for engaged homeowners but is not ideal for electrification and has limited impact for homeowners who need more support.

- TCLP's commercial services include a fillable form with various electric rebate programs for electric motors, ventilation systems, and other commercial/industrial electric systems that are set at the industry norm. This is useful for firms that have engaged managers with knowledge in the energy field. Support is also likely provided by knowledgeable local trade allies.
- Financing: TCLP provides financing options for both residential and commercial customers
- Residential customers can access on-bill financing for up to \$30,000 for qualifying improvements, though an Energy Audit may be required.
- Commercial customers can obtain 0% financing for up to \$50,000 through Venture North.

Energy Efficiency/Energy Waste Reduction (Michigan Energy Options)

TCLP offers Energy Waste Reduction (EWR) measures under its in-house Energy Savers program.

- Residential program categories include Lighting, Heat Pump Technology, Appliances, Solar, EV Charging and Appliance recycling measures.
 - The program is aligned with similar rebate programs offered around the state.
 - The Program is weighted toward electrification with strong heat pump incentives.
 - There is an opportunity to expand measure and program offerings.
- Commercial program categories include Lighting, A/C and Heat Pumps, HVAC Controls, VFD/VSDs, Pumps, Tools/Equipment, Compressed Air, Commercial Kitchens & refrigeration, and custom projects.
 - The program is aligned with similar rebate programs offered around the state.
 - Historic data indicates that lighting has been the primary driver of energy savings for the program.
 - The commercial program has opportunities to expand measures and offerings.
- Financing: TCLP provides financing options for both residential and commercial customers
 - Residential customers can access on-bill financing for up to \$30,000 for qualifying improvements, though an Energy Audit may be required.
 - Commercial customers can obtain 0% financing for up to \$50,000 through Venture North.
- Website
 - There is room for improvement in the *EnergySaver* landing page, such as adding FAQs on the benefits of heat pump technology and offering a separate incentive guide for commercial customers.

During the May 9, 2023, Board Meeting, Staff will provide a brief update on TCLP's performance with Distributed Energy Resources, Energy Efficiency/Energy Waste Reduction and Electric Vehicles.

OPPORTUNITIES FOR TCLP'S CLIMATE ACTION PLAN

The preliminary recommendations and opportunities identified for TCLP's Climate Action Plan are based on the collaborative insight and recommendations of all consultant partners (5 Lakes, Michigan Energy Options, Elevate & NextEnergy), Staff, customer & community partner feedback, and the Sustainability Ad Hoc Committee. Elements of Community Education and Energy Literacy are assumed with each of the recommendations.

Decarbonization

As referenced above, decarbonization will be what we strive to accomplish with our investments, strategies, and operations. The envisioned decarbonized goal includes decarbonizing and sustaining a carbon free community in a manner that supports planet health. Setting decarbonization goals should be prioritized based on span of control and influence. The proposed decarbonized goals and strategies are as follows:

- Energy Portfolio Investments – Carbon Free by or before 2040
 - This retains the 100% renewable energy goal of by or before 2040 and offers opportunities to track TCLP's climate impact along the way.
 - 5 Lakes Energy will provide an update and perspective on the resources being modeled:

- These include those that are set until the life cycle expiration of certain thermal resource investments.
- Renewable and clean resource investment options.
- Risk and uncertainties that drive decisions and strategies.
- How increased electrification and energy efficiency will drive TCLP's energy resource adequacy requirements.
- TCLP facility and business operations – Net Zero by 2025 & Carbon Free by 2030
 - This will involve a baseline carbon output assessment.
 - Will be influenced by the logistics and pace for electric readiness for facilities, fleet, etc.
- Decarbonization strategies and tactics for customers and community partners
 - The goal will be for TCLP to consult and support the development/advocacy of decarbonization goals and strategies for its customers and community partners.
 - TCLP will participate and encourage community wide carbon baseline assessment and tracking.

Customer Energy Optimization Program

- Create an integrated customer energy optimization program covering energy efficiency, building electrification, vehicle electrification, on-site solar, on-site storage, and demand response. The customer journey (or roadmap) will provide to customers the actions they should take to fully decarbonize their personal life or business with triggering events for or sequence of actions.
- Through the integrated customer energy optimization program, provide maximum feasible assistance for customer access to federal and state tax credits and rebates.

Rebate Program

- Maintain a TCLP rebate program for *Energy Star* electrical devices sufficient to achieve annual incremental first-year electricity savings of 1%. We will recommend specific tailoring to maximize the social value of these rebates considering market penetration, effects of changed internal heat loads on heating and cooling requirements, GHG emissions, and an emphasis on the “most efficient” products in each category.
- Offer rebates for electrical panel and other building electrical system upgrades needed for future electrification and solar, so that these upgrades can be done prior to building envelope improvements and to be ready for “emergency” electrification upon equipment failure.

[There remain a few policy considerations that will ripen for program maturity. The goal is to have further focused discussion at a Sustainability Ad Hoc committee before the June 13, 2023 Board meeting.](#)

District Heating and Cooling

- Engage a consultant to perform a feasibility study to perform an in-depth evaluation of creating a ground-source or water-source district heating and cooling utility partnership in denser portions of the TCLP service territory.
- This would involve a collaborative endeavor with the City of Traverse City as a water provider.
- This recommendation would be one to discuss during FY 2024 with the goal of considering a feasibility study during FY 2025.

Building Envelope Improvement Program

- Develop a new program focused on building envelope improvements, heat pump space conditioning, heat pump water heating, and vehicle charging equipment.
 - Offer rebates based on the smaller of TCLP's avoided cost and avoided social cost for electricity efficiency and on the smaller of TCLP's net revenue over marginal costs and avoided social costs for electrification. Provide on-bill repayment and other attractive financing for the balance of measure costs.
 - For an initial period of 2 to 5 years, offer rebates for air sealing, energy-recovery ventilation, heat pump space conditioning and water heating, and electric vehicle charging equipment primarily through a short list of vendors who demonstrate technical qualification, commit to maintaining in-stock equipment, and commit to marketing to achieve a certain number of installations per year.

- Provide a continuing education program for contractors to learn about building science and the new approach to efficiency and electrification.

As with rebates, there remain a few policy considerations that will ripen for program maturity. The goal is to have further focused discussion at a Sustainability Ad Hoc committee before the June 13, 2023 Board meeting.

Commercial Kitchen Efficiency Program

- Develop a new program focused on commercial kitchen improvements, built around recurring meetings of an affinity group of customers and an offer of technical assistance in efficient and electric kitchens.
- Consider working with Northwestern Michigan College (NMC) to provide a demonstration kitchen. A similar affinity group and technical assistance offer for hotels and other lodging might also be warranted, focused on room heating and cooling, hot water, and guest EV charging.

Key Account Customer Energy Optimization Program

- Update and enhance TCLP's current Key Account Management program and operations that is comparable to model programs encouraged by the American Public Power Association (APPA).
- Offer assistance to develop and implement a custom energy optimization program for each primary customer and any other key accounts. Consider adding key transportation providers to key accounts to encompass fleet electrification.
- **Demand Response (Rebates)**
- As a condition for rebates on electric vehicle chargers, space conditioning equipment, electric water heaters, and perhaps other efficiency or electrification rebates, require that equipment be able to participate in a demand response program.

Demand Side Management Program (DSM)/Time of Use Rates (TOU) & MISO Capacity Resources

- Provide a financial offer for customers to enroll in an automated demand side management program for vehicle charging, space conditioning, water heating, pumping, electricity storage, that will:
 - Inform equipment operations about time-of-use rate schedules;
 - Allow real-time management of demand within customer-friendly limits; and
 - Allow (at customer option) emergency management of demand as needed to qualify as MISO capacity resources.

Behind the Meter (BTM) and Energy Storage Bill Savings Report

- As part of the customer energy optimization program, reduce the "soft costs" of behind-the-meter solar and storage by providing each customer an annual report of the expected costs and bill savings for solar at their premises, referral to qualified vendors or automated solicitation of proposals from qualified vendors, streamlined permitting and inspections, and on-bill repayment and other attractive financing for system costs.

Wind and Solar PPAs

- Use wind and solar power purchase agreements to meet annual energy needs more than what TCLP is already contracted to receive from other facilities. This will provide some capacity credits for resource adequacy purposes. TCLP should attempt to acquire any capacity credits not provided through PPAs or generation project participation by using either demand response or storage.

Energy Storage Procurement

- Storage procurement by TCLP should be based on an identified list of opportunities to create microgrids that support community resilience in the event of grid outages.

TCLP's developing *Strategic Communication & Marketing Plan*, as well as the *Business Model & Workforce Transition Readiness* engagement (TCLP Tomorrow), will be influenced by and drive the effectiveness of TCLP's Climate Action Plan. During the May 9, 2023 Board meeting, Staff will touch on a few of the operational transition considerations as we move forward. Staff will also highlight the role of TCLP's SmartGrid investments in its climate impact endeavors.

Next Steps

The desired outcome for the June 13, 2023 Board meeting is for the following:

- Energy Portfolio Mix Strategy
- Feedback on programs and tactics

Additional next steps include incorporating the Climate Action Plan into the development and update of TCLP's corporate strategic plan for calendar years 2024-2029. The goal will also be to update the Climate Action Plan (IRP modeling, etc.) no later than the Summer of 2029 and incorporate it into the standard corporate planning process.

TRAVERSE CITY LIGHT & POWER CLIMATE ACTION PLAN

The Path to a Healthier Climate Begins in
Traverse City



Roadmap

Decarbonization

Energy Portfolio

TCLP Today

- DERs
- Energy Storage
- Energy Efficiency/EWR
- Beneficial Electrification-EV

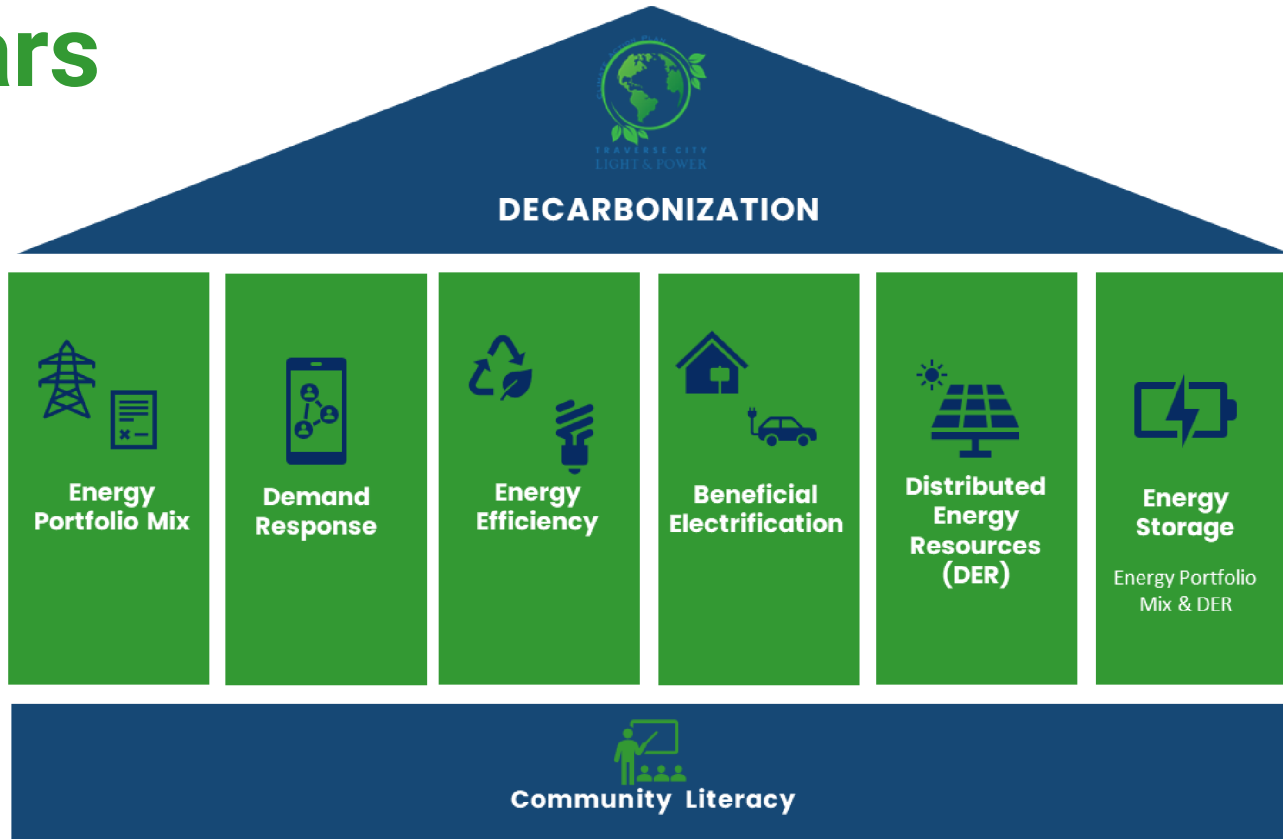
Moving Forward

- Future Opportunities
- Smart Grid Investment
- Operational Transition

Next Steps



Decarbonization Pillars



Decarbonization

Strategy & Prioritization

TCLP Energy Investments

TCLP Operations

- Facilities & Fleet

Influence & Encourage Strategy Development

TCLP community partners (City & County)

Customers

- Commercial & Industrial
- Residential





TCLP Energy Portfolio

Role of Available Generation

Role & Availability of Renewable Generation

Resource Options

- Current
- Future
- Role of DERS

Risks & Uncertainties

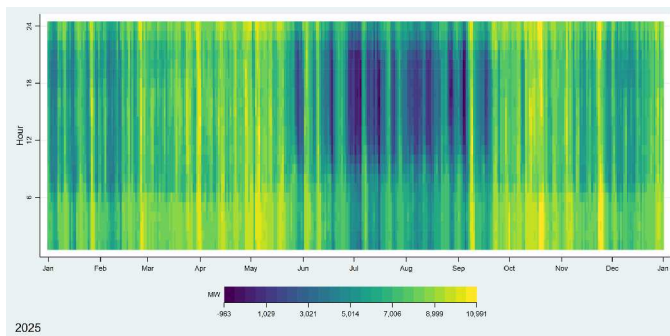


Available Generation MISO Zone 7

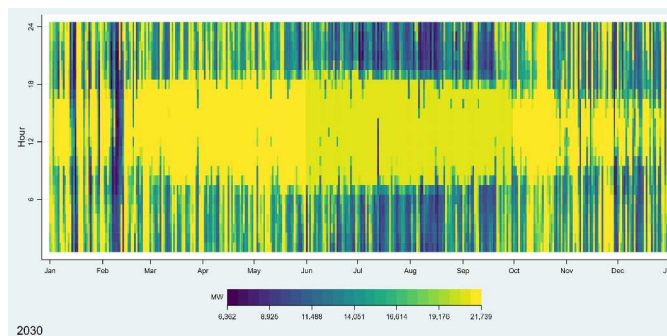
1 of 11 Modeling Scenarios

MISO sets requirements based on
demand in dark blue

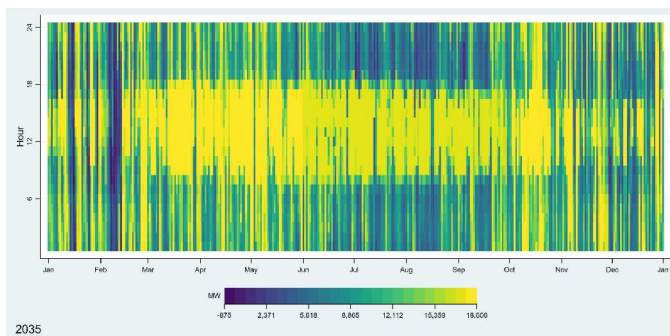
2025



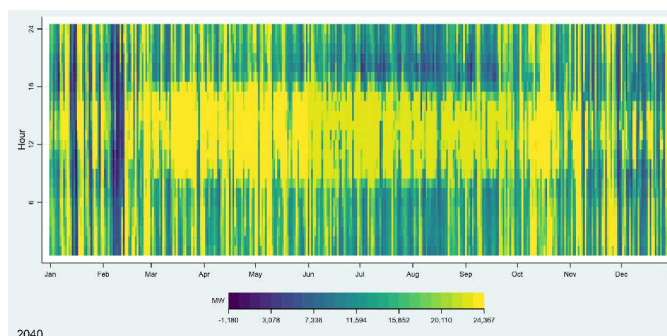
2030



2035



2040



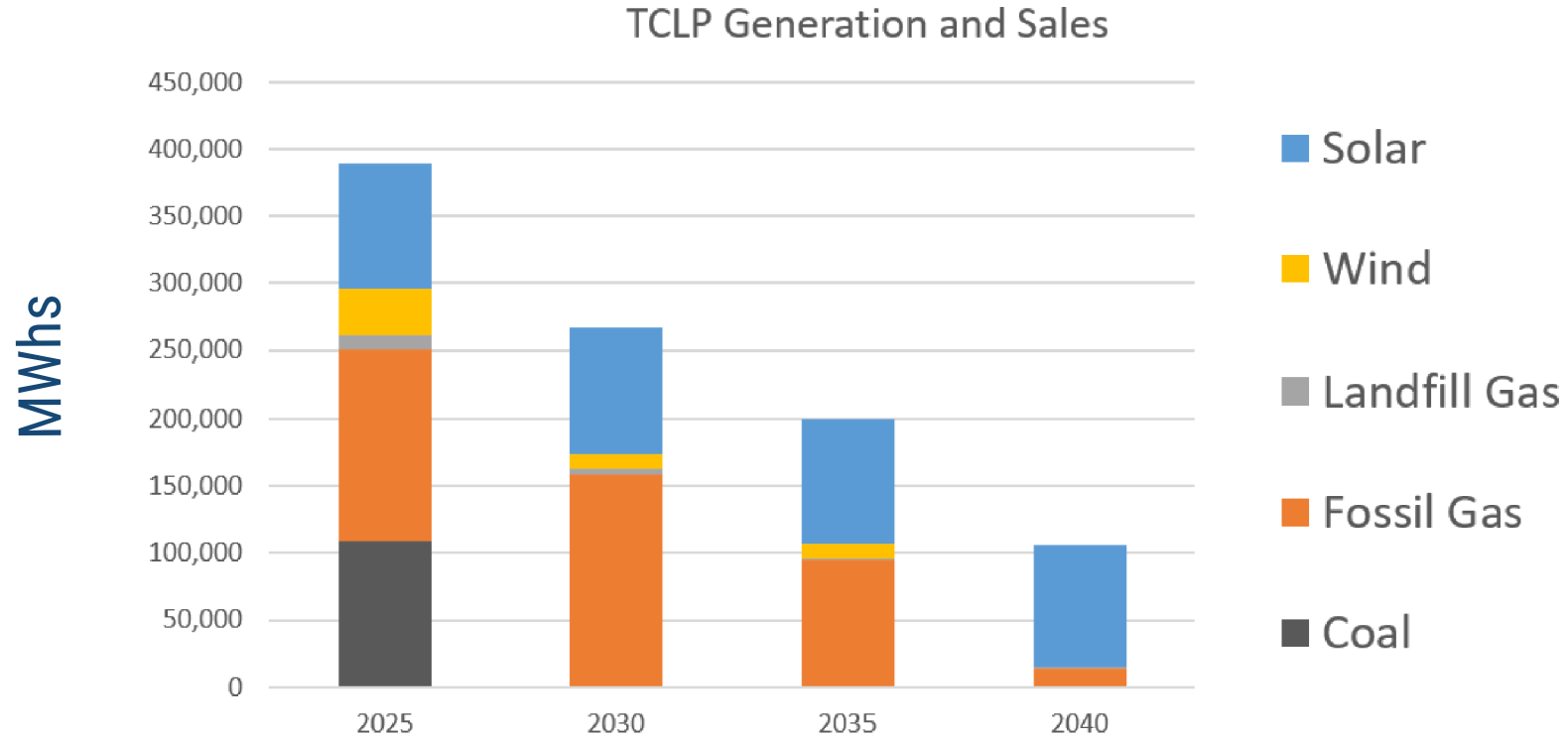
**Dark blue hours have
limited supply**



**Yellow hours have ample
supply**



Current Resource Mix Projections



* EV/Building electrification, along side of traditional load growth is projected to drive TCLP energy sales beyond the currently available resource mix. The amount of exceedance will be driven by market penetration of EV/building electrification and the influence of energy efficiency.

TCLP Today

Distributed Energy Resources

Where Are We Today?

- **Net Metering Program**
 - Easily accessible
 - Similar to other utilities
- **On-bill Financing Available**
- **Integrate & Interconnect**



Energy Storage

Where Are We Today?

Energy Portfolio

- Early adopter of large-scale battery capacity project.
- Total of 25MW - our share is 4MW.
- Replaces portion of lost capacity from Campbell.

DER

- Customer DER utilization.
- Current net metering contract restrictions.



Energy Efficiency (AKA EWR)

Where Are We Today?

Use of EWR Funds

- Pilot Programs
- Low income
- Education

Rebate Utilization

- Residential
- Commercial

On-Bill Financing to Support Energy Efficiency





Beneficial Electrification

Where Are We Today?

EV Charging Station Network

24 – Level 2 charging ports in 6 public lots

- These will charge at a max output of 19.2 kW (up to 65 mi per hour of charge)

3 DC Fast charging ports in 2 public lots

- These will charge at a max output of 120 kW (up to 420 mi per hour of charge)

TCLP EV Fleet

- TCLP currently has 3 Ford Lightnings in its fleet
- There is another Ford Lightning and an E-Transit on order
- We expect delivery of these in the next couple months

Residential EV Charger Rebates

- TCLP currently offers a \$500 rebate to residential customers for purchasing and installing a new EV charger at a residential account



Moving Forward



Future Opportunities

Customer Energy Optimization

Building Envelope

**Energy
Efficiency/EWR**

**District Heating &
Cooling**

Demand Response

**BTM Solar &
Storage**

Future Opportunities

Ease to Engage

Rebates

Energy Coach

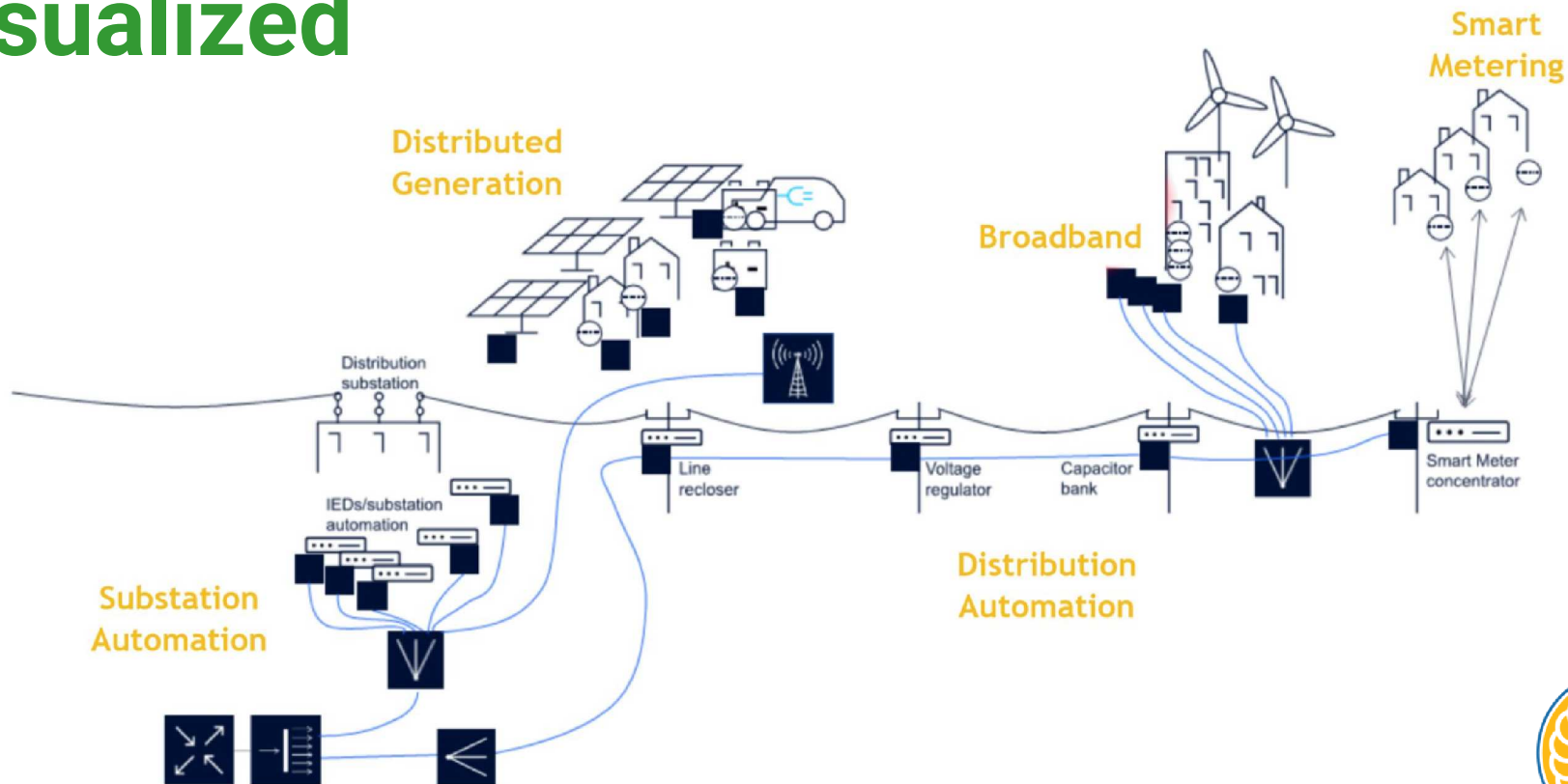
Key Accounts

**Commercial
Kitchen**

**Contactor Engagement
& Programs**



Smart Grid Visualized



WHAT MAKES A GRID "SMART?"

In the same way that today's "smart phone" technology merged the power of computers with cellular phones, smart grid technology merges the power of computers with the electric grid.

- Smart switches isolate problems on the electric system and automatically reroute power so that electricity keeps flowing to as many people as possible.
- Smart substations detect potential problems and automatically notify TCLP to help prevent power outages.
- Smart meters can notify TCLP when an outage occurs to help restore power more quickly, and provide you access to more energy-usage information to help you save.

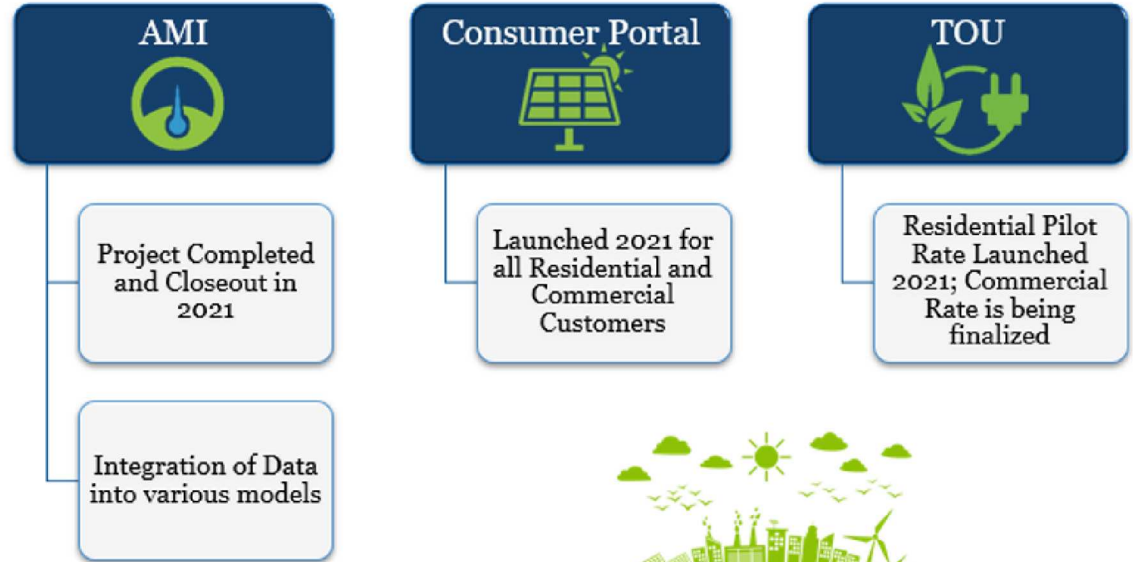
THE THREE KEY BENEFITS:

Improves reliability and security of supply.

Tools and services that can help you save money.

A cleaner, greener planet for future generations.

Smart Grid



Operational Transition

Workforce Impact

- Training/new skills
- Contracting/in house/hybrid
- New or modified processes

Carbon Free Operation

- Fleet
- Facility & Building Footprint

Effectiveness & Continuous Improvement

- Additional projects for generation, lines & equipment
- Planning, policies, programs for CAP change management



Next Steps

Next Board Meeting: June 13, 2023

- Energy Portfolio Mix goals
- Decarbonization Strategy
- Feedback

Community Education & Energy Literacy

- Strategic Marketing & Communication

How the CAP ties into Future Planning

- Strategic Plan Update
- Next CAP IRP; No later than Summer 2029

Thank You



Consultant Partners

To: TCLP Board
From: Karla Myers-Beman - Chief Financial Officer
Meeting: Regular Board - May 09 2023
Subject: March 31, 2023 Financial Statements

Enclosed in your packet are the third quarter financial statements for the Electric and Fiber Funds.

Electric Utility Fund

As of March 31, 2023 (75% through the fiscal year), operating revenues - sales are 83.57% of budgeted operating revenues. This is caused by both an increase in sales over prior year along with higher-than-expected purchase power rates passed onto the customer by the power service cost recovery rate.

Total operating expenses are at 90.97% of budget year-to-date, with purchase power costs at 93.73%. Overall expenses are higher in the departments relating to fringe benefit costs for pension and OPEB where these represent actual cash outlay costs versus adjusted for the related deferred inflows/outflows at fiscal year-end, which most likely will be higher than anticipated since there was a market loss of investments of approximately \$3M, which will be amortized over the new few years.

Increase in purchase power costs are related to the following:

- Kalkaska Combustion Turbine was unable to operate at full capacity due to one engine being offline for repairs for most of the summer. MPPA has researched the option of changing the Kalkaska Combustion Turbine operating permit to allow the generator to run more, which will help mitigate market price risk.
- There are higher costs than prior year with Belle River related to increase in cost for Nox allowances due to limited availability of these allowances to purchase.
- Bilateral contract costs increasing related to increase in natural gas prices along with an increase in higher-than-expected purchases than originally anticipated during the March 2022 budget process.

Net income through the third quarter is \$(530,513) which is approximately \$515,857 decrease over the prior year. This is a result of higher purchases power costs not yet recovered through the power service cost recovery rate due to the two-month lag along with the twelve-month rolling average.

The overall purchase power cost for the third quarter has increased from prior year of \$61.00 per MWh to \$77.40 per MWh.

Cash flow statement shows approximately \$4.2M expended in capital assets with the majority of it related to the Barlow Parsons Transmission Line and the remaining is for internal work for new services, customer accommodations, and line improvements.

Cash and investment balance is \$4.2M and will increase in the future as power costs start to decline over the next several months.

Fiber Fund

Revenues in the Fiber Fund are 46.65% of budgeted operating revenues while expenses are 69.76% of budget year-to-date. The Fiber Fund has a change in net position of \$(140,376) and cash balance of (\$176,031) primarily related to capital costs for installations and service extensions.

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND STATEMENT OF NET POSITION MARCH 31, 2023

ASSETS		LIABILITIES AND NET POSITION	
Current assets		Current liabilities	
Cash and cash equivalents	\$ (5,609,004)	Accounts payable	\$ 2,216,556
Investments	9,837,664	Accrued expenses and other liabilities	97,419
Receivables		Customer deposits	86,048
Customer, less allowances of \$320,423		Unearned revenue	-
for uncollectible accounts (Light and Power Fund)	6,073,757	Due to other funds	-
Accrued interest	17,175	Compensated absences	5,108
Taxes	1,765	Lease liability	26,576
Other	2,594,775	Due to primary government	-
Lease receivable	42,558		
Due from federal	-		
Due from state	148,004		
Inventories	1,851,663	Total current liabilities	2,431,707
Prepaid expenses	375,493		
Total current assets	15,333,850	Long-term liabilities	
		Compensated absences	229,479
Non-current assets		Lease liability	131,709
Lease receivable	272,215	Net pension liability	8,087,123
Long-term advances - Fiber Fund	3,091,222	Net other post employment benefits	800,476
Long-term advances - City of Traverse City	171,711	Notes payable	110,579
Land and land improvements	1,071,410	Total long term liabilities	9,359,366
Lease asset	160,294		
Construction in progress	5,126,182	Total liabilities	11,791,073
Capital assets being depreciated, net	65,175,141		
Total non-current assets	75,068,175	Deferred inflows	
		Deferred inflow - Lease	313,936
Total assets	90,402,025	Deferred inflow - Pension	2,311,970
		Deferred inflow - OPEB	716,966
Deferred outflows		Total deferred inflows	3,342,872
Deferred outflow - Pension	3,222,303		
Deferred outflow - OPEB	1,212,795	Net position	
Total deferred outflows	4,435,098	Invested in capital assets	71,372,733
		Unrestricted	8,335,445
Total cash and investments	\$ 4,228,660	Total net position	\$ 79,708,178

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE PERIOD ENDED MARCH 31, 2023

	Light and Power Fund
Operating revenues	
Charges for services	\$ 27,113,358
MISO income	2,656,265
Other	216,601
Total operating revenues	29,986,224
Operating expenses	
Generation	20,116,035
Distribution	3,928,740
Transmission	313,152
Customer accounting	562,411
Public service	548,642
Information systems	413,896
General administration	981,810
Other	64,186
City fee	1,799,173
Depreciation	2,354,445
Total operating expenses	31,082,490
Operating (loss)	(1,096,266)
Nonoperating revenues	
Federal revenue	20,865
Rental income	99,365
Reimbursements	378,604
Interest income	57,746
Sale of capital assets	9,173
Total nonoperating revenue (expenses) - net	565,753
Change in net position	(530,513)
Net position, beginning of year.	80,238,691
Net position, end of year	\$ 79,708,178

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

**ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023**

	Month to Month Comparison			Year to Year Comparison			Budget to Year to date Comparison			
	Month to date	Month to date	Month to date	Year to date	Year to date	Year to date	Amended	Year to date	Favorable	% of
	Actual	Prior Year	Difference	Actual	Prior Year	Difference	Budget	Actual	(Unfavorable)	budget
Operating revenues - sales										
Residential	\$ 658,599	\$ 657,849	\$ 750	\$ 5,753,456	\$ 4,999,576	\$ 753,879	\$ 6,916,000	\$ 5,753,456	\$ (1,162,544)	83.19%
Commercial	1,457,830	1,414,582	43,248	12,856,566	10,993,944	1,862,622	15,148,000	12,856,566	(2,291,434)	84.87%
Industrial	883,162	686,856	196,306	7,972,457	6,702,737	1,269,720	9,693,000	7,972,457	(1,720,543)	82.25%
Public authority	17,973	16,221	1,752	228,982	214,808	14,174	308,000	228,982	(79,018)	74.34%
Electric vehicles	513	214	299	5,914	2,634	3,280	7,500	5,914	(1,586)	78.85%
Green sales	1,117	6,142	(5,025)	13,518	67,857	(54,339)	28,000	13,518	(14,482)	48.28%
Street lighting	19,561	23,351	(3,790)	200,974	164,946	36,029	235,000	200,974	(34,026)	85.52%
Yard lights	9,764	11,309	(1,545)	81,491	102,848	(21,357)	110,000	81,491	(28,509)	74.08%
Total operating revenues - sales	3,048,518	2,816,523	231,995	27,113,358	23,249,349	3,864,009	32,445,500	27,113,358	(5,332,142)	83.57%
Other operating revenues										
Forfeited discounts	-	5,125	(5,125)	24,163	19,893	4,270	55,000	24,163	(30,837)	43.93%
Merchandise and jobbing	(264)	664	(928)	68,469	102,883	(34,414)	140,000	68,469	(71,531)	48.91%
Sale of scrap	1	1	-	15,506	27,791	(12,285)	20,000	15,506	(4,494)	77.53%
Recovery of bad debts	-	-	-	-	-	-	-	-	-	#DIV/0!
MISO income	235,269	218,886	16,383	2,656,265	2,446,074	210,191	3,400,000	2,656,265	(743,735)	78.13%
Miscellaneous	38,407	33,901	4,506	108,463	114,858	(6,395)	39,500	108,463	68,963	274.59%
Total other operating revenues	273,413	258,578	14,835	2,872,866	2,711,500	161,366	3,654,500	2,872,866	(781,634)	78.61%
Nonoperating revenues										
Federal revenue	-	-	-	20,865	-	20,865	-	20,865	20,865	#DIV/0!
State revenue	-	-	-	-	146,600	(146,600)	-	-	-	#DIV/0!
Rental income	2,211	2,211	-	57,808	45,738	12,070	54,500	57,808	3,308	106.07%
Pole rental income	-	-	-	41,557	41,030	527	66,700	41,557	(25,143)	62.30%
Reimbursements	29,143	19,465	9,678	378,604	168,353	210,251	88,900	378,604	289,704	425.88%
Interest income	340	214	126	57,746	46,290	11,457	110,000	57,746	(52,254)	52.50%
Gain/loss on sale of assets	-	-	-	9,173	-	9,173	(75,000)	9,173	84,173	-12.23%
Total nonoperating revenues	31,694	21,890	9,804	565,753	448,011	117,742	245,100	565,753	320,653	230.83%
Total revenues	3,353,625	3,096,990	256,635	30,551,977	26,408,859	4,143,118	36,345,100	30,551,977	(5,793,123)	84.06%
Purchase Power Expense										
Non purchase power expenses	54,904	28,621	26,283	342,545	257,500	85,045	249,900	342,545	(92,645)	137.07%
Capacity costs	(30,494)	32,137	(62,631)	(292,313)	295,812	(588,125)	201,500	(292,313)	493,813	-145.07%
MISO	72,591	702,340	(629,749)	950,569	805,855	144,714	1,687,000	950,569	736,431	56.35%
Bilateral contracts	108,914	62,895	46,019	3,404,242	1,351,128	2,053,114	330,700	3,404,242	(3,073,542)	1029.40%
Campbell Coal Plant	242,406	197,090	45,316	2,566,489	2,839,081	(272,592)	2,968,600	2,566,489	402,111	86.45%
Belle River Coal Plant	232,712	263,237	(30,525)	3,180,528	2,394,481	786,048	3,280,600	3,180,528	100,072	96.95%
Combustion Turbine	467,303	380,841	86,463	5,268,433	4,589,719	678,714	5,547,000	5,268,433	278,567	94.98%
Landfill Gas	61,679	96,968	(35,289)	744,934	774,839	(29,904)	1,145,200	744,934	400,266	65.05%
M-72 Solar	14,456	10,522	3,934	98,178	88,305	9,873	210,300	98,178	112,122	46.68%
M-72 Solar II	12,237	8,449	3,788	84,761	76,582	8,179	140,600	84,761	55,839	60.29%
M-72 Solar III	1,590	-	1,590	3,970	-	3,970	-	3,970	(3,970)	#DIV/0!
Assembly	77,461	78,133	(672)	593,098	550,092	43,006	824,000	593,098	230,902	71.98%
Assembly Solar II	49,658	50,868	(1,210)	387,287	102,483	284,804	545,000	387,287	157,713	71.06%
Invenergy Calhoun Solar	-	-	-	-	-	-	535,000	-	535,000	0.00%
Stoney Corners	296,317	335,840	(39,523)	2,421,886	2,058,825	363,061	3,217,800	2,421,886	795,914	75.27%
M-72 Wind Turbine	-	(178)	178	(14)	2,262	(2,276)	-	(14)	14	#DIV/0!
Pegasus	44,019	47,053	(3,034)	361,441	333,425	28,016	463,000	361,441	101,559	78.07%
Purchase power expenses	1,650,850	2,266,194	(615,344)	19,773,490	16,262,889	3,510,601	21,096,300	19,773,490	1,322,810	93.73%

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2023

	Month to Month Comparison			Year to Year Comparison			Budget to Year to date Comparison			
	Month to date	Month to date	Month to date	Year to date	Year to date	Year to date	Amended	Year to date	Favorable	% of
	Actual	Prior Year	Difference	Actual	Prior Year	Difference	Budget	Actual	(Unfavorable)	budget
Distribution	\$ 555,338	\$ 505,318	\$ 50,020	\$ 3,928,740	\$ 3,757,496	\$ 171,243	\$ 3,879,400	\$ 3,928,740	\$ (49,340)	101.27%
Transmission	31,220	58,826	(27,606)	313,152	372,797	(59,645)	462,500	313,152	149,348	67.71%
Customer accounting	99,725	53,593	46,132	562,411	529,781	32,631	647,283	562,411	84,872	86.89%
Public service	75,615	53,561	22,054	548,642	483,184	65,458	931,400	548,642	382,758	58.91%
Information systems	39,888	54,069	(14,181)	413,896	326,914	86,982	547,650	413,896	133,754	75.58%
General administration expense	148,861	50,047	98,814	981,810	706,723	275,087	1,061,500	981,810	79,690	92.49%
Other expenses										
Insurance	-	7,421	(7,421)	64,186	66,788	(2,602)	95,000	64,186	30,814	67.56%
City fee	145,000	145,000	-	1,799,173	1,305,000	494,173	1,815,000	1,799,173	15,827	99.13%
Depreciation	261,605	261,605	-	2,354,445	2,354,445	-	3,381,500	2,354,445	1,027,055	69.63%
Total expenses	<u>3,063,006</u>	<u>3,484,256</u>	<u>(421,250)</u>	<u>31,082,490</u>	<u>26,423,516</u>	<u>4,658,974</u>	<u>34,167,433</u>	<u>31,082,490</u>	<u>3,084,943</u>	<u>90.97%</u>
Income before transfers	290,619	(387,266)	677,885	(530,513)	(14,657)	(515,857)	2,177,667	(530,513)	(2,708,180)	0
Transfers in	-	-	-	-	-	-	-	-	-	#DIV/0!
Change in net position	<u>\$ 290,619</u>	<u>\$ (387,266)</u>	<u>\$ 677,885</u>	<u>\$ (530,513)</u>	<u>\$ (14,657)</u>	<u>\$ (515,857)</u>	<u>\$ 2,177,667</u>	<u>\$ (530,513)</u>	<u>\$ (2,708,180)</u>	

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED) LIGHT AND POWER FUND FOR THE PERIOD ENDED MARCH 31, 2023

	Month to Month Comparison			Year to Year Comparison			Budget to Year to date Comparison			
	Month to date Actual	Month to date Prior Year	Month to date Difference	Year to date Actual	Year to date Prior Year	Year to date Difference	Amended Budget	Year to date Actual	Favorable (Unfavorable)	Percentage of budget
Operating revenues - sales										
Residential	\$ 658,599	\$ 657,849	\$ 750	\$ 5,753,456	\$ 4,999,576	\$ 753,879	\$ 6,916,000	\$ 5,753,456	\$ (1,162,544)	83.19%
Commercial	1,457,830	1,414,582	43,248	12,856,566	10,993,944	1,862,622	15,148,000	12,856,566	(2,291,434)	84.87%
Industrial	883,162	686,856	196,306	7,972,457	6,702,737	1,269,720	9,693,000	7,972,457	(1,720,543)	82.25%
Public authority	17,973	16,221	1,752	228,982	214,808	14,174	308,000	228,982	(79,018)	74.34%
Electric vehicles	513	214	299	5,914	2,634	3,280	7,500	5,914	(1,586)	78.85%
Green sales	1,117	6,142	(5,025)	13,518	67,857	(54,339)	28,000	13,518	(14,482)	48.28%
Street lighting	19,561	23,351	(3,790)	200,974	164,946	36,029	235,000	200,974	(34,026)	85.52%
Yard lights	9,764	11,309	(1,545)	81,491	102,848	(21,357)	110,000	81,491	(28,509)	74.08%
Total operating revenues - sales	3,048,518	2,816,523	231,995	27,113,358	23,249,349	3,864,009	32,445,500	27,113,358	(5,332,142)	83.57%
Other operating revenues										
Forfeited discounts	-	5,125	(5,125)	24,163	19,893	4,270	55,000	24,163	(30,837)	43.93%
Merchandise and jobbing	(264)	664	(928)	68,469	102,883	(34,414)	140,000	68,469	(71,531)	48.91%
Sale of scrap	1	1	-	15,506	27,791	(12,285)	20,000	15,506	(4,494)	77.53%
Recovery of bad debts	-	-	-	-	-	-	-	-	-	#DIV/0!
MISO income	235,269	218,886	16,383	2,656,265	2,446,074	210,191	3,400,000	2,656,265	(743,735)	78.13%
Miscellaneous	38,407	33,901	4,506	108,463	114,858	(6,395)	39,500	108,463	68,963	274.59%
Total other operating revenues	273,413	258,578	14,835	2,872,866	2,711,500	161,366	3,654,500	2,872,866	(781,634)	78.61%
Nonoperating revenues										
Federal revenue	-	-	-	20,865	-	20,865	-	20,865	20,865	#DIV/0!
State revenue	-	-	-	-	146,600	(146,600)	-	-	-	#DIV/0!
Rental income	2,211	2,211	-	57,808	45,738	12,070	54,500	57,808	3,308	106.07%
Pole rental income	-	-	-	41,557	41,030	527	66,700	41,557	(25,143)	62.30%
Reimbursements	29,143	19,465	9,678	378,604	168,353	210,251	88,900	378,604	289,704	425.88%
Interest income	340	214	126	57,746	46,290	11,457	110,000	57,746	(52,254)	52.50%
Gain/loss on sale of assets	-	-	-	9,173	-	9,173	(75,000)	9,173	84,173	-12.23%
Total nonoperating revenues -net of	31,694	21,890	9,804	565,753	448,011	117,742	245,100	565,753	320,653	230.83%
	3,353,625	3,096,990	256,635	30,551,977	26,408,859	4,143,118	36,345,100	30,551,977	(5,793,123)	84.06%
Generation expense										
Salaries and wages	323	(2,502)	2,825	(22,327)	(22,763)	436	34,300	(22,327)	56,627	-65.09%
Fringe benefits	42,381	19,890	22,491	204,098	191,312	12,786	(80,500)	204,098	(284,598)	-253.54%
Equipment rental	(382)	1,049	(1,431)	5,020	6,494	(1,474)	3,000	5,020	(2,020)	167.33%
Professional and contractual	12,076	9,909	2,167	146,759	74,884	71,875	277,000	146,759	130,241	52.98%
Professional development	-	-	-	24	-	24	3,000	24	2,976	0.80%
Operation supplies	-	-	-	-	-	-	-	-	-	#DIV/0!
Communications	-	-	-	-	57	(57)	200	-	200	0.00%
Safety	-	-	-	3,655	3,076	579	3,600	3,655	(55)	101.53%
Meal payments	-	-	-	-	-	-	-	-	-	#DIV/0!
Miscellaneous	506	275	231	5,316	4,441	875	9,300	5,316	3,984	57.16%
Non purchase power expenses	54,904	28,621	26,283	342,545	257,500	85,045	249,900	342,545	(92,645)	137.07%
Capacity costs	(30,494)	32,137	(62,631)	(292,313)	295,812	(588,125)	201,500	(292,313)	493,813	-145.07%
MISO	72,591	702,340	(629,749)	950,569	805,855	144,714	1,687,000	950,569	736,431	56.35%
Bilateral contracts	108,914	62,895	46,019	3,404,242	1,351,128	2,053,114	330,700	3,404,242	(3,073,542)	1029.40%
Campbell Coal Plant	242,406	197,090	45,316	2,566,489	2,839,081	(272,592)	2,968,600	2,566,489	402,111	86.45%
Belle River Coal Plant	232,712	263,237	(30,525)	3,180,528	2,394,481	786,048	3,280,600	3,180,528	100,072	96.95%
Combustion Turbine	467,303	380,841	86,463	5,268,433	4,589,719	678,714	5,547,000	5,268,433	278,567	94.98%
Landfill Gas	61,679	96,968	(35,289)	744,934	774,839	(29,904)	1,145,200	744,934	400,266	65.05%
M-72 Solar	14,456	10,522	3,934	98,178	88,305	9,873	210,300	98,178	112,122	46.68%
M-72 Solar II	12,237	8,449	3,788	84,761	76,582	8,179	140,600	84,761	55,839	60.29%
M-72 Solar III	1,590	-	1,590	3,970	-	3,970	-	3,970	(3,970)	#DIV/0!
Assembly Solar	77,461	78,133	(672)	593,098	550,092	43,006	824,000	593,098	230,902	71.98%
Assembly Solar II	49,658	50,868	(1,210)	387,287	102,483	284,804	545,000	387,287	157,713	71.06%
Invenergy Calhoun Solar	-	-	-	-	-	-	535,000	-	535,000	0.00%
Stoney Corners	296,317	335,840	(39,523)	2,421,886	2,058,825	363,061	3,217,800	2,421,886	795,914	75.27%
M-72 Wind Turbine	-	(178)	178	(14)	2,262	(2,276)	-	(14)	14	#DIV/0!
Pegasus Wind	44,019	47,053	(3,034)	361,441	333,425	28,016	463,000	361,441	101,559	78.07%

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED) LIGHT AND POWER FUND FOR THE PERIOD ENDED MARCH 31, 2023

Purchase power expenses	1,650,850	2,266,194	(615,344)	19,773,490	16,262,889	3,510,601	21,096,300	19,773,490	1,322,810	93.73%
Total generation expenses	1,705,754	2,294,814	(589,061)	20,116,035	16,520,389	3,595,646	21,346,200	20,116,035	1,230,165	94.24%
Distribution expense										
Salaries and wages	207,424	137,619	69,805	1,405,962	1,257,671	148,291	1,803,800	1,405,962	397,838	77.94%
Fringe benefits	327,910	176,260	151,650	1,705,173	1,564,640	140,533	728,600	1,705,173	(976,573)	234.03%
Substation	7,103	9,681	(2,578)	78,758	105,692	(26,934)	143,000	78,758	64,242	55.08%
Overhead lines	4,569	16,821	(12,252)	43,801	52,648	(8,847)	43,000	43,801	(801)	101.86%
Tree trimming	2,601	4,158	(1,557)	136,087	94,606	41,481	220,000	136,087	83,913	61.86%
Underground lines	2,981	383	2,598	44,988	27,736	17,252	38,000	44,988	(6,988)	118.39%
Load and dispatching	2,775	2,689	86	21,875	24,199	(2,324)	36,000	21,875	14,125	60.76%
Storm work	-	-	-	12,444	7,708	4,736	50,000	12,444	37,556	24.89%
Electric meters	1,679	4,173	(2,494)	18,466	14,471	3,995	30,000	18,466	11,534	61.55%
Street lighting	20,447	79,788	(59,341)	174,083	197,193	(23,110)	250,000	174,083	75,917	69.63%
Customer installations	-	-	-	14,374	3,436	10,938	5,000	14,374	(9,374)	287.48%
Plant and structures	6,562	7,650	(1,088)	55,376	58,058	(2,682)	83,000	55,376	27,624	66.72%
Electric vehicles	359	506	(147)	5,346	2,431	2,915	6,000	5,346	654	89.10%
Transportation	2,373	2,770	(397)	25,714	22,718	2,996	35,000	25,714	9,286	73.47%
Equipment rental	(46,419)	16,081	(62,500)	(73,551)	45,871	(119,422)	(1,400)	(73,551)	72,151	5253.64%
Professional services	126	10,173	(10,047)	4,331	63,387	(59,056)	34,000	4,331	29,669	12.74%
Professional development	450	13,824	(13,374)	25,405	19,939	5,466	72,000	25,405	46,595	35.28%
Operation supplies	7,202	7,768	(566)	80,643	73,402	7,241	121,900	80,643	41,257	66.16%
Utilities	9,921	14,234	(4,313)	84,259	88,821	(4,562)	124,500	84,259	40,241	67.68%
Safety	-	28	(28)	28,093	26,986	1,107	32,000	28,093	3,907	87.79%
Meal payments	120	20	100	1,354	1,640	(286)	2,500	1,354	1,146	54.16%
Miscellaneous	(2,845)	693	(3,538)	35,759	4,245	31,514	22,500	35,759	(13,259)	158.93%
Total distribution expense	555,338	505,318	50,020	3,928,740	3,757,496	171,243	3,879,400	3,928,740	(49,340)	101.27%
Transmission expense										
Salaries and wages	15,129	18,693	(3,564)	154,750	160,229	(5,479)	206,000	154,750	51,250	75.12%
Fringe benefits	86	214	(128)	2,291	3,814	(1,523)	3,900	2,291	1,609	58.74%
Substation	5,974	4,197	1,777	43,695	39,061	4,634	55,000	43,695	11,305	79.45%
Overhead lines	-	29,887	(29,887)	22,895	73,751	(50,856)	63,000	22,895	40,105	36.34%
Load and dispatching	975	1,061	(86)	8,126	9,551	(1,425)	12,500	8,126	4,374	65.01%
MISO	2,146	2,115	31	17,004	18,944	(1,940)	25,300	17,004	8,296	67.21%
Inventory adjustment	-	-	-	-	1,037	(1,037)	-	-	-	#DIV/0!
Miscellaneous	6,910	2,660	4,250	64,391	66,410	(2,019)	96,800	64,391	32,409	66.52%
Total transmission expense	31,220	58,826	(27,606)	313,152	372,797	(59,645)	462,500	313,152	149,348	67.71%
Customer accounting expense										
Salaries and wages	28,977	13,584	15,393	191,765	119,989	71,776	264,900	191,765	73,135	72.39%
Meter reading	7,923	11,541	(3,618)	18,470	97,911	(79,441)	25,900	18,470	7,430	71.31%
Fringe benefits	24,282	25,673	(1,391)	169,625	230,987	(61,362)	132,200	169,625	(37,425)	128.31%
Office supplies	316	201	115	5,322	4,530	792	6,000	5,322	678	88.70%
Postage	13,300	35	13,265	44,952	18,474	26,478	69,000	44,952	24,048	65.15%
Stationary and printing	704	-	704	900	(34)	934	2,000	900	1,100	45.00%
Transportation	120	281	(161)	1,519	1,819	(300)	3,250	1,519	1,731	46.74%
Equipment rental	94	(66)	160	14,461	10,739	3,722	5,000	14,461	(9,461)	289.22%
Professional and contractual	21,440	311	21,129	86,516	8,589	77,927	48,000	86,516	(38,516)	180.24%
Communications	2,069	1,984	85	17,769	18,039	(270)	24,300	17,769	6,531	16.24%
Uncollectible accounts	-	-	-	-	-	-	10,000	-	10,000	0.00%
Collection expense	-	-	-	266	(8)	274	2,500	266	2,234	10.64%
Data processing	-	-	-	7,914	15,142	(7,228)	14,333	7,914	6,419	55.22%
Professional development	-	-	-	1,350	-	1,350	8,000	1,350	6,650	16.88%
Safety	-	-	-	-	3,002	(3,002)	-	-	-	#DIV/0!
Meal payments	-	-	-	-	80	(80)	100	-	100	0.00%
Miscellaneous	500	49	451	1,582	521	1,061	31,800	1,582	30,218	4.97%
Total customer accounting expense	99,725	53,593	46,132	562,411	529,781	32,631	647,283	562,411	84,872	86.89%
Public service expense										
Salaries and wages	22,186	978	21,208	129,978	72,602	57,376	106,000	129,978	(23,978)	122.62%
Fringe benefits	16,799	4,334	12,465	92,276	66,475	25,801	110,900	92,276	18,624	83.21%
Office supplies	-	-	-	943	208	735	500	943	(443)	188.60%
Communications	43	43	-	364	361	3	700	364	336	52.00%

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED) LIGHT AND POWER FUND FOR THE PERIOD ENDED MARCH 31, 2023

Energy optimization	12,590	46,426	(33,836)	78,929	284,489	(205,560)	388,800	78,929	309,871	20.30%
Professional and contractual	23,247	1,750	21,497	96,381	28,880	67,501	64,000	96,381	(32,381)	150.60%
Public service	719	-	719	15,546	7,654	7,892	50,100	15,546	34,554	31.03%
Professional development	-	-	-	405	-	405	3,600	405	3,195	11.25%
Transportation	-	-	-	-	-	-	500	-	500	0.00%
Vehicle rental	-	-	-	3,104	2,398	706	3,800	3,104	696	81.68%
Voluntary Green Program	-	-	-	80,500	-	80,500	100,000	80,500	19,500	80.50%
Community Investment Fund	-	-	-	48,924	20,000	28,924	100,000	48,924	51,076	48.92%
Printing and publishing	-	-	-	111	-	111	1,500	111	1,389	7.40%
Miscellaneous	31	31	-	1,181	117	1,064	1,000	1,181	(181)	118.10%
Total public service expense	75,615	53,561	22,054	548,642	483,184	65,458	931,400	548,642	382,758	58.91%
Information Systems										
Salaries and wages	16,606	9,482	7,124	101,030	92,542	8,488	141,000	101,030	39,970	71.65%
Fringe benefits	19,386	10,057	9,329	107,689	92,932	14,757	73,900	107,689	(33,789)	145.72%
Office supplies	198	253	(55)	9,684	3,236	6,448	5,000	9,684	(4,684)	193.68%
Software and hardware	3,073	33,382	(30,309)	181,240	130,997	50,243	278,600	181,240	97,360	65.05%
Utilities	566	506	60	4,814	4,291	523	7,400	4,814	2,586	65.05%
Uniforms	59	-	59	836	235	601	1,000	836	164	83.60%
Professional and contractual	-	-	-	5,537	2,292	3,245	35,000	5,537	29,463	15.82%
Professional development	-	299	(299)	2,898	299	2,599	5,000	2,898	2,102	57.96%
Printing and publishing	-	90	(90)	-	90	(90)	250	-	250	0.00%
Miscellaneous	-	-	-	168	-	168	500	168	332	33.60%
Total information systems	39,888	54,069	(14,181)	413,896	326,914	86,982	547,650	413,896	133,754	75.58%
General administration expense										
Salaries and wages	72,058	16,789	55,269	458,796	213,677	245,119	574,600	458,796	115,804	79.85%
Fringe benefits	61,412	28,113	33,299	334,389	280,369	54,020	151,800	334,389	(182,589)	220.28%
Professional development	353	500	(147)	16,597	13,389	3,208	20,000	16,597	3,403	82.99%
Professional and contractual	11,742	1,323	10,419	53,784	90,949	(37,165)	157,700	53,784	103,916	34.11%
Legal fees	2,056	1,930	126	12,871	27,379	(14,508)	55,000	12,871	42,129	23.40%
Office supplies	-	808	(808)	4,825	3,543	1,282	4,500	4,825	(325)	107.22%
Fees and per diems	136	156	(20)	79,906	69,634	10,272	75,000	79,906	(4,906)	106.54%
Special services	-	-	-	7,884	1,687	6,197	7,000	7,884	(884)	112.63%
Utilities	180	297	(117)	3,748	2,391	1,357	4,900	3,748	1,152	76.49%
Printing and publishing	423	131	292	5,664	1,564	4,100	5,500	5,664	(164)	102.98%
Transportation	230	-	230	447	1,030	(583)	2,500	447	2,053	17.88%
Miscellaneous	271	-	271	2,899	1,111	1,788	3,000	2,899	101	96.63%
Total general administration expense	148,861	50,047	98,814	981,810	706,723	275,087	1,061,500	981,810	79,690	92.49%
Other expenses										
Insurance - general	-	7,421	(7,421)	64,186	66,788	(2,602)	95,000	64,186	30,814	67.56%
City fee	145,000	145,000	-	1,799,173	1,305,000	494,173	1,815,000	1,799,173	15,827	99.13%
Depreciation	261,605	261,605	-	2,354,445	2,354,445	-	3,381,500	2,354,445	1,027,055	69.63%
Total other expenses	406,605	414,026	(7,421)	4,217,804	3,726,233	491,572	5,291,500	4,217,804	1,073,696	79.71%
Total expenses	3,063,006	3,484,256	(421,250)	31,082,490	26,423,516	4,658,974	34,167,433	31,082,490	3,084,943	90.97%
Income before transfers	290,619	(387,266)	677,885	(530,513)	(14,657)	(515,857)	2,177,667	(530,513)	2,708,180	-24.36%
Transfers in	-	-	-	-	-	-	-	-	-	#DIV/0!
Change in net position	\$ 290,619	\$ (387,266)	\$ 677,885	\$ (530,513)	\$ (14,657)	\$ (515,857)	\$ 2,177,667	\$ (530,513)	\$ 2,708,180	

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND STATEMENT OF CASH FLOWS MARCH 31, 2023

Cash flows from operating activities	
Cash received from customers	\$ 27,270,080
Cash payments to employees	(5,031,695)
Cash payments to suppliers for goods and services	(23,282,137)
Cash payments of City fee	<u>(1,799,173)</u>
Net cash (used in) operating activities	<u>(2,842,925)</u>
Cash flows from noncapital financing activities	
Customer deposits refunded	(2,563)
Rental income received	99,365
Reimbursements received	<u>399,469</u>
Net cash provided by noncapital financing activities	<u>496,271</u>
Cash flows from capital and related financing activities	
Funds received from Federal financing/grants	108,408
Interfund loan	(113,620)
Issuance of notes payable	(20,868)
Purchase of capital assets	(4,168,856)
Sale of capital assets	<u>9,173</u>
Net cash (used in) capital financing activities	<u>(4,185,763)</u>
Cash flows from investing activities	
Sale of investments	(87)
Interest and dividends	<u>57,746</u>
Net cash provided by investing activities	<u>57,659</u>
Net decrease in cash and cash equivalents	(6,474,758)
Cash and cash equivalents, beginning of year	<u>870,754</u>
Cash and cash equivalents, end of year	<u>\$ (5,604,004)</u>

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

FIBER FUND STATEMENT OF NET POSITION MARCH 31, 2023

ASSETS		LIABILITIES AND NET POSITION	
Current assets		Current liabilities	
Cash and cash equivalents	\$ (176,031)	Accounts payable	\$ 215,109
Accounts receivable	149,225	Accrued expenses and other liabilities	10,061
Inventory	8,928	Accrued interest	11,563
Prepaid expenses	<u>8,607</u>	Unearned revenue	11,206
Total current assets	<u>(9,272)</u>	Due to other funds - Industrial Park Fund	<u>160,000</u>
		Total current liabilities	<u>407,939</u>
		Long term liabilities	
		Compensated absences	7,739
		Long term advances - Industrial Park Fund	320,000
		Long term advances - Electric Fund	<u>3,091,222</u>
		Total long-term liabilities	<u>3,418,961</u>
Non-current assets		Total liabilities	<u>3,826,900</u>
Construction in progress	208,271	Invested in capital assets	952,161
Capital assets being depreciated, net	<u>4,315,112</u>	Unrestricted	<u>(264,941)</u>
Total non-current assets	<u>4,523,383</u>	Total net position	<u><u>\$ 687,220</u></u>
Total assets	<u>4,514,111</u>		

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

FIBER FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE PERIOD ENDED MARCH 31, 2023

	Amended Budget	Year to date Actual	Favorable (Unfavorable)	Percentage of Budget
Operating revenues				
Charges for services - dark fiber	\$ 448,000	\$ 302,318	\$ (145,682)	67.48%
Residential sales - lit fiber	516,000	323,673	(192,327)	62.73%
Commercial sales - lit fiber	137,000	132,600	(4,400)	96.79%
VOIP sales	26,000	18,360	(7,640)	70.61%
Enterprise sales	-	5,029	5,029	#DIV/0!
Merchandising and jobbing	-	5,907	5,907	#DIV/0!
Forfeited discounts	2,800	276	(2,524)	9.86%
Total operating revenues	1,129,800	788,163	(341,637)	69.76%
Operating expenses				
Dark and Lit Fiber Dept				
Salaries and wages	227,400	181,105	46,295	79.64%
Fringe benefits	139,440	251,148	(111,708)	180.11%
Supplies	2,200	9,974	(7,774)	453.36%
Communications	2,000	1,334	666	66.70%
Pole attachment fees	15,500	-	15,500	0.00%
WIFI Operations and maintenance	37,600	33,280	4,320	88.51%
Professional and contractual	410,000	140,304	269,696	34.22%
Professional development	10,000	7,824	2,176	78.24%
Insurance	5,000	998	4,002	19.96%
Repairs and maintenance	9,800	10,499	(699)	107.13%
Building rental	21,800	15,750	6,050	72.25%
Transportation	-	3,010	(3,010)	#DIV/0!
Vehicle Rental	18,010	44,124	(26,114)	245.00%
City fee	56,000	39,408	16,592	70.37%
Depreciation	350,000	251,280	98,720	71.79%
Total dark and lit expenses	1,304,750	990,038	314,712	75.88%
Customer Accounting				
Salaries and wages	8,100	2,394	5,706	29.56%
Fringe benefits	3,700	948	2,752	25.62%
Office supplies	4,000	21	3,979	0.53%
Professional and contractual	15,000	2,645	12,355	17.63%
Miscellaneous	27,500	-	27,500	0.00%
Total customer accounting	58,300	6,008	-	10.31%
Total Operating expenses	1,363,050	996,046	-	73.07%
Operating (loss)	(233,250)	(207,883)	-	(708,641)

Nonoperating revenues (expenses)				
Federal revenue	-	2,293	2,293	#DIV/0!
Reimbursements	26,800	82,558	55,758	308.05%
Interest expense	(8,700)	(17,344)	(8,644)	199.36%
	<u>18,100</u>	<u>67,507</u>	<u>49,407</u>	
Total nonoperating revenues (expenses)				
	<u>18,100</u>	<u>67,507</u>	<u>49,407</u>	
Change in net position	(215,150)	(140,376)	(659,234)	
Net position, beginning of year	839,119	827,596	-	
	<u>839,119</u>	<u>827,596</u>	<u>-</u>	
Net position, end of year	<u>\$ 623,969</u>	<u>\$ 687,220</u>	<u>\$ (659,234)</u>	

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

FIBER FUND STATEMENT OF CASH FLOWS MARCH 31, 2023

Cash flows from operating activities

Cash received from customers	\$ 706,224
Cash payments to employees	(440,261)
Cash payments to suppliers for goods and services	(166,766)
Cash payments of City fee	(39,408)

Net cash provided by operating activities	59,790
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Cash flows from noncapital financing activities

Reimbursements received	34,844
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Cash flows from capital and related financing activities

Interfund loan	(63,724)
Purchase of capital assets	(206,941)

Net cash (used) in capital financing activities	(270,665)
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Net decrease in cash and cash equivalents	(176,031)
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Cash and cash equivalents, beginning of year	-
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Cash and cash equivalents, end of year	\$ (176,031)
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