

**City of Marshall City Council  
Work-Study Session  
March 21, 2009  
Public Services Building Training Room**

Meeting called to order at 11:05.

Present: Mayor Bruce Smith, Councilpersons Jim Dyer, Nick Metzger, Luann Miller, Ryan Traver, and Brent Williams

Absent: Councilperson Kathy Miller

Also present: Interim City Manager Tom Tarkiewicz, Clerk Treasurer Dennis Habedank, Dana Tousley, and Jay Larson

The purpose of the meeting was to present electrical rate and rule issues.

Mark Beauchamp of Utilities Financial Solutions presented his Cost of Service Study findings. Mr. Beauchamp discussed the financial projections need to based on debt coverage ratios, cash reserves and targeted operating expenses. He uses Utility Basis Accounting versus Cash basis accounting because it takes into account operations & maintenance costs, depreciation, and a rate of return. It will smooth out future rate increase. He stated this is not the time to implement seasonal rates. He also recommended a delay to FY 2009-2010 for a 1% revenue enhancement. Mr. Beauchamp will continue to prepare rate revisions to present in the future.

Glen White, General Manager of the Michigan South Central Power Agency updated the Council on four power supply projects. Mr. White also discussed the debt retirement program of MSCPA.

A discussion occurred on the power supply cost adder and the possibility of placing a cost cap. The Council and staff will monitor the PSCA during the future months.

Tom Tarkiewicz presented the City's Renewable Energy Plan and the Energy Optimization Plan required by PA 295 of 2008. A public hearing will be held on March 30, 2009 at 7:00 PM.

Tom Tarkiewicz presented three possible changes to the Utilities Rules and Regulations. A change in the fees for turn-ons, an electric meter limiter policy and an increase in trenching charges were proposed. The proposed changes will be formalized at a future Council meeting.

Mr. Larson would like to see a change to the Service Charge in the rates and a deskewing of the commercial, industrial and residential rates. Mr. Tousley agreed with Mr. Beauchamp's recommendations in the draft Cost of service study.

Meeting adjourned at 2:20 PM.

Respectively submitted,

Tom Tarkiewicz  
Interim City Manager