

Updated List of Major issues raised by Customer Review Panel as of January 2014

*An earlier iteration of this list was presented to the Panel in August. Items 11-14 have been added since August.*

Item #	Issue	How will this be addressed in the Plan?
1.	<p>City imposed taxes on the utility are a concern and a significant cost factor in rates.</p> <p>Impact is larger than all discretionary environmental and public health programs operated by SPU.</p>	TBD
2.	Affordability is an issue of concern.	Consider via overall rate packages
3.	<p>Transparency is a concern.</p> <p>a. Important to credibility of SPU, customer's ability to understand their rates.</p> <p>b. Also will improve perceptions of customer equity.</p>	Address via outreach efforts
4.	<p>Dealing with evolving/aging workforce is a concern –</p> <p>a. Succession planning, injury rates, sick leave benefits, L &amp; I costs.</p>	Address in investment Action Plans
5.	How will the utility address the accountability concerns of employees?	Address in investment Action Plans
6.	<p>How will the utility address the efficiency concerns of employees and others?</p> <p>a. Polling of employees showed major concerns around efficiency and accountability.</p>	Address in efficiency recommendations, and in investment Action Plans
7.	<p>Simplify processes, simplify relationships/interconnections with other departments.</p> <p>a. Growth in costs of central services much higher than growth of department costs.</p>	Address in efficiency recommendations

8.	<p>What will be done to improve performance in delivering large capital projects?</p> <p>a. Recommend taking steps to learn from experience and from employees.</p>	Address in efficiency recommendations
9.	<p>Are there less expensive ways to achieve regulatory requirements (like street sweeping) or to provide services (like One Less Truck/EOW garbage) –and should these be deployed?</p>	<i>Panel has considered EOW garbage and concluded that on balance it does not support the SBP framework goals</i>
10.	Employee engagement on Strategic Business Plan goals is important	Address in Employee Outreach (surveys; leadership meetings, director messages; information on the InWeb)
11.	<p>Projected Baseline average rate increase for planning period (2015-2020) – 4.7% average over the 3 lines of business-- seems very large.</p> <p>a. There is a disconnect between this rate of increase and ratepayer’s experience of flat or declining salaries. The Panel will be looking closely at ways to reduce this baseline. Communicating the baseline clearly to the public will be an important challenge.</p> <p>i. Perhaps develop a target growth rate, somewhere between CPI and the forecast rate of 4.7%?</p> <p>ii. Panel reviewed a scenario capping rates at CPI. Would require cuts of about 1/3 of each line of business operating budget.</p> <p>iii. Benchmarking</p> <p>iv. Re-organizing to decrease middle management</p> <p>v. 5% year labor inflation seems high, esp. as compared to non-public sector experience.</p> <p>vi. Are there ways to reduce cost of services provided by central city government?</p>	<p>Address in baseline and in efficiencies</p> <p><i>ii. Panel generally viewed CIP capped rates as unsustainable in context of increasing regulatory requirements and aging infrastructure</i></p>

12.	<p>Transforming the Workforce is viewed by Panel as the most important of the four strategic focus areas</p> <ul style="list-style-type: none"> <li>a. Why? People are the utility’s most important resource. Employees need to be safe, have a culture that supports accountability and high performance; right people need to be in the right jobs, with the right training; need to understand and improve systems; succession planning needed. <ul style="list-style-type: none"> <li>i. Several on panel were discouraged that in the 2014 budget Council did not approve the 3 FTE’s requested by the utility to support this goal area.</li> </ul> </li> <li>b. Operational Excellence – voted close second most important focus area</li> <li>c. Protecting Environment and “Easy and Engaged Customer Experience” are the 3<sup>rd</sup> and 4<sup>th</sup> rated of the 4 focus areas. Well behind first 2 areas in rating – but these are both also important.</li> </ul>	Address improvements in these areas in the investment Action Plans
13.	Outreach—concerned that Utility reach broad spectrum of businesses and residents in upcoming outreach.	Concern noted; will address in outreach
14.	Every Other Week Garbage Collection /One-Less-Truck – wide range of opinions, many questions. On balance, the Panel does not support implementation of the One-Less-Truck proposal.	Panel developing letter to Mayor and Council