



City of Seattle
Edward B. Murray, Mayor

Date: March 31, 2015
To: Councilmember Sally Bagshaw, Chair
Seattle Public Utilities and Neighborhoods Committee
From: Ray Hoffman, Director, Seattle Public Utilities 
Subject: Reporting to Council on Strategic Business Plan Implementation

Background. In August 2014, the City Council adopted Resolution 31534, adopting SPU's 2015-2020 Strategic Business Plan and endorsing a six-year rate path. This resolution also requires SPU to propose a reporting framework to the Council as follows:

"By March 31, 2015, Seattle Public Utilities will propose a reporting framework to the Council to track progress in achieving the goals of the Plan, including efficiency initiatives, programmatic reductions, and action plan goals. The proposal should include milestones and deliverables."

The Executive has developed a proposal for a reporting framework to Council, described below and in the Attachment to this memo.

Proposed reporting framework to Council. The Executive's proposed reporting framework includes three elements: (a) frequency and timing of reporting, (b) reporting categories, and (c) reporting format/content.

A. Frequency and timing of reporting. SPU proposes to report to Council quarterly on the status of implementing the Strategic Business Plan, with status reports beginning in the second quarter of 2015. Reports will be due to Council six weeks after the quarter ends – so for example, the second quarter 2015 report will be due to Council by August 11th.

B. Reporting categories. SPU proposes to provide status reports in three major areas of the Strategic Business Plan. These three areas are:

- **Levels of Service.** SPU tracks service levels for each of its lines of business (such as maintaining 100% compliance with Department of Health regulations for safe drinking water) and across the utility (such as increasing household enrollment in the Utility Discount Program). SPU will include in the quarterly report to Council the status of meeting the targets for each of these service levels.
- **Rate Path and Efficiency Commitments.** Council has endorsed a six-year rate path to support the Strategic Business Plan equal to an average annual rate increase of 4.6% per year from 2015-2020. In the quarterly reporting to Council, SPU will provide updates as available to these rate path assumptions. Additionally, SPU will report progress on meeting the dollar target for efficiencies identified in the Plan.
- **Action Items Identified in the Plan.** In the Plan, SPU identified multiple action items to address service gaps or efficiency considerations. SPU will include in the quarterly report to Council the year-to-date status for the action items moving forward in 2015.

C. Reporting format/content. A draft format and general content of SPU's quarterly report can be found in Attachment A.

Examples of progress to-date. SPU would also like to describe some key areas of progress to Council, including:

- **Efficiency Savings.** SPU has redirected ten vacant positions from lower-priority work to action item work in the areas of talent management, technology, billing meter maintenance, facilities management, and drainage and wastewater planning and policies. And work has begun on action items that will increase productivity or save money, such as implementing sewer crew efficiencies and signing a Service Level Agreement with Finance and Administrative Services for fleet services.
- **Aligning by LOB.** One of our efficiency consultant's recommendations was to strengthen our alignment by our four lines of business – water, drainage, wastewater, and solid waste. We are well along in implementing this alignment, which will result in improving our understanding of roles and responsibilities, having clearer accountability and work prioritization, and increasing productive team work within the utility.
- **Development Services Office.** We have created a Development Service Office to improve the customer service we provide to profit and nonprofit builders and land developments. This Office will also centralize and simplify development services in a "one-stop-shop" office, while meeting SPU system development requirements and realizing better internal controls and greater efficiencies.
- **Organizing for success.** Staff have spent the first two months of 2015 reviewing all 27 Action Plans and 44 efficiency recommendations in the Strategic Business Plan, and have developed a proposal for an effective and reasonable Action Item workplan for 2015. Progress on this workplan will be reported internally and externally on a quarterly basis.

Keeping our Stakeholders informed and engaged. As we implement the plan and report on the status of our work, we will engage with our employees and stakeholders. Some of our specific actions include:

- **Customers.** In 2015, we will meet with at least ten nonprofits to update them on our progress in implementing the Strategic Business Plan. We will partner with three community-based organizations to update them on our progress, and also discuss opportunities for customers to learn more about SPU's programs and services. We will leverage opportunities at community meetings and other events to increase customer awareness of SPU's services. And we will provide regular updates on these efforts to SPU's Community Advisory Committees (CAC's), and will invite CAC members to assist us with this work.
- **Employees.** Employees are our greatest asset. Their feedback helped inform the Strategic Business Plan development process and we continue to provide employees with ongoing updates. Our plan in 2015 is to work with SPU's leadership to create clear line of sight between each employee's day-to-day work and the services we provide our customers. And, we will continue our discussions with employees on how to solve problems at the source, keeping our values and vision top of mind.
- **Labor Unions.** SPU senior management and labor representatives meet each month to share information and discuss issues. SPU has been and will continue to provide monthly updates to the labor representatives on our progress in implementing the Strategic Business Plan.

cc: Councilmember Kshama Sawant, Vice-Chair, Seattle Public Utilities and Neighborhoods Committee
Councilmember Bruce A. Harrell, Member, Seattle Public Utilities and Neighborhoods Committee
Meg Moorehead, Council Central Staff