

# **Strategic Business Plan Outreach Results and Recommendations**

April 7, 2014



# Outreach Goals

- 1) Learn more about customer preferences by community and customer type and begin an ongoing dialog with customers
- 2) Expand outreach so that all communities are heard
- 3) Help customers understand the complexity and value of the services SPU delivers
- 4) Determine what potential focus areas and actions customers believe SPU should focus on between now and 2020
- 5) Evaluate which billing level customers can support
- 6) Benchmark customers current depth of support for SPU

# Outreach Process

- Conducted 3 pilot outreach sessions in November 2013.
- Conducted 14 neighborhood and community group outreach sessions January-March 2014.
  - Supported by trained SPU teams of note takers and facilitators.
- Conducted online surveys between January and March, 2014.
- Extensive input from elected officials and the Customer Panel.
- Extensive marketing including public relations, advertising and social media.

# Participation

Outreach was made possible by the efforts of many SPU groups as facilitators, note takers and experts:

- E-team
- Customer Panel
- Dedicated staff from multiple Branches
- SPU Community Advisory Committees
- Mayor and Council representatives

# Summary

- Customers and employees favored the 4.9% increase with large majorities, but this is not the whole story.
- Several customer themes re-occurred throughout the Outreach including **investing in the future, efficiency, equity, partnership, environment and health.**

# Who we heard from

**Total: N=1,541**

**In-person: (N=205)**

- Neighborhoods (N=54)
- Businesses and developers (N=45)
- Environmentalists (N=14)
- Youths (N=11)
- Underserved communities (N=81)

**Online: (N=1,336)**

- Residential (N=624)
- Business (N=14)
- Employees (N=698)
  - Corporate Strategies and Communications (N=33)
  - Customer Service (N=56)
  - Field Operations and Maintenance (N=253)
  - Finance and Administration (N=87)
  - Human Resources and Service Equity (N=16)
  - Project Delivery (N=80)
  - Utility Systems Management (N=88)
  - N/A/skipped (N=85)

# Online Demographics

## Seattle Public Utilities Outreach

### Ethnic Background

White	71.5%
Latino	3.7%
Black or African American	3.1%
American Indian or Alaska Native	2.0%
Chinese	1.5%
Filipino	1.1%
Vietnamese	9.0%
Other Asian/Pacific Islander	3.7%
Don't know	.4%
Decline to answer	19.3%
Other	2.8%

### Household Size

1	15.5%
2	44.4%
3	15.5%
4	14.2%
5 or over	5.0%
Decline to answer	5.4%

### Household Income

Under \$30,000	3.9%
\$30,000 - \$39,999	3.5%
\$40,000 - \$49,999	4.4%
\$50,000 - \$59,999	5.6%
\$60,000 - \$74,999	10.0%
\$75,000 - \$100,000	16.3%
\$100,00 and over	30.9%
Decline to answer	25.4%

## City of Seattle 2010 Census

### Ethnic Background

White	69.5%
Latino	6.6%
Black or African American	7.9%
American Indian or Alaska Native	.8%
Chinese	4.1%
Filipino	2.6%
Vietnamese	1.1%
Other Asian/Pacific Islander	3.6%
Other	2.4%

### Household Size

1	41.3%
2	33.3%
3	12.2%
4	8.5%
5 or over	4.7%

# Themes

Several themes emerged from the customer feedback:

1. **Investing for the future.** Invest to ensure continued high quality services in the face of population growth, climate change, and aging infrastructure.
2. **Efficiency.** Demonstrate how the Utility is continually becoming more efficient to keep bills affordable.
3. **Equity.** Ensure that all communities are respected and have full access to all SPU services and are effectively engaged.
4. **Partnership.** Demonstrate the Utility's constraints and value with transparency; explain how SPU is improving services and the benefits of partnering with SPU. Develop continuing education and customer involvement that promote saving money/improving health and environment.
5. **Environment and health.** Explain how the Utility is protecting health and improving the environment.



# Depth of Customer Support (Brand Equity)

Billing Level	Customers		Employees	
	2014	2012	2014	2013
Overall opinion of Seattle Public Utilities	5.25 In-person 5.02 Online	5.31 Focus groups	5.59	5.66
Overall experience of Seattle Public Utilities	5.36 In-person 5.10 Online	5.43 Focus groups	5.47	5.53
Agree with overall business direction	4.98 In-person 4.06 Online	4.50 Focus groups	5.03	5.14
Delivers what it promises	5.05 In-person 4.84 Online	5.13 Focus groups	5.04	5.12
Provider of high quality utility services	5.49 In-person 5.15 Online	5.43 Focus groups	5.80	5.90
Provides excellent customer service	5.20 In-person 4.61 Online	5.12 Focus groups	5.33	5.26
Organization to which I feel very loyal	4.87 In-person 3.89 Online	4.69 Focus groups	5.65	5.59
Customer support averages	5.18 In-person 4.68 Online	5.09 Focus groups	5.42	5.46

**Note:** Customers answered on a scale where “1” means unfavorable or strongly disagree, “4” is neutral or neither agree or disagree, and “7” means very favorable or strongly agree.

# Sample customer questions

- What can we do to control our costs?
- How much does each improvement cost?
- Are people getting equitable service?
- What if we don't get enough snow in the future?
- How can SPU better educate the community?
- How can SPU support low income residents, senior citizens, underserved communities?
- Are we spending our money efficiently?
- Does investing mean I/my community receive these benefits?
- How does FOG and other things we don't do impact SPU financially?
- Will the low income discount program make other rates go up?
- Delivering high quality service is good, but at what cost?
- Would monthly billing/every other week garbage increase costs to customers?
- How much would changing the meters cost and will meter readers be unemployed?
- How did SPU get into the graffiti business?
- Did you discuss size of cans?
- Could we contract out work to save money?
- Can SPU separate garbage at the utility?
- Is mountain water clean?
- Where do diapers go?

# Billing Levels

Billing Level	Customers	Employees	Observations
<b>4.9%</b> <b>All Improvements;</b> <b>all cost savings</b>	<b>76% In-person</b> <b>65% Online</b>	<b>76%</b>	<ul style="list-style-type: none"> <li>• In-person groups voted for the 4.9% increase at a much higher rate.</li> <li>• Customers in most groups voiced the sentiment: “My salary isn’t going up, why are our rates?”</li> </ul>
<b>4.3%</b> <b>No Improvements;</b> <b>all cost savings</b>	<b>24% In-person</b> <b>35% Online</b>	<b>24%</b>	<ul style="list-style-type: none"> <li>• High levels of negative comments around both increases among these customers.</li> </ul>
<b>Favorable comments</b>	<b>325/4.9%</b>		<ul style="list-style-type: none"> <li>• Support focuses on need for preventative maintenance and population growth.</li> </ul>
<b>Either increase is too high</b>	<b>188/4.3%</b> <b>10/4.9%</b>		<ul style="list-style-type: none"> <li>• Opposition based on history of high increases, affordability and questions around efficiency and need.</li> </ul>

Note: Respondents were asked to vote for 4.9% or 4.3% and then asked to comment on their answers. A very small number >10, said “neither.”

# 4.9% Comments

Category	Customers Online	Employees	Customer Comments
Protect environment and quality of life in growing city	65	44	<ul style="list-style-type: none"> <li>• It's important to invest in health and the environment.</li> <li>• Improvements necessary for growing world-class city.</li> <li>• Happy to pay for changes that mean healthier communities and preparation for climate change.</li> </ul>
Save money in the long run	57	51	<ul style="list-style-type: none"> <li>• Hope you use improvements to invest in technology to keep prices lower.</li> <li>• Better to make improvements over time.</li> <li>• A little investment now saves money in the future.</li> </ul>
Small difference	57	65	<ul style="list-style-type: none"> <li>• The difference between 4.3 and 4.9 is negligible.</li> <li>• They are not that different, why not get some improvements?</li> <li>• More bang for the buck.</li> </ul>
Aging system needs maintenance	48	52	<ul style="list-style-type: none"> <li>• Infrastructure is rotting away.</li> <li>• Maintaining infrastructure requires constant investment.</li> <li>• We have to keep making upgrades.</li> </ul>
Improvement important	44	60	<ul style="list-style-type: none"> <li>• Funding improvements is always important.</li> <li>• Responsible improvements are worth paying for.</li> </ul>

# 4.3% Comments

Category	Customers Online	Employees	Customer Comments
Figure out how to control reduce costs	45	32	<ul style="list-style-type: none"> <li>• Work smarter.</li> <li>• Max your efficiencies.</li> <li>• Quit wasting money.</li> <li>• Talk about improvements to save time and money but costs keep going up.</li> <li>• Control labor costs.</li> <li>• I do not trust SPU to use the additional money with an eye towards efficiency.</li> </ul>
Bill is too high	45	22	<ul style="list-style-type: none"> <li>• Bill is high enough already.</li> <li>• Bill is too high.</li> <li>• Bill needs to be less than this.</li> <li>• Need to reduce bills.</li> </ul>
Can't afford the increase	31	8	<ul style="list-style-type: none"> <li>• My family can't afford a rate hike.</li> <li>• I am on a fixed income.</li> <li>• Incomes aren't increasing at this rate.</li> <li>• Far exceeds COLA increases.</li> </ul>
Just deliver the basic services	11	9	<ul style="list-style-type: none"> <li>• Consider what services are mandatory and eliminate the others.</li> <li>• Just deliver the basic service.</li> </ul>
Don't increase rates	11	6	<ul style="list-style-type: none"> <li>• Don't increase rates.</li> <li>• I don't want to pay any more.</li> </ul>

# Conclusions: Billing Levels

- Most customers and employees selected the 4.9% increase.
  - Customers strongly indicated that if you are going to raise rates, there must be improvements.
  - Many felt that population growth, protecting the environment and maintenance were justifiable reasons to raise rates.
- There was very little customer or employee support for the 4.3% increase even by people who voted for it—this group felt that both increase levels were too high.
- Most underserved groups and all other in-person groups voted for the 4.9% increase at a much higher level than online customers.
  - African Americans were evenly split and a large majority of Somali customers preferred no increase. These groups had low levels of trust that improvements would benefit their communities.

# Focus Area Percentages

FOCUS AREA	Customers	Employees	Customer Panel	E-team	Customer Comments
Improving how we work to deliver consistent, high quality services	35%	32%	34%	41%	<ul style="list-style-type: none"> <li>• There are so many ways to improve efficiency. SPU has a reputation of being slow, process heavy. You can streamline the organization.</li> <li>• Need a good system where SPU knows where and when problems happen and they can fix them right away.</li> <li>• Prevention is better than the cure.</li> </ul>
Better protecting your health and our environment	36%	30%	15%	26%	<ul style="list-style-type: none"> <li>• I invested here because making our environment better is beneficial for the entire community and it's in our best interest.</li> <li>• We must protect the environment for future generations.</li> <li>• The environment is an important factor for this area and what Seattle is all about overall.</li> </ul>
Enhancing our services by improving employee skills	15%	22%	42%	16%	<ul style="list-style-type: none"> <li>• As employees age, need to pass on institutional knowledge.</li> <li>• Workforce lacks diversity, need better hiring and upward mobility practices.</li> <li>• It's a worthy investment to have employees trained and educated so that when they do respond, they respond in a timely manner and are fully aware of what they are expected to do.</li> </ul>
Making it easier to get help and answers	14%	16%	9%	16%	<ul style="list-style-type: none"> <li>• Community education, liaisons, and more outreach to communities.</li> <li>• Need more bilingual customer service representatives and translated bills and materials.</li> <li>• Many times there is no one point of contact and no one can give you an answer or make a commitment.</li> </ul>

# Focus Areas: Conclusions

Focus area results were very similar among most customer groups and employees. Here are some standouts:

- All underserved groups placed a high value on *protecting your health and our environment* and community building.
- Latino, Vietnamese, Employees and the Customer Panel placed a higher emphasis on *enhancing our services by improving employee skills*.
- African-Americans, Chinese, Latino and low income also rated *making it easier to get help and answers* higher than other groups.
- Businesses place a very high emphasis on *improving how we work*.
- Environmentalists and youth placed a very high emphasis on *better protecting your health and our environment*.

Note: Certain groups interpreted *improving how we work* as including customer service and other improvements related to *making it easier to get help and answers*.



# Action Plan Valuation

ACTION PLAN	Customer votes	Employee votes
Eliminate sewage being released into waterways	14% In-person 17% Online	13%
Replace and clean sewer pipes	12% In-person 15% Online	14%
Prepare for climate change	11% In-person 11% Online	9%
Improve data and how projects are managed	9% In-person 10% Online	9%
Develop employees' skills	9% In-person 3% Online	10%
Upgrade to smart meters	9% In-person 13% Online	9%
Reduce flooding in hardest hit areas	9% In-person 9% Online	10%
Improve worker safety and reduce absences	8% In-person 4% Online	6%
Monthly billing and online payment options	5% In-person 6% Online	5%
Improve website and mobile	5% In-person 3% Online	5%
Reduce garbage pick-up	4% In-person 6% Online	4%
Streamline permitting; improve bill accuracy	4% In-person 3% Online	4%

**Note:** Customers were given 10 green dots (in-person) or 10, \$10 bills online and asked to use them on the action plans they felt were most valuable.

In-person Workshop Audience	High Quality Services				Protect Health & Environment			Employee Skills			Get Help & Answers	
	Replace and clean sewer pipes	Improve data and how projects are managed	Reduce garbage pick up	Upgrade to smart meters	Eliminate sewage being released into waterways	Reduce flooding in hardest hit areas	Prepare for climate change	Develop employees' skills	Improve worker safety and reduce absences	Monthly billing and payment options	Streamline permitting; improve bill accuracy	Improve website and mobile
North Seattle					20%							
Van Asselt					28%				28%			
Magnuson Park	19%						14%					
High Point						17%						
Garfield					19%			15%				
African American				14%	16%			17%		12%		
Cambodian	28%	16%									12%	
Chinese	21%						17%					13%
Latino						13%			17%			
Low Income						14%			13%			
Somali				14%								
Vietnamese			30%				27%					14%
Businesses		16%		14%				11%				
Developers	28%	16%									12%	
Enviros					24%		17%					
Youths					20%		19%		12%			

# Action Plans: Conclusions

Customers and employees had very consistent responses to action plans.

Highest level of support for:

- CSO
- Sewer pipe cleaning
- Data and project management
- Preparing for climate change
- Smart meters
- Service equity
- Comprehensive communications and education
- Reducing flooding
  - Flooding was a major concern for people who had experienced it but was also mentioned by many others who felt it shouldn't be happening in the City.

# Recommendations

- Effective methods for engaging customers and the services they require vary widely and require segmentation strategies .
- Fund improvements, but tie improvements to value—particularly around services and benefits to specific communities.
- Explain improvement and baseline costs.
- Keep ‘finding efficiencies’ and ‘saving money’ front and center.
- Customers need clearer communications around why certain action plans—such as improving the website and employee safety should be important to them.
- Develop comprehensive education around SPU, its promise and approach.
  - Continually update customers on how the SBP actions are improving their lives.
  - The value and benefits of customer participation.
- Determine economic value of customer participation in recycling, storm drain clearing, rain gardens, etc.
- Simplify bills and better explain SPU value on bills.

# Underserved Community: General Recommendations

- Build trust through partnership and by demonstrating results for each specific community.
- Customers are eager to learn about SPU services, be stewards for the environment and be a resource for their communities.
  - Communities-suggested ideas: Peer-to-peer or workplace education efforts.
- Create and deliver targeted comprehensive communications and education programs to reach low income, seniors, communities of color and limited English proficiency communities.
  - Deliver proactive, ongoing programs that emphasize long-term relationships and community building around both CIP and non-CIP efforts.
  - Involve youth in apprenticeships, and summer employment. Recruit/outreach to low income and communities of color.
  - Deliver programs directly to communities or wherever communities already gather.
- Create customer service initiatives that respond to community needs.
  - Improve phone-based customer service including multi-lingual access.
  - Work with landlords for maintenance and property upgrades for conservation and bill management.
  - Address barriers to utility assistance enrollment and needs for seniors, low income and renters.

# Proposed E-team Responses

## Rates

- Focus on bills and value for money paid. Consider monthly billing.

## Action Plans

Address customer concerns in existing action plans with specific accountabilities:

- Ensure the Plan helps SPU equitably address all the communities the Utility serves.
- Make finding efficiencies an ongoing process.
- Consider customer segmentation for future communications, education and customer service.
- Continue with current accelerated plan to address flooding and revisit other priority flooding locations in the next 2-year update.
- Communicate how action plans help meet service delivery and service-level goals.
- Conduct a robust cost/benefit analysis on smart meters and monitor ROI levels of other utilities' implementations.
- Develop a more comprehensive and coordinated customer communications and education program across SPU to improve customer transparency, support customer and environmental health, and to help customers understand how to work effectively with the Utility.

# Schedule

## Outreach Findings Reporting:

- Community Advisory Committees
- Followed by Council, Mayor
- Customer Report Back/Second Outreach:  
June/July