

Fayetteville PWC Strategic Plan

2016 – 2021



Prepared by:



Executive Summary

The Fayetteville Public Works Commission strategic plan contains six goals that support the long-term vision for the company. Seven strategic priorities have been identified as important action items for fiscal year 2016-17 to advance progress toward the goals.

Vision

PWC is valued by our customers and community for improving their quality of life by providing exceptional utility services, by being a leader in sustainability, and by being a community partner.

Mission

To be a safe, highly productive utility that invests in our team, facilities and infrastructure, supports the interests of the City of Fayetteville, and provides information to customers, helping them to make informed choices

PWC Guiding Principles

- To be valued by our customers
- Improving the quality of life
- Providing first-rate utility services
- Being a leader in community sustainability

PWC Strategic Goals 2021

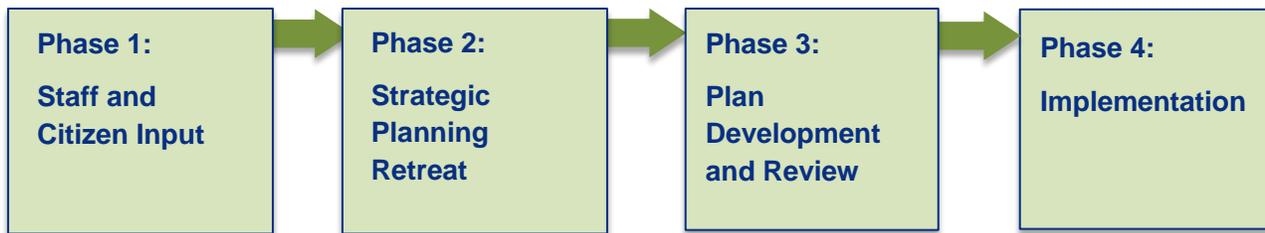
1. Lowest Responsible Rates, Most Financially Sound Utility
2. Strong Core Business – Quality and Reliable Services
3. Engaged with and focused on our customers
4. Top Quality Work Force
5. Effective Working Relationship with City and Local Government Bodies
6. Sustainable Environmental, Economic, and Community Growth

PWC Strategic Priorities 2017-2021

1. Attract, Retain and Engage Top Quality Work Force
2. Coordinate regional infrastructure needs to support economic development
3. Showcase value to community
4. Evaluate Long Term Power Supply Options
5. Rehabilitate Aging Infrastructure
6. Ensure Cyber and Physical Security
7. Improve Local Vendor Capacity and Engagement

Creating the Strategic Plan

The Fayetteville Public Works Commission's strategic planning process consists of four key phases, starting with gathering input from PWC employees and citizens followed by a Commission Strategic Planning Retreat. The third phase is the development of the strategic plan itself, including opportunities for the senior staff and Commissioners to review the draft document. The final phase of the plan is implementation.



Phase 1: Staff and Citizen Input

The first phase of developing this strategic plan consisted of soliciting input from staff and citizens. During 2015, PWC conducted an employee opinion survey of all its employees and a customer satisfaction survey and focus groups with employees. These efforts were used to help identify the priorities of the staff and customers.

American Directions Group conducted customer satisfaction surveys across business and residential customers in 2015. Overall findings are summarized here:

Customer Satisfaction

Overall customer satisfaction with PWC is high. Specific areas where PWC received high customer ratings:

- Being easy to do business with.
- Providing electric service safely.
- Providing reliable, consistent service.
- Restoring service quickly in an emergency.
- Resolving the issue on the first phone call.
- Providing top quality utility services.
- Providing convenient access to PWC services.

Customer Needs

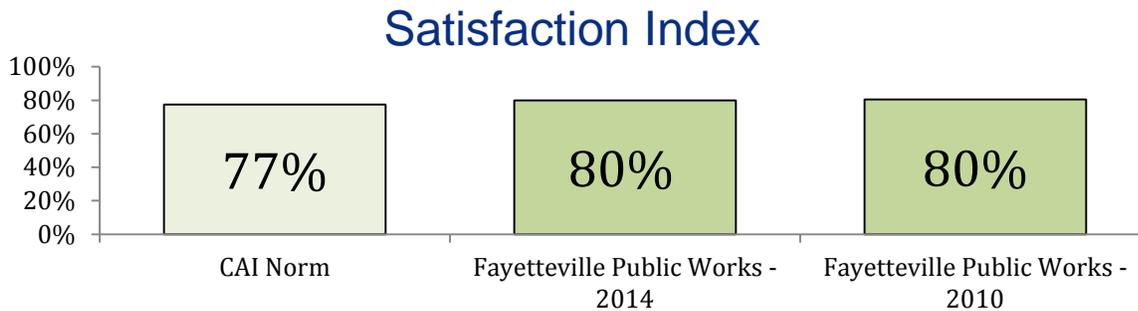
Overall, ratings related to price and value are lower. Specific areas where PWC received lower customer ratings:

- Employees following up with customers to see if problems are resolved.
- Employees showing genuine concern for the customer.

- Valuing the customer.
- Providing information that helps evaluate service options.
- Being a responsible steward of the customer’s dollar.
- Having reasonable rates compared to other local utilities (though many said they do not know enough about this issue to rate it).
- Employees reading meters accurately (though many said they do not know enough about this issue to rate it).
- Response and communication during outages.
- Resolving issues in a timely manner.

CAI, a Human Resources consulting organization, conducted the employee opinion survey. Overall PWC employees are satisfied with working conditions, with an 80% satisfaction rating. The satisfaction is somewhat higher than the CAI norm of 77% (based on surveys conducted in other companies).

Employee Satisfaction



The highest areas of employee satisfaction are:

- Identification with the company (93%)
- Working Conditions (92%)
- Benefits (89%)
- Technical competence of supervisor (85%)

The lowest areas of employee satisfaction are:

- Compensation (63%)
- Job demands (64%)
- Opportunity for advancement (69%)

It should be noted that even in areas of lower employee satisfaction, PWC rated higher than the CAI norm groups.

In January 2016, Fountainworks conducted focus groups with employees to better understand the issues that they and their customers are facing. Highlights from the focus groups are shown below.

Customer needs

- Speak to live person - less Interactive Voice Response
- Education – simple bills; understand system.
- More payment options; no fees.
- Education – low rates, reliable service

Barriers

- Anxiety re computer system.
- Management decisions – want input; no favoritism.
- PWC is understaffed.
- Pay.
- Inequity between plant/ field and administrative offices.
- Siloes.

Things that are working at PWC

- Approachable and knowledgeable Leadership
- Excellent benefits
- Training opportunities
- Focus on safety
- Longevity and service awards
- Reliable, responsive service
- Good facilities.

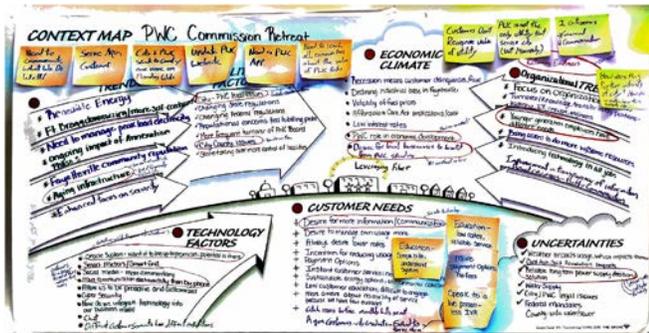
Opportunities for follow-up

- Involve employees in decisions
- Make technology a valuable tool
- Regular staff meetings.
- Protocol for time-sensitive communication.
- Facility equity.
- Educate customers about value of PWC.

Finally, interviews were conducted with each individual member of the senior leadership team. The senior leadership team held a half-day retreat in February 2016 to identify priorities and goals for PWC. The input from the leadership team was used to inform the Commission in their planning retreat. The goal of this phase was to gather input that would allow PWC to assess the current internal and external environments, including its strengths, weaknesses, opportunities and challenges.

Phase 2: Strategic Planning Retreat

In February 2016, the PWC Commission held a strategic planning retreat to review the input gathered during the staff and citizen input phase and begin charting a course for the future. Prior to the retreat, Commissioners were interviewed to ascertain their individual desires for the success of the strategic planning process. Below is an outline of the major sessions held during this retreat along with a brief review of the outcomes.

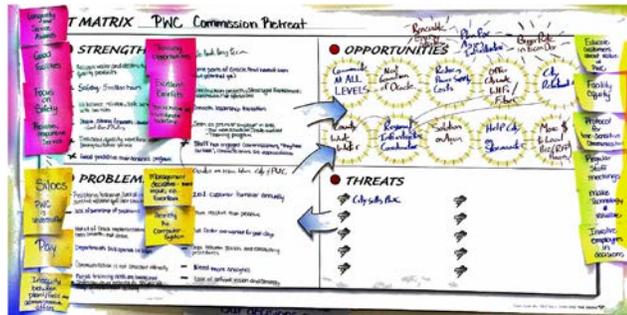


Building a Context Map to Understand External Trends

To understand the context in which PWC was operating, the Commission reviewed and developed a context map detailing the current environment to provide participants with an understanding of the current issues, trends and factors that have an impact on PWC today.

Conducting an Internal Assessment (SWOT Analysis)

To better understand the current status of PWC, the retreat participants performed a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to both identify the most important strengths and weaknesses internally as well as the key external opportunities and challenges. This session drew heavily on the information gathered in Phase 1 of the strategic planning process. Specifically, results of the Employee Satisfaction Survey and the Customer Survey were of primary importance to the Commissioners in conducting the SWOT analysis.



Visioning Exercise

This activity enabled participants to turn their attention and imaginations toward their desired future and to add specificity to the Company's current vision.

Some of the envisioned headlines for the future of PWC include:

- Safe & Reliable at competitive rates
- A world class utility with a community purpose
- Quality organization appreciated by community
- Integral part of economic engine of Fayetteville
- PWC leverages Technology for enhanced services for All Customers
- Viewed and behaves as best utility in country
- Premier municipal utility meeting customer needs
- Cumberland County- fastest growing in Southeast – local utility assists in driving change

Vision, Mission, Goals, and Guiding Principles

The vision statement was reviewed and revised based on the ideas generated in the visioning exercise. The Mission, Goals and Guiding Principles were reviewed and minor changes were made.

Developing Strategic Issues

The staff prepared a preliminary list of strategic issues for the Commission to consider. The Commission reviewed, added to and revised this list. The Commission clarified the issues and the priority actions for each of them. The



Commission then prioritized the strategic issues, which are outlined in the following section of the strategic plan.

Measures of Success and 2017-2021 Strategic Actions

Commissioners and the leadership team developed a list of potential performance measures for each major goal area. Measures articulate what Commissioners wish to highlight to the community OR what they want to monitor to make sure things continue to go in the right direction. The revised performance measures are included in the following section of the plan.

Phase 3: Plan Development and Review

Public Works Commission staff, along with Fountainworks, led the process to finalize the development of the strategic plan. The information developed in Phase 1 and Phase 2 shaped the core of the strategic plan. The original drafts of the vision and goals statements as well as the performance measures developed at the retreat have since been revised and updated, and can be seen in the previous and following sections of this document. The goals, strategic issues and performance measures developed at the retreat were revised and categorized, and can be seen in their finalized form in the following section. The Commission will consider adopting the plan in May 2016.

Phase 4: Implementation

The CEO has the overall responsibility of ensuring the strategic plan is implemented. The staff will continue the current practice of providing updates to the Commission on the status of implementation of the strategic issues during Board meetings. The CEO will work with the Commission Chair to prioritize the individual actions and where appropriate assign specific target dates for completion. For those initiatives that are ongoing or long term, a reporting schedule of progress made will be developed. Additionally, a system will be created to monitor and report on the performance measures for each goal area.

Vision, Mission, Guiding Principles

The PWC Commission revisited its vision statement and affirmed its support of the current mission and values with minor adjustments. The vision statement articulates a long-term view of the ideal future for PWC. The mission statement describes why PWC exists and what it will do to help achieve its vision. The updated vision and mission statements will guide the work of PWC, ensuring that all activities it undertakes will help achieve the vision. The vision and mission are then rounded out with PWC's Guiding Principles, which represent the beliefs that are shared among the stakeholders of the organization and in turn drive the organization's culture and priorities by providing a framework in which decisions are made. The Strategic Issues, Performance Measures and Goals that are developed in the strategic plan, support the vision and mission.



Vision Statement

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Mission Statement

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Guiding Principles

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Goals, Performance Measures and Strategic Priorities

The Commission reviewed its existing strategic goals and with minor modification determined that the goals remain valid. PWC's strategic priorities for the upcoming two-three year period were discussed at length and defined. The goals, the performance measures to monitor the success at achieving them and the strategic priorities are described in more detail on the following pages.

PWC Strategic Goals 2021

1. Lowest Responsible Rates, Most Financially Sound Utility
2. Strong Core Business – Quality and Reliable Services
3. Engaged with and focused on our customers
4. Top Quality Work Force
5. Effective Working Relationship with City and Local Government Bodies
6. Sustainable Environmental, Economic, and Community Growth

PWC Strategic Actions 2017-2021

1. Attract, Retain and Engage Top Quality Work Force
2. Coordinate regional infrastructure needs to support economic development
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4. Evaluate Long Term Power Supply Options
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6. Ensure Cyber and Physical Security
7. Improve Local Vendor Capacity and Engagement

Strategic Priority		
Attract, Retain and Engage Top Quality Work Force		
<p>Identified Actions</p> <ul style="list-style-type: none"> • Conduct pay study to evaluate pay scale. Review longevity as part of study. • Offer pay and benefits to attract hard to fill positions. Educate City of Fayetteville regarding different needs at PWC compared to City jobs. • Expand in-house training capabilities – prepare employees for future PWC job requirements. • Facilitate conversation between FTCC and Nash Community College to offer classes under the existing lineworker program at Nash locally. • Expand succession planning further into organization to include all supervisory positions; target hard to fill positions. • Evaluate human resources policies set by Commission; begin with work flexibility policies (flex time, comp time, work from home). • Ensure employee workloads are manageable throughout the organization by reviewing the allocation of employees based on organizational needs. 	<p>Timeline</p> <ul style="list-style-type: none"> • Complete in 2017 • Ongoing • Will develop annual goals • 2017 • 2017 • 2016-2018 • Ongoing 	

Strategic Priority

Coordinate regional infrastructure needs to support economic development

Identified Actions	Timeline	
<ul style="list-style-type: none">• Reach out to Fayetteville Cumberland County Economic Development Corporation and the City Economic Development department to serve as a partner and provide support in promoting economic development in Fayetteville.• Research and identify options to determine feasibility of providing service in areas currently served by Aqua.• Explore options and develop a plan to assist County in providing countywide water. (Not City annexation policy would have to change to move forward with this.)• Revisit sewer policy with city related to annexations.• Collaborate with the City of Fayetteville to understand legal feasibility and explore if there is a means to use the utility's fiber assets to expand broadband services and/or Wi-Fi for greater expanse of city.• Review infill policy and promote policy to developers.	<ul style="list-style-type: none">• Ongoing• 2017-2018• Ongoing• Pending resolution of court case• 2017• 2016	

Strategic Priority		
Showcase value to community		
<p>Identified Actions</p> <ul style="list-style-type: none"> • Enact ongoing customer service improvements company-wide. Improve bill readability, call hold times and, provide options for payment due dates. • Develop an educational and entertaining “canned presentation” that can be used to with community groups that tells our story and value; include reliability and rate statistics. Coordinate with city, county, and other partners. Allow for customization depending on audience. Explore using all employees as ambassadors for presentations. • Engage Citizen Advisory Group to support effort. • Proactively provide outreach to the community so more of our customers understand reliability, rate statistics by end of next year. • PWC Board actively reaches out to community leaders to showcase value. • Develop educational outreach programs with local schools and colleges. • Conduct a customer survey every spring - use data to measure progress. • Explore technology enhancements to support this effort. 	<p>Timeline</p> <ul style="list-style-type: none"> • 2017-2018 • 2016 • Ongoing • 2017 • Ongoing • Longer term • Annual survey • Ongoing 	

Strategic Priority Evaluate Long Term Power Supply Options	
<p>Identified Actions</p> <ul style="list-style-type: none"> • Develop and present viable long-term power supply options to Board. Include community solar and other renewable and sustainable energy options for consideration. • Continue advocacy for Atlantic Coast Pipeline. 	<p>Timeline</p> <ul style="list-style-type: none"> • 2017-2018 • Ongoing

Strategic Priority Rehabilitate Aging Infrastructure	
<p>Identified Actions</p> <ul style="list-style-type: none"> • Inventory, classify and prioritize infrastructure rehabilitation needs. • Present risk assessment and current condition of infrastructure, timing and cost for rehabilitation. • Develop board policy on replacement schedule that is manageable, considering infrastructure needs, staff availability and financing. 	<p>Timeline</p> <ul style="list-style-type: none"> • Begin in 2017; and then ongoing • Begin in 2017; and then ongoing • Begin in 2017; and then ongoing

Strategic Priority Ensure Cyber and Physical Security	
<p>Identified Actions</p> <ul style="list-style-type: none"> • Continue compliance with basic NERC standards. • Research and present best practices beyond basic standards around cyber and physical security in areas including: cloud, phones, physical, customer data, offsite storage security, redundancy. • Consider new or modified policies based on relative risk and reward of security options. • Collaborate with other governmental entities as appropriate. 	<p>Timeline</p> <ul style="list-style-type: none"> • Ongoing • Begin in 2016; and then ongoing • Ongoing as threats change • Ongoing

Strategic Priority Improve Local Vendor Capacity and Engagement	
<p>Identified Actions</p> <ul style="list-style-type: none"> • Identify and implement best-in-class methods to engage those that want to do business with us, including making it easier to find out about how to bid, what available bids are and how to become a PWC vendor. • Engage entrepreneurs to create businesses in segments where we are lacking local vendors or where we expect to need work done over the next several years to encourage building capacity in community. • Quantify what we are currently spending locally. (Note we currently measure what is spent in Cumberland County. If the definition of “local spending” changes, we would need to modify our process.) 	<p>Timeline</p> <ul style="list-style-type: none"> • Begin in 2016; and then ongoing • Ongoing • Ongoing

Performance Measures

PWC has developed potential performance measures to articulate what they wish to highlight to the community OR what the Commission wants to monitor to make sure the organization continues to move in the right direction. The performance measures are organized within each goal area. A performance measure scorecard will be developed and reported to the Commission quarterly. Some of the measures are only updated annually.

Lowest Responsible Rates, Most Financially Sound Utility

1. Rate comparison - statewide and in our region
2. Debt service coverage ratio
3. Quick/Current ratio
4. Days cash
5. Bond rating
6. Bad debt (write offs) as a percent of revenues
7. Net position (retained earnings)

Strong Core Business – Quality and Reliable Services

1. Electric Reliability Index
2. APPA Peer Benchmarks
3. Annual Water Quality Report
4. Annual reportable events
5. Safety reporting (vehicle & lost time)

Engaged with and Focused on our Customer

1. Customer Satisfaction Survey- Commercial and Residential
2. Number of community outreach presentations and educational outreach activities
3. Average wait time
4. Dropped calls as a percentage of calls received
5. Number of calls answered

Top Quality Workforce

1. Employee Survey-Satisfaction Measure
2. Employee training/development activity
3. Retention or turnover rate
4. Percent of positions filled
5. Succession planning (# approaching retirement/ readiness index)

Effective Working Relationship City and Local Government Bodies

1. Survey of all vendors and contractors (this will be a newly developed measure)
2. Local Dollars spent on vendors (currently defining local as Cumberland County)

Sustainable Environmental, Economic and Community Growth

1. Peak load
2. Load factor
3. Average use per residential customer (electric, water)
4. Percent of permitted capacity (water, wastewater)
5. Loss and unaccounted for (water, sewer, electric)
6. System average MPG for fleet vehicles
7. Engineering water/sewer permits issued
8. Number of inquiries to PWC for economic development activity