



Gathering Information

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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“Let’s look at the calendar.”

The mayor and staff concluded by setting a date for completion of a draft study. They considered deferring the study until after the council election, which was still six months away. If the city leadership is likely to change soon, it may be a good idea to wait until the new officials are on board before making major rate decisions. Since the majority of the governing body of *Any City* was not likely to change, they decided to go ahead with the study.

The next task – a large one – consisted of pulling together information needed for the study. This work generally falls to the finance director. The study would encompass two areas: income projections and the related cash flow. They made a list of items needed:

- Financial records
 - Audits for the previous two to three years;
 - The previous year-end financial reports (if the audit has not been completed);
 - The current year-to-date financial report; and
 - Principal and interest schedules for any new debt not already included in the financial report
- Billing records

A 12-month summary of water and sewer billings listed by customer totals, consumption totals, and total revenues for each separate rate classification.
- Capital projects

A list of planned capital improvements and their estimated costs for the next few years. The list should include the project cost and its estimated fiscal year(s) of completion, number of new customers, and usage projections.
- Water/sewer policies and operational guidance
 - Water and sewer usage fees;
 - Code of ordinances;
 - Any uncodified water/sewer ordinances enacted since the last code update; and
 - Operational guidance documents pertaining to extensions, tap fees, connection fees, and so forth.

“We’ve gathered information. Where do we go from here?”

The city administrator, water/sewer manager, and finance director sat down at a table stacked with financial and billing records and policies. They had met with the city’s consulting engineer and determined estimated costs for capital improvements and a project implementation schedule for the next few years. They began with the premise that any good business would begin with a determination of costs before setting the price to charge. They also determined to keep the following principals in mind.

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