

Building Support for an Increase

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

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,

The University of Tennessee
Municipal Technical Advisory Service
1610 University Avenue
Knoxville, TN 37921-6741
865-974-0411 phone
865-974-0423 fax
www.mtas.tennessee.edu

Table of Contents

Building Support for an Increase.....	3
---------------------------------------	---

Building Support for an Increase

Reference Number: MTAS-566

Staff developed a written report, presented a copy to each member of the governing body, and prepared a presentation for the next city council meeting. After lengthy discussion, the governing body decided to delay a vote on rate increases for two months. They asked the city administrator to develop a communications strategy and prepare information to inform rate payers about why water and sewer rate increases were needed.

As the administrator and the city's information officer worked on this assignment, they kept in mind the following:

- The definition of an enterprise fund implies that sufficient user fees should be established to ensure that the utility can operate on a self-sustaining basis. The major source of revenue for water and sewer funds is user fees.
- Local officials are usually reluctant to increase user fees for fear of political backlash.
- Customers support services they value. An informed public can help. Citizens are aware that it costs more to provide safe drinking water and to clean sewage to keep rivers clean. People care about their city, the environment, and things that impact quality of life. Basically, the public is quite willing to pay a fair price for something it values. But, customers need to be informed that they're getting their money's worth.
- Elected officials and customers want efficient operations. Any City's managers knew that they had to correct some efficiency problems before implementing a rate increase. They redoubled efforts on:
 - Accurately metering and billing all water and sewer service sales;
 - Aggressively collecting due accounts; and
 - Using the workforce efficiently.

Message to the Customers

She prepared to answer the key question: Why are increases needed? Her information would be honest, factual and friendly and included:

- Highlighted the problems detected and corrected;
- Explained I/I and water loss problems;
- Detailed the age and condition of water and sewer lines; and
- Reported on planned development and the water/sewer infrastructure needed to serve it.

How do you communicate the message? Start in the work place by turning staff into a public relations team. All utility employees are information sources, and what they say in casual comments can create a positive (or negative) image of the utility operation.

Make certain that local government leaders are informed and on board with the proposed rate increases. User fees should be easy to understand and easy for officials to explain to the public. Help customers see the link between water/sewer service and community growth, economic development, jobs, and increased property values. Compare the cost of cable TV or cell phone services to help users understand that water/sewer services are relatively inexpensive.

Customers want to know how their rates compare with comparably-sized cities and with cities in the same geographical proximity. This information is particularly important for commercial and industrial users so be prepared to answer these concerns.

Use newspaper articles and special mailings to get the word out. Remember that the media are the eyes and ears of the community, and reporters are interested in quality of life issues. Be prepared to explain in detail why a rate increase is needed. Educate the media about water and sewer treatment. The challenge is to explain complex processes, problems, and proposed solutions in easy-to-understand terms.

By following this plan, Any City successfully passed the rate increase three months later.

Follow Up

The staff decided it couldn't rest on success. It needed to evaluate and determine how successful the program has been.

- Did we raise rates?
- Did the rates gain public support? Survey customers to find out.
- What would we do differently next time? Think about complaint calls, media coverage, and election results.

Keep a written record. Put information in the files. Don't lose the knowledge gained. Progress is based on discovering and correcting errors and writing a history of the findings.

Keep on track. Once you've completed the public education campaign and raised rates, keep on track by:

- Evaluating financial operations annually and making frequent incremental water/sewer rate adjustments. Costs of labor, chemicals, power, materials, and supplies will rise. It makes sense to increase revenues proportionally.
- Continue to keep customers informed. Give periodic progress reports through press releases or in bill inserts.
- And, more important, thank customers for their continued support.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

Source URL (retrieved on 09/19/2019 - 2:51am): <https://www.mtas.tennessee.edu/reference/building-support-increase>