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DEPARTMENT OF PUBLIC WORKS

Engineering Division
100 North Appleton Street
Appleton, WI 54911
TEL (920) 832-6474
FAX (920) 832-6489

MEMO

TO: Municipal Services Committee

FROM: Ross Buetow, Deputy Director of Public Works
Kelli Rindt, Enterprise Account Manager

SUBJECT: Follow-up information related to the creation of a Transportation Utility

DATE: June 15, 2022

As a follow-up to discussions held at the June 6, 2022 meeting of the Municipal Services Committee, we offer the following information to aid in future discussions:

1. What is the time and cost to program the current billing system to accommodate billing of the Transportation Utility?

The Information Technology and Finance Departments estimate it will take 750 staff hours over a six-month period to complete the programming and testing. The estimated cost for programming is \$45,000. This includes labor and fringe costs for staff and some minor costs for testing with current printing vendor.

2. What is the estimated annual administration cost for the utility fund?

The estimated annual cost is \$85,000-\$90,000. This will include shared billing costs, audit and banking service fees specific to the utility and salary allocation for employees from the Finance and Public Works Departments that will be working with either the billing or administration of the new utility.

3. Will there be any reductions to fees and expenses to other City funds?

Yes, shared costs for billing printing, postage and billing and customer service staff allocations will be reduced slightly to the Water, Wastewater, Stormwater Utility and Sanitation Special Revenue Funds.

4. What is the earliest implementation date? When would the decision to proceed be needed for implementation?

The earliest implementation of the utility would be January 1, 2024. A decision to proceed would need to be made no later than February 28, 2023, to allow for the needed six months for programming and testing of the billing system and to provide for adequate notice to suspend the billing of the current Wheel Tax.

Any implementation of the utility will need to start as of January 1st of the chosen year. This is suggested to allow for equity of the billing of the Wheel Tax to residents. A mid-year implementation would not be advised as the wheel tax began with plate renewals for January of 2015.

Thank you.

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