

From: Brad Firkus
Sent: Sunday, January 15, 2023 1:56 PM
To: Jessica Anderson
Subject: Fw: Appleton, WI: Contact Your Alderpersons email

Hi Jessica,

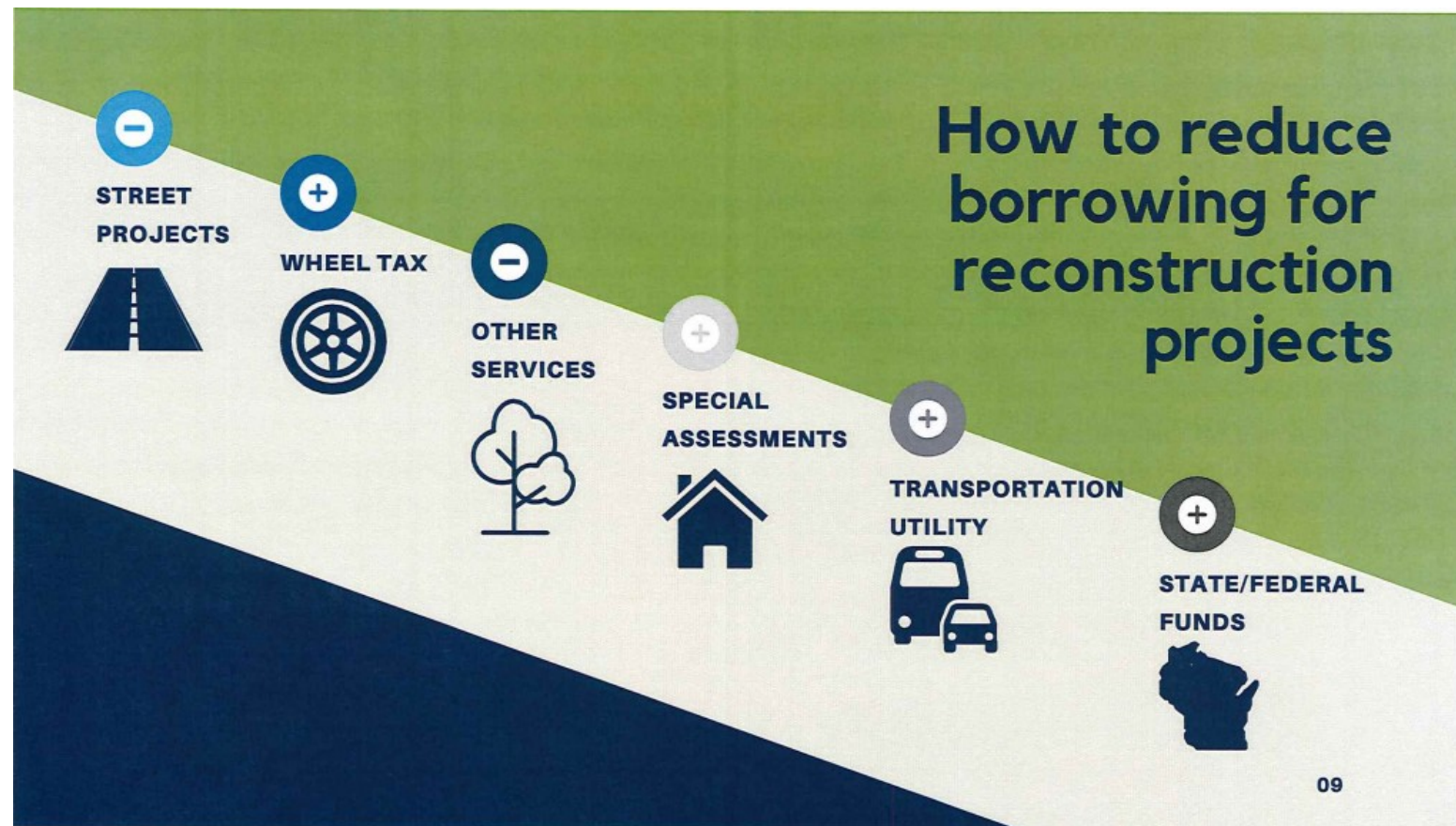
To start off, I think its helpful to grasp just how big of a endeavor it would be to find enough money in the general fund to pay for reconstructing 2% of our roads and underground utilities. I have had this discussion previously with Dept. of Public Works leadership and the dollar amount required to replace 2% of roads and underground utilities would be around \$36,400,000 a year in current dollars. That's \$24,900,000 more than we are budgeting for 2023. Our general fund expenditures for 2023 are budgeted at \$68,946,539. So you would need to reallocate about 36% of the entire city's budget if you wanted to reach that goal through reallocating city funds. If you eliminated all funding for every department in the city, except for the police department, fire department, and public works department and allocated all that money towards infrastructure replacement, you would still end up short by about 4% of the budget (those three departments currently receive 68% of the budget). Entirely eliminating all those other departments is not possible and in some instances would be in violation of state statute.

Hopefully this helps describe why you don't see any real serious effort by the council to hit that goal through reallocating funds from existing departments. Anyone seeking to find enough money within our existing budget will have to be serious about the severe impacts it would have on services that the city provides. As for the role borrowing plays in funding infrastructure, I have some data on that too with the 2020-2023 budgets numbers on how we've funded infrastructure projects:

Year	Infrastructure Project Spending	Infrastructure Project Borrowing	Diff	Road Reconstruct Spending	Road Reconstruct Borrowing	Diff	Utility Spending	Utility Borrowing	Diff	Road Miles Reconst.	% of Roads Reconst.	Water Main Miles Replaced	% of Water Mains Replaced	Sanitary Sewer Miles Replaced	% of Sanitary Sewer Replaced	Storm Sewer Miles Replaced	% of Storm Sewer Replaced	
2020	\$30,333,853.00	\$21,577,970.00	\$8,755,883.00	\$9,211,960.00	\$6,713,922.00	\$2,498,038.00	\$17,648,963.00	\$13,510,150.00	\$4,138,813.00	Asp	1.95	2.83	0.75%	2.1	0.64%	0.51	0.17%	
										Con	1.22							0.91%
										Tot	3.17							349
2021	\$34,576,259.00	\$21,875,343.00	\$12,700,916.00	\$10,241,645.00	\$7,641,716.00	\$2,599,929.00	\$18,537,834.00	\$8,506,320.00	\$10,031,514.00	Asp	2.07	3.87	1.02%	0.95	0.29%	1.24	0.40%	
										Con	1.83							1.12%
										Tot	3.9							349
2022	\$15,973,529.00	\$8,298,181.00	\$7,675,348.00	\$7,830,318.00	\$5,199,378.00	\$2,630,940.00	\$8,038,783.00	\$2,994,375.00	\$5,044,408.00	Asp	1.18	5.23	1.37%	2.31	0.70%	0.61	0.20%	
										Con	1.15							0.66%
										Tot	2.33							351
2023	\$19,518,584.00	\$7,915,929.00	\$11,602,655.00	\$8,092,116.00	\$4,799,876.00	\$3,292,240.00	\$10,467,215.00	\$2,500,000.00	\$7,967,215.00	Asp	1.19	2.16	0.56%	1.93	0.58%	1.88	0.60%	
										Con	1.12							0.65%
										Tot	2.31							353

We do borrow a slight majority of what is spent on road reconstruction. It's a lower percentage than it had been in past years, but that is due to doing fewer projects. Overall though, we have managed to get away from borrowing making up most of our total infrastructure funds. It's only one year, but it is a goal of the current administration to keep that trend up. My feeling is the council is supportive of this goal as well.

As for how we can fund our future infrastructure needs, I think the presentation former Public Works Director Paula Vandehey made at the [August 23 2021 Municipal Services Committee](#) did a good job of laying out our options:



As mentioned to above, we are doing fewer projects as a way to reduce borrowing. We do have the wheel tax in place, which replaced special assessments for road reconstruction projects. But the wheel tax has been static since it was implemented at \$20 per vehicle and generates \$1.2 million a year. Special assessments were on a by-project basis, charging adjacent properties for the increased value a project creates for those properties, or so goes the legal justification for affirming local governments' authority to levy special assessments on property owners. Presumably if we were still doing special assessments they would generate more funding, but with that revenue coming solely from property owners along road reconstruction projects instead of spread across all the city's vehicle owners.

We have looked into creating a transportation utility, but the fate of that is currently pending a WI Supreme Court ruling. Either a ruling in Buchanan's favor or a narrow ruling against Buchanan that says their way of doing a transportation was illegal, but Transportation Utilities are legal could put us back on track. Another possible outcome is that they could rule that municipalities have the authority to create transportation utilities, but any fees collected count against a municipality's tax levy limit. If that were to occur, we could go to referendum to ask to exceed levy limits on an ongoing basis to create the space in our budget to create a transportation utility. The last of the possible outcomes would be a court ruling that makes it clear that municipalities do not have the authority to create transportation authority. In that case, the transportation utility option comes completely off the table. My hope was and is that a transportation utility could be an alternative to the wheel tax or special assessments and would allow the city to collect revenue for supporting our transportation system more equitably than what is possible from those other two options.

The last area of funding is shared revenues from the state and any federal funds the city receives. A lot has been made of the fact that shared revenues were first cut then held flat for several years now, meaning they are a shrinking factor in funding local operations. This has occurred even while us residents send a surplus of sales and income tax revenue to Madison. While we can advocate for the state to do more with the resources it has, that is something that is outside of our control.

In the near term it will be wait-and-see until there is a ruling on the Buchanan case and we find out what Madison will do, if anything, about shared revenues. How those two things shake out will inform us on what our options are moving forward. Thinking longer-term, since this is a problem with a multi-decade window and doesn't have to be solved all at once, we can pursue policy changes that aim to induce better land usage that results in higher land value while also making sure we make more sensible infrastructure investments that can be realistically be supported by the tax base we have. Even if those policies can be implemented quickly and

within the next few years with little or no costs beyond staff time, those kinds of things usually take years to make a noticeable impact since they lead to incremental changes rather than sudden and drastic changes to our city.

Brad Firkus

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Sent: Sunday, January 8, 2023 7:54 PM
To: Brad Firkus <District3@Appleton.org>
Subject: Appleton, WI: Contact Your Aldersons email

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A new entry to a form/survey has been submitted.

Form Name: Contact US - Dist3
Date & Time: 01/08/2023 8:54 PM
Response #: 193
Submitter ID: 62289
IP address: 107.10.71.42
Time to complete: 0 min. , 33 sec.

Survey Details

Page 1
Email Address: admin@allthingsappleton.com
First Name: Jessica
Last Name: Anderson
Address: Not answered
City: Appleton

State/Province:

Wisconsin

Zip Code:

Not answered

Phone Number:

(000) 000-0000

Fax Number:

Not answered

Comments/Questions:

Hi Alderperson Firkus,

I have gotten the impression that the Common Council is unwilling to reallocate city funds to increase the budget for the maintenance of our transportation and underground utility system. At the same time, the city is borrowing a majority of the dollars that go toward road infrastructure maintenance and is on track to have a 200 year road replacement schedule which is not sustainable. What plans do you and/or the Council have to address these issues?

Thanks,

Jessica Anderson
All Thing's Appleton

The Appleton Common Council consists of 15 elected Alderpersons. Currently the Council president is Alderperson Matthew Reed and vice-president is Alderperson Katie Van Zeeland. The Common Council meets the 1st and 3rd WEDNESDAY of the month at 7:00 p.m. in Council Chambers. If you wish to see a current week's schedule of meetings for the Council and its Committees, Commissions and Boards you can find that [here](#).

Weekly Aldermanic packets that are supplied to Alderpersons each Friday can be found [here](#).

To view a list of committees in the City of Appleton please click [here](#).

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Thank you,
Appleton, WI

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