



DEPARTMENT OF ADMINISTRATION & FINANCE  
FINANCE DIVISION

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August 26, 2014

Common Council  
Administration and Finance Committee  
West Allis, WI

Dear Council Members:

The Finance Department continues its search to find efficiencies while continuing to provide high quality service to citizens and other City departments.

As part of this continual improvement effort, the Department will be utilizing lock box services for property tax payments via TriCity Bank. Staff met with representatives from TriCity Bank, as well as BMO Harris Bank, to discuss lock box services. In essence, a lock box service is a back room effort to process mailed in tax payments so that personnel in the Treasury and Clerk offices do not have to process these payments. Payments are processed faster, the City's accounting system is updated electronically rather than manually thereby reducing the possibility for error, and money is deposited into our bank account faster. In a typical tax year, the Treasury and Clerk Departments process over 9,600 such transactions.

There is a cost to these services. Per the analysis provided, we estimate that it would cost approximately \$4,981 to utilize TriCity's lock box service. This cost will be more than paid for in the elimination of overtime for staff in the Clerk's Office, who have graciously provided back-up tax payment processing during the property tax collection period. Last December alone, this amounted to 350 hours of overtime related directly to tax payment processing. Using an average pay rate of \$20 per hour, this totaled approximately \$7,000 in overtime related costs. Moving to a lock box saves approximately \$2,000.

It is my understanding that the address on the return envelopes will have a West Allis PO box and all payments are processed at TriCity's operational center on 70<sup>th</sup> Street in West Allis.

Moving to a lock box makes business sense. It will save money, reduce time and errors, and allow staff to concentrate on higher value activities.

I will be happy to answer any questions or provide further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark D. Wyss", is written over a horizontal line.

Mark D. Wyss  
Finance Director/Comptroller/City Treasurer

Potential Lockbox charges based on actual tax check totals for 2013-2014 collection

TRI CITY				
MONTH	# CHECKS	.25 per ck	Mo fee	Total
Dec	7,587	1,896.75	100.00	1,996.75
Jan	4,638	1,159.50	100.00	1,259.50
Feb	910	227.50	100.00	327.50
Mar	1,947	486.75	100.00	586.75
Apr	805	201.25	100.00	301.25
May	1,636	409.00	100.00	509.00
				4,980.75

Note: Some checks will be processed in person, so these numbers are conservative.

In December, the Clerks worked about 350 hours for us.