



City of La Crosse, WI

2022 Operating Budget

November 15, 2021, 6:00pm – Public Hearing



Annual Budget Process

- ▶ Budget Parameter Committee (BPC)
 - ▶ BPC recommends parameters of total budget
 - ▶ BPC is advised of preliminary cost increases where known
 - ▶ BPC meets once annually
- ▶ Departments enter budgets using parameters set by BPC
 - ▶ Internal budget review held with Budget staff, Mayor and Departments
- ▶ Board of Estimates (BOE) meetings
 - ▶ Meetings held during Sept and Oct
 - ▶ Recommends a budget to Council
- ▶ City Council Budget/Public Hearings held to adopt budget no later than 3rd Tuesday in November.



Budget – Revenues/Expenditures

- State Limitations on City Budgets
 - Levy Limits (concerned with revenues)
 - Expenditure Restraint Program (concerned with expenses)
- Additional Expenses landing in the Operating Budget
 - Radio operating support expenses
 - Public Safety Records Mgmt System w/County
 - Increase in Gas, Diesel, and Utilities rates/prices
- One-time Revenues used to Balance Budgets for 2021
- One-time Revenues used to Balance Budgets for 2022



State Limitations on City Budgets

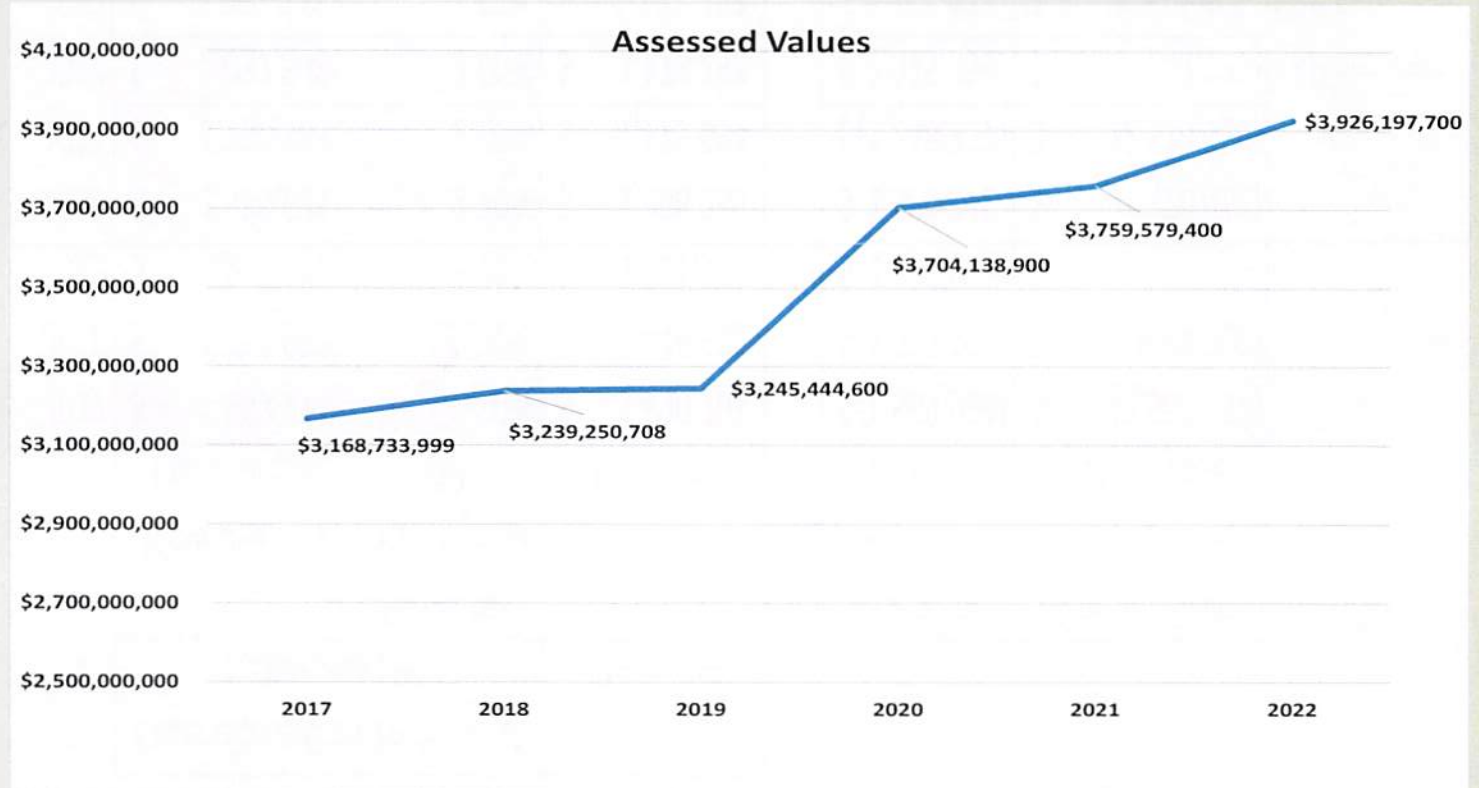
- Levy Limits – Revenue Side of the Budget
 - State sets levy growth %
 - Net New Construction + Unused Prior Year Levy – Personal Property Tax Aids from the state
 - Can exceed by referendum – resets the base to grow levy limits
- Expenditure Restraint Program (ERP) – Expense Side of the Budget
 - Can opt out by exceeding the imposed restraint (no referendum)
 - Opting out – resets the expenditure base for subsequent years

Expenditure Restraint Program

	Expenditure Growth Allowed to Receive ERP		Revenue
	Allowable Exp Increase (\$)	Exp Increase (%)	State ERP Payment
2017	\$ 993,774	1.80%	\$ 1,490,705
2018	\$ 1,717,997	3.20%	\$ 1,446,652
2019	\$ 1,799,869	3.30%	\$ 1,321,578
2020	\$ 1,520,671	2.70%	\$ 1,288,235
2021	\$ 1,330,183	2.30%	\$ 1,175,694
2022	\$ 2,037,548	3.60%	\$ 1,173,298
2022	\$ 2,037,548	3.60%	\$ 1,173,298

Operating Budget Yr-Yr Change	Amount Over (Under) Allowable ERP Increase	
\$ (1,569,963)	\$ (2,563,737)	
\$ 1,033,297	\$ (684,700)	
\$ 1,799,869	\$ -	
\$ 1,500,240	\$ (20,431)	
\$ (1,248,327)	\$ (2,578,510)	
\$ 2,035,353	\$ (2,195)	ERP program
\$ 3,651,013	\$ 1,613,465	ERP Opt-out

Assessed Value & Growth Rates



Assessed Value and Annual Growth %					
2017	2018	2019	2020	2021	2022
\$ 3,168,733,999	\$ 3,239,250,708	\$ 3,245,444,600	\$ 3,704,138,900	\$ 3,759,579,400	\$ 3,926,197,700
1.58%	2.23%	0.19%	14.13%	1.50%	4.43%



One-time Revenues to Balance 2022 Budget

➤ 2022 Budget Balanced With:

- 2021 Land Sale \$1,300,000 – use this revenue as a one-time revenue in 2022
- ARPA Grant to replace positions laid off in 2020
 - 3 positions-Library
 - 2 positions-La Crosse Center
- 2021 Year End Fund Balance
 - Amount to balance budget \$2,235,660
 - 2020 General Unassigned Fund Balance increased by \$2,283,484 – enough to cover 2021.



Future Needs to Address

- ▶ Stop using contingency for anything other than emergency items – create a definition for use
- ▶ Ensure General Fund Balance remains at the Policy requirement of 20%
- ▶ Create a Rainy Day Fund – establish level, parameters for use and how to replenish when spent down
- ▶ Establish a level of Repair and Maintenance budgets in General Fund to cash fund (with levy) ordinary maintenance
 - ▶ City has pushed R&M to capital budget financing with debt
- ▶ City General Obligation & Utility Debt increases over the next five years