

Assessing City-County Cooperation and Overlap: An Analysis of Municipal-Type Service Provision in La Crosse

November 2015



Prepared by:

John Kovari, Assistant Professor, Department of Political Science & Public Administration
Nicholas Bezier, Researcher
University of Wisconsin-La Crosse

Executive Summary

This report was commissioned by the City of La Crosse and provides an analysis of municipal-type services offered by the City of La Crosse and La Crosse County. The study was motivated by findings that property taxes in the city are higher in comparison to neighboring communities, as well as determining whether the way in which services are provided in the county contributes to this discrepancy. This study assesses the degree to which service delivery potentially “overlaps” – that is, this analysis focuses on when both city and county agencies provide municipal-type services (basic city services such as law enforcement and libraries), or when the city provides services for a larger regional constituency but does not receive reimbursement for those services. Several key findings and policy considerations are highlighted below.

Key Findings:

- **While there is strong evidence of quality collaboration and cooperation between the La Crosse City and County governments, there are still multiple areas of service “overlap” in terms of providing some municipal-type services.**
 - This study focuses on municipal-type service “overlap” in the areas of law enforcement, libraries, parks, zoning, and regional assets. Surface transportation and sewer infrastructure are additional areas which were not specifically analyzed in this study but beg for further investigation.
- **City of La Crosse property taxpayers subsidize municipal-type services offered by La Crosse County to outlying areas of the county.**
 - For example, City of La Crosse residents help finance Sheriff Department patrols that focus primarily on non-city areas while also paying for their own police department.
- **City of La Crosse taxpayers also heavily subsidize services and assets significantly utilized by residents from across the entire county/region.**
 - For example, while city taxpayers finance almost the entire La Crosse Public Library budget, nearly 20% of the usage comes from non-city residents in La Crosse County. City taxpayers subsidize several other regional services and assets such as the Parks, MTU, Parking Utility, and La Crosse Center, although a significant portion of non-city residents utilize these services and do not directly pay for them.
- **City of La Crosse property taxpayers could realize substantial savings on their annual property tax bills if service provision is restructured between the City and County.**
 - City of La Crosse property taxpayers can potentially save an estimated \$1.9 million (in 2014 dollars) in property taxes paid to the County each year if service delivery is restructured. This amount grows to \$7.2 million if infrastructure costs for regional assets are transferred to County government. The savings would grow to at least

\$8.6 million if the area's library systems were merged and transferred to the county.¹

- Cost savings for the average city of La Crosse homeowner (with a \$130,000 home) range from an estimated \$65 per year to \$366 per year depending on the method of restructuring service provision.²

- **City, County, and State officials have a unique opportunity to build on existing cooperative partnerships here and address the situation highlighted in this study. While this study does not offer any specific recommendations, it does offer a range of policy alternatives available to public officials for future consideration and discussion. Major themes include:**
 - Decision makers may wish to investigate the possibility of alternative governance (e.g. transferring control to municipalities or the county) of municipal services and/or regional assets.³
 - For example, because the airport or certain parks serve a regional population, the City may wish to investigate the possibility of transferring control to the County or a special district.
 - La Crosse County may wish to pursue revenue recovery from municipal and town governments for municipal-type services that directly benefit those residents, such as charging municipal governments for law enforcement and zoning/urban planning services.
 - The City of La Crosse may want to request reimbursement from the County (or other municipalities) for excess cost to city taxpayers for services/assets outlined in this report, such as for library services.
 - If reimbursement is a viable solution for county and municipal officials, then the City may also wish to consider shared governance options (e.g. committee or board representation) so that governments sharing revenue can have institutional, official input in how those funds are spent.
 - Revenue sharing options in Eastern Racine County and those outlined in a 2005 report entitled "The La Crosse Metropattern: The Case for Regional Cooperation" may be a useful guide for determining alternative ways to help finance municipal-type services in La Crosse.

¹ These savings do not include all offsetting costs from reimbursements, either recovering revenue from outlying municipalities or raising the County mill rate to reimburse the City for law enforcement, parks, and/or zoning services; this is because the County has other options other than raising its mill rate to address this situation (including reducing other expenditures, promoting revenue sharing, and/or generating other own-source revenue from fees or contracted services).

² The \$65 per year cost savings includes offsetting costs incurred by the County increasing its mill rate(s) to cover reimbursements to the City.

³ Transferring control of City (infrastructure) assets to County or other governmental control may have a negative impact on the City's bond rating, potentially making future borrowing more expensive in terms of higher interest rates. A full analysis investigating the consequences of any asset transfers from the City is not included in this study and begs further analysis.

Introduction

A 2014 UW-Extension report revealed that the city of La Crosse’s cost of living exceeded neighboring municipalities in La Crosse County, with a major disparity found in terms of property taxes paid. Concern has been expressed by city residents and public officials about this tax burden differential, with speculation about whether the City of La Crosse and La Crosse County may be duplicating or overlapping services. That is, city of La Crosse taxpayers may be partially financing County services offered mostly to neighboring municipalities; many of these services the City of La Crosse already provides on its own, which artificially drives up County property tax bills for city of La Crosse taxpayers.

Furthermore, the city of La Crosse serves as the core engine of the region’s economy (see Table 1 for basic facts about each municipality within the county in terms of population, property values, and property tax rates), while also serving as the region’s home to many cultural entertainment and regional assets like hospitals, cultural venues, and universities. Many of these assets, while heavily utilized by the region’s residents, are property tax exempt but still require tax-supported local services from the City, including transportation, sewer, water, and public safety. This places great strain on city property taxpayers but hardly any on the region’s other residents who nonetheless frequent the city and these assets. Communities that benefit from these city services and assets should bear some of the costs that go along with maintaining them.

Table 1. Population, Property Value, and Property Tax Statistics for La Crosse County Municipalities in 2014

	Population	% Share County Pop	Total Property Value (EAV)	% Share County EAV	Per Capita EAV	Municipal Property Tax Rate/\$1,000 Assessed Value
City of La Crosse	52,018	44.6%	\$3,211,853,600	38.1%	\$61,745	\$12.24
City of Onalaska	18,159	15.6%	\$1,733,946,900	20.6%	\$95,487	\$6.51
Village of Holmen	9,413	8.1%	\$563,594,200	6.7%	\$59,874	\$4.66
Village of West Salem	4,938	4.2%	\$343,398,100	4.1%	\$69,542	\$3.58
Village of Bangor	1,480	1.3%	\$74,380,700	0.9%	\$50,257	\$5.48
Village of Rockland	614	0.5%	\$26,892,900	0.3%	\$43,800	\$3.36
Town of Bangor	614	0.5%	\$53,716,600	0.6%	\$87,486	\$3.01
Town of Barre	1,239	1.1%	\$95,608,800	1.1%	\$77,166	\$1.22
Town of Burns	951	0.8%	\$80,230,700	1.0%	\$84,365	\$2.29
Town of Campbell	4,339	3.7%	\$328,450,400	3.9%	\$75,697	\$3.58
Town of Farmington	2,075	1.8%	\$156,022,300	1.9%	\$75,191	\$2.30
Town of Greenfield	2,093	1.8%	\$150,948,700	1.8%	\$72,121	\$2.62
Town of Hamilton	2,457	2.1%	\$229,730,800	2.7%	\$93,501	\$2.12
Town of Holland	3,895	3.3%	\$323,550,300	3.8%	\$83,068	\$1.45
Town of Medary	1,491	1.3%	\$140,823,600	1.7%	\$94,449	\$0.79
Town of Onalaska	5,704	4.9%	\$461,024,400	5.5%	\$80,825	\$1.63
Town of Shelby	4,707	4.0%	\$407,841,000	4.8%	\$86,646	\$3.46
Town of Washington	553	0.5%	\$46,623,800	0.6%	\$84,311	\$3.53
County Total (Avg.)	116,740	100.0%	\$8,428,637,800	100.0%	(\$72,200)	

Moreover, with recent growth and development in outlying county areas in recent decades, central city neighborhoods in La Crosse (like many other major Midwestern cities) have been experiencing disinvestment and collateral increases in the need for public safety, social services, and other basic city services. Many families and businesses often move from the city as new construction development opportunities arise in these low-tax, outlying areas, as well as from the perception of worsening conditions. The demand from both city and non-city residents for municipal services thus continues to grow – services that are financed mostly with city property taxes – creating an ongoing cycle of disinvestment and fiscal challenge for the City of La Crosse.

This somewhat complex situation sets up a difficult challenge for the City and County governments of La Crosse, as it does within most counties throughout the state. The City of La Crosse desires to offer quality city services to its own residents (focusing on its own development and growth), within the framework of increasing demand and accompanying fiscal strain. The County on the other hand has a broader jurisdiction and additional service demands; it also desires to offer quality governmental services (especially to outlying municipalities within the county that do not offer these services on their own), and wants to encourage development throughout the entire county. Additionally, the County is similarly confronted with its own fiscal limitations. Opportunities to cooperate and situational conflict over service delivery are bound to arise between the La Crosse's City and County governments.

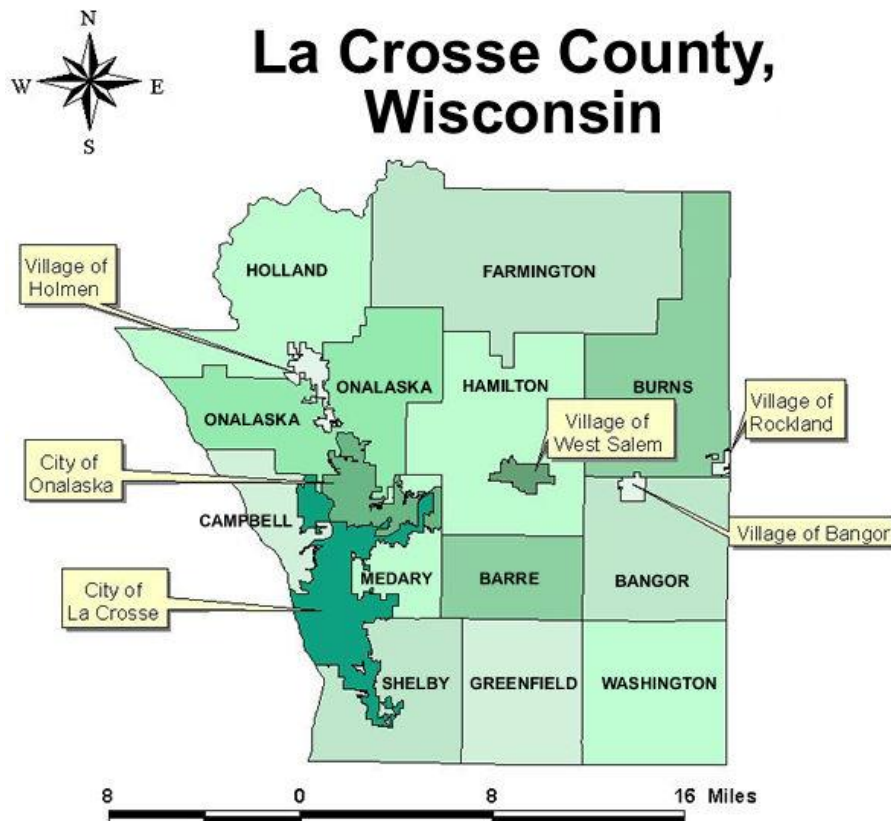
This study was commissioned in December 2014 by the City of La Crosse in order to assess the extent to which city taxpayers are financing La Crosse County municipal-type services for which they receive little to no direct benefit. The City of La Crosse (and several other La Crosse County municipalities) offers many of these municipal services in-house, thereby creating a situation where two levels of government are offering the same services but to differing constituencies. This creates service “overlap” (or even potentially a duplication of services). Similarly, city residents finance many governmental agencies and assets which benefit a much broader, regional constituency.

We define municipal-type services as those basic city services which are typically provided by local governments, including: public safety (police & fire); public works; parks, recreation, and libraries; planning, zoning, and economic development; transportation; and others. These municipal-type services are distinguished from state-mandated county-level services, which include the courts/district attorney, records, jail, and health & human services. An analysis of those state-mandated services is excluded from the scope of this study because any changes to those services are often linked with state intergovernmental aid and lie in the domain of state government, not local governments directly.

There was some concern expressed during the course of this study that excluding state-mandated county services, such as social services, will skew the findings of this report. The main concern is that the cost of the county's municipal-type services offered to non-city residents is usually offset by the high demand for other costly county services “mostly used” by city residents, such as the courts, jail, and health and social services. This is a perspective that could be quantified by future research. At the same time, consider two points of interest. First, the county collects sales taxes countywide (\$10,950,000 forecasted for 2015), which in-turn reduces the county's property tax levy; the WI Department of Revenue estimates that the city's contribution to the county's sales tax yield is nearly half (46%), while the city of La Crosse's property tax contribution to the county levy was only 38% in 2014 – meaning that the city contributes even more to the county than this report suggests. This is in addition to the 58% of corporate income taxes collected within the county that goes towards the state aid the county receives annually from the state for mandated services.

Second, it is important to remember that many state-mandated services such as the courts and jail serve situations/crimes that occur within the city of La Crosse (because of its central location) but are committed by those who reside outside of the city. Regardless, the state’s county governments must offer the same health and social services to all state residents living within their jurisdictions whether the residents live in the city of La Crosse, Milwaukee, Wausau, or the town of Medary.

We define municipal governments as sub-county governments, including cities, villages, and towns. Some definitions of “municipality” exclude towns in that they are not an urban administrative division with home rule powers. For the sake of simplicity, this report combines cities, villages, and towns under the umbrella term “municipality.” As of 2015, there are 1,851 municipalities in the State of Wisconsin, and 72 counties. In La Crosse County, there are two cities, four villages, and twelve towns (see map below).



While this report investigates potential areas of service overlap, it is important to point out that there is a unique and close relationship between the City of La Crosse and La Crosse County governments, with many areas of existing collaboration that is aimed at improving quality of life for all area residents. Examples include: the Harbor Commission, La Crosse Area Planning Committee (LAPC), Sustainability, Neighborhood Revitalization Commission, EMS, and several joint city-county economic development initiatives (e.g. Lot C development and Trane TIF project financing). The authors of this report wish to commend these examples of collaboration and highlight both City and County employees for their dedication to the idea of collaboration.

This report is broken down into sections on five specific services identified by city and county officials: law enforcement, libraries, planning & zoning, regional assets (airport, La Crosse center,

and municipal transit utility), and parks.⁴ Each section includes a summary of the services offered in the region, a fiscal impact analysis on city of La Crosse property taxpayers, and a list of policy alternatives (similar to a report issued by Ruckert & Mielke in 2000 analyzing Eastern Racine County).⁵ We want to make very clear that the policy alternatives section lists a set of options only (not recommendations) that public officials may use for discussion and policy development; again, this study does not recommend any individual policy but rather simply details some alternative methods of service delivery. A concluding section with a list of overall policy alternative themes (not specific to each service) is also included at the end of this report.

This project utilized multiple research methods. First, the research team conducted multiple in-person and/or telephone interviews with key stakeholders from both city and county governments, including executive and legislative leaders, department heads & agency staff, and budgeting & finance officials to gather information about services provided in the various jurisdictions. Interview questions surrounded which key agencies to focus on, as well as gathering information about key areas of service provision. Next, the research team conducted an analysis of municipal and county departmental budgets (both revenues and expenditures from 2011 or 2012) in order to determine what services are provided, as well as the fiscal impact on city of La Crosse taxpayers. Lastly, an analysis of existing municipal-county services throughout the state was also conducted; this required reaching out to various governmental and professional organizations, including the WI Counties Association, Wisconsin Sheriffs & Deputy Sheriffs Association, UW-Extension's Center for Local Government, and League of WI Municipalities.

During the study, it quickly became very clear that both City and County public employees have a dedication and passion for providing quality public services for La Crosse area residents and visitors. The authors of this report wish to acknowledge and thank all the interviewees for their willing participation and timely cooperation in collecting data for this study, especially the La Crosse Mayor's Office, La Crosse County Administrator's Office, and the City of La Crosse Finance Department. Overall, the La Crosse area's public officials and public employees are admirable examples of committed governmental service and open, transparent government.

⁴ Surface transportation (e.g. streets, roads, and highways) is another area of potential "overlap," as the city's surface transportation infrastructure serves the greater La Crosse region. However, this service area is omitted from the scope of this study. The authors of this report encourage further analysis of this important service/asset and the complex intergovernmental financing that accompanies it. Sewer and water treatment infrastructure is similarly omitted from the scope of this study. At the very least, omitting these services/assets makes the cost estimates within this study even more conservative.

⁵ Ruckert & Mielke, Inc. 2000. "Racine Intergovernmental Relations Study."

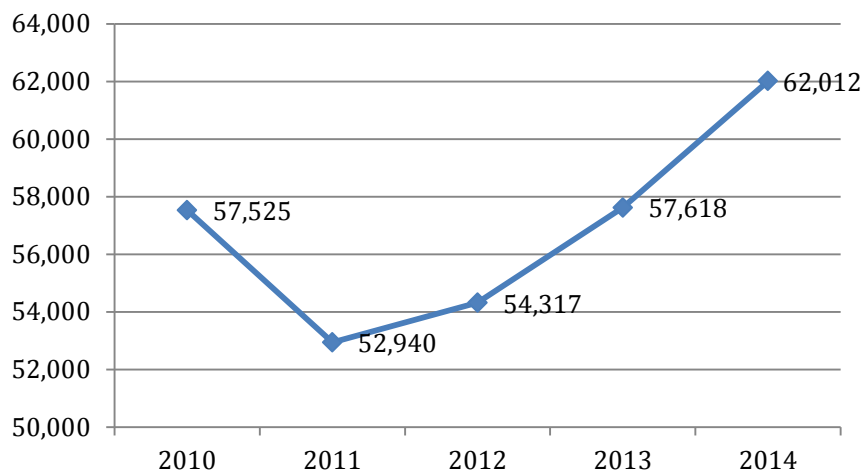
Law Enforcement Services

Law enforcement services within the La Crosse region are provided by a variety of agencies at both the municipal and county level. In this section, we provide a summary of those services, with particular attention paid to the city of La Crosse. A few alternative models of law enforcement service provision are offered, as well as a fiscal analysis of how city of La Crosse residents finance these law enforcement services. A few policy options are also offered to public officials for consideration, but no specific recommendations are made in this report; in other words, law enforcement is not “broken” in La Crosse, nor does it need “fixing.” The policy alternatives reflect options that address the concerns offered by city residents about financing services for which they do not directly benefit.

The municipal law section of the Wisconsin state statutes outlines the responsibilities of different municipal units in providing law enforcement services. Cities with a population over 4,000 residents must create a police and fire commission (§62.13(2)). However, cities are not required to provide police and fire services themselves; cities can contract with the county sheriff or another police department to provide law enforcement services (§62.13(2s)(a)). Villages with populations greater than 5,000 residents must provide service, but that service can take a number of forms, including the creation of a police department, contracting for service, or creating a joint department with another municipality (§61.65(l)(a)). Towns have no statutory responsibility to provide coverage, although counties in Wisconsin typically provide local law enforcement in these communities.

The City of La Crosse Police Department (LCPD) provides law enforcement services within its city limits, with a 2015 annual budget of \$10,062,230. The department has a total of 117.8 full time equivalent (FTE) employees, 97 of which are sworn officers. Calls for service to LCPD have increased from a low of 52,940 in 2011 to 62,012 calls in 2014 (a 17% increase in demand for police services since 2011) (see Figure 1). In 2014, LCPD’s annual report indicated 1,994 crimes were reported, of which 1,020 (or 51.2%) were cleared.

Figure 1. LCPD Calls for Service, 2010-2014



There are also several other municipal police departments that provide law enforcement services within their municipal limits, including the City of Onalaska, the Villages of Holmen, West Salem,

and Bangor, and the Towns of Campbell and Shelby (see Table 2 for a full list of La Crosse municipalities with and without their own police department).

Table 2. List of La Crosse County Municipalities with Their Own Police Department

Municipality	Own Police Department?
City of La Crosse	Yes
City of Onalaska	Yes
Village of Holmen	Yes
Village of West Salem	Yes
Village of Bangor	Yes
Village of Rockland	No
Town of Bangor	No
Town of Barre	No
Town of Burns	No
Town of Campbell	Yes
Town of Farmington	No
Town of Greenfield	No
Town of Hamilton	No
Town of Holland	No
Town of Medary	No
Town of Onalaska	No
Town of Shelby	Yes
Town of Washington	No

The La Crosse County Sheriff’s Department (La Crosse County Sheriff’s Office or LCSO) provides law enforcement services (including patrol, investigation, property & evidence, civil process, and community services) throughout the entire county, but with the primary focus for patrol service delivery for municipalities without their own police department. In particular, all of La Crosse County’s towns receive law enforcement service from the Sheriff’s Department, with the exception of Campbell and Shelby, which have their own police departments; however, the Sheriff’s Department provides second and third shift coverage to these two municipalities (these services are not contracted). The Village of Rockland also utilizes the Sheriff’s Department for primary law enforcement coverage. The remaining municipalities have their own police departments and utilize the Sheriff’s Department only as backup when their own law enforcement personnel are unavailable to respond to incidents. Services are thus provided to all of the county’s municipalities as necessary by the Sheriff’s Department; 23 sheriff’s deputies are assigned to patrol activities within the county.

In addition to this framework exists some cooperative law enforcement arrangements known as mutual aid agreements. The City of La Crosse currently has mutual aid agreements with the Cities of Onalaska and La Crescent, as well as UW-La Crosse. The primary purpose of these agreements is to facilitate more efficient response to incidents by allowing on-duty officers to cross city boundaries without requesting



Photo: La Crosse County Sheriff’s Office patrol car

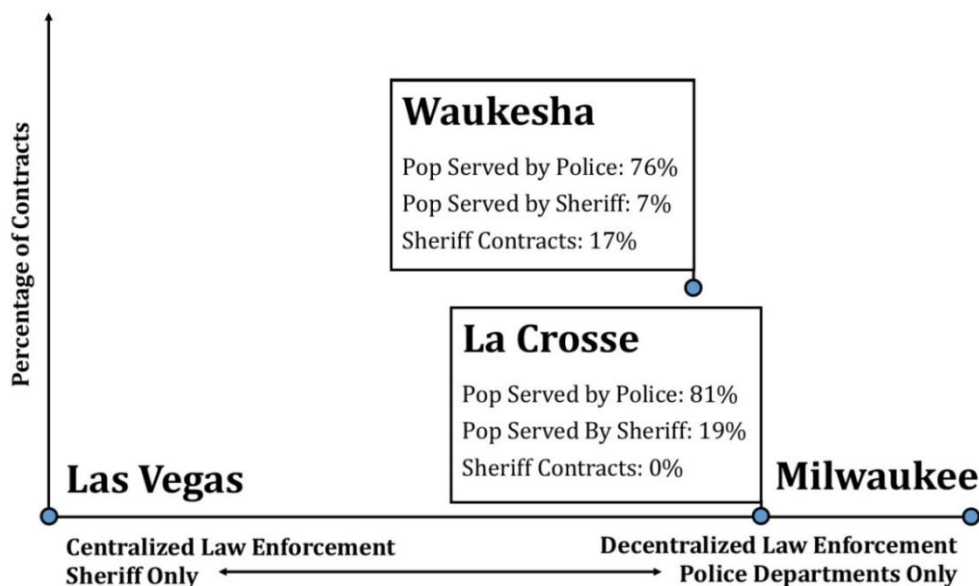
permission from the other municipality to enter. Without a mutual aid agreement, home town officers would often have to accompany the visiting officers while operating in the neighboring jurisdiction. In addition, the visiting municipality now bears responsibility for the action of its officers when they are working outside their own home borders. For example, with a mutual aid agreement, LCPD officers can enter Onalaska on official business without having to contact the Onalaska Police Department to receive permission, and without receiving an Onalaska escort; also, LCPD bears full responsibility for the conduct of those officers while they are operating in Onalaska.

Cooperative law enforcement does not end there; LCPD and the county Sheriff's Department have a long history of significant collaboration. First and foremost it is important to mention that La Crosse County currently operates the La Crosse County Emergency Dispatch Center (LEDC), which is financed entirely by the county property tax levy and coordinates medical, fire, and law enforcement dispatch for the county and nine municipalities within the county (roughly 60% of all calls originate in the city of La Crosse). The Sheriff's Department and LCPD also collaborate on DARE programming, the Metropolitan Enforcement Group, GREAT programming, DNA collection, evidence collection, crowd control during large events in the area (e.g. presidential visits), and the respective Emergency Response Teams (ERT) are joint members of ALERT (Area Law Enforcement Response Teams). In addition, sheriff's deputies sometimes respond to calls for service within the city of La Crosse (when all LCPD officers on duty are occupied with other incidents). This level of collaboration across law enforcement agencies within the county operates at a high level of distinction.

Alternative Models of Law Enforcement Service Provision

Law enforcement provision may be considered to fall along a spectrum of centralization (see Figure 2). At one end, law enforcement can be completely centralized, with a Sheriff's Department providing law enforcement services for the entirety of a county and its municipal subunits. On the other end of the spectrum is a decentralized law enforcement model, in which most municipalities have their own police departments, and the county provides county, jail, and other state mandated-related services, such as evictions.

Figure 2. Law Enforcement Spectrum of Centralization



An example of the centralized model can be found in Clark County, Nevada. The Las Vegas Police Department and the Clark County Sheriff's Department merged in 1973. The decision to merge was driven by what were perceived as duplicative services provided by both agencies. Residents were often confused as to which agency provided primary service, leading to slower response times. Elected officials believed that significant funds could also be saved by consolidation (one external audit from 1999 found slightly less managers and supervisors in Las Vegas than for similar large metro police departments). The decision to combine the departments faced little political opposition, and no attempts have been made since to decentralize the agency.

On the other end of the spectrum is a decentralized law enforcement model; Milwaukee County is the state's best example. Each municipality in Milwaukee County has its own police department and provides basic law enforcement services within its borders. The Milwaukee County Sheriff's Department does provide minimal street-level law enforcement services but mainly is restricted to patrolling the county park system and interstates within the county; the Milwaukee County Sheriff's Department primarily offers court, civil process, community, and property and evidence services and operates the jail system.

In between these two models lies a hybrid approach, with Waukesha County serving as a good example for an alternative to La Crosse. The Waukesha County Sheriff's Department contracts with a number of the towns and villages in the county to provide primary law enforcement coverage for those areas; just over 17% of the county's population is served by sheriff's patrol services, which are financed by municipal-county contracts. The larger municipalities in the county, including the Villages of Merton and Sussex and the City of Pewaukee, also have contracts with the Sheriff's Department. While towns already receive baseline coverage from the Sheriff's Department, several have chosen to pay the Sheriff's Department to provide a dedicated deputy for 24/7 coverage. In recent news, the City of Pewaukee most recently switched over to the Sheriff's Department for service in 2010 in order to fill a million dollar budget hole; 16 of Pewaukee's 27 officers were hired by Waukesha County.⁶

La Crosse County falls close to Waukesha along the centralization axis, but does not have any contracts for service between the Sheriff's Department and county municipalities. One option for policymakers to consider is the extent to which contracting for patrol services might benefit the fiscal situation of the La Crosse County budget and taxpayer equity in financing these services.

Fiscal Analysis

This report was commissioned to assess whether city taxpayers were paying for services from the county for which they received no direct benefit. For example, city of La Crosse residents (and other municipalities with their own police department) pay property taxes to support their own police department, and they also pay property and sales taxes to pay for Sheriff's Department services.

One way of determining overpayment is to compare the amount paid to support Sheriff's Department patrol services in relation to the benefits directly received from that agency. The researchers of this study collected data from the Sheriff's Department on agency expenditures and outputs (calls for service) from 2012-2014. Of the 24,730 calls for service to which the Sheriff's

⁶ Johnson, Mike, "Pewaukee city police officers work last shifts," *Milwaukee Journal Sentinel*, <http://www.jsonline.com/news/waukesha/80438612.html>.

Department responded in 2014, 4,233 originated within the city of La Crosse, comprising 17.1% of total calls (see Table 3).⁷ The city of La Crosse’s portion of the county property tax levy was 34.8% in 2014. Thus, city of La Crosse property taxpayers may be assumed to have contributed 17.7% in excess toward Sheriff Department patrol activities. With a total annual budget of \$4,527,041 in 2014, 17% of the Sheriff’s Department’s patrol budget equals \$801,286. That figure is reduced here to incorporate only patrol-related services (or just 55% of the annual budget, based on a County estimate), so the excess cost to La Crosse residents is actually estimated as **\$455,706**.

Table 3. Calls for Service Responded to by La Crosse County Sheriff’s Department by Year

Year	Total Calls	Within City of La Crosse	Percentage of County Total
2012	20,821	4,500	21.6%
2013	21,720	4,111	18.9%
2014	24,730	4,233	17.1%

Policy Alternatives

In this section, several policy alternatives are offered to policy makers for their consideration, but the authors would like to remind readers that these are in no way suggested recommendations. The alternatives listed below are meant to be comprehensive, offer food for thought, and spur future discussion.

1. Seek a property tax rebate (or optional transfer payment) from the County for city of La Crosse property taxpayers as reimbursement for financing patrol services to outlying municipalities.⁸ This amount could change annually based on the percentage of the city’s property tax levy contribution to the County and the percentage of Sheriff calls for service within the city of La Crosse, similar to the method described in the fiscal analysis. This would have amounted to **\$455,706** in 2014.⁹ For the average La Crosse homeowner (with a \$130,000 home), the average city of La Crosse homeowner would have saved \$19.43 in 2014 in paying city property taxes.¹⁰

⁷ This figure over-estimates the patrol presence that the Sheriff provides the city of La Crosse because 1,535 of the calls in 2014 were for “paper service,” such as when the Sheriff’s Dept. issues someone a subpoena or some other type of official document related to the County Justice/Courts System. So, one-third of the calls reported here are not necessarily responding to calls for service or criminal incidents because LCPD is occupied elsewhere. Moreover, the Sheriff’s Dept. is reimbursed for issuing subpoenas if they originate from a private party.

⁸ Property tax rebates do not currently exist in Wisconsin, and initial research into their viability suggests that Wisconsin statutes do not prohibit this practice; still, transfer (or lump sum) reimbursements are ostensibly more practical and have precedent. Also, there may be concern that any increase in county expenditures and/or levy may exceed tax and expenditure limits (TEs) imposed by the state; further research is required to assess the fiscal impact of the county exceeding Expenditure Restraint Program (ERP) limits, but levy transfers for service provision are typically exempted under §66.0602(3).

⁹ A problem arises if the County were to increase its mill rate to reimburse the City for this excess cost because city taxpayers paid 34% of the County’s levy in 2014. Thus, the reimbursement amount would need to be increased by 34% (or the city’s apportionment for a given year) to capture the resulting effect on city taxpayers. All reimbursement figures in this report should be viewed in this light.

¹⁰ Calculated with a 2014 total assessed value of \$3,078,297,200 and 0.01224 mill rate for the City of La Crosse, and for county calculations the 2014 total equalized value is \$7,809,766,300 with a 0.00319 operating mill rate for La Crosse County. This figure assumes that the County would not be required to increase its operating mill rate to cover the reimbursement to the City.

2. Seek contracts between La Crosse County and municipalities to increase revenues for the Sheriff's Department activities and lower the county's overall property tax levy. State law does not prohibit this practice, as evidenced by the Waukesha County law enforcement model. Under this model, towns in the county would thus directly pay for the negotiated service they wish to receive from the Sheriff's Department.

Hypothetically, if \$1 million in contracts were recovered from La Crosse county municipalities without their own police department for sheriff patrol services, the county property tax mill rate would have decreased from \$3.19 to \$3.06 per thousand dollars of assessed value in 2014. In this scenario, all La Crosse county taxpayers would benefit. Specifically, for the average homeowner in La Crosse County (with a \$130,000 home), these savings would have totaled \$16.63 in 2014. [Important note: while La Crosse municipalities without their own police departments may view new contracts as unnecessary additional costs, the trade-off is that sheriff patrol services will be defined and provided in more concrete terms for those communities. The benefit of contracted services also reduces the cost to those communities (because of economies of scale) rather than them providing law enforcement services on their own.]

3. Alternatively, La Crosse County might consider implementing a separate patrol services mill rate for law enforcement activities in areas where there is no local police department (or, like Shelby and Campbell, where there is a local police department but those areas still receive patrol services from the Sheriff on some shifts). This alternative is similar to how the County has a separate mill rate for the county library system. Current statutes are not clear whether this option is legally feasible and would require further research.
4. Centralize all law enforcement responsibilities, excluding the county court and jail system, by creating a regional law enforcement police department, similar to the Las Vegas metro model. The city's law enforcement would thus be conducted by this new regional agency. Another alternative could be that all law enforcement services could be assumed by the Sheriff's Department, and without the need for state authorizing legislation, the County could contract for service with each municipality depending on the level of service they prefer.
5. Pursue mutual aid agreements with surrounding municipalities to allow sworn officers into the city without LCPD accompaniment. While the city already has mutual aid agreements with the Cities of Onalaska and La Crescent and UW-L, mutual aid agreements with surrounding communities would allow officers from other communities to enter city limits to conduct business without LCPD accompanying them, despite the investigation being outside LCPD's oversight. The assumption is that municipal law enforcement services would be less reliant on the Sheriff's Department, potentially reducing the cost of county patrol services, albeit probably just marginally.

La Crosse Library Systems

The La Crosse region is served by a complex network of multiple governmental agencies that provide library services. These services are often subject to complex jurisdictional challenges, sometimes confusing local residents and often placing fiscal strain on local governments to maintain quality services. In this section, we outline the various agencies that play a role in providing library services to the region's residents, how city of La Crosse residents finance these services, and the available policy alternatives for local elected officials should they seek changes to the status quo.

The City of La Crosse operates the La Crosse Public Library (LPL), with one main branch in downtown La Crosse as well as two subsidiary branches that primarily serve north and south side communities. The library oversaw a total of 1,370,425 transactions in 2014, of which only 969,665 (69%) were transactions by La Crosse city residents. Circulation of materials has increased dramatically over the past decade, increasing 49% between 2003-2012.

The La Crosse Public Library's 2015 annual budget is \$4,963,659. This budget is financed primarily with city property taxes, but it also receives some revenue from fees and fines. LPL receives \$116,175 of revenue from the Winding Rivers Library System (WRLS) for WRLS office space rent, as well as for operating as WRLS's resource library. LPL also receives annual revenue from WRLS for maintaining the regional inter-library catalogue, for which LPL received \$177,232 in 2015.

A large reimbursement is also collected from surrounding counties. Wisconsin Statute 43.12 states that counties without countywide libraries (nor are their residents served by a municipal library) must reimburse at least 70% of the total circulation costs that are incurred by a given municipal library. The total amount budgeted for LPL's adjacent county reimbursements is \$219,925 for 2015. The remaining portion of LPL revenue comes from levy support, grants, and user fees/fines.

Table 4. La Crosse Public Library Annual Budget Summaries, 2011-2015

	2011 Actual	2012 Actual	2013 Actual	2014 Estimated	2015 Budget
Total Expenditures	4,991,626	4,754,346	5,032,658	5,034,262	4,963,659
Salary/Fringe	3,950,781	3,809,697	3,942,052	3,995,185	3,924,582
Operating Expenditures	1,040,845	944,649	1,090,606	1,039,077	1,039,077
Total Revenues	523,290	523,290	452,146	600,966	688,332
WRLS Resource Library	116,175	116,175	116,175	116,175	116,175
Other County Reimbursements	198,815	198,815	127,471	129,262	219,925
Transferred from Carryover	-	-	-	174,397	175,000
Other (fees, grants, etc.)	208,300	208,300	208,500	181,132	177,232
Net Expenditures	\$4,468,336	\$4,231,056	\$4,580,512	\$4,433,296	\$4,275,327

La Crosse County also operates a consolidated library system to serve outlying La Crosse county residents, the similarly named La Crosse County Library (LCL). The county operates branches in Bangor, Campbell, Holmen, Onalaska, and West Salem. La Crosse County provides the materials and personnel for the locations, while capital costs related to upkeep of the facilities are the responsibility of the respective municipalities.

The county levies a separate property tax to finance the La Crosse County Library's operations, as is authorized by Wisconsin Statute 43.64. This library property tax rate adds \$0.21/\$1,000 of assessed value to the total county rate of \$3.89. City of La Crosse residents are exempt from the county's library tax, as the city operates its own municipal library.

The county library system's annual budget is \$1,780,968, which has remained relatively stable since 2011, although operating expenses have increased 18% during that time (see Table 5). Salary and fringe benefit costs make up 75% of the library's annual budget.

Table 5. La Crosse County Library Annual Budget Summaries, 2011-2015

	2011 Actual	2012 Actual	2013 Actual	2014 Estimate	2015 Budget
Total Expenditures	1,719,550	1,718,311	1,745,344	1,811,833	1,780,968
Salary/Fringe	1,344,923	1,314,199	1,368,602	1,389,347	1,338,790
Operating Expenses	374,627	399,575	376,342	407,486	442,178
Capital Expenses	0	4,537	0	15,000	0
Total Non-Levy Revenues	92,398	128,727	96,014	84,282	95,403
Net Expenditures	\$1,627,152	\$1,625,226	\$1,649,330	\$1,726,851	\$1,685,565

While both La Crosse city and county library systems exist, there are additional state and regional institutions requiring mention. First, Wisconsin law requires that any residents with a library card be allowed to access the catalogue of another library, with a few rare and special exemptions. This means that a city of La Crosse resident with a LPL card should be able to check out a book from the Madison Public Library and vice versa.

Along with the statewide library access mentioned above, both city and county library systems are members of a seven-county federated library system that serves the greater La Crosse region, the Winding Rivers Library System (WRLS), as well as WisCat, the statewide inter-library loan system. Membership in a federated library system, in this case WRLS, is provided for under Wisconsin Statute 43.19. WRLS services include delivery of transfer materials between libraries, regional training/consulting opportunities for local branches, and shared/bulk purchasing. Membership in the system allows for the (convenient) transfer of materials between the individual libraries that participate in the system. A governing board comprised of twenty members oversees the system, with membership divided across counties and proportional to population.

WRLS is almost fully financed by the state of Wisconsin, but there are some costs incurred by local libraries to support its operations; specifically, the local libraries pay a fee for belonging to WRLSWEB, the online catalogue and transfer system. A formula based on circulation and collection size (surprisingly not transfer usage) determines how much each local library from the region pays to participate. The fee is utilized to maintain WRLSWEB and is not used to pay for costs associated with physical transfer of materials from one library to another; that cost is paid fully by WRLS and is state- and county-funded.

Membership within a federated library system is not mandatory (conditions for withdrawal are listed under Wisconsin Statutes 43.18). Additionally, member libraries do have the option of declining to participate in certain System services, such as the integrated catalog service known as WRLSWeb. Currently there are 6 system member libraries that have chosen not to participate in WRLSWeb: Tomah, Osseo, DeSoto, Reedstown, Independence and Whitehall. Nonparticipation in WRLSWeb means materials transfers can still occur; however, these transfers occur via the

statewide WISCAT service, take considerably more time, and present a significant inconvenience to those communities' users.¹¹



Photo: La Crosse Public Library

Belonging to a federated library system may seem complex. An example may help shed light on how this system works. For example, a resident of Shelby may utilize the south side La Crosse library with a *system* library card. If a sought book is not currently on the shelf there, but is currently available in Holmen, the resident can request that it either be transferred to that library (or placed on hold at Holmen). Thus, while this resident enjoys the benefits of LPL's personnel and

infrastructure, he or she pays nothing directly to LPL; La Crosse city residents subsidize this service.

Circulation and transfer of materials within WRLS (via WRLSWeb) is a two-way street. In 2014, LPL loaned 101,979 materials to other WRLS libraries and received 60,115 materials from other libraries. Within WRLS, 418,944 materials were borrowed from another library, and 416,190 were loaned to another library.

The city's main branch also serves as the "resource library" for WRLS, the major library and "hub of traffic" within the region. In serving in this capacity, WRLS provides LPL with annual state-sourced funding (about \$21,000 in 2014) to develop its collection. In addition, WRLS pays rent to LPL to house the offices and operational center of WRLS; WRLS and LPL contract on an annual basis for this rent as well as for reimbursement of LPL technical/IT support.

Finally, both libraries participate in WisCat, the state's inter-library loan service. Members of WisCat libraries across the state can request materials from any other library within the state, and have those materials delivered free of charge. Given the collection development within WRLS and the convenience of using WRLSWEB, very few transaction take place via WisCat; a total of 4,652 these transactions took place within the city library system, or 0.3% of the total circulation.

Fiscal Analysis

City of La Crosse residents who use the city's library account for only sixty-nine percent of materials checked out, followed by the town of Shelby with approximately five percent of materials

¹¹ There is concern that these communities are still benefitting from the system without contributing to the resource, in that the WRLSWeb catalog access is still provided to all residents, just that the catalogs from each library is not united. WRLS residents thus must inconveniently search two databases [WRLSWeb as well as the individual library (e.g. Tomah and Osseo) databases] for materials they may wish to check out.

checked out. See Table 6 for data on use of library materials broken down by La Crosse County municipalities.

Table 6. La Crosse Public Library (LPL) Usage¹² by Municipality in 2014

Municipality	Count	Frequency
La Crosse	542,957	68.79%
Shelby	37,601	4.76%
Onalaska	27,212	3.45%
Onalaska (town)	18,268	2.31%
Campbell	14,606	1.85%
Holmen	13,789	1.75%
Greenfield	9,191	1.16%
West Salem	7,571	0.96%
Medary	6,212	0.79%
Holland	4,989	0.63%
Barre	4,665	0.59%
Farmington	4,135	0.52%
Hamilton	3,506	0.44%
Washington	2,048	0.26%
Bangor	1,264	0.16%
Bangor (town)	656	0.08%
Rockland	535	0.07%
Burns	341	0.04%
Total - LCL Municipalities	156,589	19.84%
Overall Total	789,302	100.00%

The vast majority of LPL’s programming and circulation services is financed by city of La Crosse property taxpayers, while non-city La Crosse residents are utilizing 19.8% of services without directly contributing to the LPL budget. Addressing this financing disparity is addressed in the policy alternatives section below.

Policy Alternatives

1. Request reimbursement from La Crosse County for LCL municipalities that utilize LPL library services (via an increase in the county library property tax).¹³ The reimbursement can be determined according to one of two formulas:
 - a. The first formula simply multiplies LPL’s annual operating budget by the percent of usage by La Crosse County municipalities that receive library service. With a 2014 annual LPL budget of \$5,034,262, and with 19.8% of usage coming from LCL

¹² Usage is calculated by adding total materials checked out and renewals.

¹³ The city attorney may need to provide additional legal input about the county’s ability to pay for these library costs. In 2014 Mayor Kabat requested \$219,000 from the county in reimbursements for 2015 library services, which matches the amount reimbursed by out-of-county residents. The county’s corporation counsel raised concerns that the county did not have the authority (under Chapter 43 of state statutes) to make such a payment.

municipalities, the total reimbursement would equal **\$998,798**. This new revenue would decrease the city’s mill rate from 0.01224 to 0.01191, meaning that for the average city of La Crosse homeowner (with a \$130,000 home), the property tax savings would have amounted to \$42.37 in 2014.

- b. The second formula is provided for in Chapter 43, which outlines reimbursements to large libraries for out-of-county usage by residents of municipalities that do not have library services provided to them. The minimum reimbursement is calculated as: (# of loans to a specific municipality) * (total operational expenditures/total number of loans) * 0.7. If the “specific municipality” is La Crosse County municipalities, the final sum would be **\$699,120**.

2. Request reimbursement directly from La Crosse County municipalities. For example, town of Shelby residents utilize 4.8% of the total city library circulation. If this percentage is multiplied by the 2014 annual LPL operating budget, the town of Shelby could be asked to cover **\$239,824**. A similar reimbursement could be pursued across all municipalities that use city library materials (see Table 7 below).

Table 7. Compensation of La Crosse County Municipalities for LPL Usage

	Count	Frequency	Proposed Reimbursement
La Crosse	542,957	68.79%	N/A
Shelby	37,601	4.76%	\$239,824
Onalaska	27,212	3.45%	\$173,561
Onalaska (town)	18,268	2.31%	\$116,515
Campbell	14,606	1.85%	\$93,159
Holmen	13,789	1.75%	\$87,948
Greenfield	9,191	1.16%	\$58,621
West Salem	7,571	0.96%	\$48,289
Medary	6,212	0.79%	\$39,621
Holland	4,989	0.63%	\$31,820
Barre	4,665	0.59%	\$29,754
Farmington	4,135	0.52%	\$26,374
Hamilton	3,506	0.44%	\$22,362
Washington	2,048	0.26%	\$13,062
Bangor	1,264	0.16%	\$8,062
Bangor (town)	656	0.08%	\$4,184
Rockland	535	0.07%	\$3,412
Burns	341	0.04%	\$2,175

3. Expand shared governance on the nine-member LPL board to include those institutions/jurisdictions that provide revenue from these agreements. Currently, the library board allows for two members from outside city limits. These jurisdictions may be more likely to contribute to LPL knowing that their concerns could be formally addressed in a shared governance setting.
4. Merge LPL and LCL into one department – perhaps under the County’s jurisdiction – or by creating a new special district. Transferring control of the City’s library system to the

County would have a net reduction on the city's property tax levy, reducing it by \$4,386,296 (the city's net levy contribution in 2014), while increasing the county's library levy by this amount. In this scenario, the savings for the average city of La Crosse homeowner would have totaled \$112.28 in 2014; the City's mill rate would have decreased from \$12.24 to \$10.81 (per thousand dollars of assessed value) while the County's library mill would have increased from \$0.22 to \$0.78.

- a. Another alternative would be to transfer LCL to the City's control, in which the City would administer and operate the LCL on a contract basis, reimbursed from the County's library levy.
5. Begin the process for withdrawal from the Winding Rivers Library System and run an independent operation; Wisconsin Statute 43.18 gives the City of La Crosse the ability to withdraw. While this would give the City the ability to keep more of its material in the city, it would lead to a loss of revenue currently provided by WRLS for rent in the La Crosse Public Library building and services provided by city staff (**-\$43,175**), as well as reimbursement for its status as the resource library in the system (**-\$73,000**). It may also mean more limited access to materials not at LPL.
 - a. A similar option for refusing borrowers' library cards from an adjacent library system is detailed in Wisconsin Statute 43.17(11). Another legal opinion may be necessary to determine if "public library system" within the statute refers to a regional, federated library system or a neighboring public library.
 6. Pursue total reimbursement from automated consortium member libraries for housing and operating consortium equipment for library cataloging (WRLSWEB) in city facilities. Communicate this requirement during upcoming negotiations on fees adjustments related to WRLSWEB. State law mandates that the federated library system reimburse for no less than 70% of operating costs.
 - a. Also investigate strategies for restructuring WRLSWEB member fees so that larger collections are not penalized; rather, explore adding a factor that considers *usage* of the system.
 7. Explore an increase in charging non-state residents for LPL library cards; the current rate is \$75 per card. While only 1.2% of circulation is attributed to non-state residents, this percentage is more than the usage by several La Crosse County municipalities.
 8. The City of La Crosse may also wish to work with the Library Board on reviewing and restructuring personnel and budget levels for LPL, given that these levels are comparatively high when benchmarked against peer institutions, as highlighted in the recent report "La Crosse Public Library: Library Services Process Management Study, 2015."

Parks

The City of La Crosse Parks, Recreation, and Forestry Department services the recreation and leisure needs of both city residents as well as visitors from across the country. The department operates and maintains forty-five parks and provides recreational programs for both children and adults. Outside of the several neighborhood parks, many of the city's parks serve a regional (if not national) audience, including Granddad Bluff, Myrick, and Riverside Parks. The department also oversees Hixon Forest and its vast network of trails, as well as conservancy land and other vegetation on city-owned property. Additionally, the department operates and maintains the Green Island Ice Arena, and contracts with KemperSports to operate the Forest Hills Golf Course. Lastly, the department oversees three public pools, for which they offer lifeguard personnel.

The Parks Department generates a significant amount of revenue from user fees. The vast majority of programming and reservations of shelters for private events is subject to user fees, which are often stratified into resident and non-resident rates (non-residents pay more). User fee revenue for each program/facility is often put into special proprietary budgets, which then is then used exclusively to improving that account's facilities and programming. City property taxpayers also help support all these activities, although total city levy support fell slightly from \$2,729,650 in 2010 to \$2,522,528 in 2015.



The La Crosse County Facilities Department oversees county-owned parks, campgrounds, and forests. The county operates and maintains five parks; three are located in West Salem, one is located in Mindoro, and the last is located in Stoddard. The department also maintains two forests, both of which are located in Farmington. Lastly, the department operates and maintains two campgrounds: the Goose Island Campground in the town of Shelby and the Veterans Memorial Campground in West Salem. Across these parks, visitors can reserve shelters for private events for a fee. Total department expenditures have

increased from \$308,325 in 2012 to \$357,525 in 2015.

Fiscal Analysis

In previous sections, it was somewhat easier to determine service “overlap” because more definite user data was available; unfortunately it is more difficult to assess actual non-resident usage of city and county parks because detailed counts of non-resident usage is not presently available. For example, there is no data available to show how many non-city La Crosse County residents visited Granddad Bluff. However, there are some proxy measures that can help tell a story about parks usage across the county.

In terms of county parks, although data on the city residence of those who reserve campsites is unavailable, data does exist for those who rent county shelters by city residence. Between 2010 and 2014, on average, city of La Crosse residents comprised 72.6% of Goose Island shelter

reservations, 39.9% of Neshonoc shelter reservations, and 31.6% of the Veterans Memorial shelter reservations. It is assumed here that city residents most likely utilize Goose Island, while outlying county residents utilize the parks closer to their home.

In terms of city parks, parks department staff are presently executing a more detailed data collection project on park visitor residence. However, some data on resident and non-resident recreation program patrons is currently available. As Table X presents, over one third of the city’s popular recreation programs are non-residents; 38% of adult softball users are non-residents, and 45% of adult tennis programming are non-residents (see Table 8).

Table 8. Percentage of City Resident and Non-Resident Users of Select City Recreation Programs in 2014

Program	Total Count	Resident	Non-Resident
Adult Softball	1450	62%	38%
Adult Tennis	285	55%	45%
Adult Fitness	438	75%	25%
Youth Swim Lessons	570	92%	8%

Given that the City of La Crosse and La Crosse County both provide parks services, there is concern that La Crosse city residents are subsidizing county park services and assets that are primarily used by outlying residents. More importantly, outside of non-resident usage of recreation programs, county residents are utilizing city parks without directly contributing to the city parks budget. Thus, city residents are paying to open access to these parks to non-residents.

In terms of putting together a fiscal impact of the city providing these services, it is necessary to make some arbitrary assumptions since exact data on resident usage of city parks is unavailable. Again, while the city parks department is currently the process of collecting more specific data, we do not presently know how many non-city residents visited Riverside Park, for example, nor do we know how many city residents camped at Goose Island.

A conservative estimate of county usage of city parks is offered here as a starting point for discussing policy alternatives. If we assume that a third of visitors to all city parks are outlying county residents, a target amount for reimbursement could total just 10% of the parks budget. Notwithstanding that this percentage is arbitrary, the target reimbursement from the county for city parks would total **\$252,253**, which is 10% of the city’s levy support for the parks in 2015. For the average city of La Crosse homeowner, this would amount to a tax bill savings of \$10.84 in 2015.

Please note that once a more detailed estimate of parks users is available, then a more detailed estimate of the parks budget can be made as well – which would change the amount referenced above. For example, if it is estimated that 40% of the visitors to Granddad Bluff are outlying county residents, and 30% of visitors to Riverside, then budget figures for those parks can be applied to the non-resident visitor rates for a more specific reimbursement total.

In considering the cost to city taxpayers for the parks system, it is important to remember the positive economic spillover benefits for city (and all county) residents in having a robust parks system. Numerous studies correlate the availability of parks and healthy property values.

Policy Alternatives

1. Request reimbursement for city parks services from La Crosse County, and/or from individual municipalities (perhaps through a revenue sharing agreement). If a 10% non-city usage rate is assumed, then the reimbursement for 2015 would total **\$252,253**. For the average city of La Crosse homeowner, this would have amounted to a tax bill savings of \$12.62 in 2015. If the County increases its operating mill rate to generate the additional revenue for this reimbursement, the savings for the average city of La Crosse homeowner would be less (\$6.60 in 2015).
2. Collect additional data about city and county parks visitors and attendance, particularly visitor residence and especially at county campgrounds and major city parks. Determining visitor residence may help shed light on the regional character of major city and county parks, and whether alternative governance of the parks within the region may be desired.
3. La Crosse County may wish to review transferring control of county parks to the municipalities in which they reside. There is precedent for municipalities and the county mutually agreeing upon transferring authority of parks. This serves both entities mutually; local municipalities gain autonomy over their parks, and the county saves money. Reducing the county's property tax levy by the entire amount of the county parks department would result in an initial savings of \$5.73 for the average city of La Crosse homeowner, but this would also require an offset if the City of La Crosse would take over control of Goose Island (those costs are currently unavailable).
4. Review consolidating the parks departments in the region into a singular parks authority (or special district), or consolidate local parks under county control. As with law enforcement, parks service providers can fall along a spectrum of centralization. Policy alternative 3 is a step towards decentralization, or municipal control; this policy alternative is a step towards centralization, or county control. An example of a highly centralized, but not totally centralized, parks system can be found in Milwaukee County. While individual municipalities and school districts still operate their own neighborhood parks, Milwaukee County parks are more popularly utilized by the entire Southeastern Wisconsin region.
5. The City of La Crosse should consider increasing non-resident user fees to recover enough revenue to reduce resident fees for recreation programs.

Zoning & Planning

Multiple agencies in La Crosse County administer urban planning and zoning and land use services, from municipal and county governments to regional governance entities. In this section of the report, we outline the services offered by each agency, the extent to which city of La Crosse residents finance these services, and policy alternatives for public officials to discuss possible changes to how these services are delivered.

In a nutshell, zoning and land use decisions help organize communities according to how properties are utilized (residential, commercial, or industrial), their density, and their building dimensions. Zoning and land use rules protect communities against unsafe or unsightly development of land, help maintain property values, and promote neighborhood consistency. A zoning ordinance and accompanying map assign codes to each parcel within a community, and detail what each code allows and does not allow. For example, zoning codes might restrict a 20-story commercial skyscraper from locating in the middle of a single-family residential block.

Comprehensive planning is a little different in that it is more about future growth; it offers local governments and their residents the opportunity to decide what their community will look like in the future: physically, socially, and economically. Given certain growth projections, comprehensive planning outlines how each community will shape private and public development of land in the coming years, which is detailed in a formally adopted planning document. The State of Wisconsin mandates that all municipal governments create a comprehensive plan; some municipalities develop their own plans in-house, some contract with other governments, while others outsource to outside planning experts/consultants.

Table 9. Planning & Zoning Services in La Crosse Area Municipalities

	Own Department	Own Code	County
La Crosse	x		
Onalaska	x		
Holmen		x	
West Salem		x	
Bangor		x	
Rockland		x	
Bangor (town)			x
Barre			x
Burns		x	
Campbell		x	
Farmington			x
Greenfield			x
Hamilton			x
Holland			x
Medary			x
Onalaska (town)			x
Shelby			x
Washington			x

There are two municipal governments in La Crosse County that provide their own planning and zoning departments: the City of La Crosse and City of Onalaska. Each municipal entity also has its own planning commission to help guide property development and comprehensive planning goals (per state statute). Some municipalities may have adopted their own zoning code, although they do not have their own zoning department/personnel, with staffing provided by a city attorney, the area's regional planning commission, plan commission chair, clerk, or administrator. Otherwise, the County's zoning code, map, and planning staff cover these services for the remaining municipalities (see Table 9). Any change to the county zoning code requires both municipal and county governments' approval.

The City of La Crosse Planning Department incorporates a few separate functions, including zoning & land use, planning, economic development, community development, and housing services. The City maintains its own zoning code and map, and does its own comprehensive planning. The Planning Department's annual budget grew from \$676,904 in 2013 to \$725,850 in 2015.

Via their Department of Zoning, Planning & Land Information, La Crosse County also provides zoning & land use and planning services county-wide, with a focus on those municipalities in the county without their own planning/zoning departments and/or codes (established by Wisconsin Statute 59.69). The department processes applications for zoning changes as well as zoning/occupancy permits, conducts code enforcement, and maintains land records and real estate records for the county. The department also has a comprehensive planning specialist who coordinates the county's comprehensive plan and provides technical expertise to county municipalities that are putting their own plans together.

Table 10. La Crosse County Department of Zoning, Planning & Land Information Budget, 2012-2015

	2012 Actual	2013 Actual	2014 Estimate	2015 Budget
Revenue	\$ 146,187	\$ 110,091	\$ 112,998	\$ 119,217
State Aid	\$6,302	\$0	\$0	\$0
Fees ¹⁴	\$138,708	\$110,091	\$112,998	\$119,217
Other	\$1,177	\$0	\$0	\$0
Expenditures	\$ 682,045	\$ 755,633	\$ 783,132	\$ 800,832
Salary & Fringe	\$755,736	\$814,244	\$854,169	\$868,361
Operating Expenses	\$-73,692	\$-58,610	\$-57,537	\$-54,029

It should be noted that the county and municipal governments successfully collaborate on a variety of planning-related services, including tax bill preparation, mapping, sand mining and sewerage permits, and plat review. The county also plays a role in helping facilitate boundary agreements, similar to the one executed by the City of Onalaska and Village of Holmen in June 2015. The collaboration between the City of La Crosse and the County in facilitating the development of Lot C in downtown La Crosse is also deserving of special mention; the County exercised a dedication to inclusive governance in having City representation on the Advisory Committee guiding that development.¹⁵

¹⁴ Fees include various permits and contracted services.

¹⁵ The authors hoped to have included additional analysis about the region's federally-designated Metropolitan Planning Organization, the La Crosse Area Planning Commission (LAPC), as well as the state-designated regional

The budget for the County's Department of Zoning, Planning & Land Information has grown 17% from 2012 to 2015, from \$682,045 in 2012 to \$800,832 in 2015. As presented in Table 10 above, 85% of the County's budget is levy supported.

Economic Development & UW-Extension

Lastly, La Crosse County also coordinates staff for Economic Development and UW-Extension activities within the county. These talented and dedicated staff members deserve mention for the technical expertise and professionalism they bring to the region. UW-Extension staff routinely work on municipal- and county-wide projects that serve a clear benefit to the residents in the area, and promote the practical goals of the Wisconsin Idea in everyday government. Recent examples of UW-Extension research include: a housing survey of La Crosse area residents, a study of housing costs in the county, research on the use of tax incremental financing in the region, development of a capital plan for a municipality, and research on the extent and impact of frac sand mining on the area. Other UW-Extension activities include youth development, nutrition education, family living education, as well as advising on agriculture and horticulture issues.

The County's economic development staff works to promote job development and property value growth within the county. There are two (perhaps competing) perspectives about a county role in economic development. First, when economic development activities are focusing on areas in which no municipal-level economic development occurs, then residents with their own municipal-level economic development staff may be concerned that they are subsidizing and promoting economic development in a neighboring (and potentially competing) jurisdiction. At same time, those economic development activities are helping to increase the county tax base and thus lower the tax burden for *all* county residents. Conversely, it must be acknowledged that any economic development activities that significantly promote growth outside of the region's core has serious deleterious effects for the region's core – e.g. urban decay, loss of property value, concentration of poverty, sprawl, blight, etc.

In making sure that county economic development activities promote overall county growth, public officials may wish to outline a county economic development policy to prevent the deleterious effects mentioned above. Specifically, ensure that any staff activities do no harm to any municipality within the county; for example, one policy alternative is to prohibit county economic development staff from assisting developments that poach jobs from one municipality to another or result in property value losses in another area of the county.

Fiscal Analysis

Given that the City of La Crosse provides its own planning, zoning & land use services (as do other municipal governments), there is concern that La Crosse city residents are subsidizing zoning and land use services that do not directly benefit them. City of La Crosse residents pay 34.1% of the County's property tax levy in 2015, and the County's Department of Zoning, Planning & Land Information 2015 budget totals \$800,832. Thus, the city's share of these services equals \$273,244.

planning commission covering La Crosse, the eight-county Mississippi River Regional Planning Commission (MRRPC). The City makes substantial financial contributions to these commissions, although its representation on the commissions is not proportional with its population; this situation places a great fiscal burden on city residents when decisions made by these commissions do not necessarily reflect city policy preferences. This is an area that requires further study.

Minus a conservatively estimated 20% for the collaborative projects on which the city and county work together,¹⁶ the total estimated excess cost to city of La Crosse taxpayers is **\$218,595**. For the average La Crosse homeowner (with a \$130,000 home), this amounts to a property tax savings of \$9.42 in 2015.

In considering this cost to city taxpayers, it is important to remember that the county's zoning and planning efforts have some positive economic spillover benefits for city (and all county) residents; for example: mitigating unchecked urban sprawl, property tax bill preparation, comprehensive planning collaboration, economic and community development collaboration, GIS mapping services, land information database maintenance, and plat review efforts. These services are by no means the majority of the county's zoning and planning services, but they have not been specifically quantified here; it requires further investigation.

Policy Alternatives

1. Request reimbursement from La Crosse County for zoning and urban planning services that are not directly utilized by city of La Crosse residents. In 2015 the total estimated excess cost to city of La Crosse taxpayers is **\$218,595**. For the average La Crosse homeowner (with a \$130,000 home), this amounts to a property tax savings of \$9.42.
2. Pursue revenue recovery options from municipalities for county zoning and land use services, similar to contracting for other services such as law enforcement. With fees for service comprising only 15% of the zoning department's budget, increased fees and permits also will reduce property tax levy support for services not directly utilized by La Crosse and Onalaska city residents.
 - a. A similar possibility exists for contracting with individual municipalities for county staff time consulting on comprehensive planning.
 - b. Generating \$500,000 in revenue from the county's municipal governments for zoning and land use planning services would reduce the county's operating mill rate and would have saved the average county homeowner \$8.34 in 2014.
3. Explore the possibility of UW-Extension and economic development staff contracting or implementing fee-based revenue for their efforts within specific municipalities. For example, if a staff activity (e.g. developing a business park within a specific municipality) is provided by two or more municipalities within the county, then that staff activity should be charged directly to the municipality. Obvious exemptions may exist, such as when the County seeks to develop County-owned property within a specific municipality.

¹⁶ This includes the County's stewardship of the City's GIS data, which is a critically important and empowering service for the City's planning staff.

Regional Assets

The City of La Crosse operates a few services that serve as regional assets, in that they provide services, programming, and/or infrastructure for residents from the greater La Crosse area. These include the Municipal Transit Utility (MTU), Parking Utility, La Crosse Center, and La Crosse Regional Airport. Some aspects of these regional assets are self-financed, while many of their operations are supported by city of La Crosse taxpayers. Little to no county levy support finances these assets.

In this section of the report, a brief operational and fiscal summary of each regional asset is provided. Next, a fiscal analysis breaks down the extent to which city of La Crosse taxpayers finance these operations, including a look at each asset's capital costs borne only by city residents. Lastly, a few policy alternatives are offered to stimulate discussion about potential changes to the status quo, should public officials wish to do so; again, this report does not offer recommendations *per se* about what should occur.

Municipal Transit Utility (MTU)

The City of La Crosse operates the Municipal Transit Utility (MTU), a public transportation agency that provides bussing and paratransit services to the region's residents and visitors. MTU operates eight fixed routes and two flexible routes throughout the region, both in the city of La Crosse and surrounding urbanized areas, including the cities of Onalaska and La Crescent as well as the town of Campbell. The city operates a transit center in downtown La Crosse that serves as the hub of the system. In 2014, 1.19 million rides were offered by the MTU, an increase of 3.6% since 2012. Of those rides, 75,990 were on routes with stops outside the city of La Crosse, 6.4% of the total rides offered.



Photo: The Grand River Station downtown houses the La Crosse Transit Center

MTU's annual operating budget totaled \$6,170,462 in 2015. Roughly two-thirds of the MTU operating budget is financed by state and federal intergovernmental aid, while the remaining third is financed by bus fares and local revenues. The local sources of revenue include City of La Crosse property tax levy support, bus fares and other revenues (e.g. transit passes for WTC, Viterbo, and UW-L students), and local subsidy support in 2015 from Onalaska (\$42,498), La Crescent (\$29,252), and Campbell (\$36,158). The local subsidies cover both operating and a portion of the capital costs associated with running the

MTU. The city subsidy totaled \$1,337,500 in 2015.

The MTU is governed as a state-authorized utility with input from a 15-member Municipal Transit Utility Board, including members from the City of La Crosse, La Crosse County, La Crosse residents, and representatives from the other municipalities and universities served by MTU.

Similar to La Crosse, the majority of Wisconsin's largest cities operate their own transit services (including Green Bay and Madison), with intergovernmental arrangements with other, smaller neighboring jurisdictions. Milwaukee County Transit Service (MCTS) provides an alternative model in which the county serves as the governing body of the transit system, not the central city of Milwaukee, in order to coordinate service to a larger geographic and economic base.

La Crosse Regional Airport

The City of La Crosse owns and operates the La Crosse Regional airport, which provides general aviation, air taxi, military, and commercial services. The airport is overseen by an eight-member Aviation Board, with the mayor appointing members who are confirmed by the City Council; two seats are reserved for council members and another is reserved for a member of the La Crosse County Board recommended by the County Board Chairperson.



Delta Airlines and American Airlines provide commercial service to Minneapolis and Chicago, respectively. In 2014, the airport serviced a total of 186,000 passengers. In August of 2015, a second floor terminal was added to the airport's facilities.

With a nearly \$2.5 million annual budget, the airport receives no property tax levy support and is self-sufficiently financed from federal aid, passenger fees, and rental and advertising fees.

La Crosse Center

The La Crosse Center is a City-owned cultural venue which hosts an 8,000-seat arena and convention hall. The site hosts a variety of events, ranging from sports and music events to graduation ceremonies. The center was built in 1980, expanding to twice its original size in 2000 with the South Hall addition. Up to \$75 million in additional renovations is currently being considered by the city council for the 2016 capital improvement budget. On average, the center hosts over 200 events and 300,000-400,000 visitors each year.

The La Crosse Center's \$2.3 million annual budget is financed through a variety of sources, including city property taxes, hotel taxes, and site-generated revenue (e.g. advertising and ticket sales).

Parking Utility

The City of La Crosse also operates the Parking Utility, which provides 2,650 off-street parking spaces at eight parking sites (four ramps and four lots) throughout the city. The Parking Utility includes both parking enforcement (which is managed by LCPD) and maintenance of these sites. The utility collects revenue from the city property tax levy, parking ticket fines, monthly permits,

hourly parking fees, as well as tax revenue from a special parking assessment district downtown. Properties in the district (all eligible parcels within two blocks of a parking utility ramp or lot) pay between \$200 and \$1,500 each year in extra property taxes depending on their assessed value and number of off-street spaces provided.

In 2011, an 11-member mayoral appointees Parking Utility Board was created to manage the utility's operational and finance needs (without city council approval), and has the ability to set parking fee hourly rates and permit fees.

Fiscal Analysis

The history of operating expenditures for each agency is listed below in Table 11. Only the MTU receives levy support for its annual operating budget; all other agencies generate revenue through fees/ticket sales and other sources to help finance their operations. However, the City of La Crosse still bonds for all capital expenses that each entity incurs (except for the airport which is entirely self-financed and requires no levy support for borrowing).

Table 11. Annual Operating Expenditures for City of La Crosse Regional Assets, 2012-2105

	2012 Actual	2013 Actual	2014 Projected	2015 Budget
MTU				
Expenses	\$5,607,445	\$7,155,479	\$5,983,599	\$6,304,706
Levy Support	\$271,244	\$201,889	\$265,160	\$1,337,500
Airport				
Expenses	\$3,259,952	\$3,781,388	\$2,403,943	\$2,422,097
La Crosse Center				
Expenses	\$2,129,242	\$2,090,813	\$1,974,544	\$2,330,679
Parking Utility				
Expenses	\$1,889,877	\$2,098,713	\$1,248,855	\$1,373,059

Debt Service for Regional Asset Capital Costs

Outside of annual operating support, city of La Crosse property taxpayers heavily subsidize infrastructure and capital costs for the regional assets listed above, as well as for other city departments that provide regional services, including the library and parks. Total principal and interest debt accrued is sizable (see Table 12 below and Appendix A for a full list). For example, the City of La Crosse had \$41.4 million in outstanding debt (principal and interest) for the La Crosse Center, Library, Parking Utility, Transit, and Parks in 2014, and over \$34.9 million for these agencies in 2015. Annual debt service on this borrowing is estimated at \$6.6 million in 2014 and \$4.8 million in 2015, and total debt service since 2006 equals \$47.5 million.¹⁷ Moreover, that the debt service for each entity nearly matches its annual operating budget speaks to how crucial of an infrastructure asset these entities serve the region, and the cost savings the City of La Crosse seeks in pursuing an aggressive repayment schedule.

Hypothetically, if these agencies were transferred to the County, and the County assumed debt service payments (by increasing its debt service levy), the average city of La Crosse homeowner would have saved an estimated \$168.24 in property taxes in 2015. If the County would have

¹⁷ The estimate is based on scheduled debt service payments without refinancing or an accelerated repayment schedule.

assumed control of the La Crosse Center, MTU, and Parking Utility, and reimbursed the city for capital costs for the library and parks based on earlier usage estimates (19.8% and 10.0% respectively), the savings for the average La Crosse homeowner would have totaled \$134.88 in 2014.¹⁸

Table 12. City of La Crosse Debt Service and Total Outstanding Debt by Agency, 2014-2015

	La Crosse Center	Library	Parking Utility	Transit	Parks	Total by Year
2015						
Debt Service - Principal	126,072	127,169	265,976	2,173,858	1,158,354	3,851,429
Debt Service - Interest	13,054	29,516	366,811	309,598	209,599	928,579
Outstanding Debt - Principal	397,081	855,219	11,219,137	10,367,107	6,210,282	29,048,826
Outstanding Debt - Interest	34,420	153,442	3,820,190	881,449	934,022	5,823,522
2014						
Debt Service - Principal	1,271,014	328,126	842,176	2,186,217	904,096	5,531,628
Debt Service - Interest	40,792	38,317	394,383	352,856	218,090	1,044,438
Outstanding Debt - Principal	1,668,095	1,183,345	12,061,313	12,553,324	6,716,378	34,580,454
Outstanding Debt - Interest	\$75,212	\$191,759	\$4,214,572	\$1,234,304	\$1,072,472	\$6,867,959

Policy Alternatives

The city of La Crosse and its surrounding municipalities are dependent on one another, in that residents from across the county utilize the assets described above and these regional assets (and area businesses) located in the city rely on visitors from the entire region in order to be sustainable. Yet, city of La Crosse residents bear the majority burden in financing these regional assets. Given the regional impact each entity has, there are several potential policy alternatives in reducing the fiscal burden on city residents.

1. Investigate alternative governance with the understanding that these agencies serve a regional constituency, not just city residents. City residents thus should not bear the full responsibility of operating and capital costs as well as debt service payments for these regional assets.
 - a. Transfer control of each entity to La Crosse County government; the County takes responsibility for each entity's annual operating budget, generating levy support and other revenues, as well as bonding for capital expenses.¹⁹
 - i. For example, transfer MTU from City to County control, understanding that the transit system benefits the entire region by connecting workers to jobs as well as transporting consumers and visitors to area shops and restaurants. Given that the city's property tax levy support for the MTU in 2015 is budgeted as **\$1,337,500**, transferring this cost to the county would

¹⁸ This figure is based on transferring the City's debt service, financed by the city's general property tax levy, to the county's debt service levy, which is listed as \$4,306,934 with a \$0.55 mill rate in 2014.

¹⁹ Transferring control of these entities, especially the MTU and/or airport, will most likely spark concerns from the federal government given that these assets are not fully depreciated, and further investigation will be necessary to avoid a sizable repayment of federal aid in the event of a transfer from city to county (or city to special district).

reduce the city's levy (and most likely add to the county's). However, the property tax bill savings of this transfer for the average city of La Crosse homeowner would total \$35.04 in 2015.

- b. Create a special purpose district as authorized by statutory rules governing new special districts, new state statute, and/or investigate lobbying for a statutorily-created local exposition district. The Wisconsin Center in Milwaukee currently operates under this last framework. The statute governing the district gives the Milwaukee Mayor, Milwaukee Common Council, and Milwaukee County Executive authority to appoint members to the 15-member Wisconsin Center Board, which has the authority then to levy additional hotel and tourism-related taxes. Local exposition districts have broader statutory authority to levy taxes, most of which primarily affect out-of-town residents.
2. Request reimbursement of capital costs from La Crosse County for regional assets and/or transfer control of these entities to La Crosse County; the County would then acquire responsibility for future bonding and debt service payments. If the County would have assumed control of the La Crosse Center, MTU, and Parking Utility, and reimbursed the City for debt service costs for the library and parks based on earlier county usage estimates (19.8% and 10.0% respectively), the savings for the average La Crosse homeowner would save \$134.88 in 2014 (or **\$5.3 million** in a lump sum reimbursement to the City). Given the City of La Crosse's current strategy of aggressively reducing its debt service payments over the next several years, the cost savings would dramatically decrease over time.
3. Analyze potential options for increasing Parking Utility revenues to help offset capital costs and debt service.
 - a. Currently, the Parking Utility offers free parking to those using ramps and lots for less than three hours and on weekends, with a maximum daily charge of \$6/day. Data on parking utility users shows that on average 85% of these drivers pay no user fees, leaving a substantial loss of revenue (especially from many non-residents).
 - b. Current monthly permits (ranging from an amazingly low \$25-50 per month) do not differentiate between residents and non-residents. Creating a new parking utility permit fee structure to generate additional revenue from non-residents, similar to how recreation programming structures their fees.
4. The City of La Crosse currently spends almost 25% of its operating budget on debt service for capital projects/infrastructure, including regional assets. This debt service level is due to a variety of factors, including higher than average TIF usage, but primarily because of an aggressive (and perhaps fiscally conservative) strategy of repaying debt. The City may wish to review its debt service payments and refinance its existing debt with longer terms to help reduce its mill rate and also promote intergenerational equity. That is, the City may wish to reduce borrowing with 10-year terms in favor of longer terms to reduce debt service payments and thus its mill rate. Moreover, refinancing with longer terms can help make sure that new and long-term users of a long-term capital asset actually pay towards it, instead of burdening existing taxpayers with financing a 25-year asset over 10 years; in other words, new users can free ride in using the capital asset without paying for it.

Conclusions

This study was commissioned to analyze the extent of municipal-type service “overlap” across City and County of La Crosse governments, specifically looking at law enforcement, library, zoning, parks services, as well as regional assets. This study concludes that there is indeed service overlap (when similar services are offered by both municipal and county governments), and that this situation creates a disproportional fiscal impact on city of La Crosse property taxpayers in subsidizing municipal-type services offered by the county to non-city residents; this situation also disproportionately impacts city taxpayers who finance services in-house that are used by a much broader, regional constituency.

There is no perfect methodology for assessing the true cost of this “overlap,” and the fiscal analysis approach utilized in this study makes numerous assumptions.²⁰ Given these assumptions, we find that City of La Crosse property taxpayers can potentially save roughly \$1.9 million (in 2014 dollars) in property taxes paid to the County each year if service delivery is restructured. This amount grows to \$7.2 million if infrastructure costs for regional assets are transferred to County government. The savings would grow to at least \$8.7 million if the area’s library systems were merged and transferred to the county. Cost savings for the average city of La Crosse homeowner (with a \$130,000 home) range from \$65 per year to \$366 per year depending on the method of restructuring service provision.

Within each section of this report, several policy alternatives are offered for policymakers to consider and discuss (no specific recommendations are made in this report). Across those policy alternatives, some major themes emerged:

County Revenue Recovery

Several opportunities exist for La Crosse County to contract for services it currently offers municipal governments across the county, including economic and community development, law enforcement, and zoning/urban planning services. For example, in terms of law enforcement, the Waukesha County Sheriff’s Department (as well as several other counties throughout the state) provides a good basis for exploring a contract-based model of revenue recovery and law enforcement that could be applied to La Crosse should public officials and administrators deem it beneficial.

Alternative Governance (Consolidation or Decentralization of Regional Services and Assets)

Several opportunities also exist to investigate the possibility of alternative governmental arrangements for delivering the municipal-type services highlighted in this report. Transferring control of select county services, such as parks, to municipal governments in which those parks reside is one option. Another potential option is transferring control from the City to the County (or special district) of agencies that serve a regional constituency, such as the airport, MTU, Libraries, Parks, and Parking Utility. Pros and cons for each policy alternative exists; each option will most likely have an estimated net impact on property tax levies and rates, and further in-depth analysis will be required to assess real cost savings, impact on public employee positions, and impact on bond ratings.

²⁰ The key to this approach, as is the case with any cost-benefit analysis, is to make the assumptions utilized in the study as clear and transparent as possible.

Revenue Sharing

Due to the high use of City of La Crosse services and infrastructure by residents and visitors from across the entire region, La Crosse area elected officials may wish to consider revenue sharing strategies that other regions have implemented to help solve the funding disparity that accompanies this situation. Revenue sharing programs directly seek to level out fiscal capacity inequalities that occur due to political, economic, or social reasons within metropolitan regions. The most straight-forward revenue sharing approach would be a lump sum reimbursement of services from the County to the City. However, there are about a dozen (more elaborate) examples of revenue sharing plans currently in place across the United States; there are three notable revenue sharing plans worth mentioning here.²¹

First, municipal governments within the seven county Minneapolis-St. Paul metropolitan area currently shares property tax revenue amongst themselves. The “Fiscal Disparities” program was enacted into Minnesota state statute in 1971. According to the Metropolitan Council, the two primary goals of the program are to “promot[e] more orderly regional development and improv[e] equity in the distribution of fiscal resources.” Forty percent of new commercial-industrial tax base growth assessed by each municipality within the metropolitan area gets put into a pool of shared tax base. That tax base is then redistributed based on population and the market value of all property per person in each municipality compared to the market value of all property per person in the metropolitan area.

Second, the New Jersey Meadowlands District tax sharing program goes one step further by sharing revenue from both new developments and existing property. The Meadowlands District is subject to heavy regulations on development due to the fragile wetlands that serve as the namesake of the area. Revenue sharing serves to equalize revenue from development as some municipalities in the district have more property within the regulated zone than the others. According to the New Jersey Sports and Exposition Authority, after county taxes are paid, forty percent of the tax base within the district is shared among Meadowlands municipalities. Distribution is determined by the percentage of property in each municipality in the Meadowlands District. In 2012, \$7,440,721 of tax base was shared.

Third, municipalities from Eastern Racine County entered into an intergovernmental revenue sharing agreement in 2000 to help cover capital costs associated with a wastewater treatment system expansion and costs associated with regional assets such as Racine’s museum, library, and zoo, all of which were financed primarily by city of Racine taxpayers. The effort was spearheaded by the Racine County Executive, and the study was financed by the City of Racine to help reduce the fiscal burden on the City of Racine and help make sure users from the growing suburban areas contributed their fair share. The revenue sharing agreement stipulates that all municipalities contribute 40% of their *total* commercial and industrial tax base to a common pool. Allocations are made from that pool to municipalities existing below a pre-established level of residential tax base; specifically, the allocation was 20% of the difference between the guaranteed residential tax base level and the municipality’s actual tax base level. The guaranteed level is based on a measure of per capita residential property values across all the municipalities in the agreement. Net contributors to this pool were from the outlying suburban areas around the city of Racine; expansion of the

²¹ A 2005 City of La Crosse Planning Department report entitled “The La Crosse Metropattern: The Case for Regional Cooperation” may be a useful guide for fostering future revenue sharing discussions on this topic.

sewage system, incorporation of two towns into villages, and boundary agreements to prevent annexation were included in the deal as an incentive for these communities.

When looking at other revenue sharing plans currently in place, there is one interesting difference worth mentioning here. Very few of the revenue sharing plans are negotiated between two municipalities themselves; most revenue sharing options occur as the result of (perhaps unlikely) political coalitions between central cities and inner ring cities/suburbs in order to capture revenue from sprawl development in outlying communities. State, county, or regional action is required to facilitate/authorize such revenue sharing agreements. A similar situation exists in La Crosse between the Cities of La Crosse and Onalaska; many of the services the City of La Crosse provides on its own mirror those offered by the City of Onalaska. The fiscal impact of the city-county service “overlap” thus extends also to Onalaska residents. In short, a county- or state-level solution is more likely to be successful in reaching a revenue sharing agreement.

Overall Conclusions

There is strong evidence of quality service provision in the La Crosse region that is highlighted by worthwhile, collaborative efforts between La Crosse City and County governments. This report highlights a few areas in which service “overlap” might be reduced to help equalize the property tax burden across the county. The authors hope that this study serves as a starting point for further collaboration between City and County officials, and that objective and productive discussions about service provision will continue in ongoing service to the area’s residents.

Appendix A – Capital Costs for City of La Crosse Regional Assets, 2006-2015

	La Crosse Center	Library	Parking Utility	Transit	Park	Total by Year
2015						
Debt Service - Principal	126,072	127,169	265,976	2,173,858	1,158,354	3,851,429
Debt Service - Interest	13,054	29,516	366,811	309,598	209,599	928,579
Outstanding Debt - Principal	397,081	855,219	11,219,137	10,367,107	6,210,282	29,048,826
Outstanding Debt - Interest	34,420	153,442	3,820,190	881,449	934,022	5,823,522
2014						
Debt Service - Principal	1,271,014	328,126	842,176	2,186,217	904,096	5,531,628
Debt Service - Interest	40,792	38,317	394,383	352,856	218,090	1,044,438
Outstanding Debt - Principal	1,668,095	1,183,345	12,061,313	12,553,324	6,716,378	34,580,454
Outstanding Debt - Interest	75,212	191,759	4,214,572	1,234,304	1,072,472	6,867,959
2013						
Debt Service - Principal	1,293,971	315,528	853,349	2,356,671	896,134	5,715,652
Debt Service - Interest	67,984	45,877	421,631	389,282	222,252	1,147,026
Outstanding Debt - Principal	2,962,066	1,498,872	12,914,662	14,909,994	6,562,511	40,296,106
Outstanding Debt - Interest	143,196	237,636	4,636,204	1,623,586	1,210,454	8,014,986
2012						
Debt Service - Principal	164,543	104,871	707,323	2,564,369	519,929	4,061,036
Debt Service - Interest	58,297	45,160	440,088	209,948	225,678	979,172
Outstanding Debt - Principal	3,026,609	1,443,744	13,621,985	17,474,363	6,537,440	44,357,142
Outstanding Debt - Interest	190,342	255,656	5,076,292	2,040,456	1,340,439	8,994,158
2011						
Debt Service - Principal	1,239,500	334,857	680,209	2,190,391	1,043,933	5,488,890
Debt Service - Interest	263,701	82,855	162,945	430,660	312,648	1,252,810
Outstanding Debt - Principal	5,478,092	1,998,965	3,619,194	19,777,465	8,115,648	49,846,032
Outstanding Debt - Interest	714,010	382,854	531,876	2,492,432	1,730,981	10,246,968
2010						
Debt Service - Principal	1,159,308	292,022	625,972	213,065	992,452	3,282,819
Debt Service - Interest	161,617	43,048	94,705	25,531	167,088	491,989
Outstanding Debt - Principal	6,610,607	1,910,672	4,145,166	20,713,943	7,659,535	53,128,851
Outstanding Debt - Interest	875,225	283,607	588,932	4,585,750	1,362,351	10,738,957
2009						
Debt Service - Principal	1,068,649	264,670	544,586	203,057	878,513	2,959,474
Debt Service - Interest	185,979	50,046	118,017	28,864	162,339	545,245
Outstanding Debt - Principal	7,604,256	2,125,342	4,689,752	21,782,000	7,438,039	56,088,325
Outstanding Debt - Interest	1,199,657	353,656	801,654	5,580,172	1,309,467	11,284,202
2008						
Debt Service - Principal	1,015,192	238,977	491,463	181,682	734,017	2,661,331

Debt Service - Interest	209,914	50,009	104,365	32,662	164,762	561,712
Outstanding Debt - Principal	8,559,448	2,114,319	4,181,215	1,460,682	7,377,056	58,749,656
Outstanding Debt - Interest	1,582,590	399,709	808,028	247,743	1,464,843	11,845,914
2007						
Debt Service - Principal	1,175,141	254,399	509,550	178,854	634,231	2,752,175
Debt Service - Interest	235,975	52,655	116,148	36,450	151,621	592,849
Outstanding Debt - Principal	9,605,089	2,218,718	4,690,765	1,634,536	6,738,087	61,501,832
Outstanding Debt - Interest	1,998,724	467,907	1,031,451	315,706	1,488,687	12,438,763
2006						
Debt Service - Principal	1,083,685	230,368	471,038	131,124	522,556	2,438,771
Debt Service - Interest	512,666	109,873	249,210	72,053	266,735	1,210,537
Outstanding Debt - Principal	10,493,774	2,349,085	5,168,167	1,722,660	6,183,843	63,940,602
Outstanding Debt - Interest	2,692,754	590,313	1,351,901	412,168	1,475,007	13,649,300
Total Debt Service	\$11,347,056	\$3,038,341	\$8,459,945	\$14,267,193	\$10,385,028	\$47,497,563