

CITY OF LA CROSSE 2026 OPERATING BUDGET JOURNEY

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INTRODUCTION

The annual budget journey is a 6+ month process. Before the process begins, there are 2 main municipal budget constraints that impact the overall budget.

One limits the growth of revenue (Operational Levy) and the other limits expenditures (ERIP).

OPERATING LEVY

State imposed growth limits on the operating levy tied to the city's Net New Construction.

- This is the value of all newly constructed or improved buildings and land, minus the value of any demolished or destroyed building and land.

	Net New Const. %	Net New Const. \$ Amt
2026	0.681%	\$251,575.00
2025	0.936%	\$342,571.00
2024	0.684%	\$248,640.00
2023	0.997%	\$358,840.00
2022	1.189%	\$412,153.00

EXPENDITURE RESTRAINT INCENTIVE PROGRAM (ERIP)

State incentive program aimed to limit growth in expenses by providing state funds when the municipality qualifies.

- Calculation for qualification is tied to the Consumer Price Index (inflation) and Net New Construction

	CPI (Inflation)	60% of Net New Const.	ERP Growth Factor	Expense Budget increase allowed	ERIP Payment Received
2026	2.60%	0.41%	3.0%	1,907,942.07	1,684,075
2025	3.20%	0.56%	3.8%	2,416,747.45	1,164,284
2024	5.40%		5.4%	3,317,371.42	1,164,284
2023	7.70%	0.60%	8.3%	4,997,541.53	0
2022	3.00%	0.71%	3.7%	2,094,146.83	1,173,297

BUDGET JOURNEY



Step 1 ●

Budget
Parameter
Committee
convenes



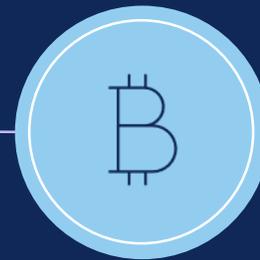
Step 2 ●

Departments
prepare &
submit
operational
budget
requests to
Finance



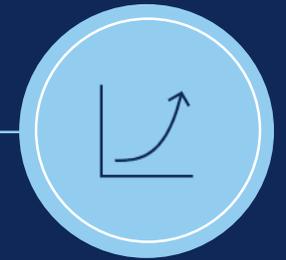
Step 3 ●

Finance and
Mayor
complete
review of
budget
requests



Step 4 ●

Board of
Estimates
Meetings



Step 5 ●

Presentation of
proposed City
budget at
Public Hearing

BUDGET PARAMETER COMMITTEE

- Required to convene prior to July 1st
- Comprised of the Finance and Personnel Committee
 - 6 City Council members and Mayor
- Goal: Set the expectations for budget guidance.
 - 2026 Budget had to meet Expenditure Restraint Program (ERP) Requirements

COMMITTEE REVIEWS

Estimated Expenses

- Employee salary & benefits (Union and non-represented)
- Health Insurance Premiums
- Utility costs
- Property & Liability Insurance Premiums
- Elections

Estimated Revenue

- Shared
- Fund Balance
- ARPA (exhausted after 2025)
- General Fund Levy

DEPARTMENT OPERATIONAL BUDGET REQUESTS

- Departments prepare their annual operating budget requests
- Operational budgets consist of all expenses expected for the year
 - Personnel salary/wages
 - Training/Conferences
 - Software/Computer Equipment
 - Utilities
 - Contracted Services

DEPARTMENT REQUESTED BUDGET REVIEW

- Comprehensive review of department budget requests
 - Line by line
 - Comparison of year over year
- Ability to provide adjustments and recommendations
- Goal: Identify opportunities for expense reduction

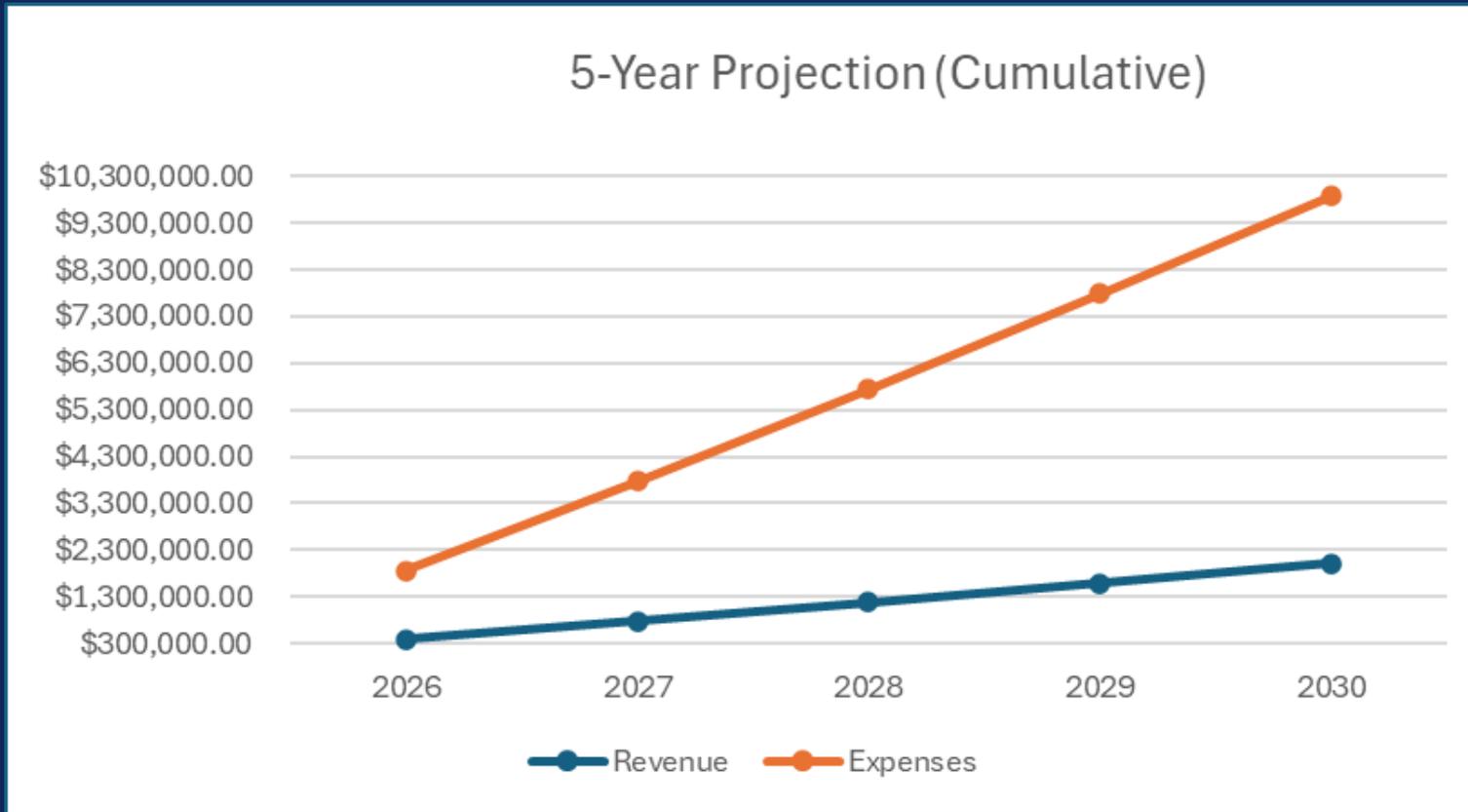
BOARD OF ESTIMATES

- Conduct public hearings to obtain feedback from constituents
 - Identify and prioritize City initiatives
- Review/analysis of department budget proposals
 - Leverage department executive input to drive budget decisions
- Goal: Provide guidance and direction for the creation of budget presented at Annual Public Hearing.

FUTURE CONSIDERATIONS

- State Limitations on City Budgets
 - Levy Limits
 - Expenditure Restraint Program
- City Assessed Valuations
- General Fund Budget/Mill Rate History
- One-time Revenues to Balance Budgets
- Future Needs to Address
- End contingency funding outside of emergency items
- Maintain General Fund Balance of required 20% per Policy

PROJECTED FUTURE REVENUE & EXPENSES



Year	Revenue	Expenses
2026	\$380,000.00	\$1,860,000.00
2027	\$391,400.00	\$1,915,800.00
2028	\$403,142.00	\$1,973,274.00
2029	\$415,236.26	\$2,032,472.22
2030	\$427,693.35	\$2,093,446.39

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THANK YOU
