

City of La Crosse

2024 Preliminary Operating Budget

Board of Estimates Meeting

September 7, 2023; 2:00 pm

- Budget Highlights
- 2024 Projected Revenues
- 2024 Projected Expenses
- New Position Requests
- ERP & Levy Limit
- Mill Rate Comparison
 - As Proposed
 - Zero Change Scenarios

Budget Highlights and Assumptions

➤ Revenues

- \$2.25 Million of ARPA Lost Revenue Funds utilized
- \$1.80 Million of additional State Shared Revenue
- Qualification of State Expenditure Restraint Program (ERP) aid of approximately \$1.10 Million

➤ Expenses

- A 3% Cost of Living Adjustment for Non-Represented Employees effective 1/1/24 is built into the budget
- A step increase for employees has been included effective 7/1/24
- A 1% Vacancy allowance for all positions based on historical experience
- A proposed 10% increase in Active & Retiree Health Insurance Rates
- Collective bargaining agreement salary increases for the Police and Fire unions
- Any requests of adjustments to the Authorized FTE List have not been included in the budget
- Reduction to Streets budget of \$258,992 by shifting fuel expenditures of approximately \$700,000 to fuel fund

➤ Operating Budget Constraints

- A net new construction figure of \$253,492 (0.68%), the amount the City is allowed to increase the levy by and is proposing to utilize the full amount
- 5.3% was used for the allowable percentage increase for expenditures based on Consumer Price Index. This allows for an increase of expenditures of \$3.25 Million to participate in the Expenditure Restraint Program for 2024 an increase of \$3.05 Million is being proposed

2024 Proposed Revenue Sources
Explanation of Changes (+/-) 5% Variance

	2023 ADOPTED BUDGET	2024 PROPOSED BUDGET	2024 VS 2023 VARIANCE		EXPLANATION OF VARIANCE +/- 5%
			INC (DEC)		
			\$	%	
1 GENERAL GOVERNMENT					
2 CLERK	\$ 525,734	\$ 538,012	\$ 12,278	2.34%	
3 POLICE	229,971	230,883	912	0.40%	
4 FIRE	1,358,115	1,358,115	-	0.00%	
5 PLANNING/ASSESSOR	28,375	28,375	-	0.00%	
6 ENGINEERING	420,812	420,812	-	0.00%	
7 HIGHWAY	1,011,000	281,000	(730,000)	-72.21%	Fuel purchases for entire city operation moved from Streets Budget to Non-Departmental
8 LIBRARY	192,535	192,801	266	0.14%	
9 LA CROSSE CENTER	3,331,077	3,502,592	171,515	5.15%	Increased liquor sales at ticketed events/concerts
10 PARKS, REC, FORESTRY/FACILITIES	390,000	456,000	66,000	16.92%	Program fee increases
11 NON DEPARTMENTAL:					
12 GENERAL REVENUES	7,055,556	5,119,360	(1,936,196)	-27.44%	Reduced one time revenues - ARPA & use of fund balance
13 TAXES & SPECIAL ASSESSMENTS	2,207,000	2,195,000	(12,000)	-0.54%	
14 STATE SHARED REVENUE	14,972,249	18,098,830	3,126,581	20.88%	Increased shared revenue from state
15					
16 OPERATING REVENUES (ROWS 2-14)	31,722,424	32,421,780	699,356	2.20%	
17					
18 TOTAL OPERATING EXPENSES	61,550,707	64,611,554	3,060,847	4.97%	
19 (from Expense worksheet)					
20 OPERATING BUDGET TAX LEVY*	\$ 29,828,283	\$ 32,189,774	\$ 2,361,491	7.92%	
21					
22 DEBT SERVICE LEVY	\$ 7,450,000	\$ 8,650,000	\$ 1,200,000	16.11%	Increased debt service expenses due to increased borrowing in recent years
23					
24 TOTAL CITY LEVY W/O TIF LEVY	37,278,283	40,839,774	3,561,491	9.55%	

Notes:

*Row 20 is the difference between operating expenses and projected operating revenues and is the amount placed on the tax rolls for city operations.

2024 Operating Proposed Expenses
Explanation of Changes (+/- 5% Variance)

		2024 VS 2023 VARIANCE				
		INC (DEC)				
		2023 ADOPTED	2024 PROPOSED			EXPLANATION OF VARIANCE +/- 5%
		BUDGET	BUDGET	\$	%	
1	GENERAL GOVERNMENT:					
2	CLERK	\$ 524,469	\$ 685,268	\$160,799	30.66%	<i>Increased LTE wages and supplies expense due to 2 more elections in 2024.</i>
3	COUNCIL	181,548	177,745	(3,803)	-2.09%	
4	ENGINEERING	1,699,431	1,817,969	118,538	6.98%	<i>Health insurance premiums increased 10%, membership & subscriptions, and supplies increased</i>
5	FINANCE	1,463,174	1,570,189	107,015	7.31%	<i>Health insurance premiums increased 10% and software subscription increased 91%</i>
6	HUMAN RESOURCES	473,776	530,596	56,820	11.99%	<i>Salaries up 14% due to effects from pay & class study</i>
7	FIRE/COMMUNITY RISK	12,922,934	13,746,898	823,964	6.38%	<i>Health insurance premium increased 10%, software & hardware support agreements increased 10%, and postage increased 40%</i>
8	INFORMATION TECHNOLOGY	2,561,210	2,610,166	48,956	1.91%	
9	LA CROSSE CENTER	3,331,077	3,502,592	171,515	5.15%	<i>Salaries increased 10% due to pay class study, sewer increased 41%, and marketing increased 100%</i>
10	LEGAL	621,423	671,894	50,471	8.12%	<i>Health insurance increased 10%</i>
11	LIBRARY	4,776,781	4,934,904	158,123	3.31%	
12	MAYOR	296,407	311,201	14,794	4.99%	
13	MUNICIPAL COURT	228,104	240,870	12,766	5.60%	<i>Health insurance increased 10%</i>
14	PARKS/REC/FORESTRY/FACILITIES	4,607,789	4,914,603	306,814	6.66%	<i>Health insurance increased 10%, natural gas increased 130%, and sewer increased 46%</i>
15	PLANNING/ASSESSOR	1,108,354	1,108,257	(97)	-0.01%	

2024 Operating Proposed Expenses
Explanation of Changes (+/- 5% Variance)

		<u>2024 VS 2023 VARIANCE</u>			EXPLANATION OF VARIANCE +/- 5%	
		INC (DEC)				
	2023 ADOPTED BUDGET	2024 PROPOSED BUDGET	\$	%		
16	POLICE DEPARTMENT	12,350,828	13,565,005	1,214,177	9.83%	<i>Health insurance increased 10%, medical evaluations increased 33%, and Overtime increased 54%</i>
17	STREETS & REFUSE/RECYCLING	8,314,796	8,055,804	(258,992)	-3.11%	
18						
19	NON DEPARTMENTAL:					
20	CONTINGENCY	300,000	300,000	-	0.00%	
21	RETIREE HEALTH INSURANCE	2,118,723	2,330,614	211,891	10.00%	<i>Health insurance premiums increased 10% with 158 retirees on the City Health Insurance plan</i>
22	INSURANCE	788,090	793,126	5,036	0.64%	
23	TRANSIT SUBSIDY	745,925	745,925	0	0.00%	
24	GENERAL EXPENSE	2,135,868	1,997,928	(137,940)	-6.46%	<i>No Pay/Class Study changes in 2024</i>
25						
26	TOTAL OPERATING EXPENSES	\$ 61,550,707	\$ 64,611,554	\$ 3,060,847	4.97%	
27						
28	DEBT SERVICE EXPENSES	\$ 7,450,000	\$ 8,650,000	\$ 1,200,000	16.11%	<i>Increased debt service expenses due to increased borrowing in recent years</i>
29						
30	TOTAL EXPENSES	\$ 69,000,707	\$ 73,261,554	\$ 4,260,847	6.18%	

NEW POSITION REQUESTS NOT INCLUDED IN ABOVE NUMBERS:	
General Government	284,462
Enterprise Funds	59,952
Total new position costs	\$ 344,414

City of La Crosse, Wisconsin
Proposed Adjustment to Authorized FTE List - 2024 Operating Budget

		<u>January 1 Hires</u>					
General Government	Department	Position Title	Request Type	Grade	Salary Expense	Benefits Expense	Total Expense
1	Human Resources	Human Resources Generalist	New Position	8	\$ 53,087	\$ 22,793	\$ 75,880
2						Total Human Resources	\$ 75,880
3							
4	Planning/Assessors	Appraiser III (Comercial Property Appraiser)	New Position	12	\$ 63,227	\$ 24,330	\$ 87,557
5							
6						Total Planning & Assessors	\$ 87,557
7							
8	Legal	Assistant City Attorney	New Position	15	\$ 88,343	\$ 28,135	\$ 116,478
9							
10						Total Legal	\$ 116,478
11	Information Technology	IT Helpdesk/ Administrative Specialist	Increase Hours	6	\$ 3,949	\$ 598	\$ 4,547
12							
13						Total Info Technology	\$ 4,547
14							
15							
16							
17	Enterprise Funds						
18							
19							
20							
21	Parking Utility	Custodian	New Position	3	\$ 39,254	\$ 20,698	\$ 59,952
22							
23						Total Parking	\$ 59,952
24							
						Total Enterprise Funds Cost	\$ 59,952

Net New Position Cost to General Government \$ 284,462

Expenditure Restraint Program

1	2023 Adjusted Operating Budget	\$ 61,432,804	
2	Allowable increase Percent provided DOR (CPI)	5.30%	<i>Projected</i>
3	Allowable increase Amount	3,255,939	
4	2024 Allowable Operating Budget	\$ 64,688,743	
5			
6	2024 Adjusted Proposed Operating Budget	\$ 64,488,554	
7	2024 Over/(Under) Expenditure Restraint	\$ (200,189)	

Levy Limits

1	2022 Payable, 2023 Actual Levy after Adjustments	\$ 36,018,711	
2	Net New Construction Adjustment (0.68%)	253,492	
3	2024 Allowable Levy Limit	36,272,203	
4			
5	2024 Proposed Levy w/o TID Levy	40,839,774	
6			
7	Amount Proposed Levy Over/(Under) Levy Limit	4,567,571 *	

*There is available capacity to increase the levy due to unused Debt Levy Limits

Mill Rate Comparison

		Budget Year			
		2023	2022		
		<i>2023 Tax Yr</i>	<i>2022 Tax Yr</i>	Year over Year Tax \$ Impact	Year over Year % change
1	Operating Levy excl. TID	\$ 32,189,774	\$ 29,828,283	\$ 2,361,491	7.92%
2	Capital Debt Levy	8,650,000	7,450,000	1,200,000	16.11%
3	City Assessed Value	4,844,178,700	4,798,851,700	45,327,000	0.94%
4	Mill Rate for Operating & Debt Levy	0.0084306910	0.0077681673	0.000662524	8.53%
5					
6	Total Levy calculation for Operations, TIDs and Capital Debt:				
7	Operating Levy incl. TID	\$ 38,522,821	\$ 34,188,254	\$ 4,334,567	12.68%
8	Capital Debt Levy	8,650,000	7,450,000	1,200,000	16.11%
9	City Assessed Value	4,844,178,700	4,798,851,700	45,327,000	0.94%
10	Mill Rate for Total City Levy Amount	0.0097380431	0.0086767120	0.001061331	12.23%
11					
12	Real Estate Residential Tax Estimate	<i>2023 Tax Yr</i>	<i>2022 Tax Yr</i>	Year over Year Tax \$ Impact	Year over Year % change
13	Property Taxes on \$150,000 Home	\$ 1,460.71	\$ 1,301.51	\$ 159.20	12.23%

Mill Rate Comparison

	Budget Year					
	2023		2022			
Total Levy calculation for Operations, TIDs and Capital Debt:						
1 Total City Levy Amount	\$	42,031,543	\$	41,638,254	\$ 393,289	0.94%
2 City Assessed Value		4,844,178,700		4,798,851,700	45,327,000	0.94%
3 Mill Rate for Total City Levy Amount		0.0086767120		0.0086767120	(0.00000000)	(0.00%)

	2023 Tax Yr	2022 Tax Yr	Year over Year Tax \$ Impact	Year over Year % change
5 Real Estate Residential Tax Estimate				
6 Property Taxes on \$150,000 Home	\$ 1,301.51	\$ 1,301.51	\$ (0.00)	(0.00%)

Scenario #1	
11 Proposed City Levy Amount	\$ 47,172,821
12 Total City Levy Amount with NO MILL RATE INCREASE	\$ 42,031,543
13 Amount needed to Decrease Levy by to Hold Mill Rate	\$ 5,141,278

Scenario #2	
17 Total City Assessed Value Required for Proposed Levy and no mill rate increase	\$ 5,436,716,253
18 Actual Assessed Value Increase from 2022 TY to 2023 TY	\$ 45,327,000
19 Additional Assessed Value Increase needed to hold Mill Rate with proposed levy	\$ 592,537,553