



City of La Crosse, Wisconsin

City Hall
400 La Crosse Street
La Crosse, WI 54601

Meeting Agenda - Final

Board of Estimates

Thursday, September 7, 2023

2:00 PM

Council Chambers

Department Budget Overview & Discussion of Budget Changes

The Budget Parameter Committee meeting is open for in-person attendance and viewable through video conferencing by visiting the Legislative Information Center (<https://cityoflacrosse.legistar.com/Calendar.aspx>) and clicking on the video link to the far right in the meeting list.

Call to Order

Roll Call

Board Members: Mayor Mitch Reynolds, Council President Kahlow, and Council Members Mindel, Janssen, Sleznikow, Schwarz, Happel, Neumann, Goggin

Approval of Minutes

Minutes of October 10, 2022 meeting

Agenda Items:

[23-0729](#) 2024 Operating Budget Discussions.

Adjournment

Notice is further given that members of other governmental bodies may be present at the above scheduled meeting to gather information about a subject over which they have decision-making responsibility.

NOTICE TO PERSONS WITH A DISABILITY

Requests from persons with a disability who need assistance to participate in this meeting should call the City Clerk's office at (608) 789-7510 or send an email to ADAcityclerk@cityoflacrosse.org, with as much advance notice as possible.



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Text File

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Agenda Number:

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				EXPLANATION OF VARIANCE +/- 5%
		INC (DEC)				
2023 ADOPTED BUDGET	2024 PROPOSED 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)

		2024 VS 2023 VARIANCE				
		INC (DEC)				
		2023 ADOPTED	2024 PROPOSED			EXPLANATION OF VARIANCE +/- 5%
		BUDGET	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

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

City of La Crosse
2024 Operating Budget Preliminary Estimate
6/27/2023

1	2023 Adopted Operating Expenses:	\$ 69,000,707	2023 Operating Budget-Pg 5
2	Estimated Expense Adjustments for 2024:		
3	Projected Salary & Benefit Increase for Non-represented Employees	275,000	Annual merit (step) increases & related benefits
4	Across the Board pay adjustments	600,000	Possible 3% cost of living adjustment if budget allows
5	Projected Salary & Benefit Increase for Union Employees	333,430	Fire 3% (2% increase Jan 1, 1% increase July 5), Police CBA still in negotiations
6	Health Insurance Premium Increase	730,000	10% Health Insurance rate Increase for Active & Retiree Health Insurance
7	Waste & Recycling Contract CPI Adjustment	86,000	4% CPI increase on recycling and waste contracts
8	Wisconsin Retirement System Rate Adjustment	185,016	Proposed Non-Rep/Elected Officials 0.1% Increase, PD 1.1% increase, and FD 1.0% increase
9	Fuel	294,665	Increase in Gas Prices Diesel up 29% and Gas up 18%-contract pricing, 11% increase in quantity as well
10	Electricity	64,326	5% increase in rates for 2023, based on 2022 budget and actuals no increase in budget forecasted
11	Natural Gas	89,772	Estimated 5% increase for 2024
12	Water	-	No expected increase in rates for 2024
13	Sanitary Sewer	18,000	Estimated 20-40% increase in rates for 2024, based on 2022 budget and actuals no increase in budget forecasted
14	Storm Water	-	No expected increase in rates for 2024
15	Property & Liability Insurance Premium Increases	75,000	TBD, using placeholder from 2023 Operating Budget
16	Additional Debt Service Expenses	1,250,000	
17	Elections	50,000	Increased for 2 additional elections
18	Subtotal Estimated 2024 Expense Adjustments Increase/(Decrease)	4,051,209	5.87% Increase in Expenditures from 2023 budgeted (Row 1) to 2023 Estimated (Row 21)
19	Total 2024 Estimated General Fund Budget Expenses	73,051,916	<i>Operating Expenses & Debt Service Expenses</i>
20	* Expenditure Restraint Related Expenses		
21	2023 Adopted <u>Non-levy</u> Operating Revenues:	31,722,424	2023 Operating Budget-Pg 4
22	Estimated Revenue Adjustments for 2024:		
23	Requalification for Expenditure Restraint Program	1,100,000	Requalified for Expenditure Restraint Program payment after not receiving 2023 payment
24	Increased Shared Revenue	1,800,000	Proposed increase of shared revenue subject to state legislation
25	One Time Revenues		One time revenues used to balance the Operating Budget
26	Fund Balance	(1,600,000)	Decrease use of Fund Balance
27	ARPA Funds	(655,000)	Expected decrease of ARPA funds used in the Operating Budget from \$2.9M (2023) to \$2.25M (2024)
28	Subtotal Estimated 2024 Revenue Adjustments Increase/(Decrease)	645,000	
29	Total 2024 Estimated General Fund Budget Revenues	32,367,424	
30	Estimated 2024 General Fund Net Levy	\$ 40,684,492	<i>Levy for Operating Expenses & Debt Service Payments</i>

31	2023 Adopted City General Fund Levy (Excluding TID)	\$ 37,278,283	
32	Net City Levy Excluding TID Increase/(Decrease) 2024 vs 2023	3,406,209	<i>Difference Row 30 vs. Row 31</i>
33	Estimated Allowable Net New Construction (NNC) Increase	358,840	<i>Placeholder using 2023 NNC amount</i>
34	Net City Levy Excluding TID Increase/(Decrease) 2024 vs 2023 including NNC	\$ 3,047,369	Increase would represent 9.41% of 2023 Estimated Operating Revenues



CITY OF LA CROSSE

2024 OPERATING BUDGET

BOARD OF ESTIMATES & COUNCIL MEETING SCHEDULE

Common Council Chambers

Board of Estimates Work Sessions:

Department Budget Overview and Discussion of Budget Changes:

2:00pm - Thursday, September 7, 2023

2:00pm - Friday, September 8, 2023 (if necessary)

Board of Estimates:

Discussion/Review/Finalization of Recommended Operating Budget:

2:00 p.m. Monday, October 9, 2023 – work session/adopt Board of Estimates recommended budget

2:00 p.m. Tuesday, October 10, 2023 (if necessary) – work session/adopt Board of Estimates recommended budget

Saturday, October 28, 2023 – publish proposed budget (Tribune requires copy by noon on October 20, 2023)

Common Council Operating Budget Discussion and Adoption:

City Hall - Council Chambers

6:00 P.M. Monday, November 20, 2023 – Public Hearing – Special Common Council Meeting to adopt budget

6:00 P.M. Tuesday, November 21, 2023 (if necessary) – Public Hearing – Special Common Council Meeting to adopt budget

The Board of Estimates may convene in closed session pursuant to Sec. 19.85 (1) (c) and (e), Wis. Stats., if compensation and bargaining sessions require a closed session. Following any closed session, the Board may reconvene in open session. The Board reserves the right to make minor adjustments to the above schedule.

BUDGET PARAMETER COMMITTEE MEETING JUNE 28, 2022- MINUTES

6/28/2022

MEMBERS PRESENT: CP Janssen, Neumann, F&P Chair Happel, Schwarz, Sleznikow, Richmond.
 Excused Keil
 Excused Director Nowicki
 Deputy Director DeGier
 Mayor Reynolds

MOTION	DISCUSSION	MOTION 2ND	ACTION	
1 CALLED TO ORDER BY	Mayor Reynolds @ 2:00			
2 ELECTION OF CHAIRPERSON -	Mayor Reynolds	Happel	Schwarz	UNANIMOUS
3 ELECTION OF VICE CHAIRPERSON - CM	CP Janssen	Happel	Schwarz	UNANIMOUS
4	Motion to approve minutes of 6/29/21 meeting	Janssen	Happel	APPROVED
5				
6	2023 OPERATING BUDGET DISCUSSION			
7				
8	Presentation by Deputy Finance Director DeGier			
9	Overview of Preliminary 2023 Estimates			
10	Happel Do we have an indication of what 2023 actual new construction might be? Could 2022 actual new construction be less?			
11	DeGier There is no indication but the annual average increase has been around \$500,000 with minor fluctuations.			
12	Sleznikow When will we have actuals on the "TBD" on the estimate? WRS rates are normally determined by the ETF board in late June early July, I would defer to HR on the pay/class study timeline and the ARPA usage will be determined throughout the operating budget process.			
13	DeGier			
14	Neumann Line 27 TBD, what are the limits? (using ARPA/Fund Balance)			
15	DeGier The limits on fund balance is meeting our fund balance policy of 20% and no real limits on using ARPA funds outside of available funds, proper usage of funds and creating a dependency on one time revenues.			
16	Happel ARPA fund has limitations on what it can be used for?			
17	DeGier Yes, the Treasury department has identified specific uses that don't qualify such as setting up a rainy day fund, paying down debt service, use in pension funds. The guidance was that the lost revenue funds could be used on provision of government services excluding the specific prohibited uses.			
18	Mayor We made decision last year to forgo expenditure restraint program to reset baseline.			
19	Happel What was used for one time funding last year?			
20	DeGier \$1.3 Million in land sale, 5 positions funded by ARPA, \$1.6M in fund balance budgeted.			
21	Happel Do we know if there are more one time revenues coming up?			
22	DeGier In the past years we have had one time revenues such as land sales, there are no other anticipated one time revenues that we are aware of at this point outside of using fund balance or ARPA funds.			
23	Mayor What can you tell us about using one time funds for reoccurring expenses?			
24	DeGier This creates a problem in the future by depending on one time revenues and continuing to grow the deficit between reoccurring expenses and revenues that will be hard to overcome when the one time revenues end.			
25	Neumann Why are revenues not growing at pace of expenses?			
26	DeGier Due to the state of municipal financing, we are constricted by levy limits on how much we can increase the levy as well as the holding steady of non levy revenues, while inflation and salary increases grow at a faster pace.			
27	Neumann Can we find another source of revenue?			
28	Neumann 3% COLA how does this compare? Are we doing enough?			
29	DeGier 3% is either on par with other municipalities around the state country or a little lower.			
30	Janssen Is electric and natural gas up in price or has use gone up?			
31	DeGier That I do not know off the top of my head but most likely a combination of both.			
32	Mayor Review schedule of meeting times and dates.			
33	Happel Motion to approve schedule of meetings as presented.	Happel	Janssen	APPROVED
34	Happel BPC directs Mayor and staff to develop budget options for 2023. Multiple options can be developed. One option must include no tax rate increase.	Happel	Janssen	APPROVED
35	Mayor Meeting Adjourned at 2:27 p.m.			