

Dear City Council,

My name is Bernard Lenz and I live at 1624 Mississippi Street. I was the City of La Crosse Assistant City Engineer from 2008 to 2018 and Utility Manager until 2022. I ran the citizen committee that worked for months to develop the original SWU ordinance. I object to resolution 25-0599 because it is in conflict with the original intent of the Storm Water Utility (SWU) when it was created; specifically, that group went to great lengths to prevent the City using the SWU as a new revenue source to balance city budgets.

The SWU was never meant to be a fully funded enterprise fund for stormwater as is now being proposed. Prior to the passing of the original SWU ordinance, stormwater was 100% funded by taxes and general obligation borrowing. The need for a SWU was triggered by an unfunded mandate from the State of Wisconsin requiring the city to remove 40% of the sediments from our stormwater system. At a time when stormwater projects were already being pushed out of the capital budget for other council priorities, finding new funding for these new water quality mandates was very difficult and the city was in trouble for non-compliance. Several attempts to create a SWU prior to this failed because citizens and Council saw these as attempts to create a new revenue stream, not fund a new mandate.

Thus, the new SWU was set up to fund a specific set of projects needed to bring the City into compliance with the WDNR mandate to clean up run-off, and also to incentivize council to address the backlog of deferred street flooding related projects. The original fee of \$53.92 was based on funding capital projects related to the new Water Quality mandates at 100% and select projects related to water quantity problems (ie-flooding) at 50%. The mandate that the city fund 50% of the water quantity (flooding) projects was intentional, as the citizen action committee did not want the City to increase capital spending by the amount of this new revenue stream; rather, they wanted to incentivize the Council to prioritize stormwater when allocating existing tax dollars by providing this match. Setting the fee required certain projections like the impact of credits on future revenue as well as inflation factors on capital projects.

The original SWU included only a small amount for administrative costs (ie- salaries), with most of those costs remaining tax funded. It included no money for the road resurfacing parts of these projects; those were to remain tax funded. The fee was also set based on accomplishing these specific projects and council priorities in a designated time frame, thus the SWU had a sunset clause to end once these projects were accomplished.

The intent of the original SWU was that it would end when the specific goals were met and that stormwater costs would remain tax funded. Over the years, this intent has been incrementally eroded with a series of administrative policy changes, hidden budget requests, and council resolutions. For example, the 50% rule started to include more and more of the project costs (like pavement too), versus just the cost of the stormwater pipes, until it was ultimately removed by resolution all together and the SWU was paying 100% of things previously funded by general obligation borrowing. Another example is as annual City operating budgets got tight, more and more salaries and operational expenses were shifted onto the SWU budget each year. Then

ultimately the sunset clause was removed by resolution without council being provided much historical context.

These changes were not called out and presented as policy changes that should be debated and decided upon by this governing body. They were either administrative level decisions made by department heads, at the direction of past mayors, or slipped through and passed off as inconsequential council actions, as in “we have to change the 50% rule because council isn’t funding enough of their 50%” or “we have to drop the sunset clause because we won’t get all the projects listed done” as if Council didn’t have a choice.

What I object to about this pending resolution is not the idea of switching to a fully funded Stormwater Enterprise Fund. (The Utility staff did an excellent job and if the council goes that direction their work is top notch to use to do so). What I object to is how this is presented to the city residents, businesses, and to the Council. When I hear “we have to do this because costs have gone up and we have not raised rates”, I am concerned that the full history and context of this decision has not been made clear.

Please keep sight of the fact that this is a policy change. This shift will have significant implications which need to be carefully and deliberately considered. You are voting to shift 100% of the burden of stormwater from taxes to an enterprise fund. You are voting to reorganize the duties of the various departments impacted (such as moving street sweeping from the street department to the Stormwater Utility). You are voting to add \$4.6 million of additional new fees to be borne by city residents and businesses when this is fully funded. You are voting to make La Crosse have the highest SWU rate in the State of Wisconsin. And you are voting to shift the full burden of this critical government service from tax payers to users, meaning non-profits, commercial properties, businesses, and large residential properties will shoulder a much higher burden with this change. You are voting to ensure we have long term funding to support critical infrastructure. You are voting to ensure safe and clean run-off.

I am not saying that any of this is good or bad, but I am saying you need to be fully informed, think this through, debate this, take citizen input, and study it. This is a policy decision you get to make and from which there are real and lasting consequences that will impact our city for years to come. This is not a rubber stamp to staff suggestions, there are real and significant consequences to your vote.

One of the reasons I resigned from the City was because I felt decisions were being made without the City Council being fully informed. This slow progression of diverting more and more SWU funds to help off-set budget short falls is an example. You need to ask more questions and you need to be informed so you can make the best decision for the city.

Sincerely,
Bernard Lenz