

Economic Recession Plan

Executive Summary

May 7, 2020

The City of La Crosse Economic Recession Plan is modeled after similar tools that have been implemented by other jurisdictions. As such, it does have some history of success. It has been specifically tailored to the City of La Crosse. While much effort and analyses has been placed into the development of the Plan, it is relatively simple in scope.

The Plan is based upon an incremental application of five remedial action steps (stages) in a progressive fashion. The first stage is relatively minor, while the fifth and final stage presupposes a crisis situation. The intervening stages become progressively more impacting, as declining revenues worsen. The Plan is intended to be proactively applied, utilizing economic forecasts and indicators as enumerated.

Procedurally, the Plan is a tool that can be considered and implemented at the administrative level during the early stages of a recession or economic downturn (first two stages), with Council resolution being required for more stringent measures (third, fourth, and fifth stages). The Executive Budget Team is comprised of members from Finance, Human Resources and three operational departments within the City as selected by the Mayor, and serves as the working body to evaluate the economic indicators and implement/recommend the correlating remedial measures.

This Plan is formulated to endure the test of time, utilizing a sliding-scale approach to both its implementation and suspension as necessary. This is important to allow for the necessary fluidity to changing economic situations. The current pandemic, with its rapid spread, uncertain severity, and unknown duration, illustrates the need for this adaptiveness.

The Recession Plan is a tool that should enable the City organization to anticipate and adapt to declining economic conditions. As such, its budgetary impact will, by its very nature, be negative.

The intent of the Plan is to mitigate and address this impact and better prepare the organization to operate effectively and provide essential services to this community during periods of declining revenues.