
FINANCE & PERSONNEL COMMITTEE MEMORANDUM

TO: CITY OF LA CROSSE FINANCE & PERSONNEL COMMITTEE

CC: MAYOR TIM KABAT

FROM: VALERIE FENSKE, DIRECTOR OF FINANCE & HUMAN RESOURCES

SUBJECT: 2020 REVENUE FORECAST

DATE: MAY 7, 2020

This memorandum is intended to advise the City of La Crosse Finance & Personnel Committee, and subsequently, the Common Council of the City of the projected 2020 Revenue Forecast.

The initial revenue forecast for the General Fund, including the La Crosse Center, indicates a shortfall of \$5.9 million, representing an overall 8.65% of the General Fund and La Crosse Center revenues for 2020.

The revenue shortfalls are driven by complete closures of City facilities and programs along with a substantial decrease in Room Tax revenues, citations and fines. In addition, this forecast presumes a 7% reduction in state shared revenues in 2020 with a higher reduction expected for 2021 as the state attempts to balance its budget.

While there has been an increase in certain expenditures related to COVID-19, namely related to election expenses for absentee voting and increased protective measures for voters and poll workers; the main driver of the current economic conditions are related to the loss of revenues.

The breakdown of the General Fund and La Crosse Center base operational revenues as adopted and as currently forecast is as follows:

	2020			
	Adopted Budget		Forecasted Budget	
	\$	%	\$	%
Non-Levy Revenues	29,027,903	46.1%	23,081,838	40.5%
Property Tax Levy	33,893,233	53.9%	33,893,233	59.5%
	<u>\$ 62,921,136</u>		<u>\$ 56,975,071</u>	

This forecast does not take into account any support that may be required by Enterprise or Special Revenue Funds that are also experiencing revenue shortfalls and that may not be able to cover operational expenses without cash flow assistance. This will require further analysis and may include the Transit Fund, Airport and the Parking and Utility Funds.