City of La Crosse

2027 Operating Budget Preliminary Estimate

1	2026 Adopted Operating Expenses:	$ 74,079,828	2026 Operating Budget-Pg 3
2	Estimated Expense Adjustments for 2027:		
3	Projected Salary & Benefit Increase for Non-represented Employees	309,218	Annual July merit (step) increases & related benefits
4	Across the Board pay adjustments	588,080	3% cost of living adjustment
5	2026 Merit Increases	261,929	Increase from 7/1/26 merit increases
6	6 unbudgeted + 1 grant funded position added from 2026 budget	715,992	3 Police officer positions / 3 fire fighter positions / 1 previously grant funded officer
7	Projected Salary & Benefit Increase for Union Employees	818,300	Fire 4% 1/1/27, Police 4% 1/1/27
8	Adjustment to OT/premium pay/payout budgets	758,500	Increase OT/premium pay/OT budgets based on past actual levels
9	Wisconsin Retirement System Rate Adjustment	12,500	Estimated 0.3% increase to all WRS rates
10	Health Insurance Premium Increase	2,637,740	Estimated 30.5% Health Insurance rate Increase for Active & Retiree Health Insurance
11	Projected increase to Transit Subsidy	1,233,660	General fund subsidy to Transit fund
12	Waste & Recycling Contract CPI Adjustment	97,804	Estimated increase on recycling and waste contracts
13	Utilities and Fuel Expenses	75,422	10% increase-Diesel fuel / 4% Increase-unleaded fuel/ 3% increase for Utilities
14	Property & Liability Insurance Premium Increases	100,000	Estimated 2027 Premium increase
15	Software subscription costs	201,500	Estimated increase in costs to annual software subscription agreements
16	Debt Service Expenses - Capital Budget	250,000	Adjustment for increasing debt service costs
17	Various expense adjustments	195,424	Various Expense budget adjustments
18	Subtotal Estimated 2027 Expense Adjustments Increase/(Decrease)	8,256,069	**11.14% Increase in Expenditures from 2026 budgeted (Row 1) to 2027 Estimated (Row 19)**
19	**Total 2027 Estimated General Fund Budget Expenses**	**82,335,897**	*Operating Expenses & Debt Service Expenses*
20			
21	2026 Adopted Operating Revenues:	31,388,516	2026 Operating Budget-Pg 2
22	Estimated Revenue Adjustments for 2027:		
23	Increased Shared Revenue	270,000	Estimated increase of shared revenue
24	Fire Revenue	170,000	Estimated increase with new revenue from Medary service contract
25	Police Revenue	45,020	Adjustment to Police income
26	City Services Revenue	318,000	Increase to interfund charges to enterprise and special revenue funds for City services
27	Interest Earnings	268,418	Estimated increase to interest earnings
28	Parks Revenue	(95,000)	Adjustment of Park & Rec income
29	Fund Balance	(855,819)	Decreased use of fund balance funds used in the Operating Budget from $855K 2026 to $0 2027
30	Expenditure Restraint Incentive Program (ERP)	(484,000)	Expected decrease back to amounts consistent to 2025 and prior over 2026 payment of $1.684M
31	Subtotal Estimated 2027 Revenue Adjustments Increase/(Decrease)	(363,381)	
32	**Total 2027 Estimated General Fund Budget Revenues**	**31,025,135**	
33	**Estimated 2027 General Fund Net Levy**	**$ 51,310,762**	***Levy for Operating Expenses & Debt Service Payments***

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35	**Levy Scenarios (Assuming no use of fund balance)**	**Tax Levy Amount**	**Reduction of expenses**	
36	#1 - No adjustments to Expenses	$ 51,310,762	$ -	
37	#2 - Adjust expenses to meet ERP	$ 45,596,487	$ 5,714,275	
38	#3 - Adjust expenses to maintain property taxes	$ 42,922,394	$ 8,388,368	

39	**Fund Balance (Policy to have 20% of next years budgeted expenses)**		
40	12/31/2025 Unassigned General Fund Balance	$ 19,737,456	
41	**Unassigned Fund Balance over Fund Balance Policy**	**$ 4,921,490**	

42	**Estimated Expenditure Restraint Program**		
43	2026 Operating Expenses	65,479,828	
44	Estimated Allowable ERP % Increase	3.50%	Estimate based on numbers through May 2026 Consumer Price Index reports
45	Estimated ERP Allowable Increase	**2,291,794**	
46	2027 Estimated Operating Expenses	73,485,897	
47	Amount over allowable increase	**5,714,275**	