



CITY OF NEW ORLEANS

2015 Budget Proposal

October 15th, 2014

2015 Budget Presentation

- **Background**

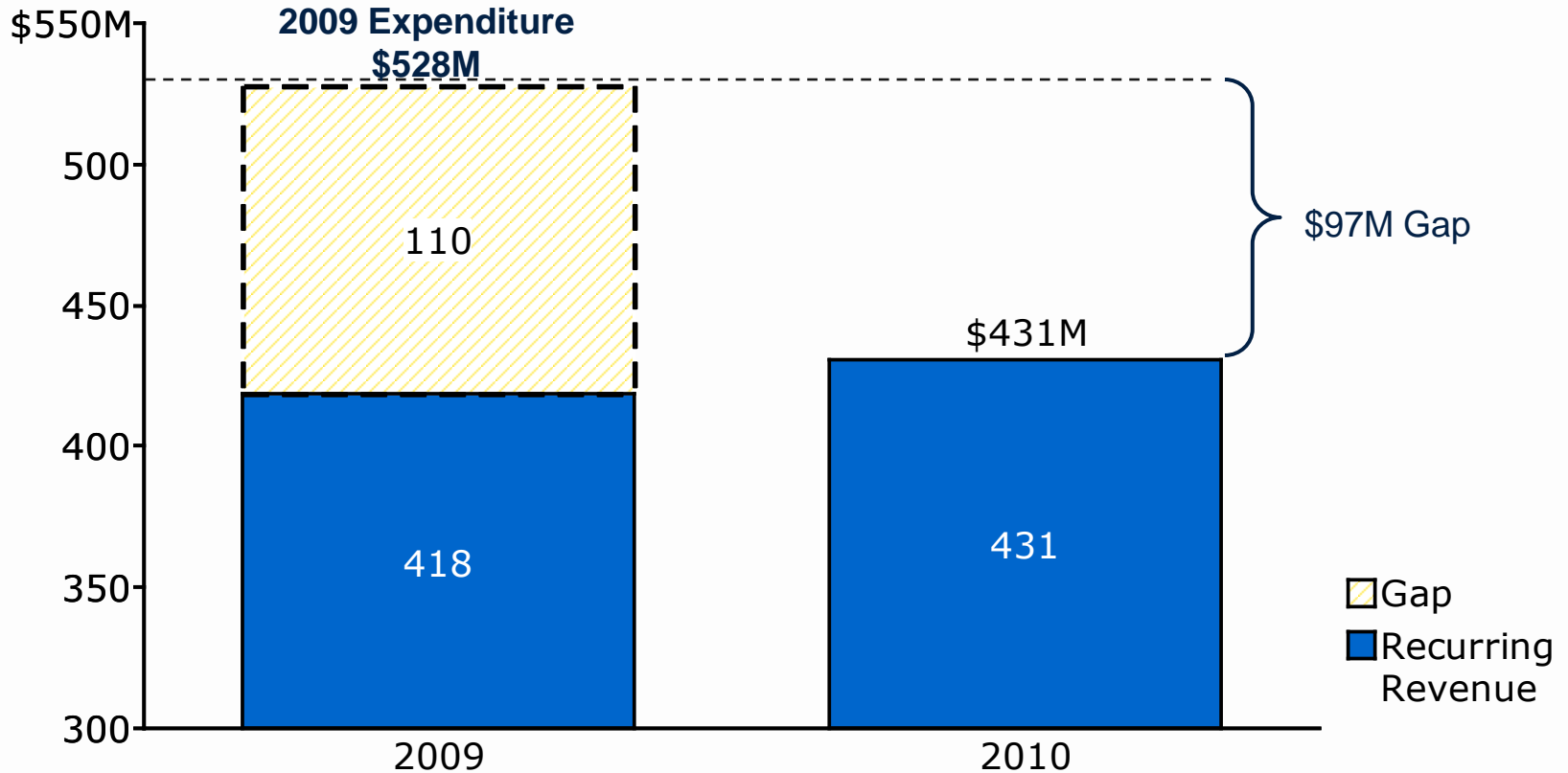
- **2014 Revenue Growth**

- **2015 Budget Proposal**



The Landrieu Administration addressed an inherited \$97M spending gap

Budget Comparison

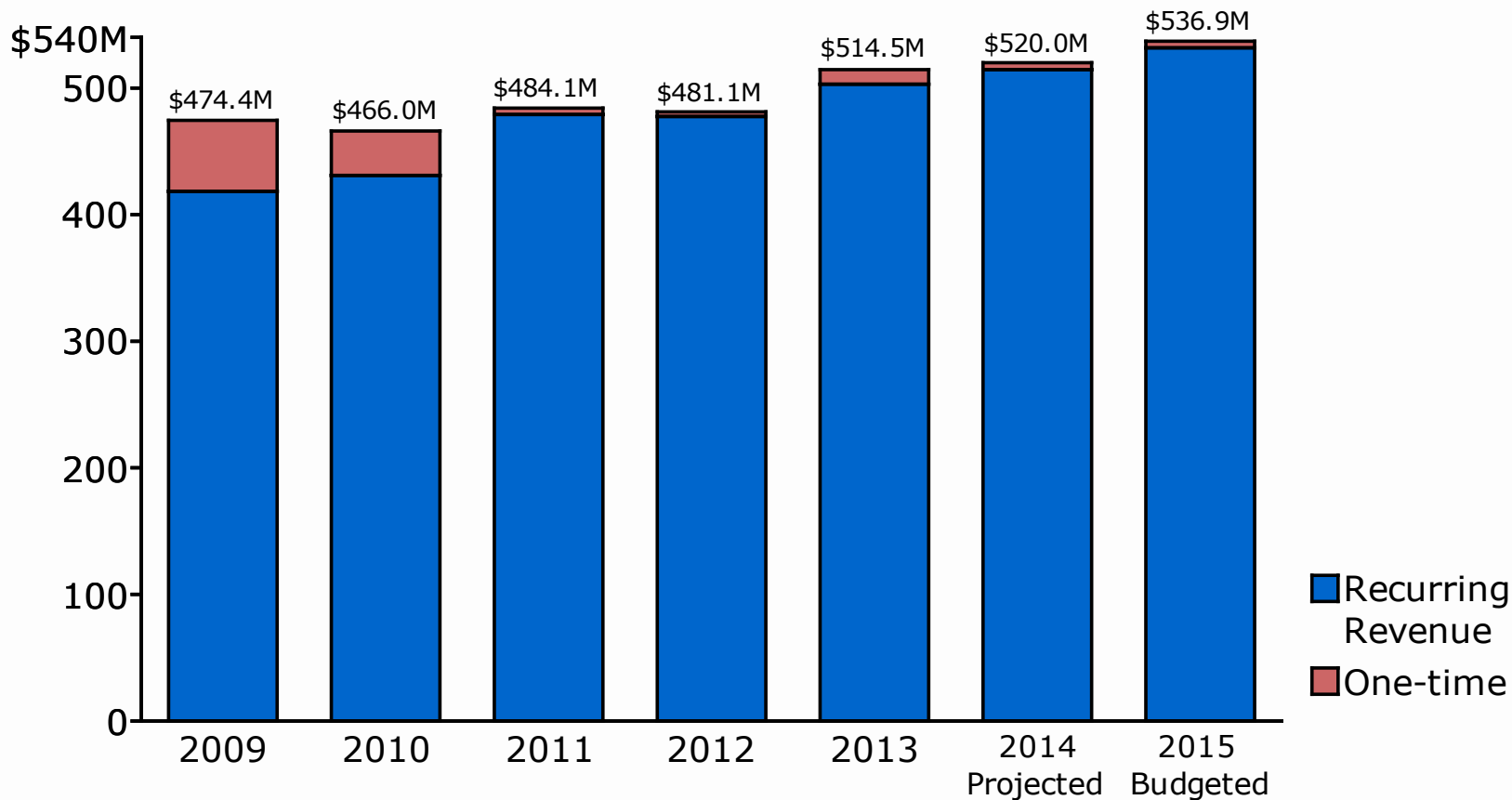


Note: One-time revenue sources not included in chart



The Administration reduced the City's reliance on one-time monies

Annual Revenue

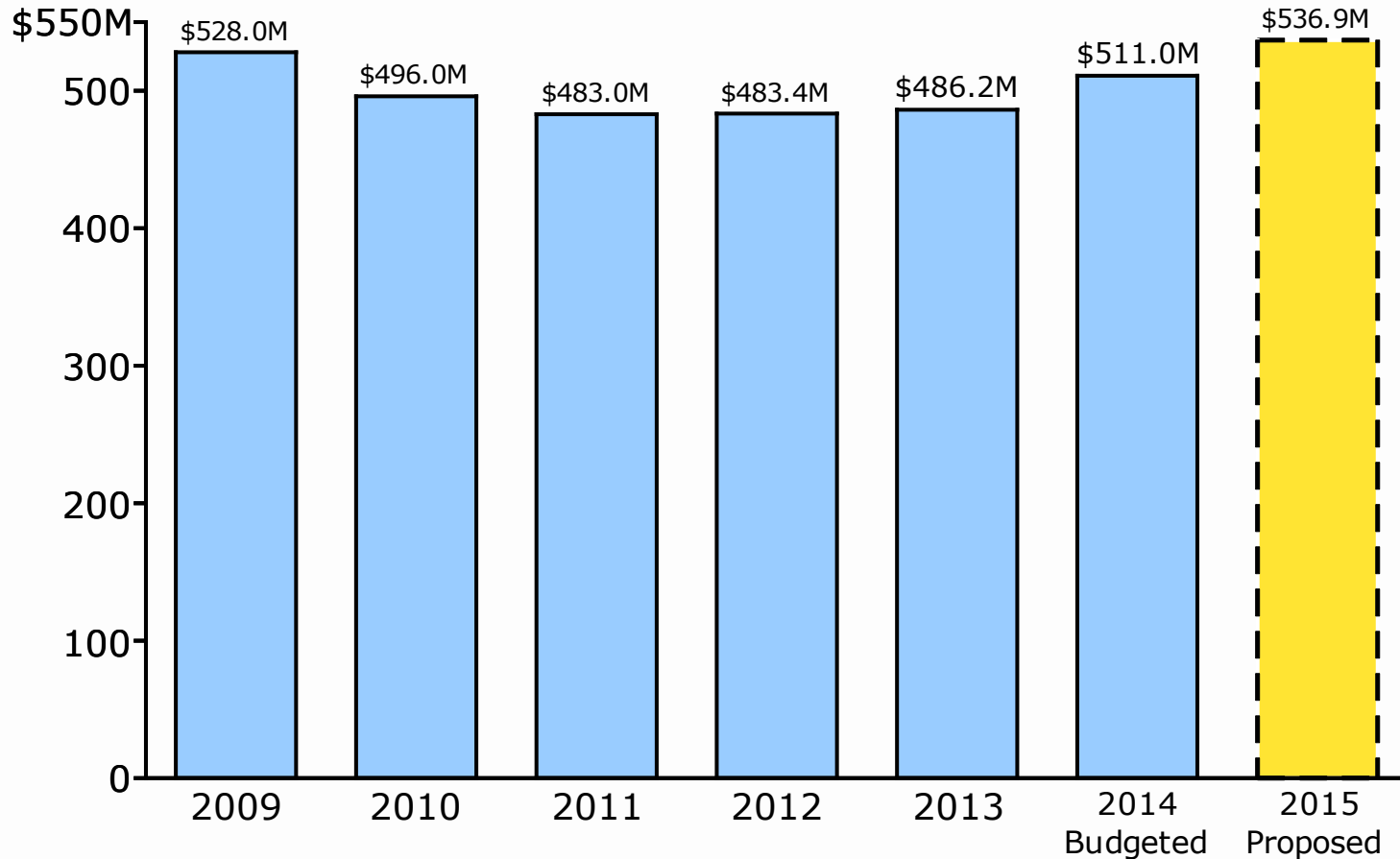


One-time money as a % of overall budget	2009	2010	2011	2012	2013	2014	2015
	11.8%	7.5%	1.0%	0.8%	2.2%	1.6%	1.0%



After four years of substantial cuts, City expenditures can now increase

Annual Expenses

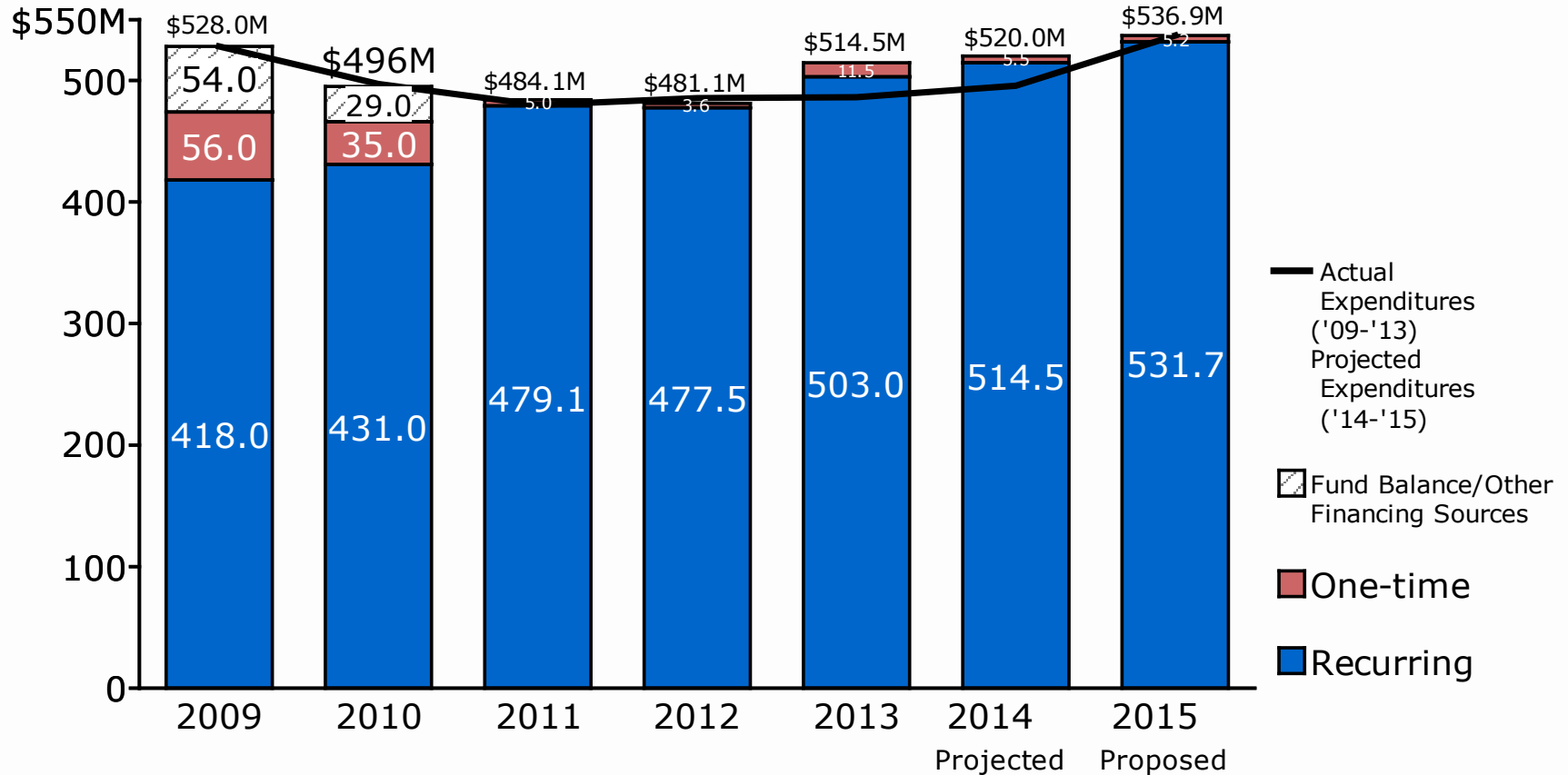


Delta to previous year	2009	2010	2011	2012	2013	2014 Budgeted	2015 Proposed
	+\$28.0M	-\$32.0M	-\$13.0M	+\$0.4M	+\$3.2M	+\$24.8M	+\$25.9M



We continue to live within our means

Historical Expense vs. Revenue

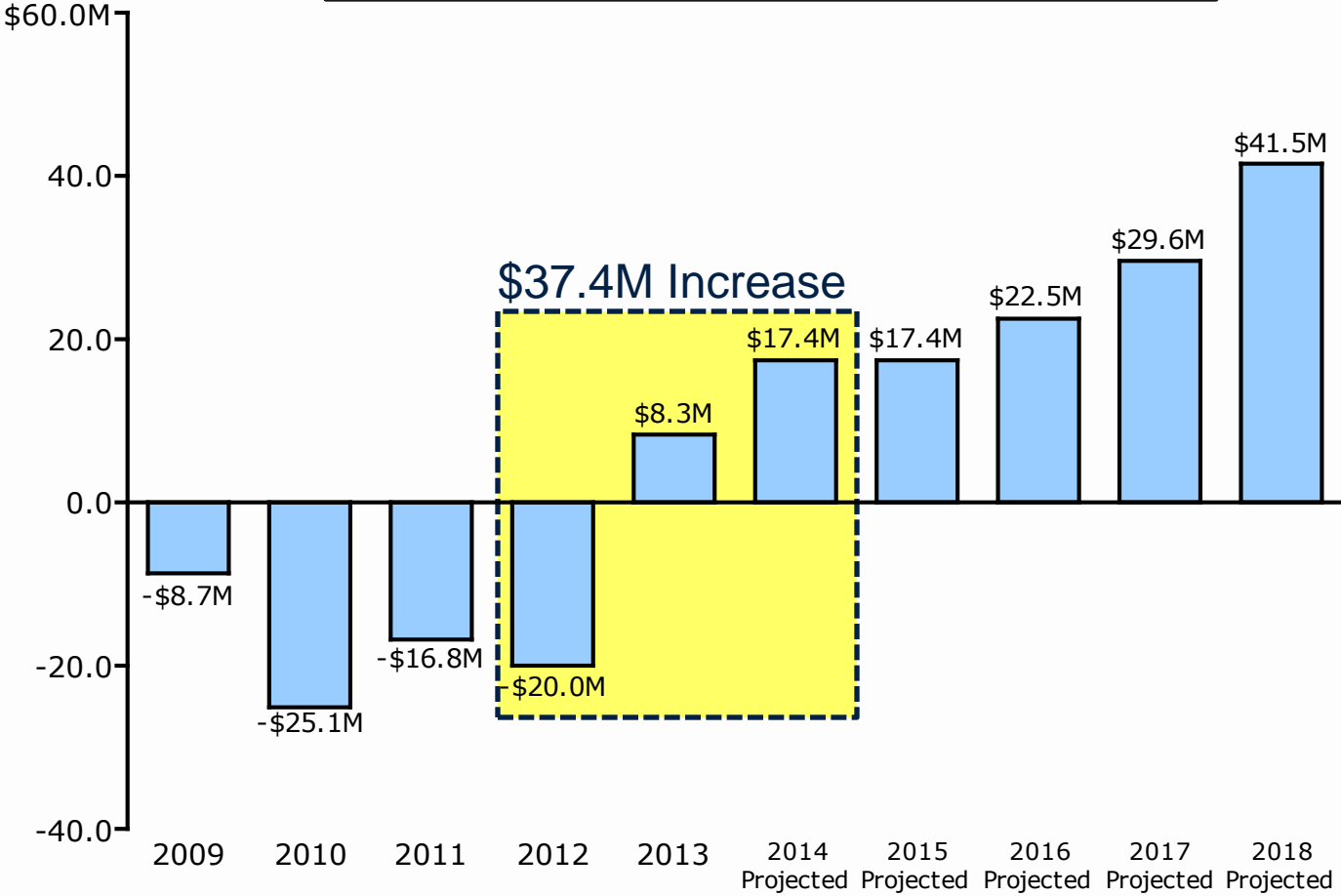


2013 Actual Expenditure does not include \$28.3M contribution to fund balance. Additionally, 2014 Actual Expenditure does not include projected \$9.1M contribution to fund balance.



City eliminated the fund deficit in 2013; projected to contribute over \$37M to fund balance the last two years

Ending Fund Balance



Assumes 2% Annual Growth in Non-Debt Expenditures in 2016 to 2019.

Fund Balance Reserve



Major Financial Accomplishments

- Increased FEMA receivables by over \$1.0B since 2010
- Reversed negative fund balance with \$37.4M in contributions over the past two years (2013-2014)
- Forgiveness of \$240M worth of CDL loans
 - Substantially improved City's debt posture
- Refinanced pension obligation bonds at lower interest rates, saving money while retaining the same maturation date of 2030
- Shifted retirees to Medicare reducing future liabilities from \$350M to \$166M
- Won \$11M FEMA arbitration to avoid recoupment of already expended funds
- Made important changes to city, police, and fire pension funds



2015 Budget Presentation

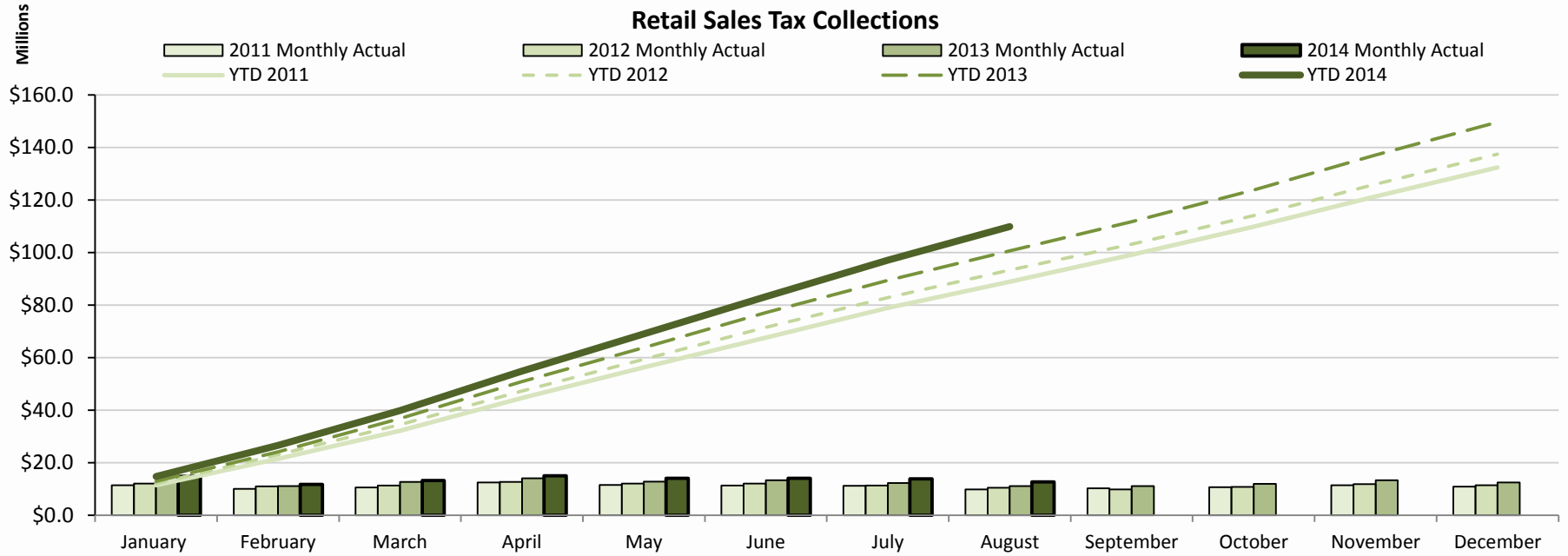
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- **2014 Revenue Growth**

- **2015 Budget Proposal**



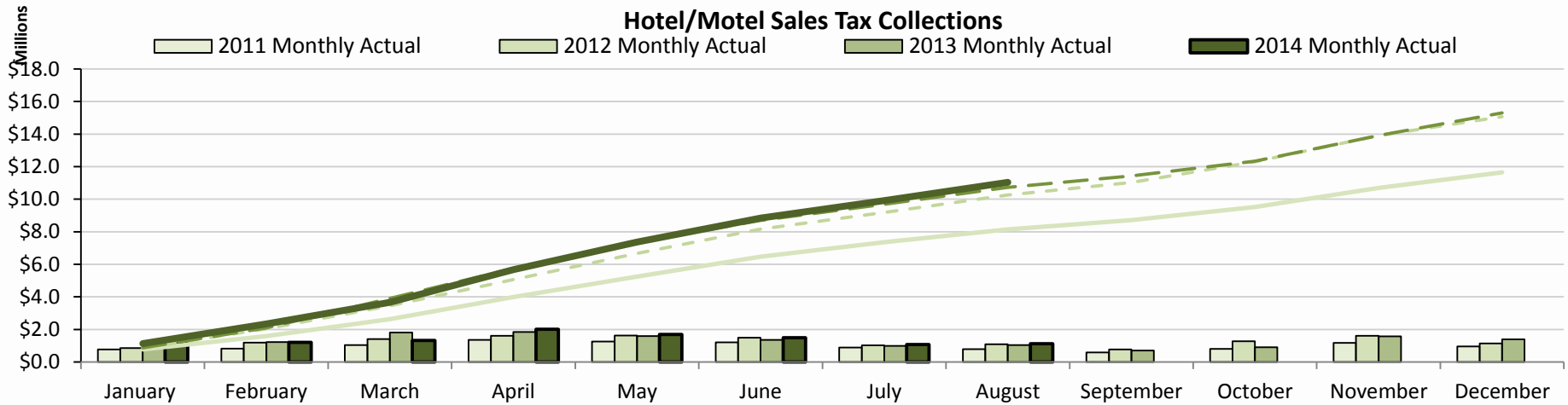
Retail Sales Tax Collections Significantly Higher than 2013 Levels



Year	2011	2012 <i>Percent Change from Prior Year</i>		2013 <i>Percent Change from Prior Year</i>		2014 <i>Percent Change from Prior Year</i>	
August Collections (Million \$s)	\$9.91	\$10.53	6.2%	\$11.19	6.3%	\$12.71	13.6%
YTD Collections (Million \$s)	\$88.90	\$93.36	5.0%	\$100.64	7.8%	\$109.86	9.2%



Hotel/Motel Sales Tax Collections Above 2013 Levels

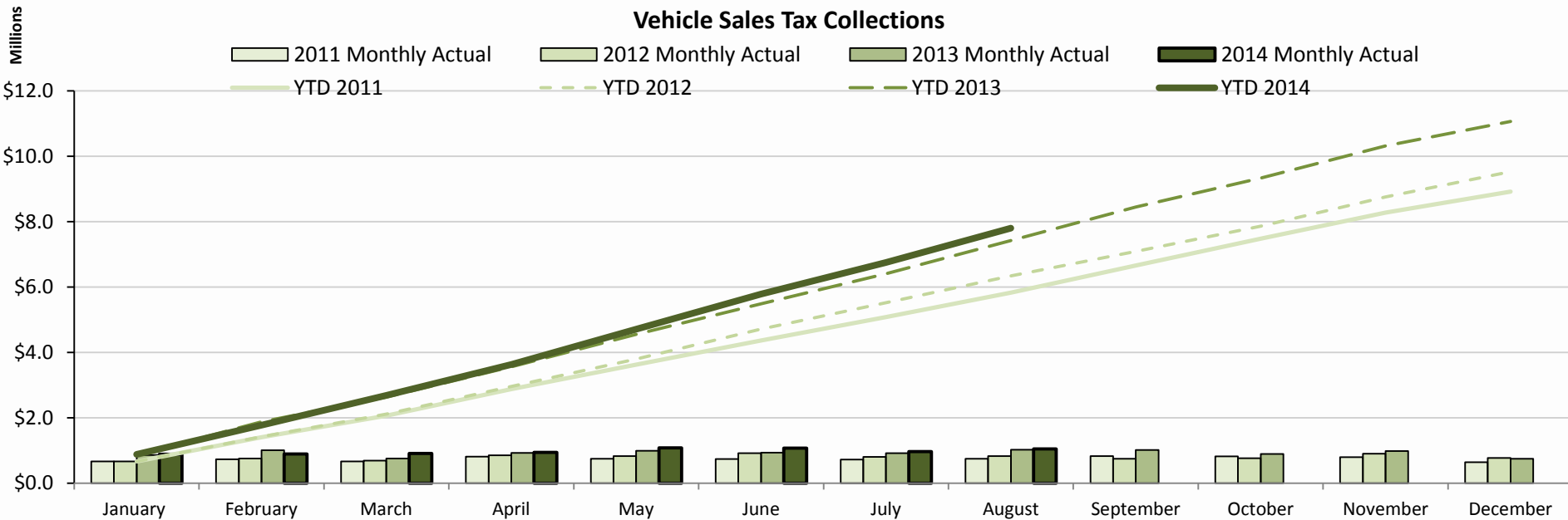


Year	2011	2012 <i>Percent Change from Prior Year</i>		2013 <i>Percent Change from Prior Year</i>		2014 <i>Percent Change from Prior Year</i>	
August Collections (Million \$s)	\$0.78	\$1.08	38.1%	\$1.04	-3.9%	\$1.12	7.9%
YTD Collections (Million \$s)	\$8.14	\$10.26	26.1%	\$10.72	4.5%	\$11.04	2.9%

*2012 and 2013 #s include overpayment that has been refunded



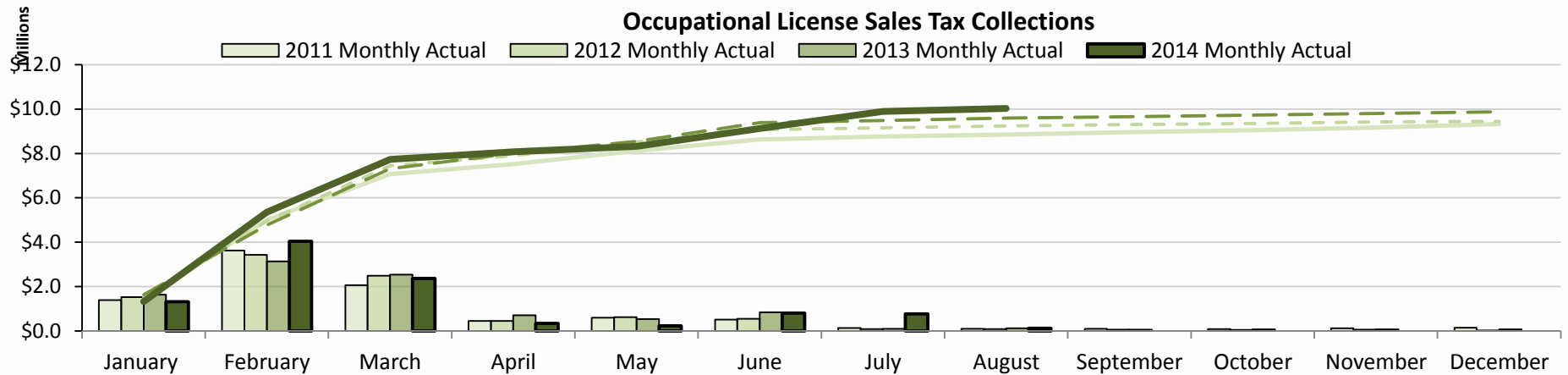
Vehicle Sales Tax Collection Above 2013 Levels



Year	2011		2012 <i>Percent Change from Prior Year</i>		2013 <i>Percent Change from Prior Year</i>		2014 <i>Percent Change from Prior Year</i>	
	August Collections (Million \$s)	\$0.75	\$0.83	10.6%	\$1.02	23.5%	\$1.05	3.0%
YTD Collections (Million \$s)	\$5.83	\$6.34	8.8%	\$7.43	17.1%	\$7.80	5.0%	



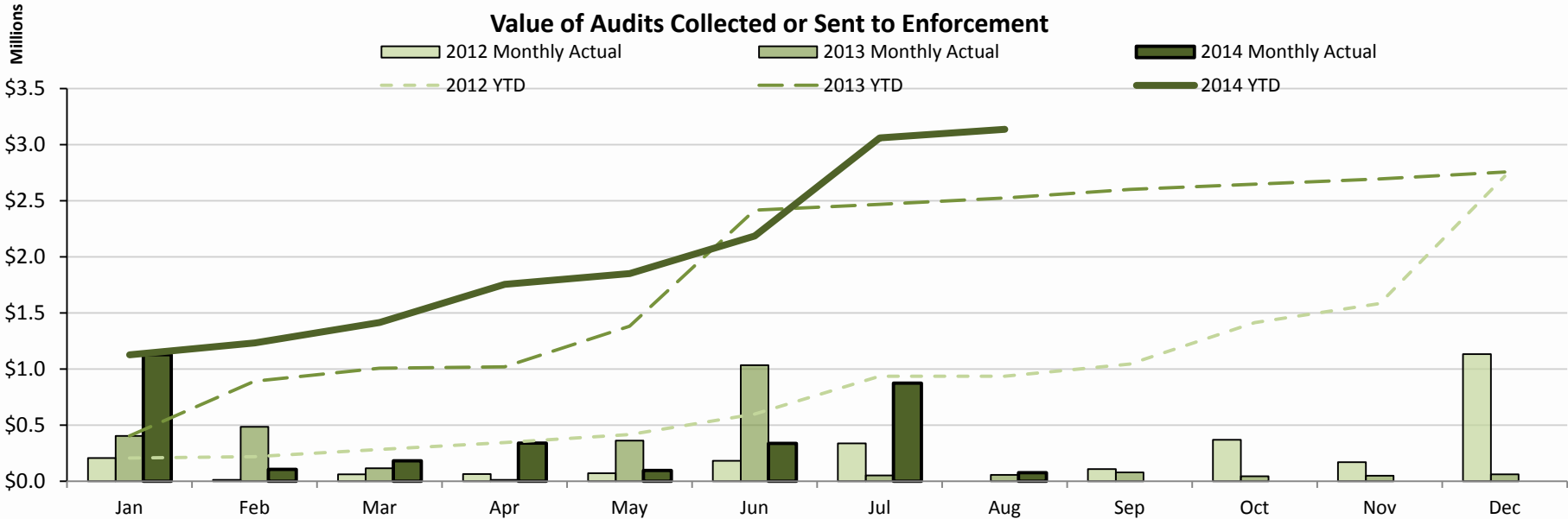
Occupational License Sales Taxes Above 2013 Levels



Year	2012		2013		2014	
	2011	Percent Change from Prior Year	Percent Change from Prior Year	Percent Change from Prior Year		
August Collections (Million \$s)	\$0.09	\$0.09 -6.4%	\$0.12 35.3%	\$0.12 4.8%		
YTD Collections (Million \$s)	\$8.85	\$9.24 4.3%	\$9.60 3.9%	\$10.02 4.4%		



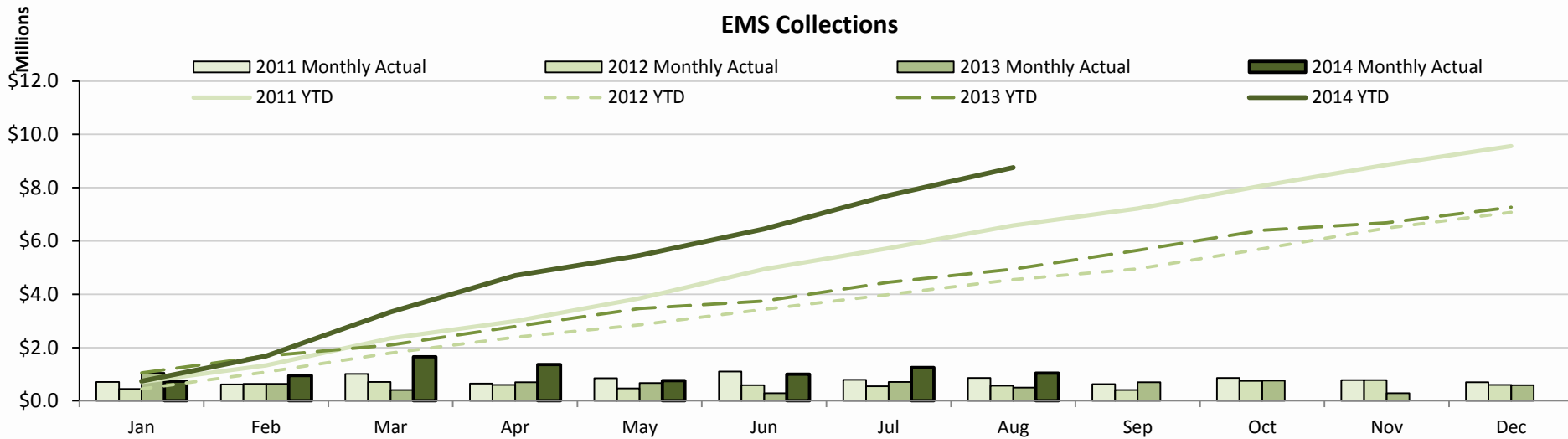
Audit Collections Above 2013 Levels



Year	2012	2013	2014
Value of August Audits (Million \$s)	\$0.00	\$0.06	\$0.08
Value of YTD Audits (Million \$s)	\$0.94	\$2.52	\$3.14



EMS Collections Improved Significantly Over 2013 Levels



Year	2011	2012 <i>Percent Change from Prior Year</i>	2013 <i>Percent Change from Prior Year</i>	2014 <i>Percent Change from Prior Year</i>
August Collections (Million \$s)	\$0.86	\$0.57 -33.5%	\$0.49 -13.3%	\$1.04 111.6%
YTD Collections (Million \$s)	\$6.58	\$4.55 -30.8%	\$4.94 8.6%	\$8.76 77.1%



2015 Budget Presentation

- **Background**
- **2014 Revenue Growth**
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Proposed General Fund Budget Detail

Department	2014 Adopted	2015 Proposed	% Change 2015 vs. 2014
City Council	\$9,719,766	\$9,719,766	0%
Mayor	\$11,063,286	\$11,066,007	0%
CAO	\$31,321,698	\$32,348,576	3%
CAO - IT	\$12,043,183	\$13,054,278	8%
Law	\$5,946,682	\$5,946,682	0%
Fire	\$86,248,045	\$97,959,045	14%
Safety & Permits	\$4,339,431	\$4,874,704	12%
Police	\$128,600,368	\$129,600,368	1%
Sanitation	\$39,230,804	\$40,496,741	3%
Health	\$1,850,335	\$1,850,335	0%
EMS	\$11,925,126	\$12,862,723	8%
Human Services	\$2,379,078	\$2,729,078	15%
Finance	\$13,420,794	\$12,420,064	-7%
Finance - State Pass-Through	\$2,007,718	\$2,007,719	0%
Finance - Debt Service	\$28,534,030	\$24,279,987	-15%
Property Management	\$6,305,380	\$6,647,244	5%
Civil Service	\$1,552,076	\$1,864,409	20%
Public Works	\$15,624,570	\$23,074,570	48%
Parks and Parkways	\$7,071,248	\$7,397,872	5%
HDLC	\$533,981	\$884,755	66%



Proposed General Fund Budget Detail

Department	2014 Adopted	2015 Proposed	% Change 2015 vs. 2014
VCC	\$413,231	\$413,231	0%
Alcoholic Beverage Control Board	\$1,500	\$1,500	0%
City Planning Commission	\$997,838	\$1,527,327	53%
Mosquito and Termite Control	\$2,078,507	\$2,078,507	0%
NOMA	\$128,931	\$128,931	0%
Misc - NORD	\$9,231,813	\$10,868,624	18%
Miscellaneous	\$24,992,336	\$26,785,760	7%
OIG	\$4,217,021	\$4,453,854	6%
District Attorney	\$6,271,671	\$6,476,671	3%
Coroner's Office	\$1,781,605	\$2,176,605	22%
Juvenile Court	\$3,025,203	\$2,645,534	-13%
First City Court	\$6,000	\$6,000	0%
Civil Court	\$14,400	\$14,400	0%
Municipal Court	\$2,045,894	\$2,830,000	38%
Traffic Court	\$437,587	\$441,275	1%
Criminal District Court	\$1,526,597	\$2,026,597	33%
Sheriff	\$24,184,338	\$28,584,338	18%
Clerk of Criminal District Court	\$3,726,330	\$3,726,330	0%
Registrar of Voters	\$371,945	\$371,945	0%
Judicial Retirement Fund	\$287,233	\$301,500	5%
	\$505,462,246	\$536,943,852	6%



2015 Budget Accomplishments

Public Safety

- NOPD and Consent Decree funded at \$2.6M above 2014 level
 - \$4.2M to fund 5% pay raises for all officers
 - Funding for 150 additional recruits
 - COPS Grant will cover 15 recruits
 - Additional \$1.7M increase in overtime above 2014 budget (or additional recruits if available)
 - Consent Decree - \$1.6M increase
 - \$12.3M budgeted for consent decree between GF and FEMA
 - \$500K for recruiting and marketing

- Civil Service - \$312k for NOPD Recruiting Support



\$1.6M Increase in GF funding for NOPD Consent Decree

Consent Decree	2015	
	GF	FEMA
NOPD/ITI Personnel	\$1,202,465	\$0
NOPD Recruitment	\$500,000	\$0
Early Warning System Deployment	\$0	\$4,086,410
Early Warning System (Maintenance)	\$750,000	\$0
Early Warning System technical support, compliance & audit, and application management	\$1,400,000	\$0
Lexipol Policy Development	\$97,950	\$0
AVL/Mobile Data Terminal (In car Computer System)	\$68,000	\$318,000
In Car Camera System	\$32,000	\$550,000
On-Body Cameras	\$276,654	\$0
2 Year Data Storage	\$0	\$115,000
Electronic Control Weapons	\$49,229	\$0
Digital Audio Recorders	\$1,200	\$0
Training Supplies	\$8,700	\$0
TASERS	\$669,757	
Police Monitor	\$2,125,000	\$0
Citizen Satisfaction Survey	\$100,000	\$0
Total	\$7,280,955	\$5,069,410



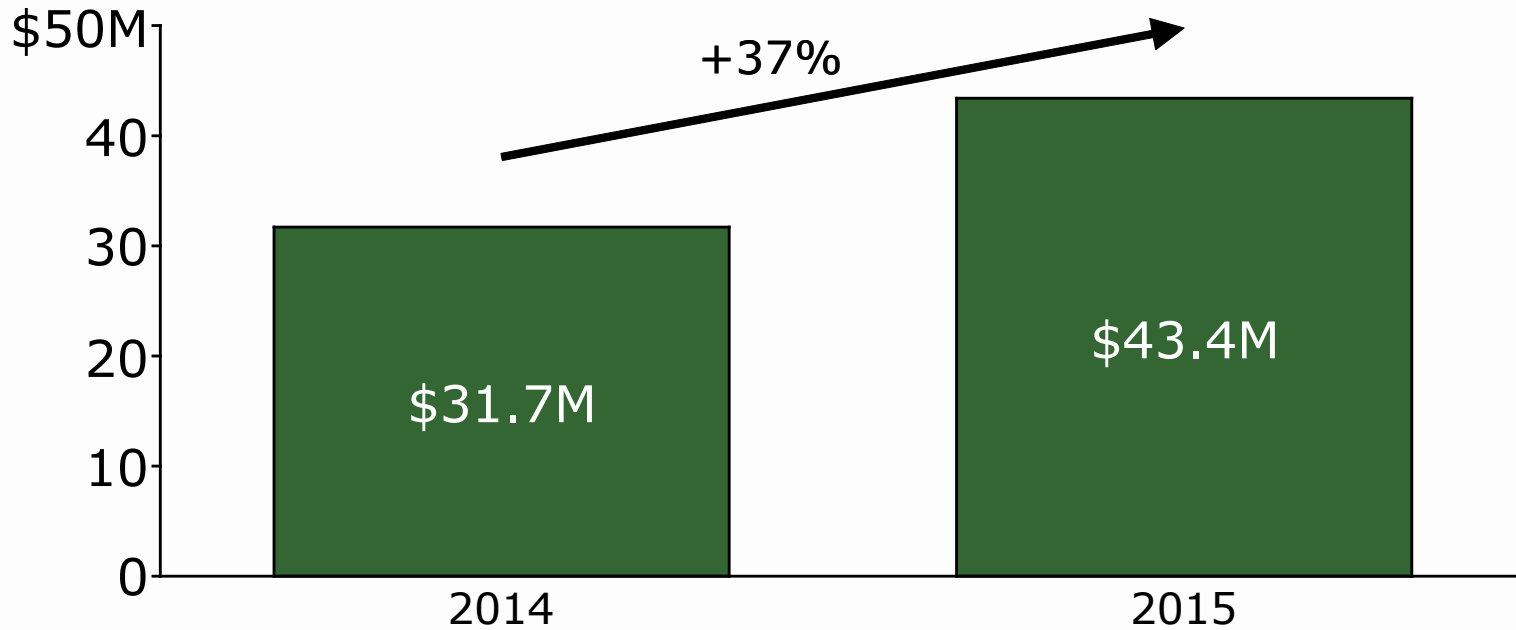
2015 Budget Accomplishments

Public Safety, Cont.

- NOFD - \$11.7M added to comply with court order and to fully fund actuarial request from pension fund
 - Funding available for two recruit classes of 16
- Sheriff – Funded at \$35.6M in direct appropriations and other city payments
 - \$4.4M above 2014 adopted budget to meet consent decree requirements;
 - As much as \$8M more could be made available for health care contract if voters approve Law Enforcement District proposition to allow use of millage to cover operating costs



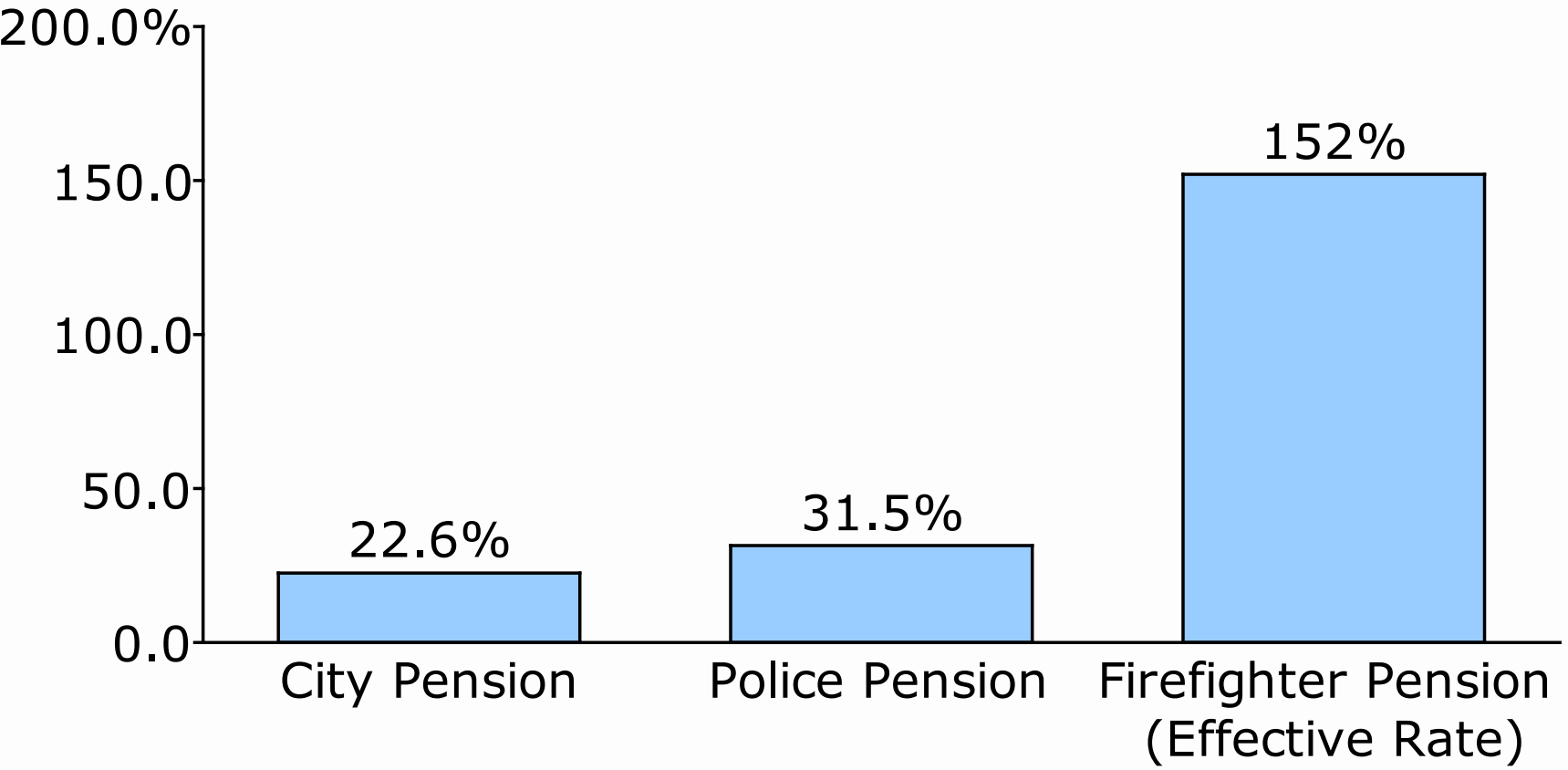
NOFD pension funding increases by \$11.7M



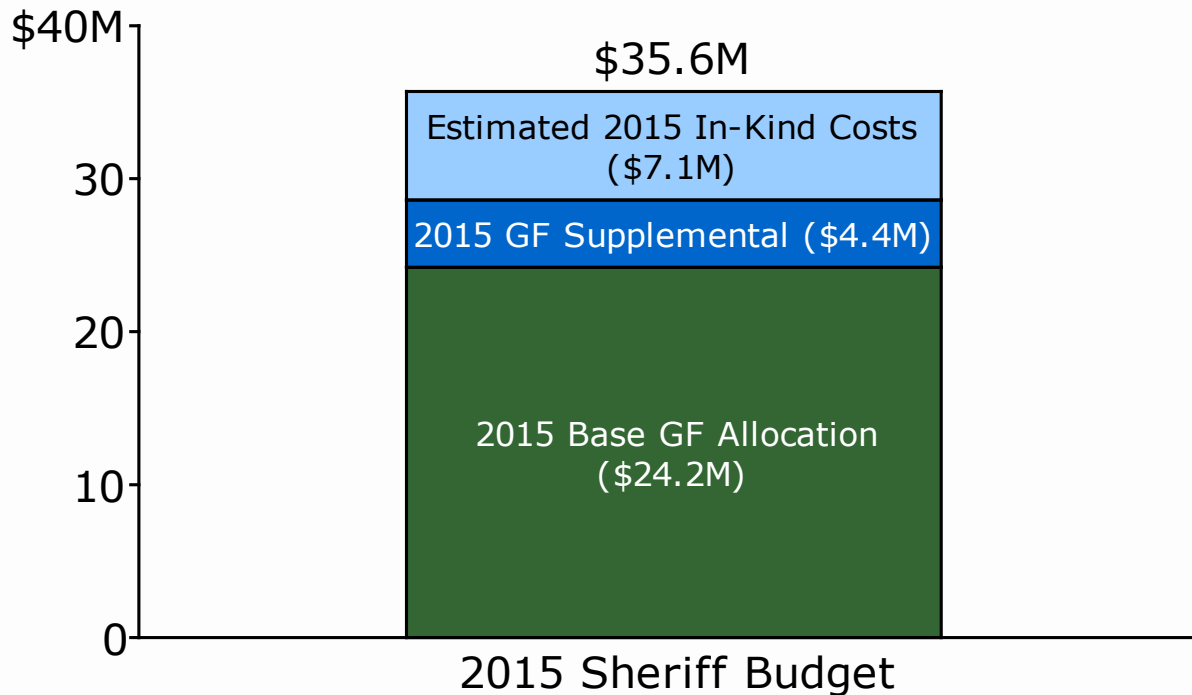
- Figures do not include annual payments of \$16.7M for Fire Pension bond refinancing through 2030



Pension Contribution Rates (as % of Salary) paid by City in 2015



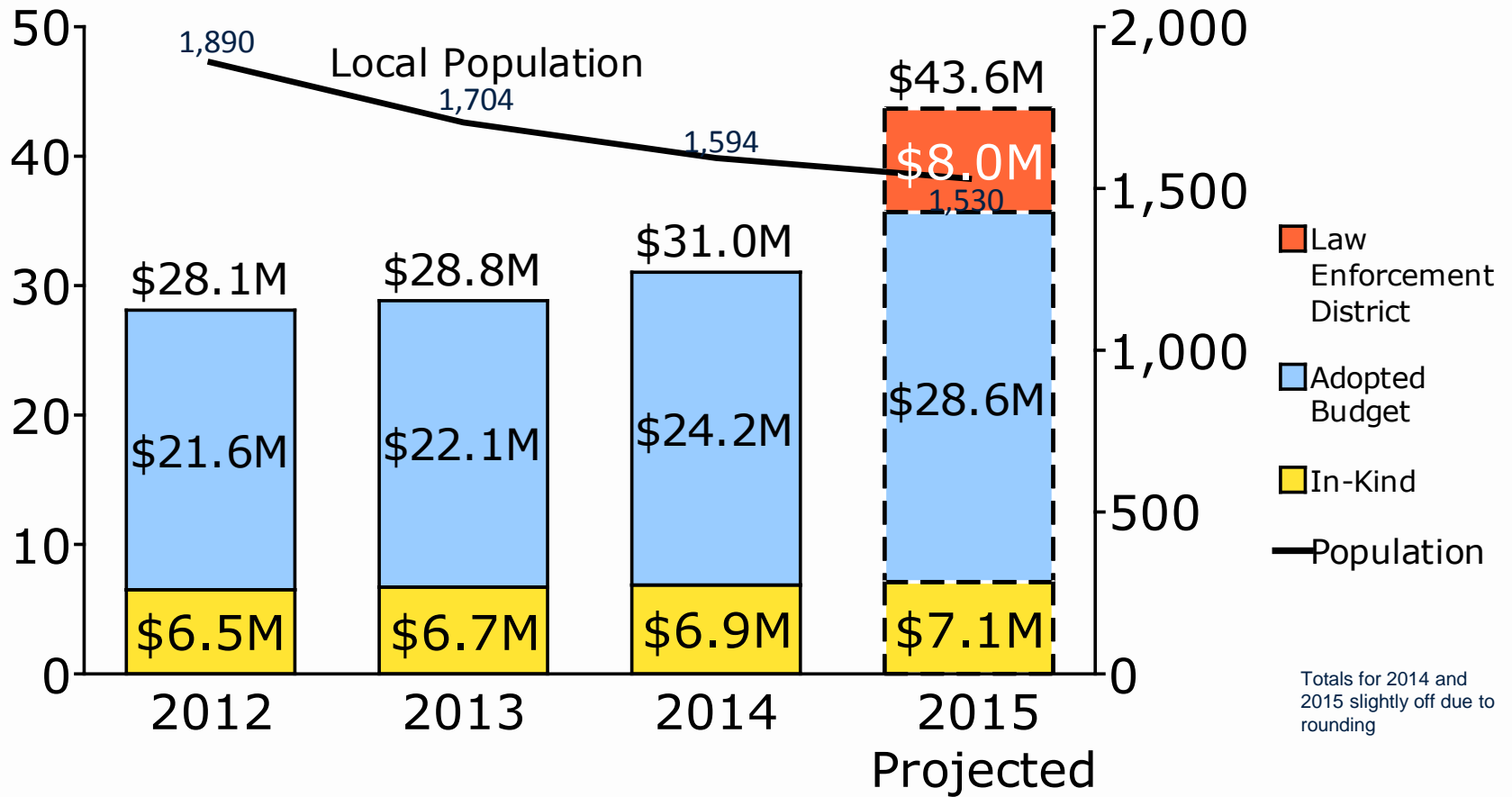
The City will contribute \$35.6M to the Sheriff in 2015; more than 6.6% of entire budget



- The City will increase funding by \$4.4M while paying more than \$7M of in-kind payments for items such as electricity, fuel, and health insurance
- The November 4th Law Enforcement District ballot proposition could produce another \$8M for operations



City Contributions to the Sheriff have increased while the local inmate population has dropped significantly



- 2015 projections assume decline in population similar to previous three years.



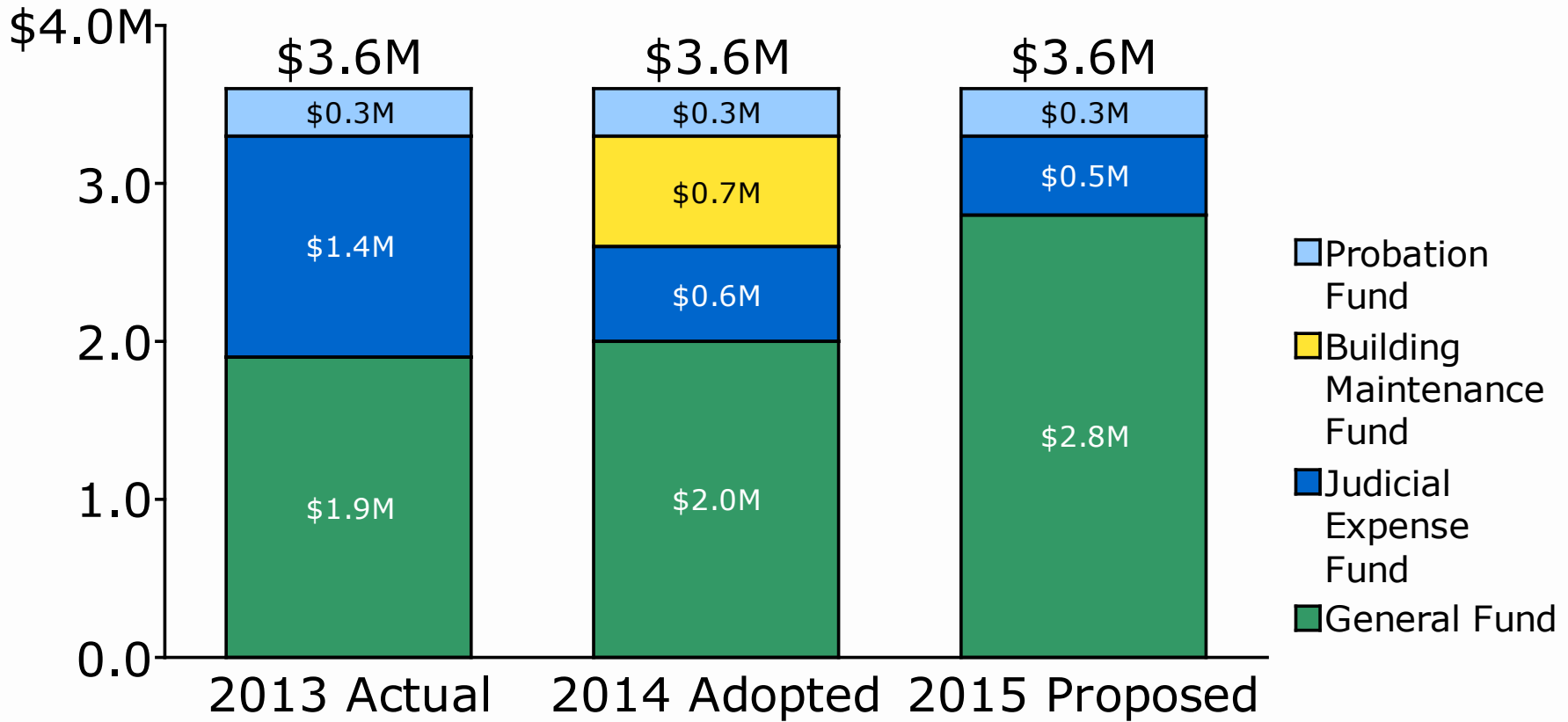
2015 Budget Accomplishments

Public Safety, Cont.

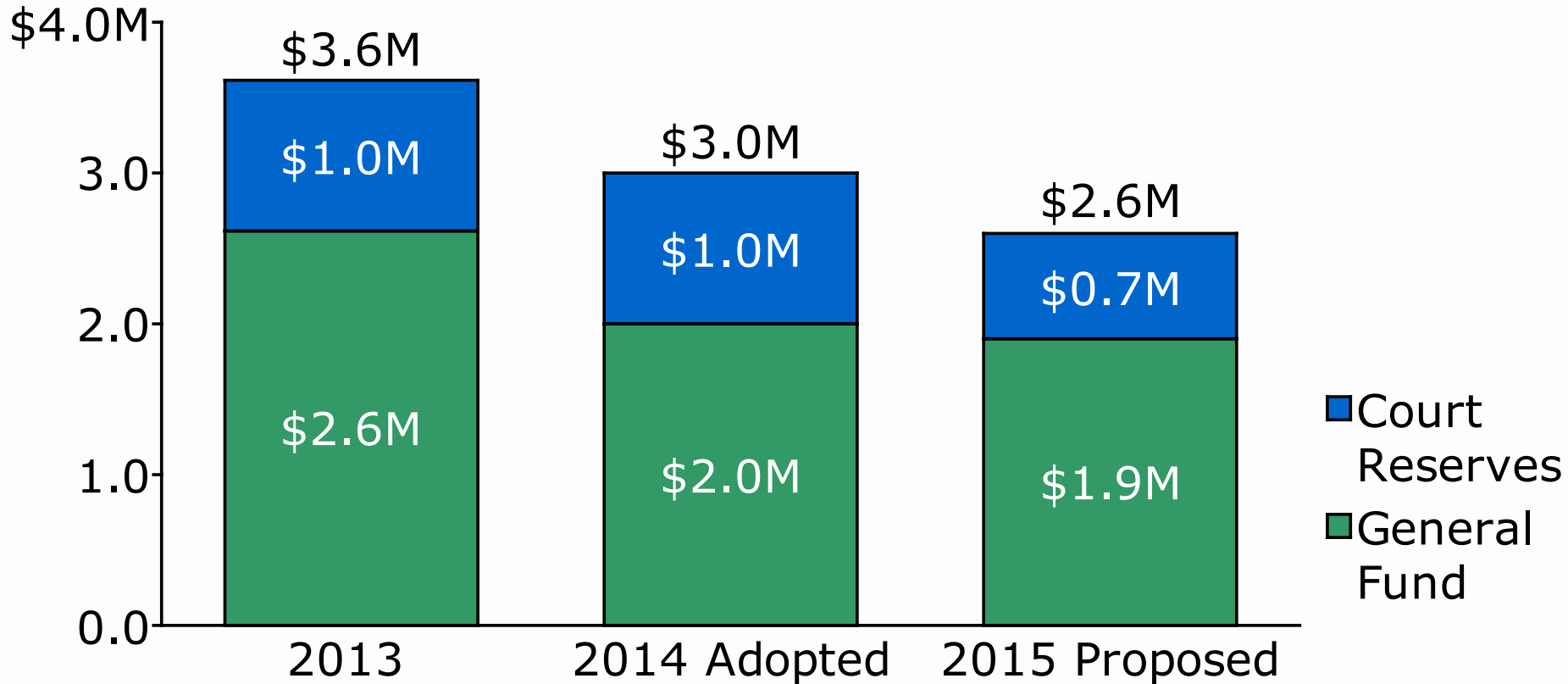
- EMS - \$900k increase in funding to maintain expanded service
- Coroner's Office - \$395k increase
- Youth Study Center - \$350k increase for additional security staffing for new building
- Municipal Court - \$785k increase to replace fund balance
- Criminal District Court - \$500k increase to replace fund balance
- District Attorney - \$205k Innocence Project match



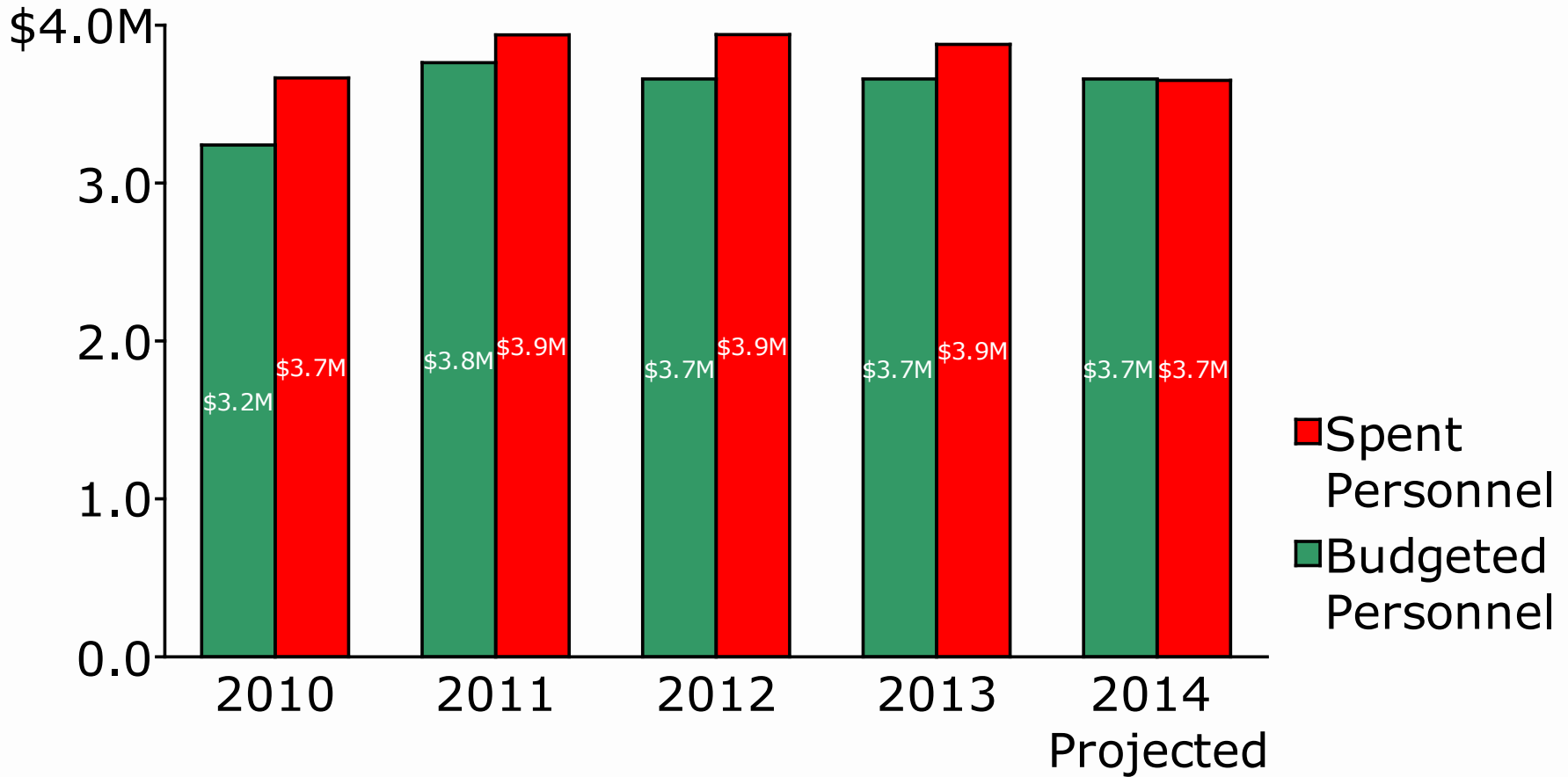
Municipal Court Proposal



Juvenile Court Rightsizing Continues



The Clerk of Court overspent the adopted budget by \$1.1M from 2010-2013; spending is within budget in 2014



2015 Budget Accomplishments

Operations

- DPW - \$1.75M additional for streets
 - \$1.5M additional for pavement repairs
 - \$250k for additional personnel
- \$11.2M Streetlight solution
 - \$10.0M (Bonded against Capital Improvement Millage)
 - \$1.2M (General Funds)

Item	Cost	Funding Source
Major Repairs/Infrastructure Upgrades	\$3.7M	Capital
Program Management	\$0.8M	Capital
Interstate Light Upgrades	\$2.5M	Capital
Additional LED Conversions	\$3.0M	Capital
Additional Maintenance not eligible for Capital	\$1.2M	General Fund

- DPW - \$4.5M accounting adjustment



Enterprise Resource Planning (ERP)

- \$7.0 M over three years from the Capital Improvements Millage
- Currently, the City's core financial systems operate as a collection of disparate applications connected through tenuous integration points that are prone to failure, with the oldest being over 30 years old. A new ERP system will allow the City to migrate off this fractured, dated, unreliable and unsupported system to a modern and sustainable one. The following modules are contemplated:
 - Financials - Accounts Payable, Accounts Receivable, Budgeting, Cash and Investment Management, Cash Receipting, Financial Reporting, Fixed Assets, General Ledger, Grant and Project Accounting, Inventory, Purchasing
 - Extended - Asset Management, Fleet Management, Work Order Management



2015 Budget Accomplishments

Recreation

- \$1.6M expansion of NORDC services to new facilities
 - 5 Recreation Centers – Gernon Brown, Stallings St. Claude, Sanchez, Annunciation, Rosenwald
 - 2 Swimming Pools – Stallings St. Claude, Sanchez
 - 3 Active Playgrounds – Oliver Bush, Rosenwald, Village De L'est
 - Milne Boys Home – Administrative offices and Gymnasium

Blight

- Expand Code Enforcement to speed judgments, demos and sheriff's sales (\$900k)



2015 Budget Accomplishments

Operations

- Sanitation - \$1.3M additional for enhanced services
 - Metro contract increase – \$356k
 - Florida Transfer Station - \$343k
 - Additional Personnel - \$340k
 - Mardi Gras/Special Events - \$175k

- Property Management - \$342k increase
 - Funding to support maintenance of new buildings

- Parks and Parkways - \$230k increase
 - Funding for Lafitte Greenway - \$156k
 - Funding for golf course pro - \$74k



2015 Budget Accomplishments

Operations, Cont.

- Safety & Permits - \$535k increase
 - D-CDBG Funding replacement - \$429k
 - Additional S&P and Taxi Inspectors - \$106k

- City Planning Commission - \$530k increase
 - Fund Replacement - \$348k
 - Planners to implement CZO - \$114k
 - Storm Water Management Position - \$68k

- HDLC - \$350k increase
 - Fund Replacement - \$223k
 - Enhanced Plan Review - \$127k



2015 Budget Accomplishments

Chief Administrative Office

- Information Technology - \$1.0M increase
 - \$300K to support new facilities and data growth
 - \$700k to revamp Motion electronic warrant systems for criminal justice

- Equipment Maintenance Division - \$365k additional
 - \$328k for Heavy Equipment maintenance
 - \$37k for additional maintenance
 - New Equipment Purchases

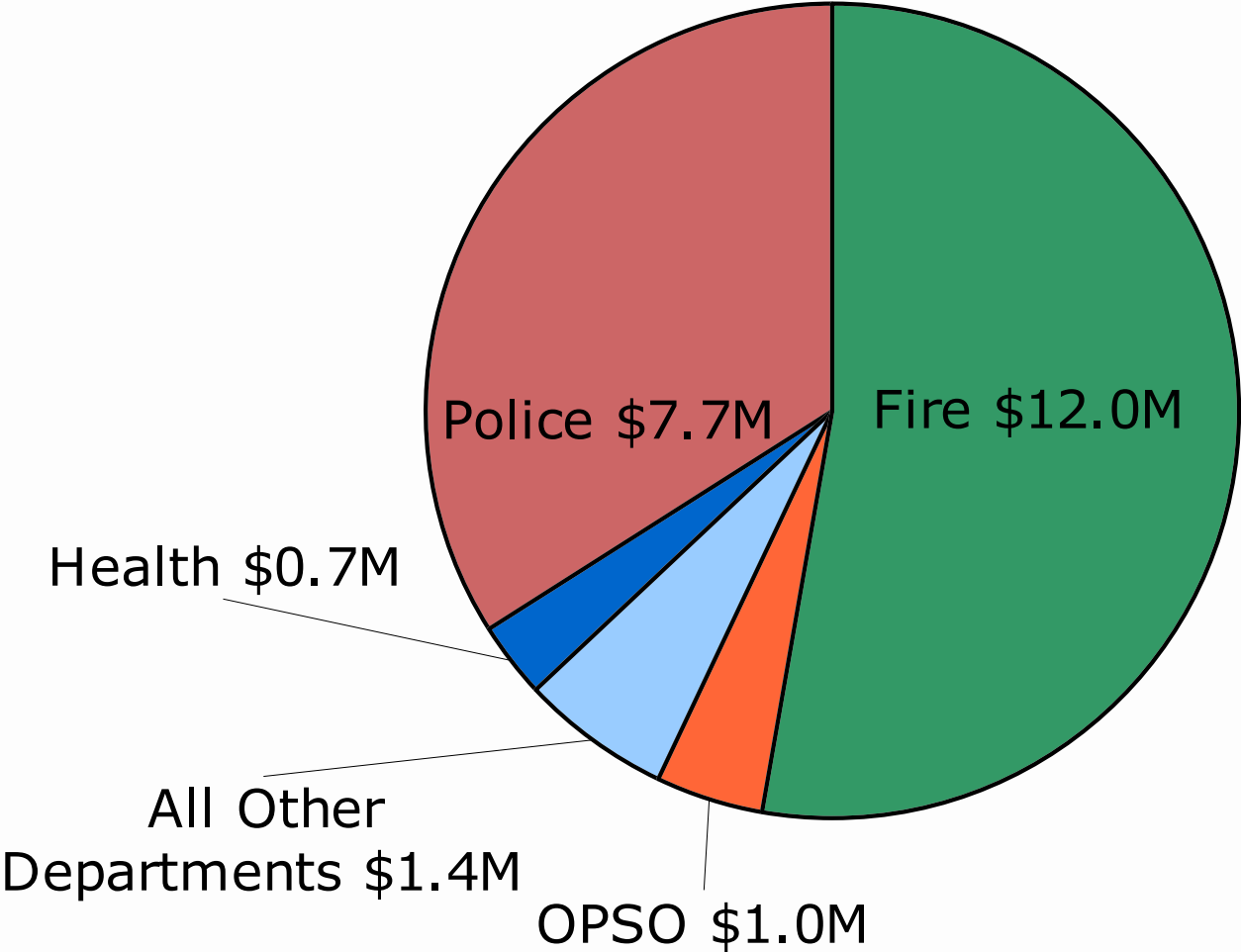


Vehicle/Equipment Purchase

- 340 Pieces of equipment to be obtained for 14 City Departments
 - \$12.5M purchase to be financed over 5 years (\$2.87M per year)
- 100 New Police Vehicles; Bringing total to 400 vehicles over 3 years
- Parks & Parkways – 3 Aerial Trucks, 3 Dump Trucks, 3 Pick-up Trucks
- Sanitation – 3 Sweepers, 2 Flushers, 6 Dump Trucks, 3 Garbage Trucks, 4 Front End Loaders, 2 Stake body Trucks
- Sanitation – Equipment for Florida Ave. Transfer Station
 - 2 Tractor Trucks, 6 Trailers, 2 Off Road Terminal Tractors
- DPW – 6 Dump Trucks, 1 Front-end loader, 1 Tandem Dump Truck, 1 Platform Truck, 1 Road Grader, 7 Pick-up Trucks
- 15 new sprint vehicles for NOFD and EMS



Workers' Compensation Breakdown



Breakdown based upon 2013 costs



Employee Healthcare

- Plan design and benefits will not change from 2014.
- The employee-only tier (approximately 40% of all plan members) will see no increase in their monthly contribution.
- Family and dependent coverage will increase 6.75% in monthly contributions.
- Departmental health charges remain at \$8,000 per employee.



2015 Budget Accomplishments

Additional Highlights

- Economic Opportunity Fund – Fully funded \$677k offer to match \$8.2M in federal grants and \$1.5M in philanthropic grants
- \$10.10 City Minimum Wage Increase - \$596k
- Council on Aging – Additional \$250k for Carrollton Hollygrove Senior Center
- Arts Council - \$60k increase
- Office of Inspector General increase of \$236k

