



CITY OF NEW ORLEANS

2015 Budget Proposal

October 15th, 2014

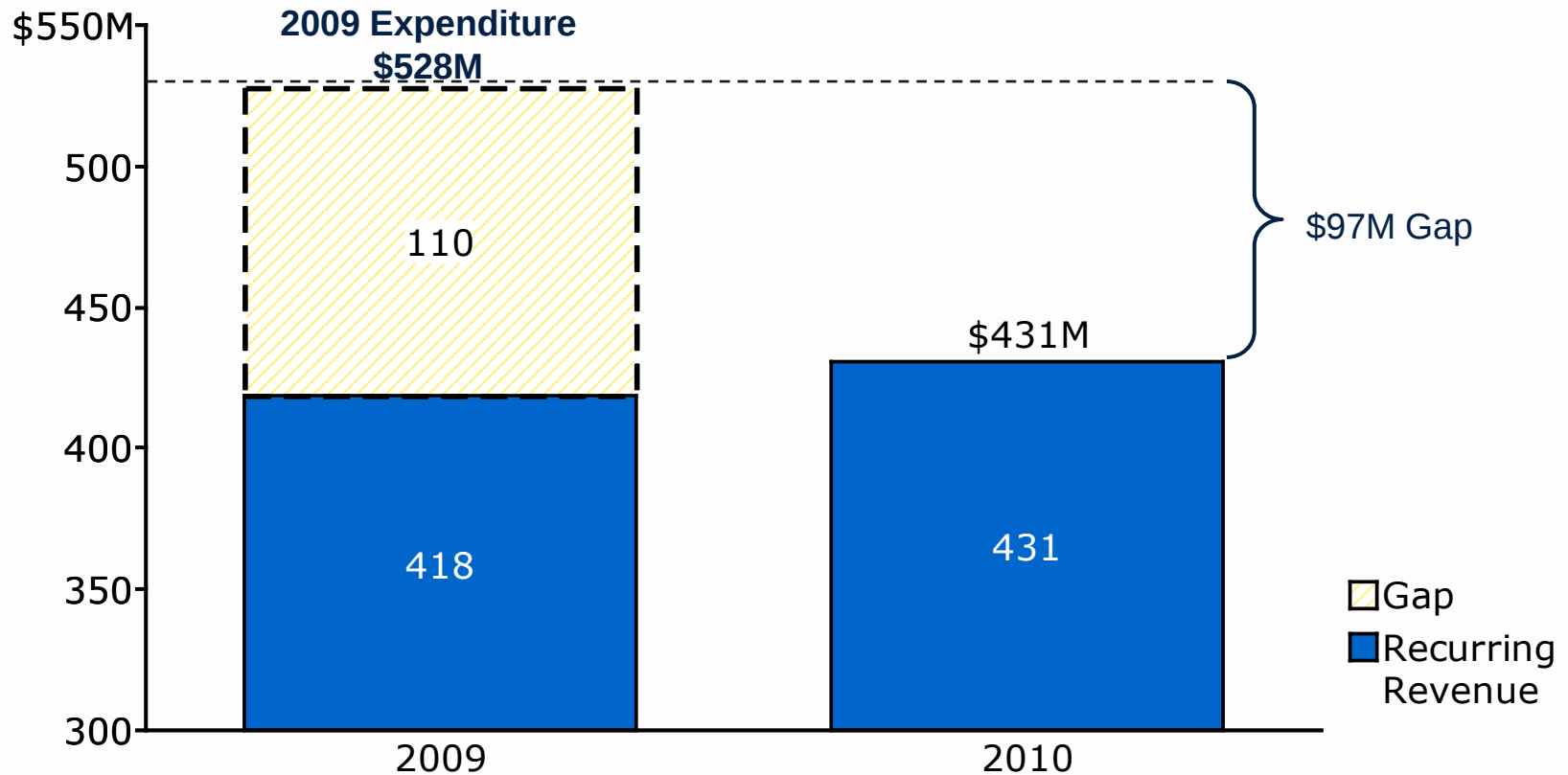
2015 Budget Presentation

- Background
- 2014 Revenue Growth
- 2015 Budget Proposal



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

Budget Comparison



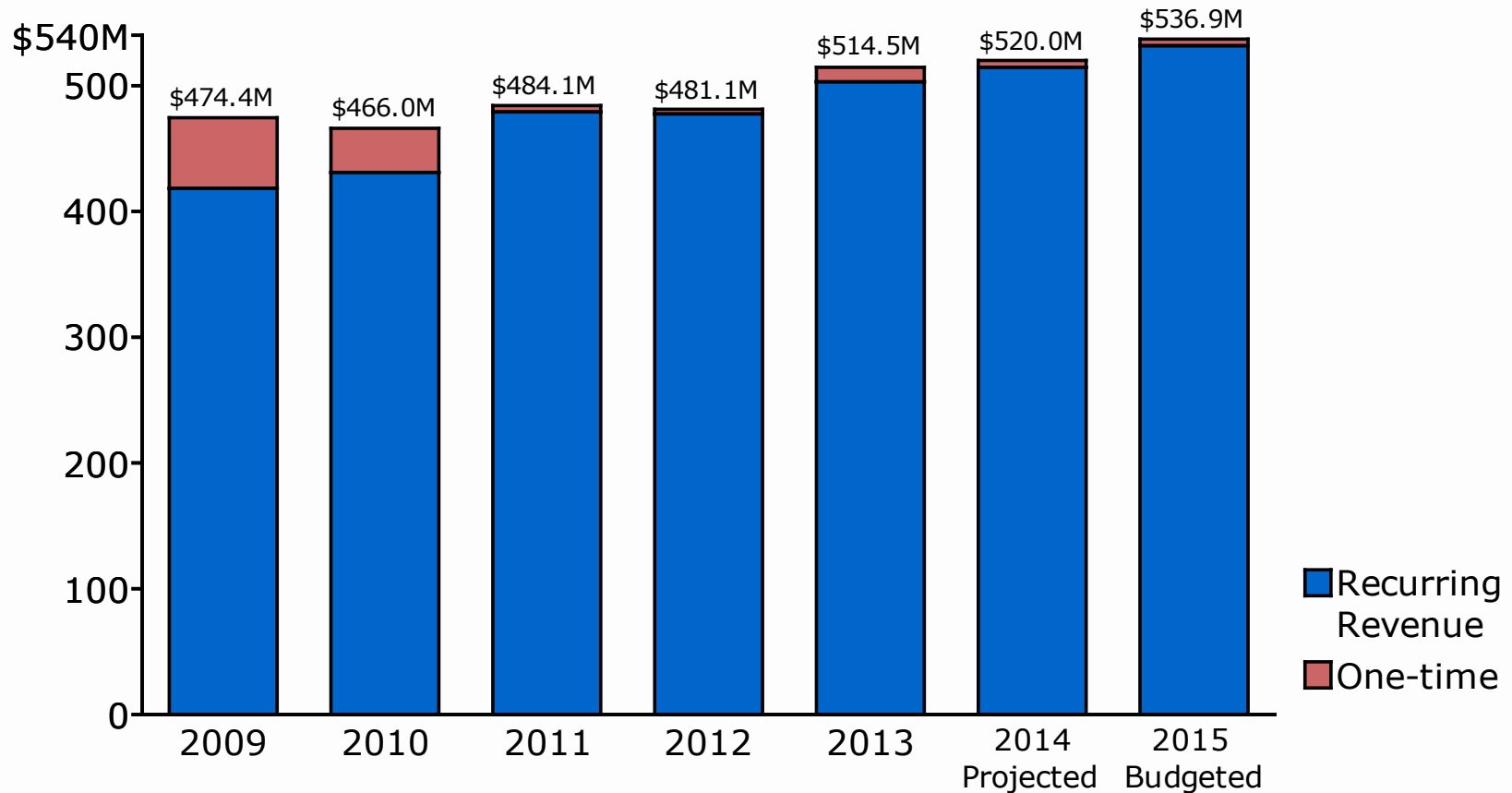
Note: One-time revenue sources not included in chart



2015 Budget Proposal

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

Annual Revenue



One-time money
as a % of overall
budget

11.8%

7.5%

1.0%

0.8%

2.2%

1.6%

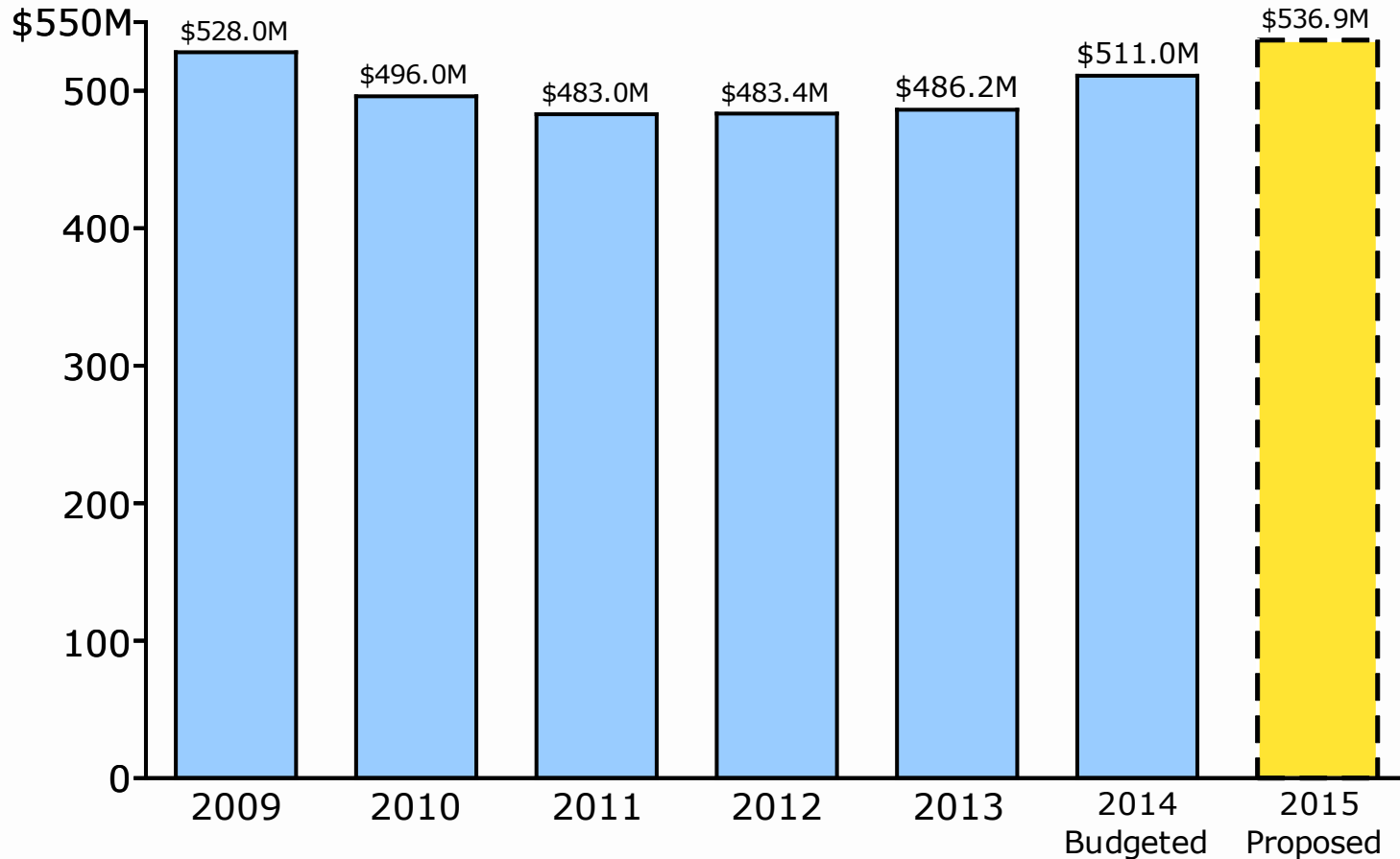
1.0%



2015 Budget Proposal

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

Annual Expenses

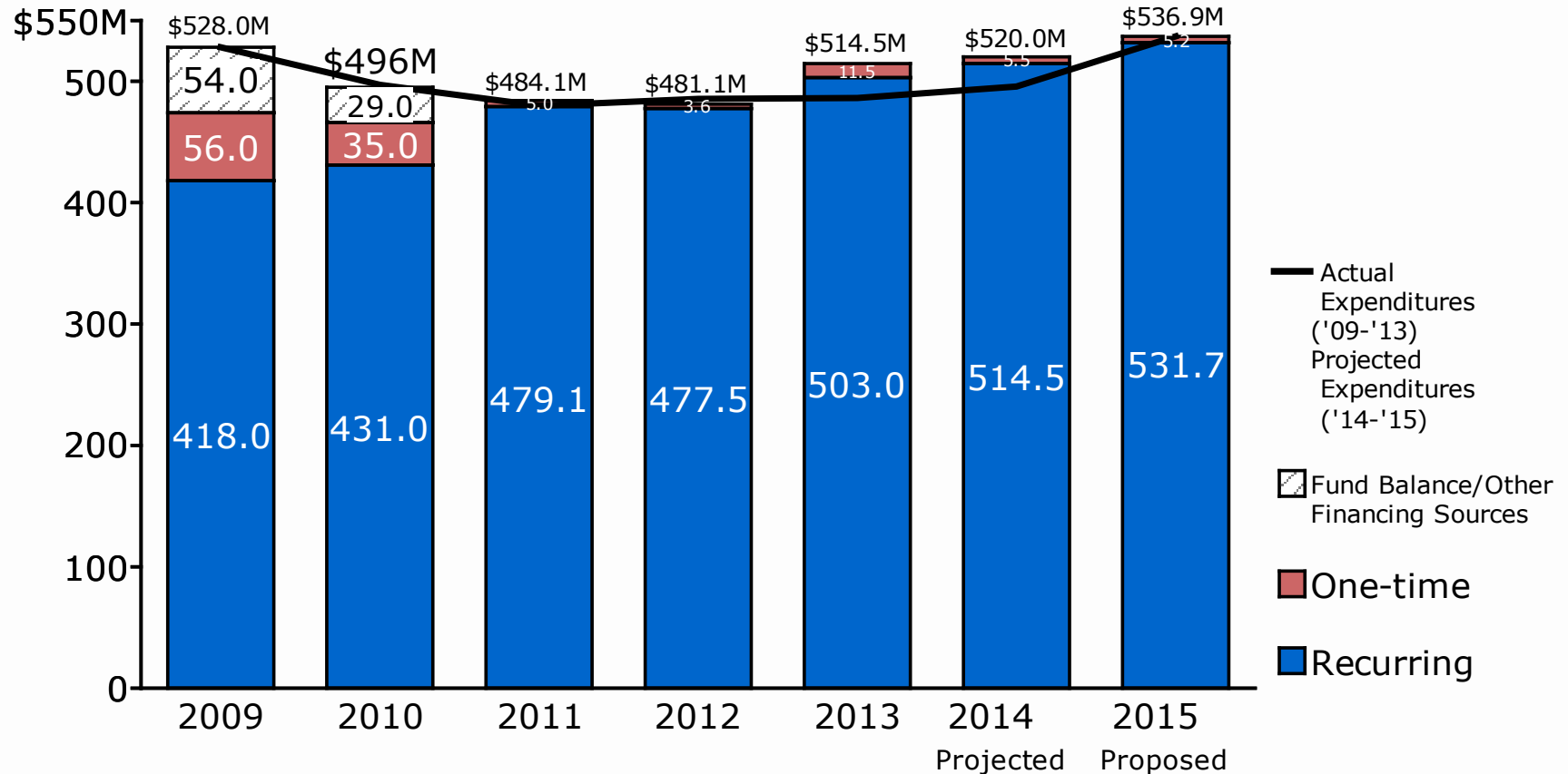


Delta to previous year	+\$28.0M	-\$32.0M	-\$13.0M	+\$0.4M	+\$3.2M	+\$24.8M	+\$25.9M
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We continue to live within our means

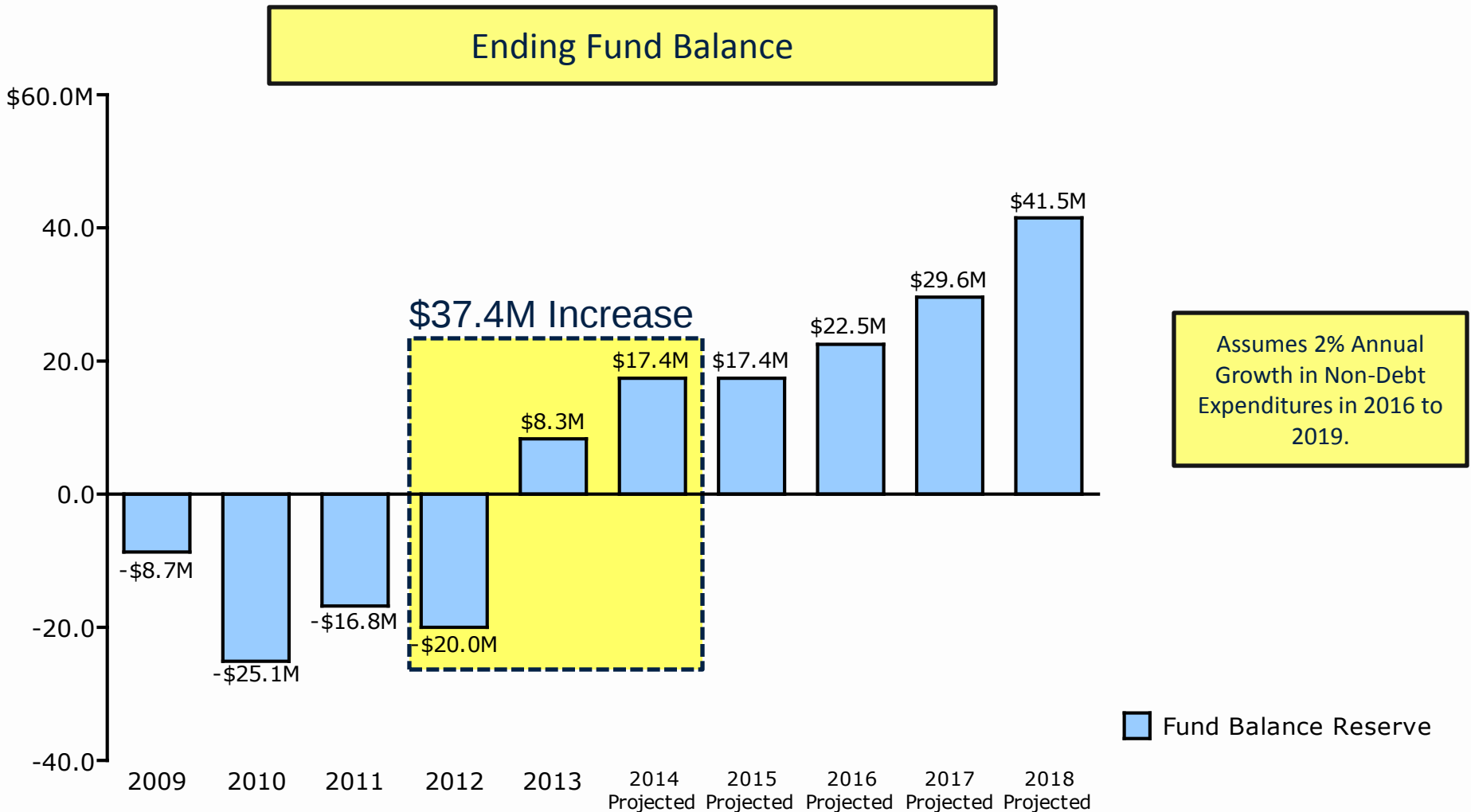
Historical Expense vs. Revenue



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



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

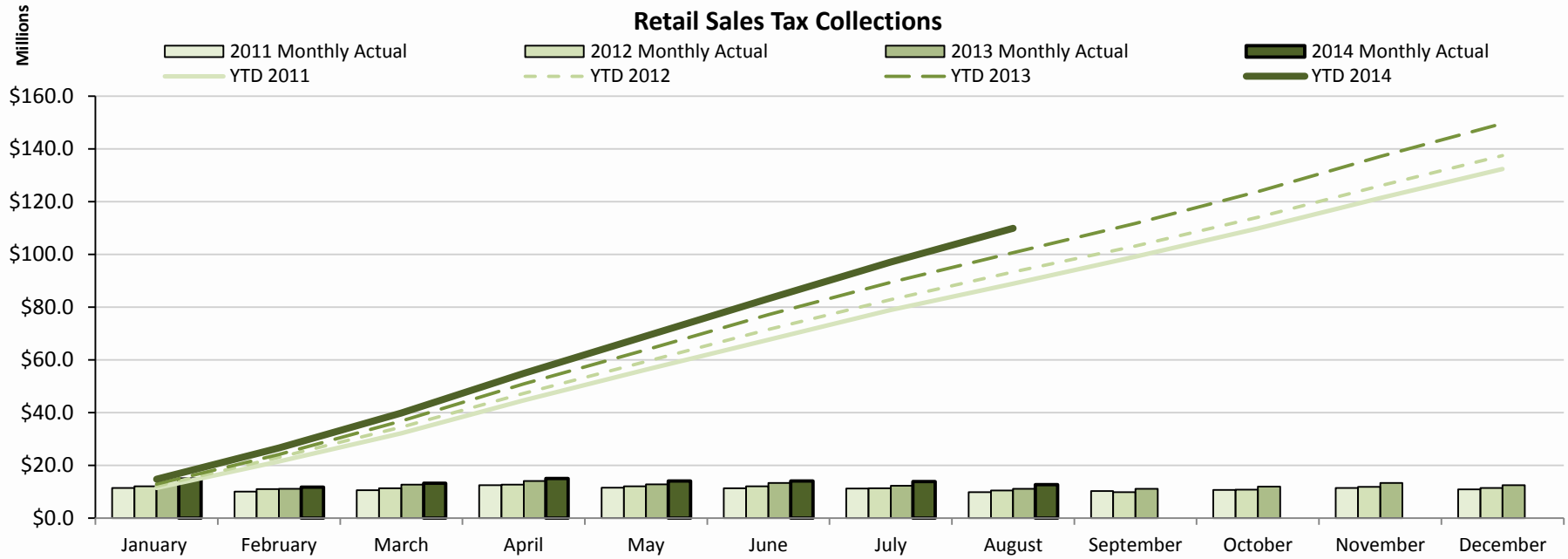
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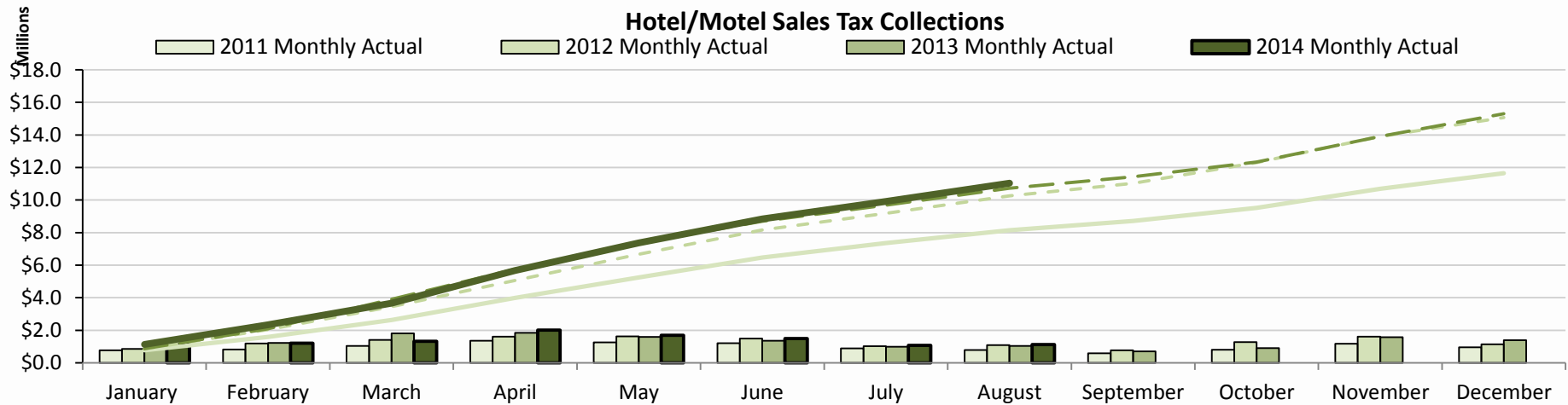
Retail Sales Tax Collections Significantly Higher than 2013 Levels



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

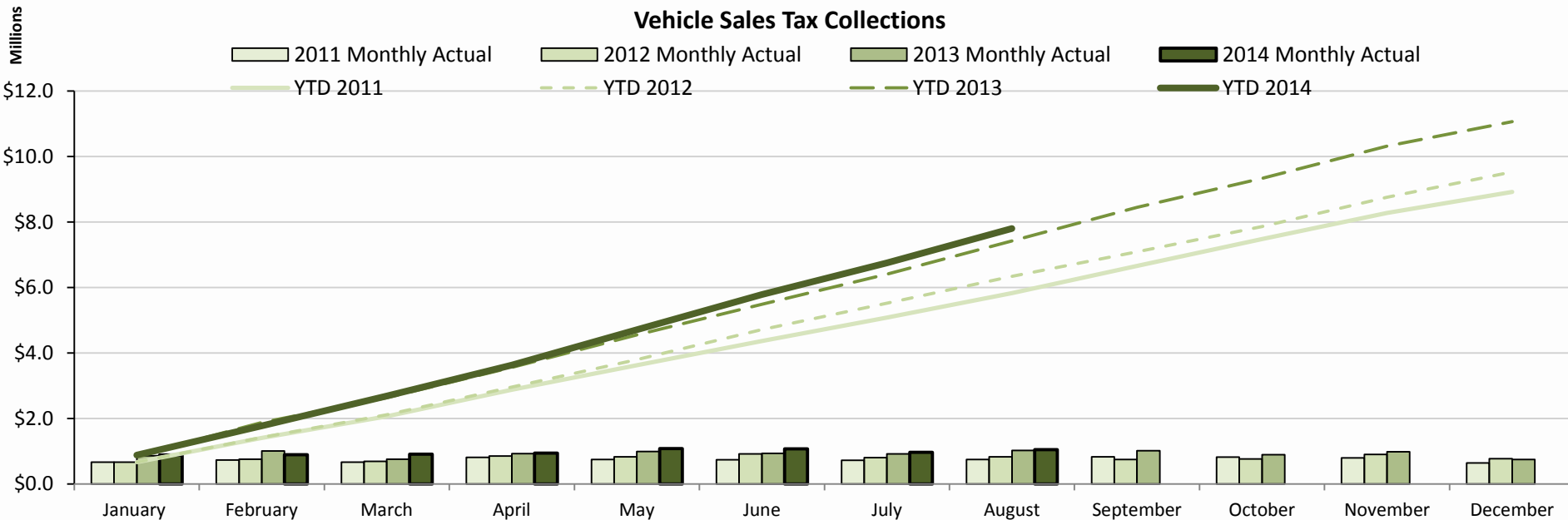


Year	2011	2012 Percent Change from Prior Year		2013 Percent Change from Prior Year		2014 Percent Change from Prior Year	
August Collections (Million \$s)	\$0.78	\$1.08	38.1%	\$1.04	-3.9%	\$1.12	7.9%
YTD Collections (Million \$s)	\$8.14	\$10.26	26.1%	\$10.72	4.5%	\$11.04	2.9%

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



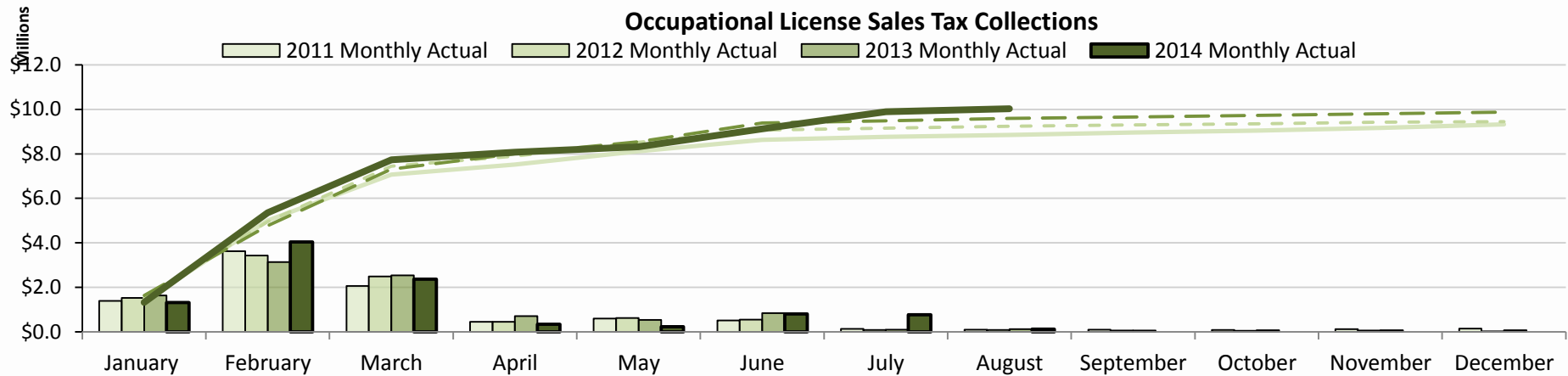
Vehicle Sales Tax Collection Above 2013 Levels



Year	2011	2012 Percent Change from Prior Year		2013 Percent Change from Prior Year		2014 Percent Change from Prior Year	
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%



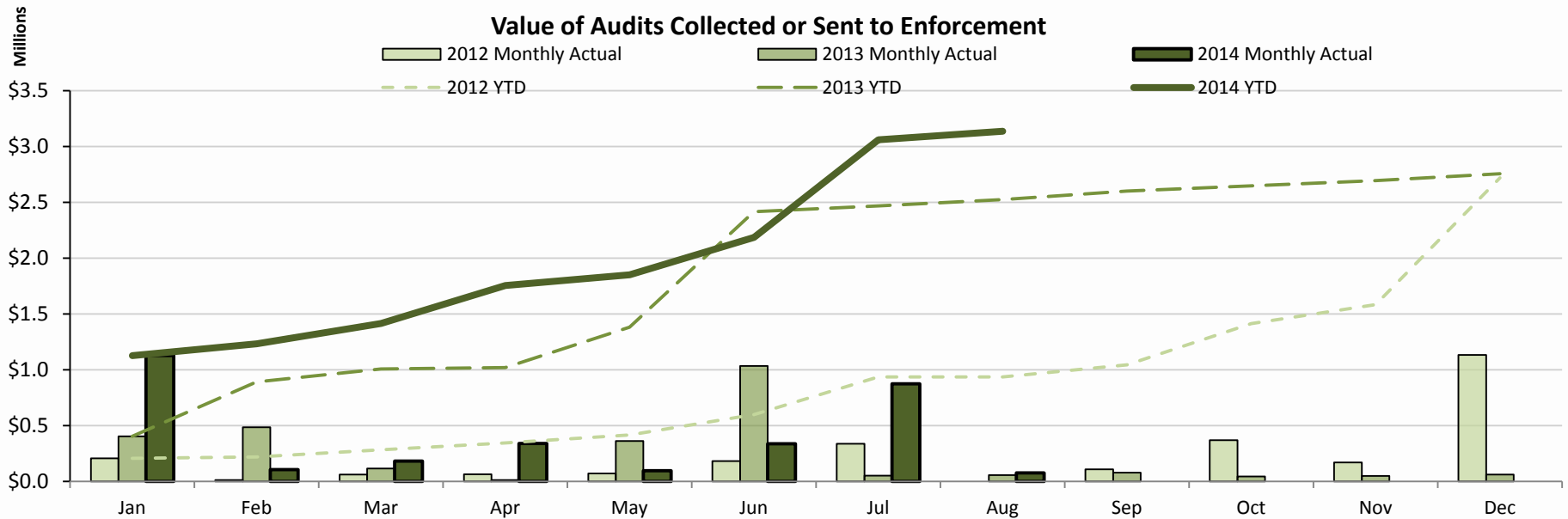
Occupational License Sales Taxes Above 2013 Levels



Year	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)	\$0.09	\$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%



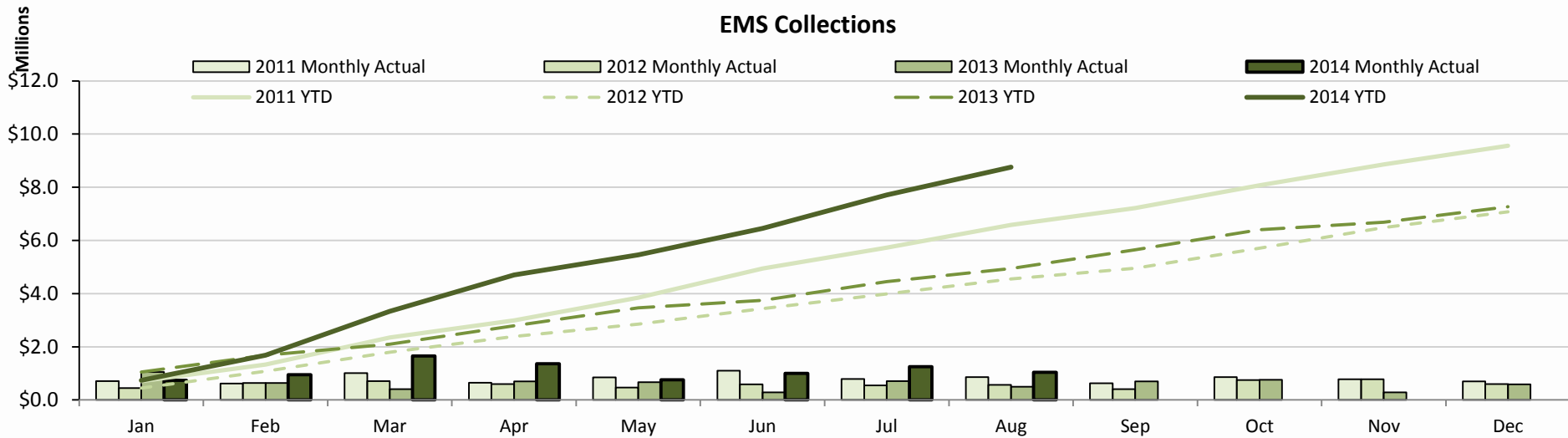
Audit Collections Above 2013 Levels



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 Percent Change from Prior Year		2013 Percent Change from Prior Year		2014 Percent Change from Prior Year	
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

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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



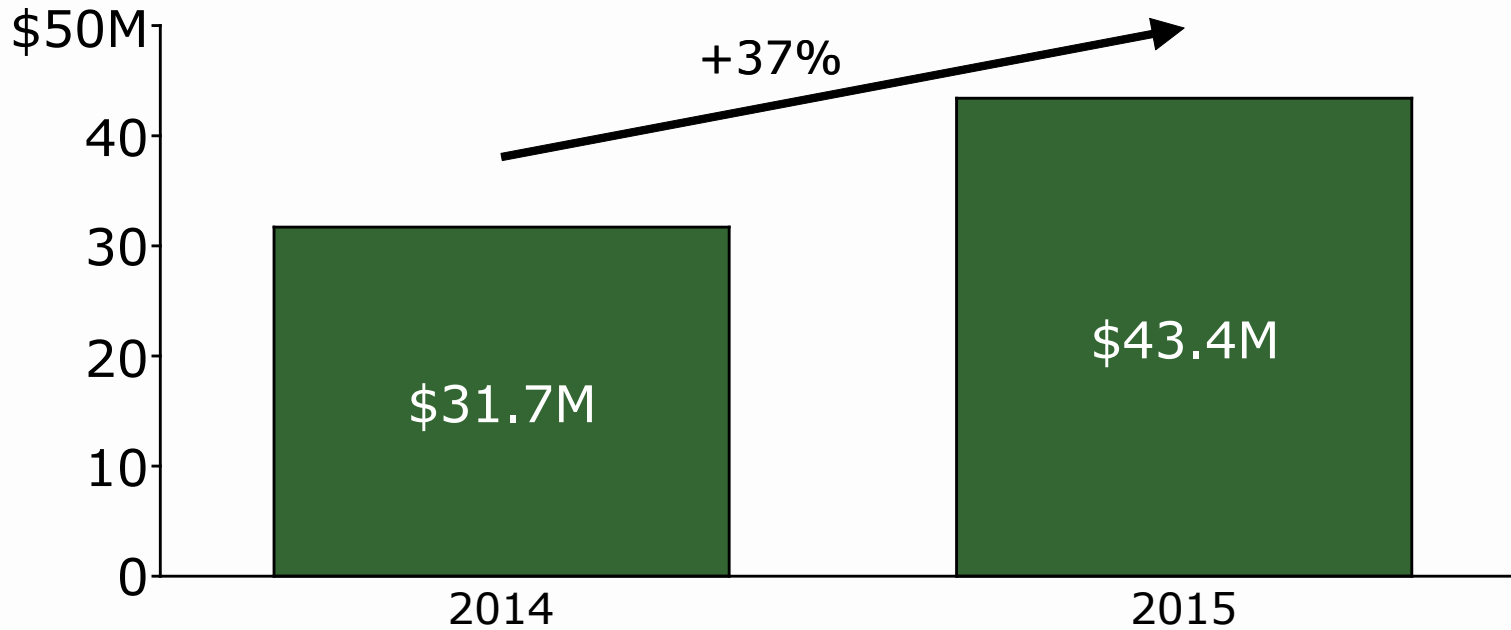
2015 Budget Accomplishments

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



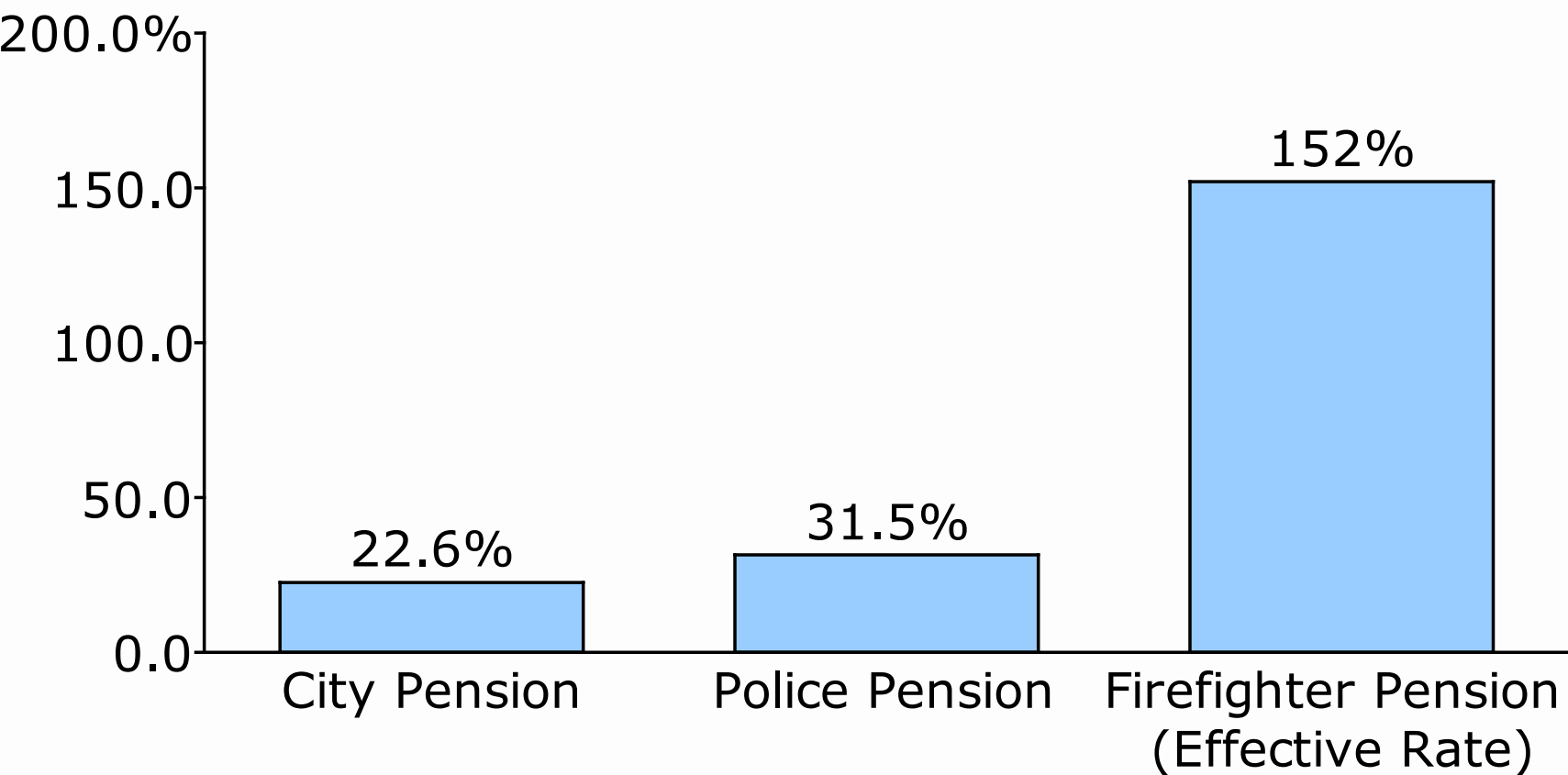
NOFD pension funding increases by \$11.7M



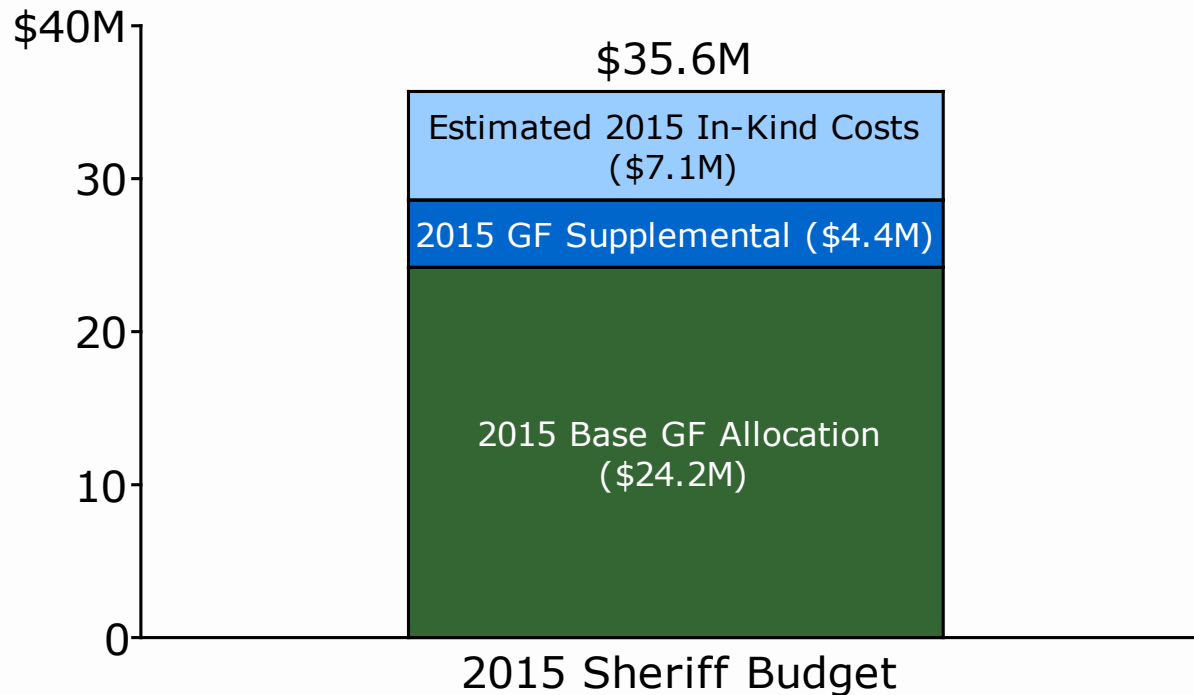
- Figures do not include annual payments of \$16.7M for Fire Pension bond refinancing through 2030



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



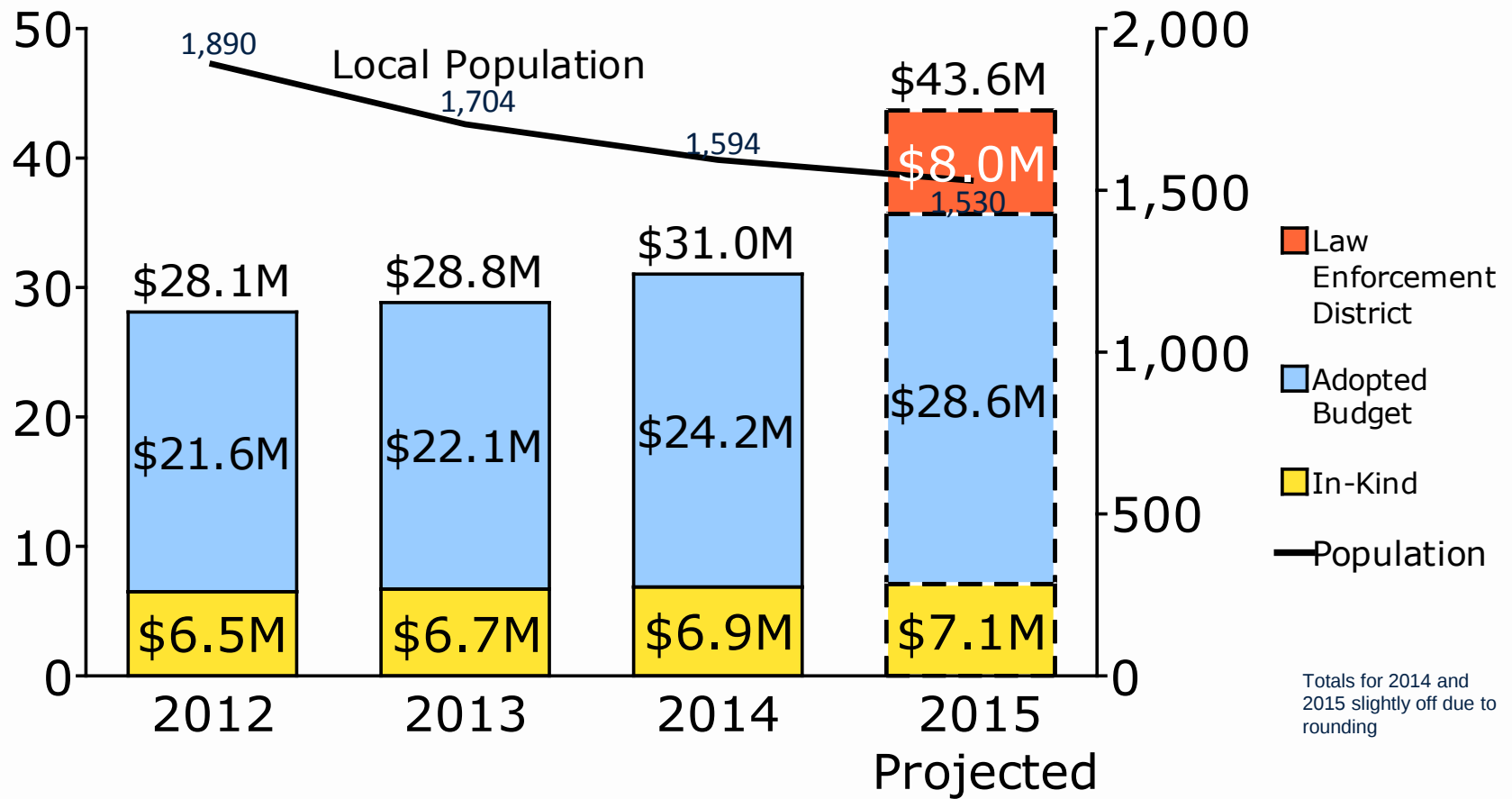
The City will contribute \$35.6M to the Sheriff in 2015; more than 6.6% of entire budget



- 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.



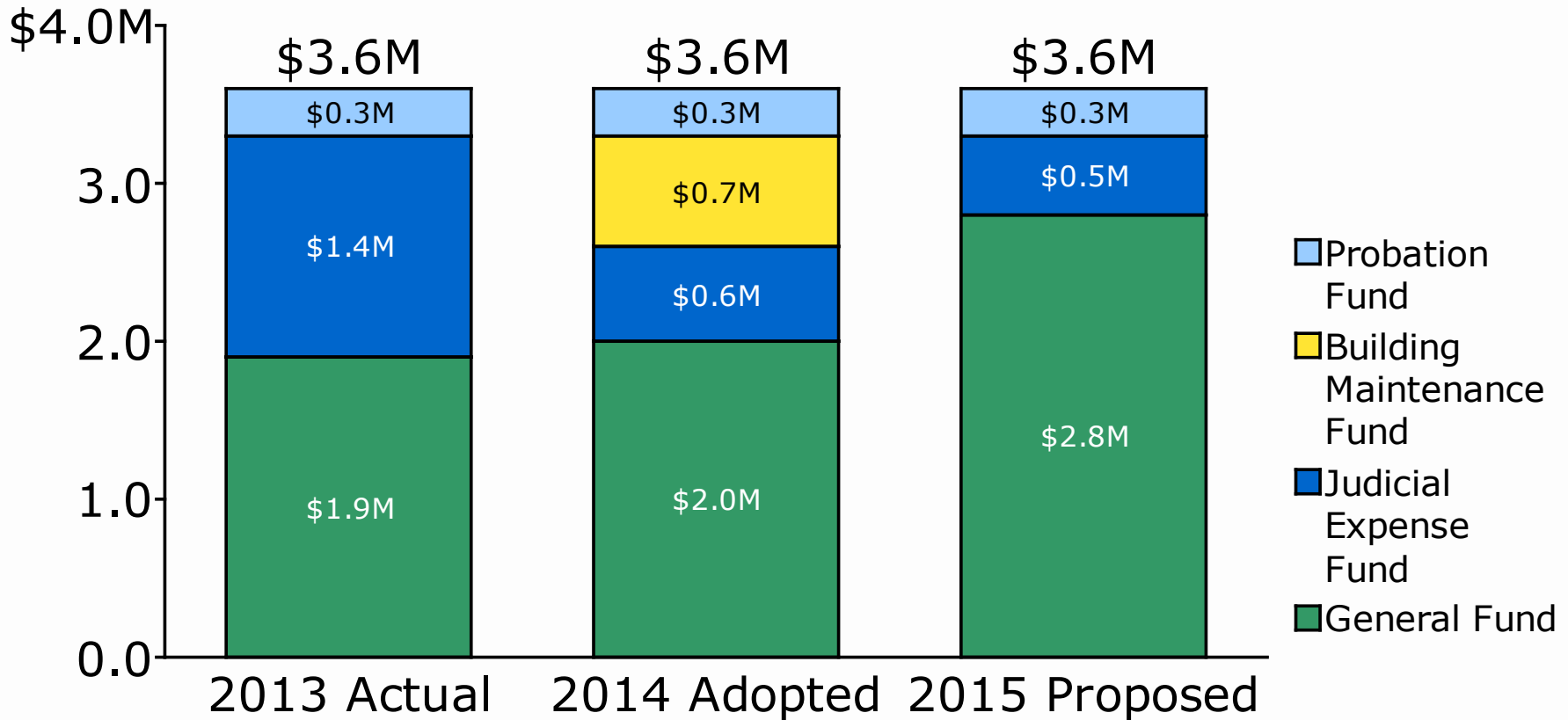
2015 Budget Accomplishments

Public Safety, Cont.

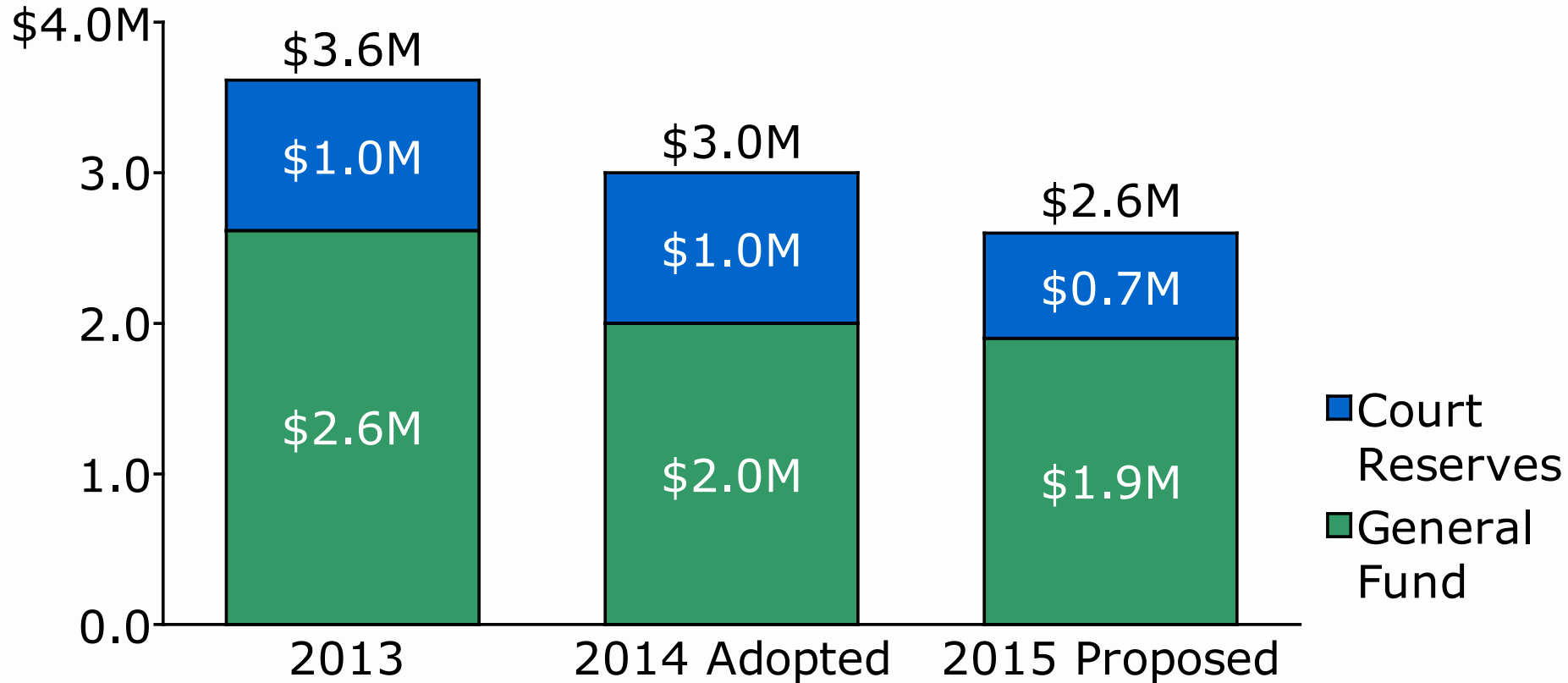
- EMS - \$900k increase in funding to maintain expanded service
- Coroner's Office - \$395k increase
- Youth Study Center - \$350k increase for additional security staffing for new building
- Municipal Court - \$785k increase to replace fund balance
- Criminal District Court - \$500k increase to replace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



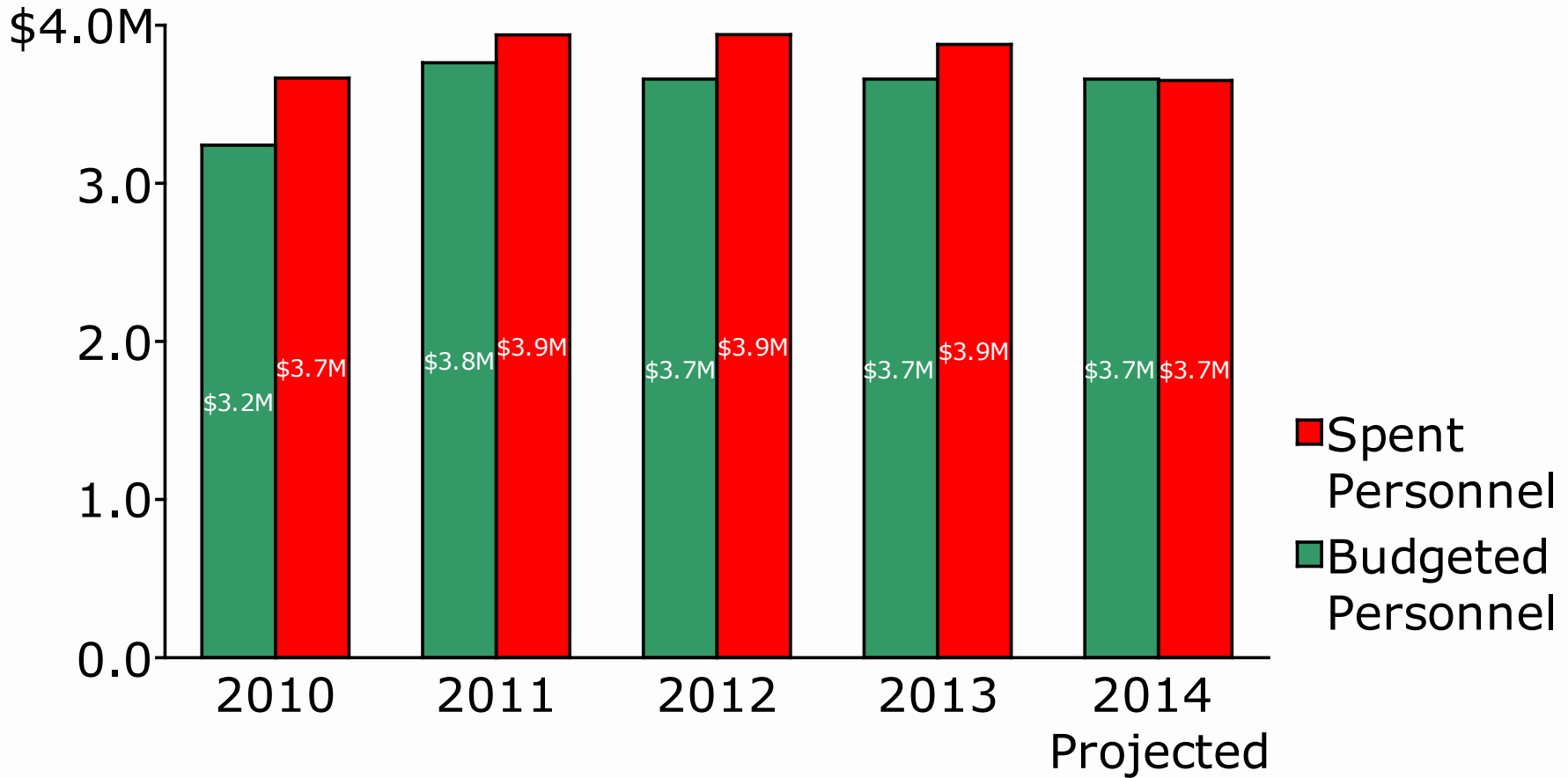
Municipal Court Proposal



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

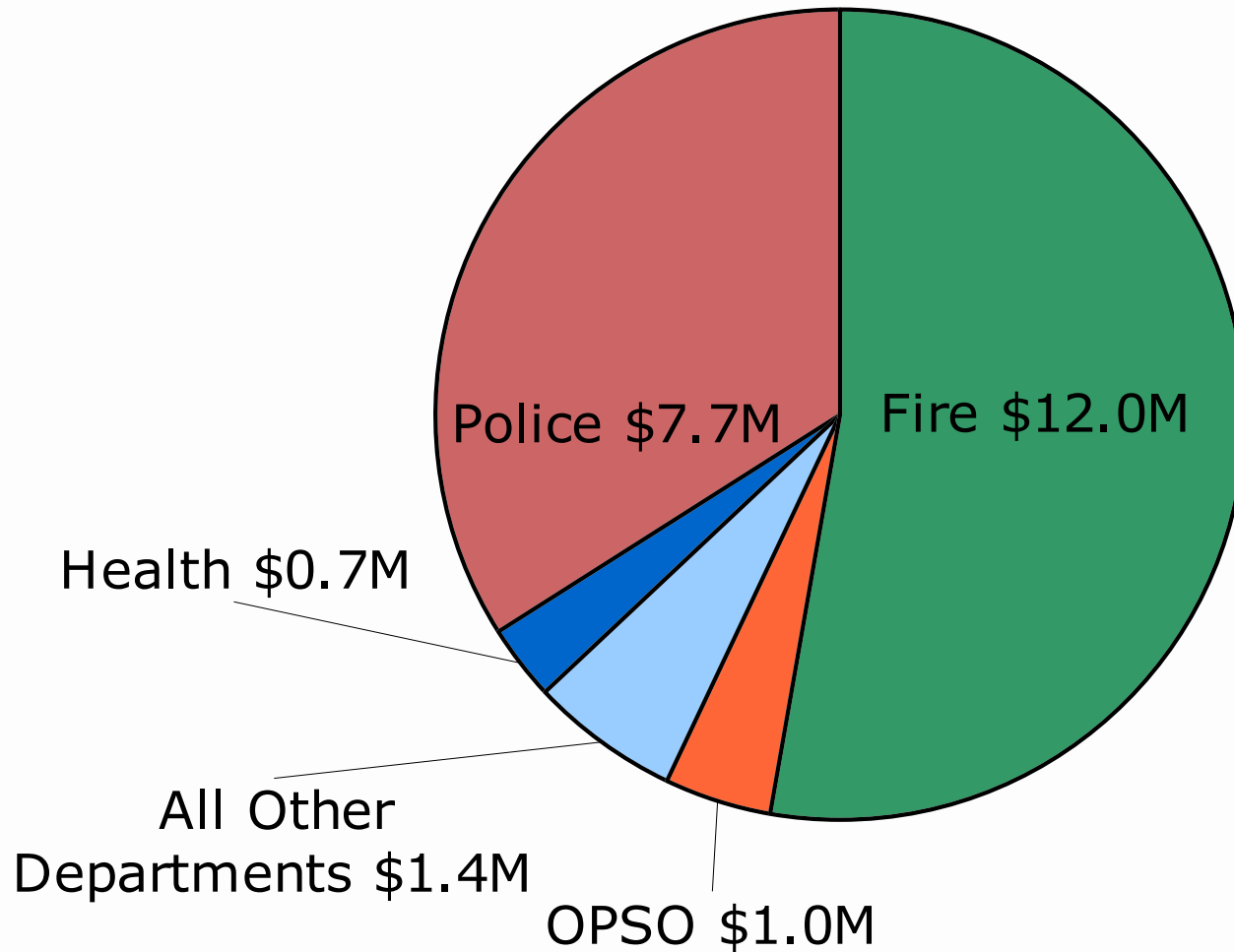


Vehicle/Equipment Purchase

- 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

