

Council District A & B Budget Townhall

October 27, 2009

Agenda

- Goals & Outcomes for Tonight's Meeting
- Opening Comments from Councilmembers
- The Budget Process
- Background on Budget Deficit and current spending
- Timeline for Action
- Closing and Questions

Goals & Outcomes

Goals & Outcomes

- To educate our constituents on the City's budget process and the financial challenges that we face this year.
- To impress upon our constituents and other government officials the need to make the budget process more open and inclusive this year and going forward.
- To prompt informed & engaged participation in the City's budget process and weekly follow-up sessions.

Opening Comments

Format

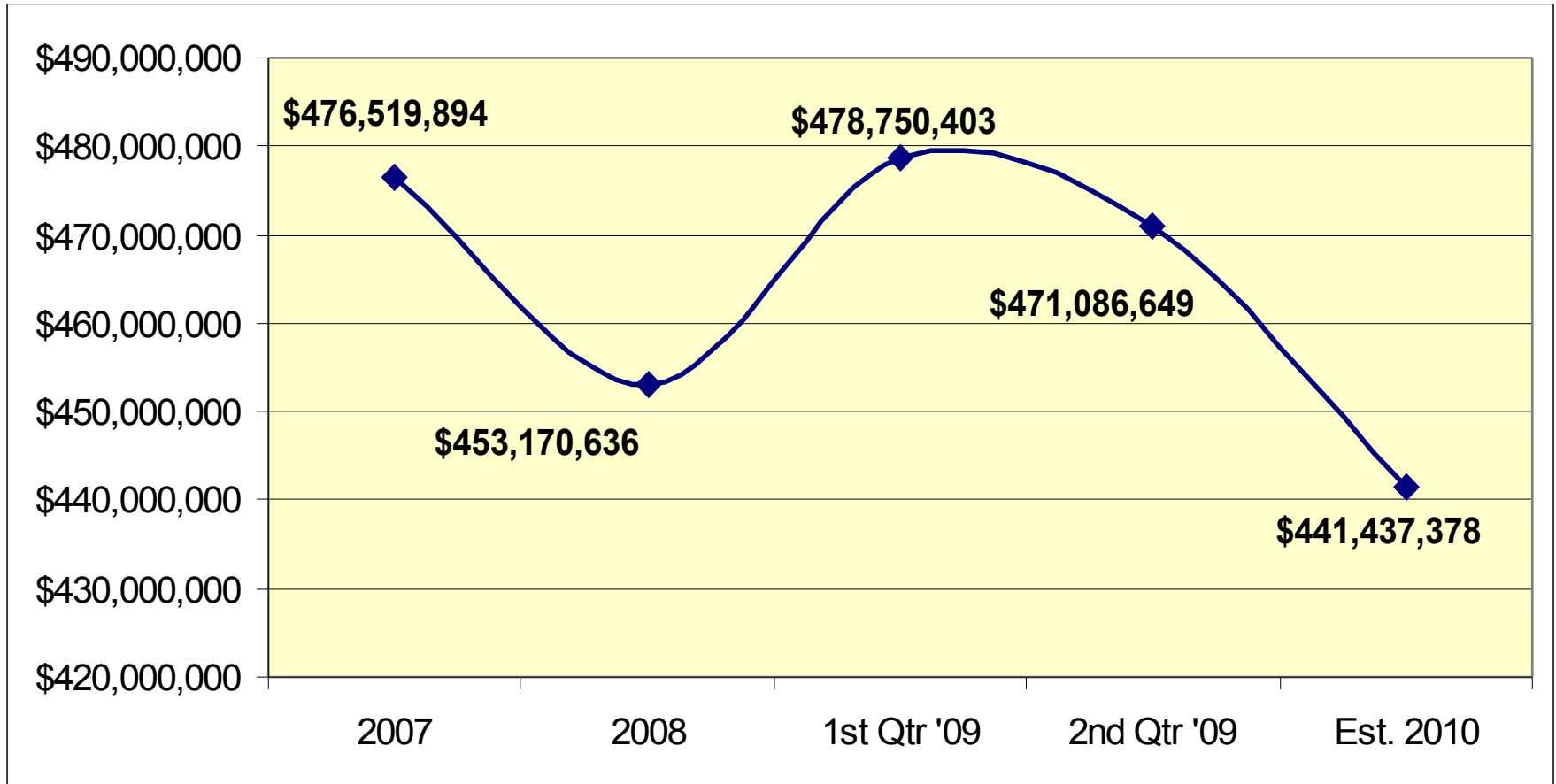
The Budget Process

New Orleans Budget Calendar

March	Mayor sets results for the next year
April	Creation of Results Teams; Departments begin to develop budget program descriptions and costs along with performance measures.
June	Submission and review of initial budget programs to the Results Teams
July	Department Revise Budget programs
August	Submission of final budget programs to the Results Teams; Initial revenue estimation; allocation of funds by results.
September	Ranking of programs by Results Teams
Oct – Nov	Approval of ranking by Mayor; Mayor approves the budget and submits to the City Council; City Council begins departmental budget hearings.
December 1st	City Council approves budget

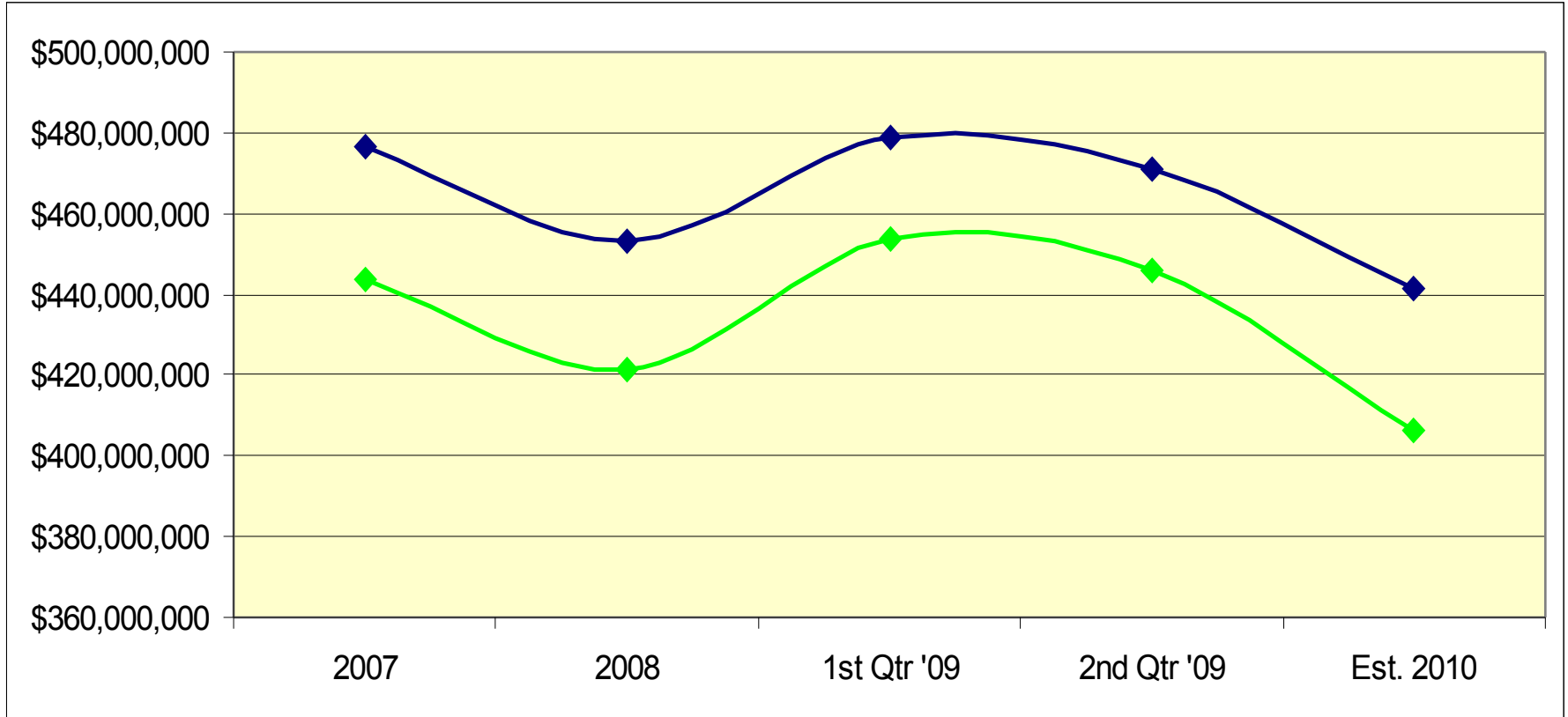
Background on Budget Deficit & Current Spending

City of New Orleans Estimated General Fund* Revenues



*The General Fund is comprised mostly of sales and property tax, licenses, permits, fines, fees, utility tax and intergovernmental revenue.

City of New Orleans Revenues with (and without) CDL



Revenue w/CDL

Recurring revenue

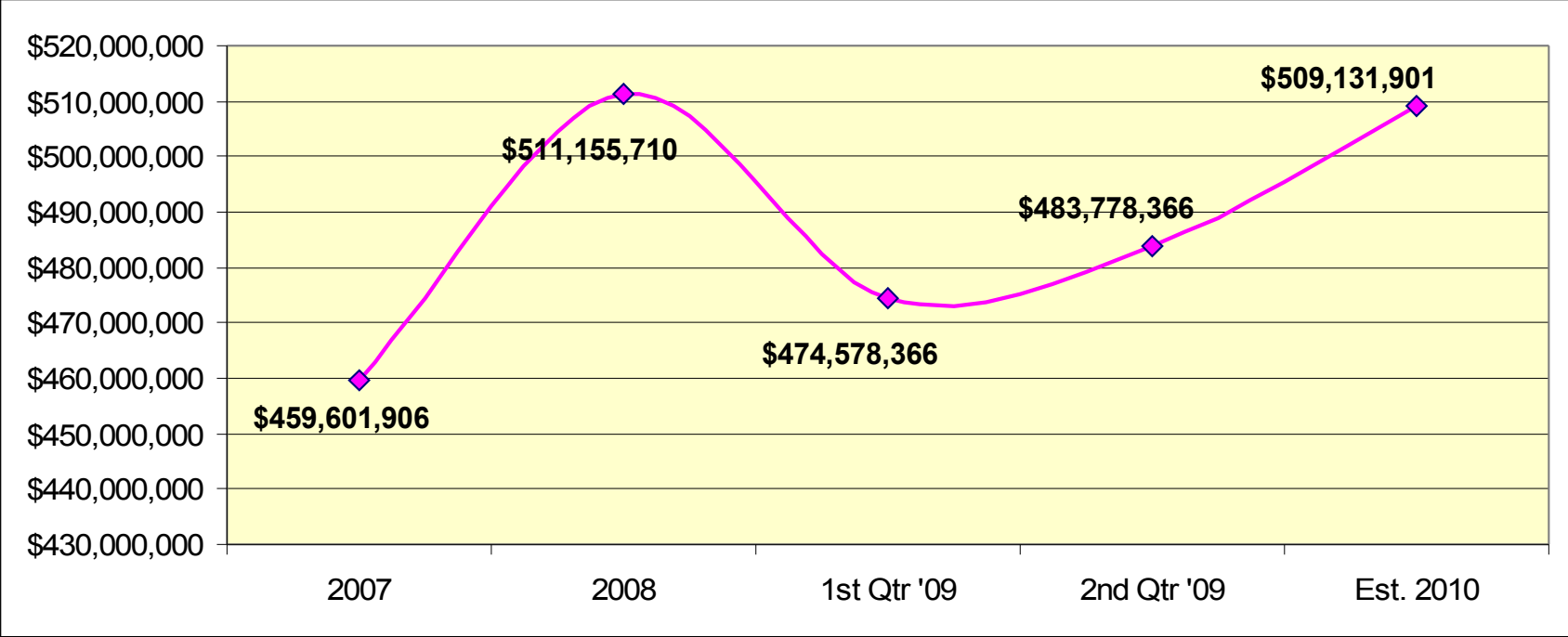
Reasons for Decrease in Revenues

\$30 Million lower than previously thought, reflecting new data as of 10/01/09*

- Property tax collection down
- Sales tax revenue down
- Intergovernmental Revenue down
- Interest income down
- Slow-down in post-Katrina activity

* Compared to 1st Qtr Revenue Estimating Conference

City of New Orleans Estimated Expenses

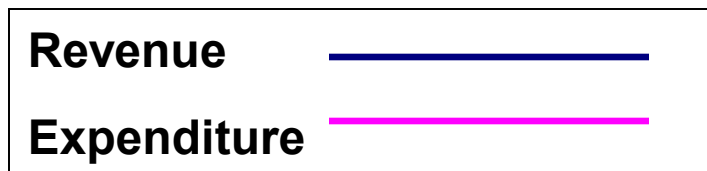
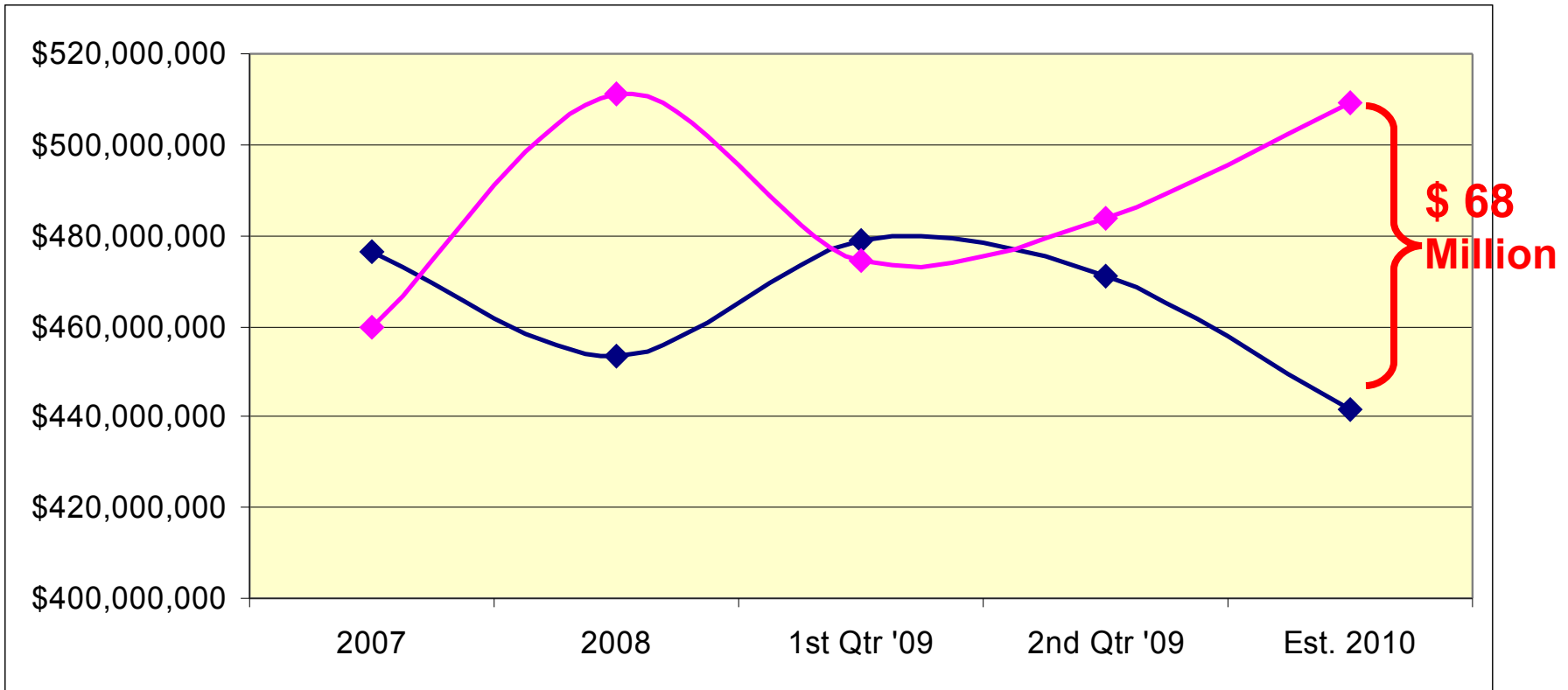


Reasons for Increase in Expenditures

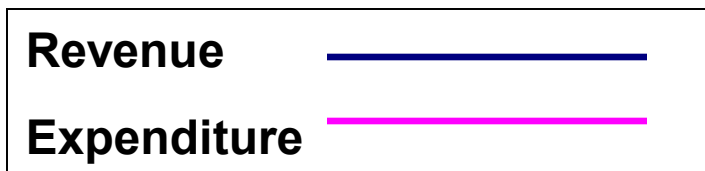
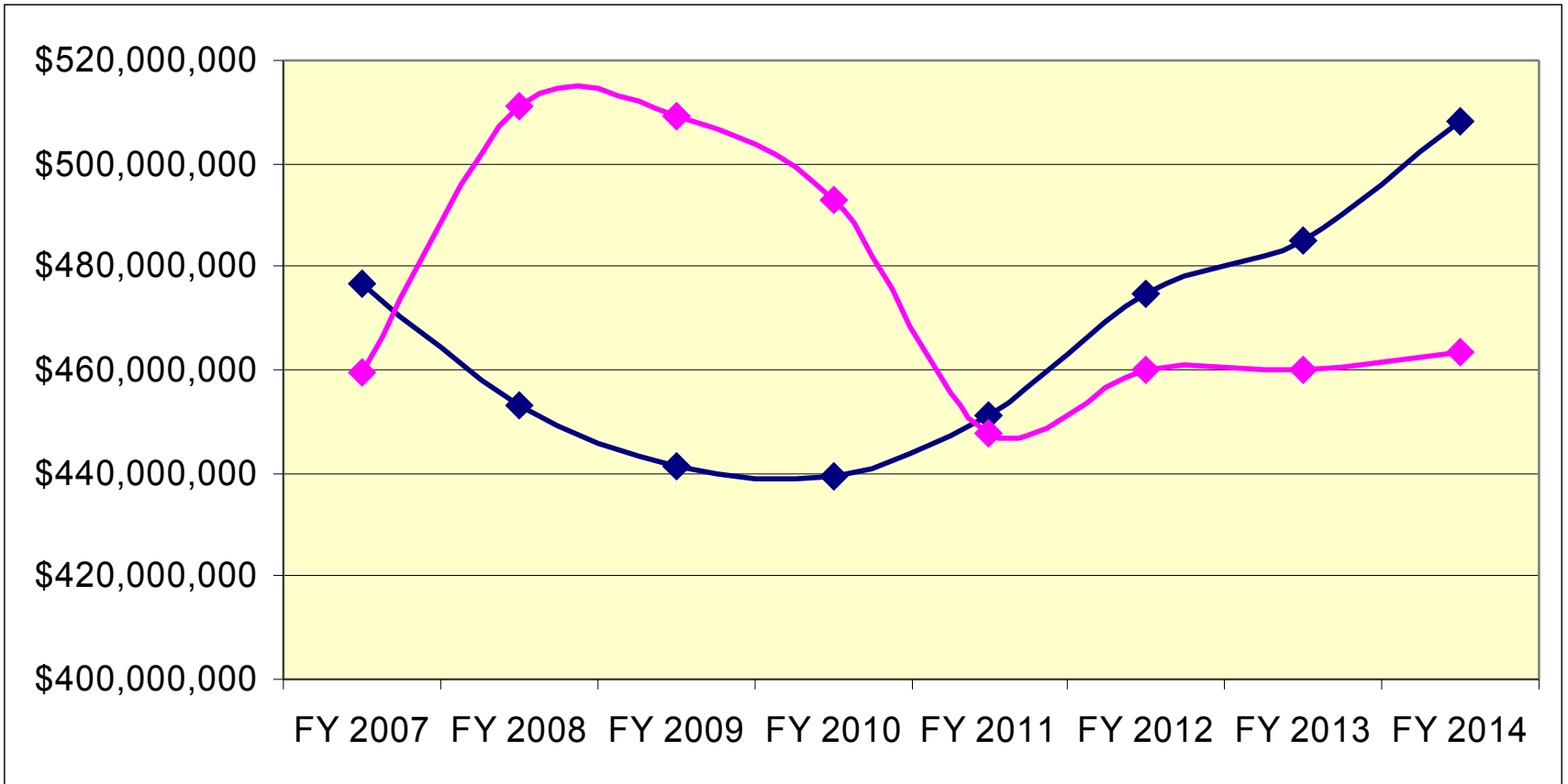
\$16 Million higher than previously thought,
reflecting new data as of 10/01/09

- Pension Increases (due to performance of fund)
- Workers Compensation
- Retirement

Side by Side Revenues & Expenditures



Side by Side Revenue/Expenditure Projections



Summary of Deficit

By law, municipalities in the state of Louisiana must pass a balanced budget, which occurs when revenues equal expenditures.

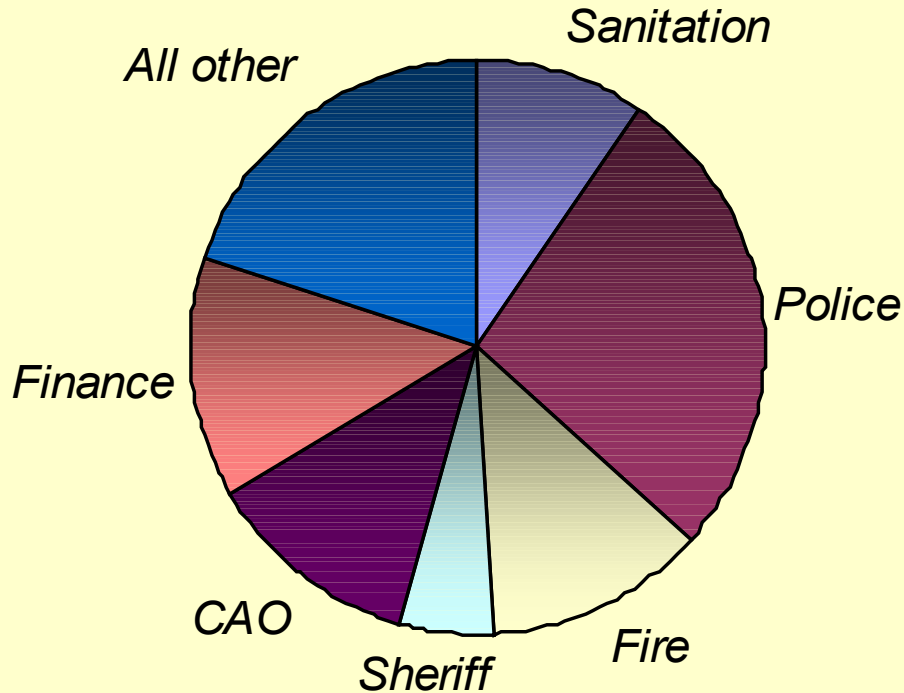
In 2010, we will be facing a structural deficit of nearly \$68 million:

Current Estimated Expenditures -	\$509,131,191
Current Estimated Revenues -	<u>\$441,437,378</u>
Current Estimated Deficit -	\$ 67,694,523

2009: Largest Budget Allocations

Police	\$120 million	27.2%
Finance	\$60 million	13.6%
Fire	\$55 million	12.5%
CAO	\$53 million	12.0%
Sanitation	\$42 million	9.5%
Sheriff	\$23 million	5.2%
Total	\$353	80.0%

2009: Largest Budget Allocations



Sanitation	– 9.5%
Police	– 27.2%
Fire	– 12.5%
Sheriff	– 5.2%
CAO	– 12.0%
Finance	– 13.6%
All Other	– 20.0%

“All Other” Categories Receive 20%, or \$97.2 million:

- The Mayor
- City Council
- Law
- Safety & Permits
- Health
- Human Services
- Property Management
- Civil Service
- Public Works (Streets)
- Office of the Inspector General
- Recreation
- Parks & Parkways
- Libraries
- HDLC
- VCC

- ABO
- City Planning
- Mosquito Control Board
- Museum of Art
- District Attorney
- Coroner’s Office
- Juvenile Court
- City Court
- Civil Court
- Municipal Court
- Traffic Court
- Clerk of Criminal District Court
- Registrar of Voters
- Judicial Retirement

2010: What We Are Working With

- Our estimated 2010 General Fund Budget is approx. \$441 million
- Of this \$441, approx. \$48 million is allocated to paying down debt
- This leaves \$393 million for Council to allocate towards City services in 2010

Our Experience with the Budget

- City's financial system is out of date and cannot provide real-time monitoring of finances.
- Citizens' priorities are not reflected in final budget. We see this first-hand with voluminous feedback on Quality of Life Issues on a daily basis.
- Budgeting for Outcomes implemented in theory but not in practice.
- We don't have a clear idea of measurable outcomes of each department.
- We are unaware of performance measures that link results to funding.

Timeline for Action

Timeline

- Thursday, Oct. 29, 2PM – Budget Committee Meeting
- Friday, Oct. 30, 10AM – Mayor presents his budget
- Budget hearings begin, Nov. 6, 9:30AM.
- Throughout month of November, departmental budget committee hearings during day in City Council chambers (schedule on upcoming slides)
- Weekly Budget Review Sessions with Councilmembers Head & Midura
 - Wednesday, November 11th, 7:00 PM, City Council Chambers
 - Wednesday, November 18th, 7:00 PM, City Council Chambers

Closing & Questions

Additional Information

CITY COUNCIL BUDGET HEARING SCHEDULE - 2010

FRIDAY, NOVEMBER 6

BUDGET OVERVIEW – CHIEF ADMINISTRATIVE OFFICER

TAX LEVY

CAPITAL BUDGET

REVENUE BUDGET

SUBJECT TO CHANGE

PANEL DISCUSSION – PENSION SYSTEMS:

POLICE PENSION

FIRE PENSION

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

MONDAY, NOVEMBER 9

PANEL DISCUSSION – JUDICIAL & PAROCHIAL OFFICES, PART 1:

MUNICIPAL COURT

TRAFFIC COURT

PANEL DISCUSSION – JUDICIAL & PAROCHIAL OFFICES, PART 2:

CRIMINAL SHERIFF

CRIMINAL DISTRICT COURT

CRIMINAL DISTRICT COURT, CLERK'S OFFICE

DISTRICT ATTORNEY

CORONER

PANEL DISCUSSION – JUVENILE JUSTICE

JUVENILE COURT

HUMAN SERVICES

TUESDAY, NOVEMBER 10

PANEL DISCUSSION – QUALITY OF LIFE, PART 1:

HEALTH (EXCL. EMS)

SANITATION

MOSQUITO & TERMITE CONTROL BOARD

PANEL DISCUSSION – QUALITY OF LIFE, PART 2:

PARKWAY

RECREATION

N.O. MUSEUM OF ART

N.O. PUBLIC LIBRARY

SUBJECT TO CHANGE

WEDNESDAY, NOVEMBER 11

PANEL DISCUSSION – PUBLIC SAFETY:

POLICE

FIRE

HEALTH (EMS ONLY)

ORLEANS PARISH COMMUNICATION DISTRICT

THURSDAY, NOVEMBER 12

PANEL DISCUSSION – INFRASTRUCTURE & MAINTENANCE:

PROPERTY MANAGEMENT

PUBLIC WORKS

PANEL DISCUSSION – LAND USE REGULATION & PERMITTING:

CITY PLANNING COMM.

HISTORIC DISTRICT LANDMARKS COMM.

VIEUX CARRE COMM.

SAFETY & PERMITS

FRIDAY, NOVEMBER 13

PANEL DISCUSSION – ADMINISTRATIVE & SUPPORT SERVICES:
CHIEF ADMINSTRATIVE OFFICE
FINANCE
CIVIL SERVICE
LAW
INSPECTOR GENERAL

SUBJECT TO CHANGE

MONDAY, NOVEMBER 16

Note: Hearings on the proposed budgets of the following outside agencies, enterprise funds, and special districts may be re-scheduled to a later date)

PANEL DISCUSSION – NON-CITY AGENCIES:

ALGIERS DEVELOPMENT DISTRICT
REGIONAL TRANSIT AUTHORITY
N.O. TOURISM MARKETING CORPORATION

PANEL DISCUSSION – ENTERPRISE FUNDS & SPECIAL DISTRICTS:

DELGADO ALBANIA PLANTATION CORP.
MUNICIPAL YACHT HARBOR CORP.

FRENCH MARKET CORP. & UPPER PONTABLA BUILDING
CORP.

RESTORATION

PIAZZA D'ITALIA CORP.
RIVERGATE DEVELOPMENT CORP.
CANAL STREET DEVELOPMENT CORP.
N.O. BUILDING CORP.
N.O. AVIATION BOARD
N.O. BUSINESS & INDUSTRIAL PARK
DOWNTOWN DEVELOPMENT DISTRICT

SUBJECT TO CHANGE

TUESDAY, NOVEMBER 17

CHIEF ADMINISTRATIVE OFFICER PRESENTATION:

MISCELLANEOUS/ CIVIC AFFAIRS

REGISTRAR OF VOTERS

MAYOR'S OFFICE (ALL DIVISIONS)

COUNCIL & ALCOHOL BEVERAGE CONTROL BOARD

WEDNESDAY, NOVEMBER 18

AS NEEDED FOR BUDGET COMMITTEE

FRIDAY, NOVEMBER 20

AS NEEDED FOR BUDGET COMMITTEE

MONDAY, NOVEMBER 30

AS NEEDED FOR BUDGET COMMITTEE

Contact Information

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District “B”

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- Theresa Becher, Legislative Director – trbecher@cityofno.com