

## BUDGET MESSAGE FROM THE MAYOR-PRESIDENT

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November 5, 2003

Honorable Members of the Metropolitan Council  
and the People of Baton Rouge:

By means of this letter, I present to you the 2004 City of Baton Rouge and Parish of East Baton Rouge *Annual Operating Budget*. An intentional focus in the preparation of this budget has been to identify recurring funds to provide pay raises for our most valuable resource, our employees.

Two excellent consultants have been engaged to review and make recommendations regarding salaries, benefits, staffing, performance evaluations and, in particular, our health care benefits program. MGT of America has conducted an exhaustive study of compensation, including benefits, and Milliman USA has made recommendations in the area of health benefits and our self-insured health plan. When the work of those consultants is complete, I will present a revised compensation plan for implementation in April of 2004, funded by the combination of revenue growth and funds saved from health care modifications.

Along with last year's *Annual Operating Budget*, I reported on the work of the Mayor's Committee on Revenues and Expenditures (MCORE). That Committee has met long and faithfully and produced a report containing 59 outstanding recommendations for use in achieving efficiency, effectiveness, and excellence in the function of this government. I recently reported back to that Committee that, within nine months, 16 of the recommendations have been completed or fully implemented. Thirty more recommendations are being implemented or reviewed for purposes of implementation, five will be reviewed in the future, and the remaining eight require State Constitution, statutory, local ordinance or *Plan of Government* changes of such magnitude as to be unworkable at the present time.

Perhaps the most positive outcome of the MCORE Committee was that local business, community, and public sector leaders worked side-by-side with government in shaping new strategies to build a stronger, more efficient City. Similarly, Baton Rouge's first Canvas Workshop, a trip to study Austin, Texas, gave 120 men and women the opportunity to learn what has worked and what has failed in this progressive southern city. The team listened intently as presenters discussed both the successes and challenges of Austin's significant economic and physical development in recent years. The most important result of this exciting trip was the synergy that occurred among the Baton Rouge team. Each member returned with a renewed commitment to apply the successes we learned in Austin and to elevate, instead of doubting, our own resources and potentials.

The economy and the energy of Baton Rouge are strong and are growing stronger as evidenced by developments in the downtown area, the emergence of new and expanded businesses throughout the Parish and the four-parish Metropolitan Statistical Area, and the revitalization of aging areas of our community. Partnering with private, state, and federal entities is proving to be the kind of winning strategy that will propel Baton Rouge to become a place ranking regionally and nationally as an excellent place for individuals and families to work, play, enjoy life, and do business.

By adopting this budget, the Metropolitan Council will be continuing the very sound fiscal policies that have been successfully utilized for the past three years, while funding and empowering the talented and dedicated staff of this City-Parish government to continue and improve the delivery of services of the highest quality to the individual and corporate

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citizens of this Parish. I express my gratitude to the Metropolitan Council, individually and on behalf of this Parish and its citizens, for your work and support.

### ECONOMIC OUTLOOK

Projections for many of our most important revenues, such as sales taxes, are based on estimates of future economic conditions. The economic outlook for the coming year affects estimates of revenue, which, in turn, dictate the amount of funds available for spending. This message begins, therefore, with excerpts from the *Louisiana Economic Outlook*, published annually by the College of Business Administration at Louisiana State University and the College of Business Administration at Southeastern Louisiana University.

The 2003 *Louisiana Economic Outlook* projects the following conditions for Baton Rouge's four-parish Metropolitan Statistical Area (MSA) during 2003-2004:

*The Baton Rouge MSA—comprised of East Baton Rouge, West Baton Rouge, Livingston, and Ascension Parishes—is the second largest in the state, with 302,000 non-farm workers in 2003. This MSA will expand markedly in 2005 when the Labor Department begins reporting data for its five additional parishes.*

*The petrochemical industry is a huge factor in this MSA's economy. Several very large chemical plants are located here, and as we will see below, this is dramatically impacting the area economy and will continue to do so over the next two years. This MSA has the largest concentration of chemical industry activity in Louisiana. For example, in 1997 there were 62 plants in the four-parish area employing 9,850 workers with an annual payroll of \$598 million. East Baton Rouge Parish (\$300.3 million) has the largest concentration of chemical industry wages in the State and Ascension Parish (\$274.9 million) ranks number three.*

*Baton Rouge is home of the nation's second largest refinery—ExxonMobil—located just north of the state capital building. This refinery is actually the ninth largest in the world. Placid Refinery is also located in this MSA.*

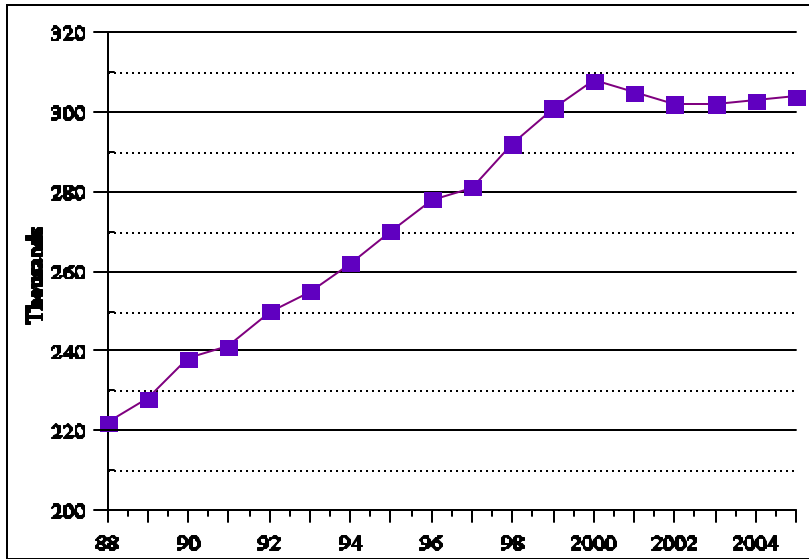
*The chemical and refining industries are very capital-intensive, and that means when they expand, so does the **industrial construction**. Industrial construction jobs are also closely tied to "turnarounds" at these plants, i.e., when the plants are shut down completely for scheduled maintenance. ...the Baton Rouge MSA has an unusually high ten percent of its workforce in the construction sector, a proportion only exceeded by Lake Charles...site of another major chemical concentration.*

*The Baton Rouge MSA also is the location of the State Capitol and the office complex associated with it. Two major State universities—LSU and Southern—are located in Baton Rouge, along with one of the State's largest community colleges.*

*[Figure 1] illustrates employment patterns in the capital city area over [1988-03] along with forecasts for 2004-2005. Until 2001, the Baton Rouge MSA had the most enviable growth record in the state in terms of both size and consistency. The MSA was tapped by the recessionary years of 1982-87 for about 2.2 percent of its workforce, but the region immediately recovered those losses with a banner year in 1988 when it gained 10,300 new jobs. Then the MSA's employment went straight up for 13 straight years over 1988-00, adding a robust average of 7,500 jobs each time the calendar turned.*

FIGURE 1

BATON ROUGE MSA WAGE & SALARY EMPLOYMENT



The **chemical industry** was the principle source of this extraordinary expansion. Plants in the area kept up a steady stream of expansion announcements, adding not only new jobs at the plants, but also supporting many industrial construction jobs. The Louisiana economy also grew over those same 13 straight years of 1988-00. Solid expansions like that generate a generous stream of tax collections into the state treasury, which was good for the universities and the state government complex.

The existence of the MSA's large universities spawned the growth of a new, job-intensive industry in the **area-call centers**. The Baton Rouge Area Chamber of Commerce reported the addition of 11 new call centers in the MSA since 1992. These ranged in size from the relatively small ones with 20 employees to West Telecommunications with a workforce of 1,900.

...In a surprising reversal of fortunes, **LEM is projecting that employment in the Baton Rouge MSA will rise by only 1,900 jobs over the next two years. That is an average of only 0.3% a year, making this the slowest growing MSA in the State.** ...the Baton Rouge MSA is not expected to generate enough jobs to recover to its previous peak back in 2000. If LEM's forecast is on the mark, in 2005 the MSA will still be 4,000 jobs below that peak.

**Chemicals are the problem.** The problem for Baton Rouge over the next two years will be its **chemical industry**. We have already pointed out the dominant role played by this sector in the MSA's economy. The chemical sector has been hurt by two factors. First, the national recession hit sales in this sector very hard. It also weakened considerably the price of chemical products. The projected national recovery should come to the rescue on this score.

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However, the second factor will remain problematic. **High natural gas prices** have not only raised operating costs in a declining demand market, but they have also caused several chemical firms in the MSA to announce layoffs or to close either temporarily, partially, or completely. A partial list of these announcements in this MSA includes:

- **Formosa Plastics** shut down two units and will lay off 89 people.
- **ExxonMobil** will cut 200 jobs at its sites in Baton Rouge.
- **DSM Elastomers** will shut down its plant in Baton Rouge at a cost of 180 jobs, while **DSM Copolymers** will cut 40 jobs at that location.
- **Triad Industries** announced it will lay off 84 people.
- **Melamine Chemicals** has terminated 76 employees.
- **Borden Chemicals** in Geismar has cut 100 people.
- **PSC Nitrogen** announced it will lay off 64 workers.
- **CF Industries** idled its 290-worker plant in March, but indicated that workers would be retained for a period.
- **BASF** recently terminated 17 of its employees.

We are confident that more cutbacks will be announced over 2003-05 as firms continue to struggle with the natural gas problem and increased foreign competition. Note ...that we have the MSA losing another 1,000 jobs in the manufacturing sector over 2004-05. The MSA has already dropped 2,400 manufacturing jobs since 2001.

**Chemicals drag down industrial construction.** Not only has direct chemical employment suffered, but expansion plans—the lifeblood of this MSA’s huge **industrial construction** sector—have been put on hold as well. Conversations with key engineering officials reveal that significant expansion plans by chemical firms are at least one and one-half to two years away. Too, in their efforts to watch every penny, chemical firms have been delaying general maintenance as much as possible—another blow to industrial construction activity. One of the largest industrial contractors in the State tells us employment at their firm is down over 30%. ...this MSA has already lost 2,100 construction jobs since 2001.

**Ozone non-attainment problem.** As if the natural gas problem was not enough, the Baton Rouge area has another problem that may put a damper on future industrial expansion. The EPA has bumped the area up from “serious” to “severe” in terms of ozone non-attainment. Consider the implications of this change:

- That means area vehicles will have to begin using **reformulated gasoline** (at an additional 10-20 cents per gallon depending on availability, transportation costs, etc.) in June 2004;
- **“Offsets” for expansions have become more stringent.** A firm attempting to expand or a new firm entering the five-parish area faces a 1.3-to-1 offset rather than a 1.2-to-1 offset. That means a firm must either reduce its prior emissions by 1.3 times the new VOC and NOX it will emit or find another firm that has reduced its emissions by the 1.3 factor;
- If the area fails to achieve attainment by 2005, then additional **fee requirements** come into play. Any firm emitting more NOX or VOC than it does now, will pay a fee of \$7,700+ for each ton over 80% of its normal emissions. The Louisiana Department of Environmental Quality estimates this will sum to about \$100 million in this five-parish area. If the Legislature does not pass legislation to collect these fees, the EPA will;

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- *From a small industry standpoint the **definition of a “major emitter”** has become more stringent. Whereas it used to be that 50 tons per year earned the designation, now 25 tons is the benchmark. If a small firm exceeds the 25-ton limit, it will have to pay the \$7,700+ per ton fine. DEQ estimates there are 50 small firms in the five-parish area that will be impacted by this change.*

*The implications of the ozone non-attainment issue are obviously very significant. As the chemical industry continues to struggle over the next couple of years, there will be outcries for more diversification in the economy for more non-chemical related jobs. The problem facing our economic developers is how can firms be recruited in the face of the limitations imposed by the EPA?*

***Other construction to the rescue.** Given these rather dire forecasts for chemicals and industrial construction, one might reasonably ask (1) how can we expect **any** growth—even 1,900 jobs—over the next two years, and (2) why does LEM have the construction sector falling only 400 jobs...?*

*Let us address the second question first. The reason construction is not projected to fall even further over the next two years is that there are several other large construction projects that will continue or begin over this period that will help offset the losses in industrial construction. They include:*

- *The \$30 million **D’Iberville Building** to house the Department of Natural Resources;*
- *Another \$30 million to construct the **Bienville Building** for the Department of Education;*
- *The \$30 million expansion of the **Riverside Centroplex** is underway and will be completed by 2005;*
- *The \$50 million **Shaw Performing Arts Center** is underway and will be in construction through 2005;*
- *LSU will spend \$29.1 million to build a new residential college and another \$18.5 million to remake its music and dramatic arts building;*
- *A recent announcement indicates a \$47 million renovation of the old **Capitol House Hotel** will finally begin after the first of the year; and*
- ***Richard Preis** is very close to final arrangements to spend \$40 million on a large condominium project on the site of the old Travel Lodge Hotel in downtown Baton Rouge.*

*These very sizeable construction jobs will act to soften the blow to the construction sector caused by layoffs in the industrial construction sector. In addition—to answer the first part of the question posed...there are some other positives on the horizon. For example, Baton Rouge recently landed **The Football Network**, a firm that will be located at the Bonne Carre site. TFN will provide 24-hour football programming on cable television. The firm should have 250 employees on board by the end of the year and has plans to add another 100 jobs over the next two years.*

*Professor Richard Cooper in LSU’s Veterinary Science Department has discovered a technique for manufacturing pharmaceutical proteins from chicken eggs. Using his technique, proteins that cost \$250,000 per gram could be produced for as little as 40 cents per gram. The State, through its venture capital program, is putting up \$2.5 million to start the company—**Transgenres**—and private investors are searching for another \$100 million to put into the firm. If Transgenres materializes, it would create 500 jobs, ranging from scientists to poultry farmers.*

*The **Pennington Biomedical Research Center** will be another unit to closely watch for new jobs and new investments over 2004-05. Pennington is on schedule to become one of eight federally designated nutrition*

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*research centers in the country under a bill before Congress. If this bill passes, Pennington would receive \$750,000 in this fiscal year, and another \$4.5 million next year. The Center recently announced it had received \$4 million in federal funds to study obesity. Too, LSU's federal funding for research has risen by \$22 million.*

### **UNDERSTANDING THE BUDGET**

The budget for each department includes a description of its mission and a section on budget highlights. Larger departments include descriptions of their major functions. Most departments include sections on performance measurement, which include goals/objectives and performance indicators. Line-item appropriation details are included in the "Budget Detail" section of the budget.

Any reader who wants to develop a thorough understanding of the budget should begin by reading the section following this budget message titled "Understanding the City-Parish Budget." This section explains the organizational structure of the City-Parish, the budget process, budgetary structure, financial policies, reporting entity, and legal requirements. It also presents revenue and appropriation assumptions.

The budget document contains budgets for our General Fund (consisting of a City Sub Fund and a Parish Sub Fund) and the Special Funds that require the adoption of annual budgets.

## **ANNUAL OPERATIONS**

### **General Comments**

#### **BUDGET PROCESS**

Excerpts from the *Louisiana Economic Outlook*, which are shown earlier in this message, offer mixed news relative to the prospects for growth in the Baton Rouge economy. The chemical industry continues to struggle as a result of high natural gas prices and foreign competition, and several plants have laid off employees. This affects not only direct chemical employment, but also the huge industrial construction sector that supports these operations. The ozone non-attainment designation change from "serious" to "severe" by the EPA will also have an effect on industrial expansions. On a positive note, a considerable number of construction projects are expected to begin or continue, which will offset some of the losses on the industrial side.

All of these issues have an impact on sales and use tax collections, which are very significant to the City-Parish government and produce about 52% of General Fund sources. Sales and use tax collections held steady in 2003, with a growth rate through August of 3.06%. This exceeded the 1% budgeted growth rate that was adopted after very distinguished economists recommended a rate of 1% to 2%.

The process for the 2004 budget began with instructions to all entities receiving funding from the City-Parish government. Agencies funded through the General Fund budget were directed to submit "base" operating budget requests that met a target amount determined by the Finance Department's Budgeting Division. This target provided for a standstill budget with additions for normal merit and longevity raises, increases in retirement costs, and adjustments in post-employment benefit costs. Requests in excess of this amount were to be submitted as supplemental requests. Nearly \$20,000,000 in

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supplemental requests were made. Due to our emphasis on providing a pay raise for employees, we were not able to fund requests increasing operational costs. We will revisit these requests next year.

Generally, special funds have their own dedicated funding sources such as taxes, grants, etc. Therefore, the amount of their budget request is limited by the level of funding generated by these sources.

### INDEPENDENT REVENUE ESTIMATE REVIEW

Dr. James A. Richardson, John Rhea Alumni Professor of Economics at Louisiana State University, and Dr. Loren C. Scott, Professor Emeritus in the Department of Economics at Louisiana State University, were asked to comment on their prediction of sales and use tax revenue growth in East Baton Rouge Parish for 2004. The economists indicated the following:

*“The Baton Rouge economy is undergoing a pause in its long-term growth environment. During the 1990s, the Baton Rouge economy was the fastest growing metropolitan region in the state, a 36.5 percent growth in employment compared to a statewide growth rate of 17.2 percent. From 2000 to the estimated employment for 2003, Baton Rouge has lost 6,000 jobs, a 1.9 percent reduction in employment compared to a statewide average of 0.9 percent reduction in employment. Despite these employment losses during the last three years, Baton Rouge’s sales tax collections declined only in 2001 relative to the previous year. In 2002, City-Parish sales tax collections grew by 3.53 percent and, for the first six months of 2003, sales tax collections have grown by about 3.55 percent. The question is how do we expect the Baton Rouge economy to perform for calendar 2004 and how do we project sales tax collections to relate to the economic activity.*

*The Baton Rouge economy will benefit from a growing national economy, an improving exchange rate for US exports, a stable oil and gas market, and ongoing activities in developing downtown Baton Rouge with construction on two new state buildings, the expansion of the Riverside Centroplex, the development of the Shaw Performing Arts Center, other projects in downtown Baton Rouge, and construction projects at the major universities and research centers. However, there are several question marks about the Baton Rouge economy as well; namely, the downturn in the petrochemical industry and the significance of that industry in the Baton Rouge metropolitan area. The petrochemical industry is especially significant because of the large multiplier effects associated with this activity. In addition, it is estimated that state government will have about a \$650 million budget gap to solve next spring. Any major reduction in state programs will have an impact on the Baton Rouge economy. Based on these inputs, we are projecting a modest recovery in Baton Rouge over the next two years. Specifically, we are projecting employment to grow by 700 jobs in 2004 and 1,200 jobs in 2005. These are very modest growth projections, especially compared to the job growth in the 1990s of over 7,000 new jobs per year.*

*Sales tax collections grew by over 5 percent a year from 1993 through 1999. Sales tax collections have grown by about 1.75 percent a year from the year 2000 through mid 2003.*

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*Based on the modest employment projections and the history of the sales tax collections, we believe it would be prudent to incorporate a sales tax projection of 1.5 to 2.5 percent in the 2004 budget for the City-Parish.*

*The Baton Rouge economy has long been a leader in economic growth around the State. The local economy is now in transition. The petrochemical industry will continue to be a major contributor to the economic vitality of Baton Rouge, but we have to put additional emphasis on other engines of economic development. Thankfully, the Baton Rouge metropolitan area has an array of assets that should allow it to once more become the fastest growing metropolitan area in the state.”*

Based upon the advice of these experts, the proposed budget assumes a 2% growth rate for sales and use tax revenues in 2004.

### PAY RAISES FOR EMPLOYEES

As discussed earlier in this letter, this year we contracted with MGT of America to conduct a comprehensive pay and classification study. Its purpose is to achieve internal equity and to move towards a salary structure that approaches relevant market conditions. The study is mostly complete, and we are now receiving data on appeals and technical questions asked by our staff. It is our goal to recommend some partial implementation of the MGT salary structure in April of 2004. We have determined that \$4,000,000 in funding is available for pay adjustments next year.

A significant portion of funding proposed for salary increases is being generated through containment of health insurance costs in 2004 at the same level as 2003. This is being accomplished through program changes placed into effect in 2003 and through some restructuring of our health insurance program with Blue Cross as directed by the Metropolitan Council. This budget projects no increase in premiums for a base plan for 2004 and maintains the employer's contribution at 75% for single coverage and 55% for dependants. We also increased the retirees premium credit for Medicare from 50% to 75% as previously authorized by the Metropolitan Council at a cost of \$158,000. We expect to finalize health insurance recommendations during November.

We will be working with the Human Resources Insurance Advisory Committee to review the health insurance and dental insurance programs. Several companies, including Blue Cross, have indicated a willingness to offer programs with a high- and low-cost option. There is the potential for significant savings on a program that provides minimum benefits, with employees having the option to buy additional coverage at their own expense. After input from the committee, we plan to submit recommendations to the Metropolitan Council for consideration.

Our study of the MGT proposals will continue. We have already identified many areas that require considerable financial and legal research as well as employee discussions. These include changes in longevity and merit pay, and funding higher salaries with reduced benefits for items including sick leave, vacation leave, severance pay, and retirement. We do not expect to make recommendations on any of these topics until the revised salary structure is implemented. We will then study these issues and solicit comments from employees. It is my firm belief that the City-Parish must redefine a “new employee” during this next year. While this process will not result in short-term savings, this will provide a long-term improvement to our human resources system.

**EMPLOYEE BENEFITS**

***Retirement Contributions***

The 2004 employer's contribution rate to the City-Parish Employees' Retirement System was certified at 14.50% by the System's Board of Trustees. This represents a 2% increase over the 2003 employer contribution rate. While the 2003 actuarial report indicates that a constant employer rate of 16.79% would be adequate to fund the system, current economic conditions do not permit that level of funding. In this budget, we continue the longstanding practice of moving towards the fully funded rate, which may increase or decrease over time as actuarial assumptions and experience factors change. The employee contribution rate will also increase from 8% to 8.8% in 2004.

The transfer of law enforcement personnel to the Municipal Police Employees' Retirement System shifted the responsibility for payment of their pension to that system. However, the City of Baton Rouge is required to make employer contributions. Effective July 1, 2003, the employer contribution rate to that system increased from 9% to 15.25%. This change will cost the General Fund an additional \$982,000 in 2004.

***Post Employment Benefits***

Last year was the first year that post-employment benefits were distributed to all employers who participate in our health and dental programs after retirement. The rate for 2004 will be 6.03%, which is up from 5.79% in 2003. Additional work is needed in this area to further define those non-City-Parish employees eligible for participation in post-employment benefits.

**All Fund Summary**

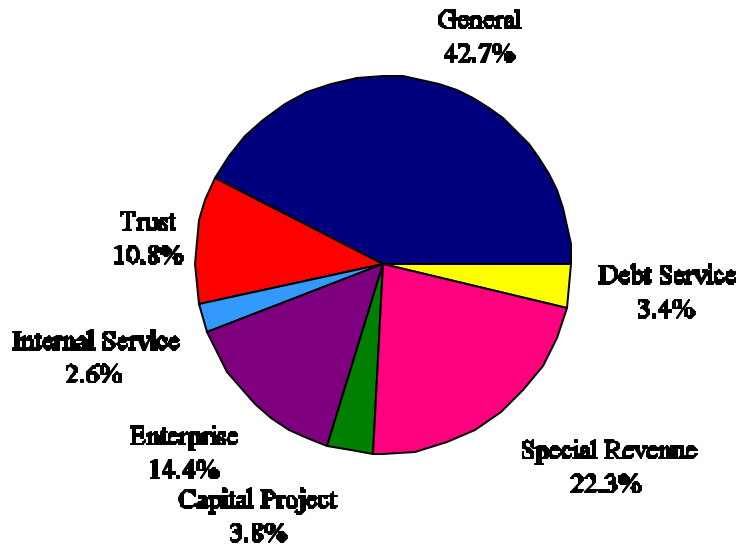
The proposed budget for the year 2004 for all funds, exclusive of operating transfers between funds, totals \$548,562,640. This is an increase of 3.71% or \$19,628,460 from the year 2003. The chart below and the graph in Figure 2 that follows depict the total annual operating budget by fund type for 2004. Major changes in proposed funding are also discussed.

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**APPROPRIATIONS - ALL FUNDS  
2004 COMPARED TO 2003**

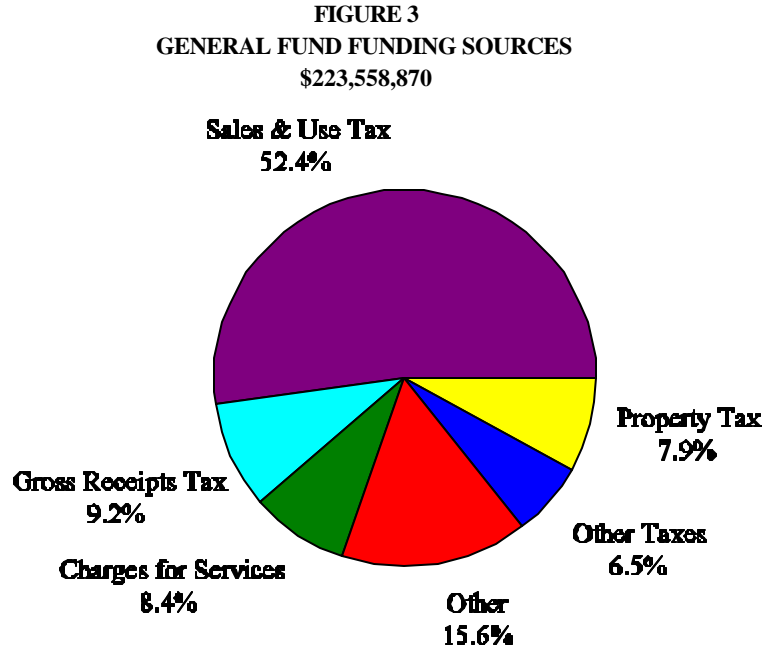
<u>Fund Type</u>	<u>2003</u>	<u>2004</u>	<u>2004 BUDGET OVER</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>(UNDER) 2003 BUDGET</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Percent</u>
General	\$220,715,570	\$223,558,870	\$2,843,300	1.29%
Special Revenue	107,969,100	116,894,000	8,924,900	8.27%
Debt Service	24,101,710	22,976,760	(1,124,950)	-4.67%
Capital Project	27,788,230	36,019,740	8,231,510	29.62%
Enterprise	112,113,270	111,881,070	(232,200)	-0.21%
Internal Service	12,597,460	13,668,930	1,071,470	8.51%
Pension Trust	<u>51,519,510</u>	<u>56,039,440</u>	<u>4,519,930</u>	<u>8.77%</u>
Subtotal	556,804,850	581,038,810	24,233,960	4.35%
Less: Transfers Between Funds	<u>(27,870,670)</u>	<u>(32,476,170)</u>	<u>(4,605,500)</u>	<u>16.52%</u>
<b>GRAND TOTAL</b>	<u>\$528,934,180</u>	<u>\$548,562,640</u>	<u>\$19,628,460</u>	<u>3.71%</u>

**FIGURE 2  
TOTAL ANNUAL APPROPRIATIONS BY FUND TYPE  
(Excluding Transfers Between Funds)  
\$548,562,640**

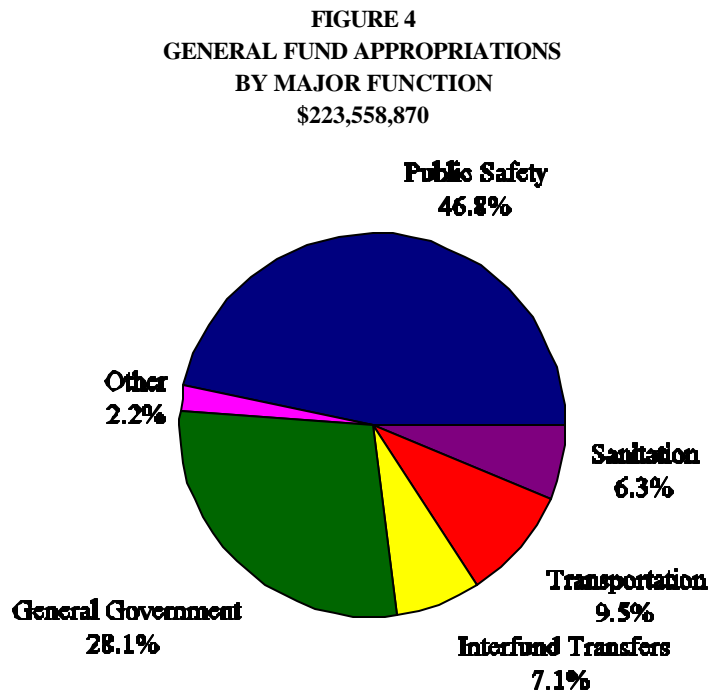


## General Fund

As shown in Figure 2, the General Fund makes up 42.7% of the total City-Parish budget for the year 2004. The General Fund provides for the general operations of the government and includes all revenues that are not legally dedicated for a specific purpose. The primary revenue sources, which are shown in Figure 3, include the sales and use tax, gross receipts tax, and property tax.



Total appropriations for the General Fund Annual Operating Budget increased by \$2,843,300 or 1.29%, compared to the 2003 budget. Our commitment to public safety continues as shown in Figure 4 with nearly 47%, or \$104,597,990 of the 2004 budget proposed for that function. In addition to this amount, \$1,500,000 is provided for capital needs in the Police and Fire Departments.



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As mentioned previously, all departments were asked to submit a “base budget” at essentially the same level as the 2003 original budget, with additions for increases in merit and longevity pay, retirement costs, and post-employment benefits. In addition, departments were allowed to request supplemental appropriations. The only supplemental requests approved this year were for capital needs in the Police, Fire, and Public Works Departments. Each of the items is shown below with the related source of funds.

<u>Department/Program</u>		<u>Department Total</u>
<b>FROM FUND BALANCE - UNDESIGNATED:</b>		
Police:		
Vehicles		\$1,000,000
Fire:		
Fire Fighting Equipment	\$ 304,000	
Vehicles	155,000	
Computers and Software	<u>41,000</u>	500,000
Public Works:		
Building Improvements	1,250,000	
Various Street Projects	306,550	
Capital Outlay	<u>193,450</u>	<u>1,750,000</u>
<b>TOTAL FROM FUND BALANCE UNDESIGNATED</b>		<b><u>\$3,250,000</u></b>
<b>FROM GAMING REVENUES:</b>		
Downtown Streetscape - Shaw Center for the Arts		<u>\$662,500</u>

**Special Funds**

Approximately 42.7% of spending authorized in this budget relates to the budgets for general operations, or the General Fund. The remaining 57.3% pertains to smaller budgets for special operations or activities. The most common reason for having separate budgets for these activities is that revenues supporting them are legally dedicated to a specific purpose.

**SPECIAL REVENUE FUNDS**

The 2004 budgets for Special Revenue Funds increased by \$8,924,900 or 8.27% from the 2003 funding level of \$107,969,100. This is primarily the result of an increase in funding for capital improvements within the library system which is discussed later in the message.

**DEBT SERVICE FUNDS**

Debt service requirements for 2004 decreased by \$1,124,950 as compared to the prior year. This is the result of a decrease in funding needed for the loan from the Louisiana Community Development Authority. In 2003, a \$1.5 million repayment was made from grant proceeds. For more information on our debt practice, please refer to the “Debt Management” section of this budget.

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## CAPITAL PROJECT FUNDS

The *Annual Operating Budget* includes capital projects that are funded on a pay-as-you-go basis, other than those financed through Enterprise Funds. Capital improvements funding for the library system will increase by \$9.55 million due to an allocation of \$11.2 million for the new main Library.

### *General Capital Expenditure Fund*

The 2004 budget continues our investment in infrastructure improvements and capital equipment with an appropriation of \$2,774,240 funded from our General Fund surplus. This includes \$1,000,000 for the replacement of 50 police vehicles; \$1,250,000 for major building improvements, including new HVAC systems in several buildings; \$306,550 for miscellaneous street and road improvements; \$45,000 for computer hardware and furnishings in DPW; \$155,000 for the replacement of ten vehicles for Fire; and \$17,690 for computer hardware for City Court.

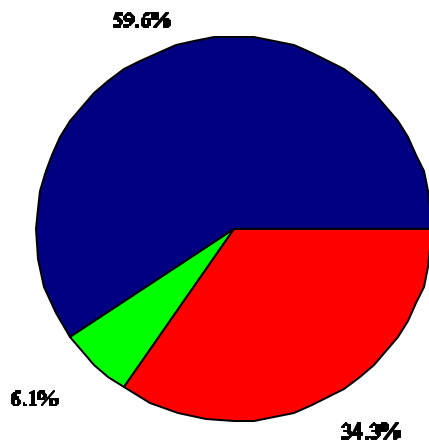
## ENTERPRISE FUNDS

### *Comprehensive Sewerage System Fund*

The Comprehensive Sewerage System Fund is the largest of the Special Funds. Operations of the sewer system are funded from four main revenue sources. These include a one-half percent sales and use tax, sewer user fees, sewer impact fees, and a \$4 million subsidy from the General Fund supported from gaming revenues. These financial resources provide for the operation and maintenance of the parish-wide system, which includes three major treatment plants and over 2,000 miles of sewer lines.

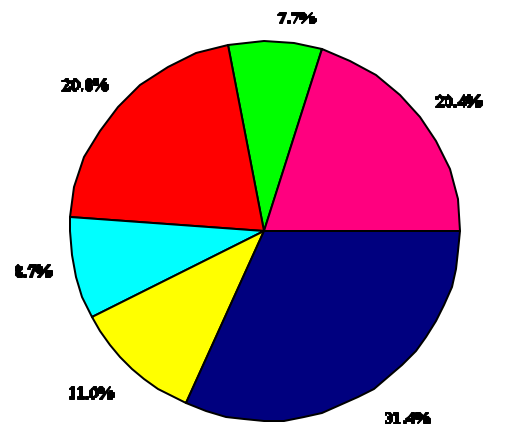
Total financial resources for the sewer system operating budget and the uses of these funds are illustrated in Figures 5 and 6. The General Fund/Other category includes the General Fund subsidy, interest earnings, and other miscellaneous fees. Any excess sources are transferred to the Sewer Capital Improvements Program.

**FIGURE 5  
SEWER OPERATIONS  
SOURCES OF FUNDS  
\$90,588,560**



■ User Fees  
■ General Fund/Other  
■ Sewer Sales Tax

**FIGURE 6  
SEWER OPERATIONS  
USES OF FUNDS  
\$73,227,600**



■ Wastewater Treatment  
■ Debt Service  
■ Administration/Other  
■ Wastewater Collection  
■ Preventive Maintenance  
■ Depreciation

## **CAPITAL IMPROVEMENTS**

We are in the process of completing or implementing a number of major capital improvements in our parish, with some very significant projects beginning this fiscal year. Details of these items can be found in the section of the budget entitled “Capital Improvement Programs.” However, I would like to provide an update on some of these major projects or programs.

### **SEWER CAPITAL IMPROVEMENT PROGRAM**

On March 14, 2002, the City-Parish entered into a new consent decree with the United States Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) relative to wastewater improvements in East Baton Rouge Parish. This new consent decree replaced the original consent decree that East Baton Rouge Parish was administered under since 1988. This new consent decree requires the City-Parish to make various wastewater treatment plant and sanitary sewer infrastructure improvements in order to reduce sanitary sewer overflows in the sewer collection system and meet wastewater discharge permit requirements under wet weather conditions. This consent decree also prevented the EPA from imposing potential penalties of \$43 million on the City-Parish and allows until December 31, 2014, for completion of the Sewer Capital Improvements Program. Additionally, the execution of this consent decree by all parties avoided a protracted and expensive lawsuit.

#### ***Program Description***

The objective of the Sanitary Sewer Improvement Program, and in particular the Sanitary Sewer Overflow (SSO) Corrective Action Plan, is to identify the most cost-effective methods of controlling overflows in the sewer collection system, while providing continuous service to all existing customers and potential future customers. Once implemented, this program will provide the City-Parish with the ability to protect public health through the control of sanitary sewer overflows, improve customer service, provide capacity for future growth, and implement a long-term maintenance program to protect existing and future capital investments. Goals of this program include:

- Protecting the public health through the control of sanitary sewer overflows, back-ups, and stoppages, thereby keeping sewage out of homes, yards, streets and drainage ditches.
- Reducing potential claims against the City-Parish resulting from sewer backups, overflows, and stoppages.
- Insuring compliance with national, state, and local requirements including EPA Region Six and Louisiana DEQ policies.
- Developing and maintaining a comprehensive computerized hydraulic sewer model of the sanitary sewer gravity collection system and the pressurized sewer transmission system for the purpose of assessing the capacity of the system and evaluating corrective actions and future capacity requirements.
- Reducing peak wet-weather flow factors in a cost-effective manner through the development of inspection procedures and design criteria for sewer rehabilitation, relief sewers, and new sewer construction.
- Developing and implementing procedures for inspecting and ranking sewers in need of rehabilitation.
- Determining the cost effectiveness of current and future sewer and manhole rehabilitation projects through the collection of pre-rehabilitation and post-rehabilitation flow data.
- Resolving dry- and wet-weather flow issues in order to provide sewer and wastewater treatment capacity for future growth.

## BUDGET MESSAGE FROM THE MAYOR-PRESIDENT

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A comprehensive financing model has been developed and is being utilized by the Finance Department to manage the Sanitary Sewer Improvement Program. A 10% sewer user fee increase went into effect on January 1, 2003, and an annual 4% user fee increase will be levied thereafter for the life of the program. However, the City-Parish will continue to seek low interest loans, and federal and state grants to reduce program costs.

This program will have a cost in excess of \$600 million over a 13-year period. It will be a major stimulant to our economy and produce numerous jobs in the construction industry and businesses supportive of this industry.

This budget will fund the following programs:

- Operations and Maintenance - Continue the preventive maintenance program. The *2004 Annual Operating Budget* will provide \$4,398,000 for this program. Of this amount, \$1,998,000 will be dedicated for repair and maintenance of treatment plant and pump station equipment, and \$400,000 will be used for the wet well maintenance program.
- Sewer Rehabilitation - Continue the on-going program to rehabilitate existing sewer infrastructure in selected areas. Emphasis has been placed on the inspection of sewers to determine priorities of needs, concentrating on structural rehabilitation, and the establishment of a cycle of inspection and renewal/replacement. The budget provides \$3,000,000 to fund this program.
- Emergency Sewer Point Repair Program - This year's budget appropriates \$2,000,000 to continue this high priority sewer repair program.
- Supplemental Environmental Projects - In order to reduce the penalty stipulated in the new consent decree, the City-Parish agreed to perform certain environmentally beneficial projects. The agreed upon projects by EPA and DEQ consisted of tying eight areas that had a septic tank effluent sewer collection system into the City-Parish sewerage system. Under this project, the Donwood and Oak Manor Subdivisions and a portion of Stumberg Lane were connected to the City-Parish system in October of 2003. The remaining five subdivisions are Sharon Hills, Cedar Glen, Pleasant Hills (Section 1), Pleasant Hills (Section 3), and Green Acres. They will be connected to the City-Parish system in June, 2004. A budget of \$1.4 million has been provided to fund the engineering design and construction for these projects.
- Capital Improvements - The major thrust of the consent decree requires the City-Parish to upgrade its sewerage system to avoid or reduce sanitary sewer overflows in wet weather events and to insure compliance with the Clean Water Act. The City-Parish has determined that the most cost-effective method to accomplish this goal is not only to properly operate and maintain the current sewerage system for maximum efficiency, but also to either upgrade or construct additional conveyance, treatment or holding facilities where system deficiencies occur. Some 17 projects will be under design and 15 projects will be under construction next year. Major projects under design are the South and Central tunnels and tunnel pump stations. Construction of relief sewers and pump station upgrades will occur in the Lake Sherwood Acres and Industriplex areas. The total cost for the design and construction of these 2004 projects will be approximately \$40 million.

### **ONE-HALF PERCENT ROAD AND STREET IMPROVEMENT PROGRAM**

An election was held on November 17, 2001, in which our citizens approved the renewal and continuation of the one-half percent road and street improvement tax that has been in effect since 1990. The tax was extended for five and one-half years beginning July 1, 2002, with 40% dedicated for street rehabilitation and 60% dedicated for street construction.

**BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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The rehabilitation portion of the tax will generate an estimated \$65,500,000, which will allow for the rehabilitation of approximately 275 miles of streets and roads. Since the inception of the program, approximately 1,450 miles or 85% of the parish's street and road system have been rehabilitated.

The construction portion of the tax renewal will generate an estimated \$98,250,000 and will provide funds for the remaining projects originally approved in the 1997 tax election and will also provide the funding source for the design and construction of seven new street improvement projects. The projects and their estimated costs are as follows:

<u>Street</u>	<u>Location</u>	<u>Cost</u>
Completion of 1997-2001 Program		\$19,000,000
George O'Neal Road	Jones Creek Road to O'Neal Lane	6,250,000
O'Neal Lane	George O'Neal Road to South Harrell's Ferry Road	13,950,000
Comite Drive	Plank Road to Comite River	17,550,000
Lobdell Avenue	Jefferson Highway to Goodwood Boulevard	5,500,000
South Harrell's Ferry Road	South Sherwood Forest Boulevard to Millerville Road	22,500,000
Picardy Avenue	Essen Lane to Bluebonnet Boulevard	4,000,000
South Choctaw Drive	North Flannery Road to Central Thruway	<u>9,500,000</u>
<b>TOTAL PROJECT COSTS</b>		<b><u>\$98,250,000</u></b>

Under the first five-year 1997-2001 Road and Street Improvement Program, the following streets were completed:

- Bluebonnet Road Realignment I-10 to Airline Highway
- Nicholson Drive Realignment Skip Bertman Drive to Burbank Drive
- South Choctaw Drive Improvement Monterrey Drive to Dumont Drive
- Stumberg Lane Improvement Jefferson Highway to Coursey Boulevard

Additionally, we anticipate that the following projects under this initial program will be under construction or completed in 2004:

- Blount Road Improvement Scenic Highway to Plank Road
- I-10 Frontage Road Bluebonnet Boulevard to Siegen Lane
- McClelland Drive Improvement Evangeline Street to Airline Highway
- North Boulevard Overpass Improvement 10<sup>th</sup> Street to 19<sup>th</sup> Street
- Central Thruway Clearing & Embankment Florida Boulevard to Sullivan Road

Under the 2002-2007 Road and Street Improvement Program, engineering design and right-of-way acquisition will continue in 2004 on three of the seven new projects, while construction will begin on the following:

- George O'Neal Road Jones Creek Road to O'Neal Lane
- Lobdell Avenue Jefferson Highway to Goodwood Boulevard
- Picardy Avenue Essen Lane to Bluebonnet Boulevard
- O'Neal Lane George O'Neal Road to South Harrell's Ferry Road

## BUDGET MESSAGE FROM THE MAYOR-PRESIDENT

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### *Other Street Improvements*

In addition to the one-half percent Road and Street Improvement Program, the following major street or intersection improvements will be completed or under construction in 2004. These projects are funded by the use of gaming funds solely or a combination of gaming monies with matching state and federal funds:

- Bluebonnet Boulevard Extension (Burbank Drive to Nicholson Drive)
- Groom Road Improvements (Old Scenic Highway to LA 19)
- Millerville Road Clearing and Grubbing (Old Hammond Highway to South Harrell's Ferry Road)
- Old Jefferson Highway (LA 73) Intersection Improvement at Antioch Road
- Old Jefferson Highway (LA 73) Intersection Improvement at Barringer-Foreman Road
- Airline Highway (U.S. 61) Intersection Improvement at Barringer-Foreman Road
- Staring Lane Intersection Improvement at Hyacinth Avenue
- North Foster Drive Intersection Improvement at Greenwell Springs Road/Gus Young Avenue
- North Stevendale Road Right Turn Lane Improvement at Florida Boulevard
- West Mount Pleasant-Zachary Road Intersection Improvement at U.S. 61
- Comite Drive Bridge Replacement at Comite River Crossing

Although the following transportation improvements are not directly funded by the City-Parish, it is important to note that they will be under construction or completed in 2004:

- Essen Lane (LA 3064)/I-12 East Bound On-Ramp Connection
- Old Scenic Highway (LA 964) Improvement (U.S. 61 to LA 64)
- Old Scenic Highway (LA 964) Improvement (LA 64 to Parish Line)
- Joor Road (LA 946) Improvement (Mickens Road to Hooper Road)
- Old Hammond Highway (LA 426) Improvement (Airline Highway to Boulevard de Province)

### **RIVERSIDE CENTROPLEX EXPANSION AND RIVER ROAD REALIGNMENT**

Improvements to the Riverside Centroplex and River Road are currently under construction. The River Road realignment will make it much more pedestrian-friendly and will also provide additional space for the Riverside Centroplex expansion. The Riverside Centroplex improvements will include improvements to over 160,000 square feet of the facility by adding approximately 70,000 square feet of exhibition space to the current facility (which presently has 60,000 square feet of exhibition space), 12,000 square feet of adjacent meeting rooms, a grand reception area, and connecting galleria space, as well as renovation and expansion of the existing kitchen, renovation of the existing exhibit hall into the new ballroom, and renovation of the existing service plaza into an inviting pedestrian plaza and east entrance. The expanded facility is expected to be operational in September of 2004.

The State of Louisiana has provided \$30,400,000 in state capital outlay funds for these projects. Of this amount, \$28,500,000 is allocated for the Riverside Centroplex expansion and \$1,900,000 is available for the realignment of River Road. The City-Parish has funding in the amount of \$24,270,000 from a dedicated local occupancy tax, state-shared hotel/motel taxes, and bond proceeds supported by dedicated taxes available for these projects. This will support an

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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expansion to the Riverside Centroplex in the amount of \$48,540,000, with the City-Parish and State paying 50% each as provided under the current cost-sharing arrangement.

The City-Parish requested that state funding for the Riverside Centroplex and parking facilities in the vicinity of the Riverside Centroplex be increased in the 2004 state capital outlay bill to \$80,073,200. If this request is approved by the state, the City-Parish will be required to contribute an additional \$7,846,600 as the local share under a revised cost-sharing agreement should we choose to take advantage of all of the increased funding. This would bring the total state funding for the project up to \$43,726,600, increase the local share to \$36,346,600, and require the issuance of debt or provision of funding from other sources by the City-Parish.

### **LOUISIANA ART AND SCIENCE MUSEUM**

#### ***Planetarium/Space Theater***

Construction of a two-story, 18,000-square-foot, state-of-the-art world-class planetarium and space theater was completed in May 2003. It is located adjacent to the existing Louisiana Art and Science Museum (LASM). This new 150-seat facility is preeminent among demonstration-type classrooms throughout the world and is presently the only major planetarium in the State of Louisiana. The planetarium's space theater projects a realistic presentation of more than 15,000 stars as seen from planet Earth. Additionally, the space theater features large-format films, many using IMAX technology. Funding for the project in the amount of \$9.5 million was provided by the State of Louisiana and the City-Parish. A grant from the Pennington Foundation will help keep admission fees affordable for families and school groups.

#### ***Train Exhibit Renovation***

An architect is currently under contract to develop plans and specifications to improve the appearance of the train exhibit located on the north side of the LASM Building. Construction on this improvement should begin in the first part of 2004. Under this project, some of the existing railroad passenger cars will be removed from the site and the locomotive coal tender will be painted. The plan proposes a protective pavilion for the train and for visiting families, school groups, and tourists to congregate, relax in the shade, or enjoy a picnic. Attractive landscaping and permanent benches and tables will also be provided. There will also be a small concession area and an attractive wrought-iron fence installed along the existing Illinois Central/Canadian National railroad tracks. The total site area is approximately 33,000 square feet. State capital outlay funding in the amount of \$500,000 is available for this project, and \$200,000 was provided in the 2003 budget from gaming monies.

### **COMITE RIVER DIVERSION CANAL**

On July 15, 2000, voters in East Baton Rouge Parish, Livingston Parish, and Ascension Parish approved a three-mill, ten-year property tax that provided part of the local match for the Comite River flood control project. The project involves the construction of a 250-foot-wide diversion canal that will be approximately 12 miles long, running between the Comite River and Mississippi River. It is being designed and managed by the U. S. Army Corps of Engineers and is estimated to cost \$153 million. The local property tax is expected to generate \$6 million over ten years. The federal government will contribute \$107.1 million, and the state will provide the remaining part of the local match, or \$39.9 million. In addition, East Baton Rouge Parish has agreed to contribute to the maintenance of the canal once it is built. The estimated annual maintenance cost is \$493,000.

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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The Project Cooperative Agreement among federal, state, and local governments was signed on September 27, 2001. Right-of-way acquisitions and clearing and earthwork construction for the first phase, the Lilly Bayou Control Structure, are currently underway.

The proposed project, when completed, will greatly reduce flooding along parts of the Comite and Amite Rivers and waterways that empty into them. This will be of great benefit to thousands of property owners in East Baton Rouge Parish who are impacted by flood waters, as well as to many in Livingston Parish and Ascension Parish. The Comite River Diversion Canal Project is expected to be completed in 2008.

### **PARKING FACILITIES**

With the resurgence of downtown, the number of surface lots has diminished and the need for parking has steadily increased. The recent opening of the Louisiana Art and Science Museum Planetarium/Space Theater and completion of construction on the Riverside Centroplex in 2004 will increase demand for additional parking facilities.

The City-Parish entered into a cooperative endeavor agreement with the State of Louisiana to construct a parking facility to address the private sector needs within the Central Business District and the public sector needs adjacent to the Riverside Centroplex and new Shaw Center for the Arts. Under the agreement, the City-Parish will contribute \$2.5 million for construction of the facility and is entitled to monies generated from parking revenues, which can be applied to the City-Parish's share of operating expenses and debt service on funds borrowed for the project. The garage will be constructed on state-owned land at the corner of Third and Convention streets. Also, consideration is being given to working with private interests to construct an additional garage in the vicinity of the Riverside Centroplex.

An annual General Fund subsidy for our existing parking facilities was required through 2002 in the amount of \$350,000. The debt on these facilities is fully repaid, and these monies are now available for renovations to our existing parking garages and to assist in obtaining additional parking facilities in the downtown area.

### **MEDICAL FORENSIC FACILITY**

Construction of a Medical Forensic Facility should be completed by the first part of next year at a cost of approximately \$1.5 million. The project consists of the construction of a 5,600-square-foot administration building and a 1,800-square-foot forensic building. The facility will be located behind the Advanced Traffic Management and Emergency Operations Center. Currently, autopsies are being performed in a mobile facility located at the City-Parish's Chippewa Street Facility. This new state-of-the-art facility will allow the Coroner's Office to more efficiently perform and administer their duties and will provide for better security. It will provide space for 12 bodies. The current structure can accommodate only three bodies, with funeral homes and hospitals providing assistance when necessary.

### **WORK RELEASE FACILITY**

East Baton Rouge Parish courts deal with approximately 26,000 criminal cases each year, of which 5,000 are felonies and 21,000 are misdemeanors. Many individuals charged with DWI, shoplifting, non-support, spousal abuse, writing bad checks, contempt of court, and other misdemeanors do not visit prison in any capacity. Since many criminals graduate from misdemeanors to felonies, the City-Parish and Sheriff's Office are building a 92-bed work release building near the existing Parish Prison. Prisoners will spend nights and weekends at the facility, but will be allowed to leave to maintain their jobs.

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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They will be required to pay for costs associated with the facility including lodging, meals, security, medical needs, utilities, debt payments on the building, and the rental of land.

Construction on the project began in June of 2003 and should be completed in January 2004. Funding in the amount of \$750,000 will be provided by a federal grant approved by the Louisiana Department of Corrections, and any additional monies needed for construction or equipment will be borrowed by the Sheriff through the Louisiana Community Development Authority. Minimum security will be provided by the Sheriff's Office, as will programs aimed at eliminating various addictions. Meals and medical needs will be supplied by the Parish Prison.

The program has been endorsed by the Mayor's Prison Committee and Judges of the Nineteenth Judicial District Court, Baton Rouge City Court, East Baton Rouge Juvenile Court, and East Baton Rouge Family Court.

### **BICYCLE PATHS**

Bicycle paths along our scenic waterways have been a vision for many of our residents. The City-Parish has entered into a contract with the Corps of Engineers and LA DOTD to develop construction plans for approximately four miles of bicycle/pedestrian transportation to be built on top of the East Baton Rouge Parish Mississippi River levee. The path will be 15 feet in width, with ten feet for bicycles and five feet for pedestrian travel. The first phase of the path will run from the Baton Rouge downtown casino area for approximately two miles to Skip Bertman Drive. The second phase will run from Skip Bertman Drive to Farr Park. Construction for the first phase should begin early in 2004. Recent bids for this project exceeded the \$1.4 million construction estimate and it is being redesigned to lower costs. The City-Parish will contribute a 5% match for construction plus testing costs from the Department of Public Works' budget.

A second project involves a bicycle path along Dalrymple Drive and an upgrade to the existing path along the banks of University Lakes. This project is currently under design. The LA DOTD has approved \$328,000 for this project and the City-Parish will contribute a 5% match for construction plus testing costs from the Department of Public Works' budget.

## **DEBT MANAGEMENT**

Our government has invested considerable effort into maintaining a working relationship with rating agencies and bond insurance companies over the past several years. This allows us to keep them informed concerning issues that affect our bond ratings and bond insurance premiums. Rating agencies have cited strong financial management and the willingness to take prompt corrective budgetary action when necessary as positive attributes of our government. As a result, the City-Parish enjoys favorable bond ratings such as those on the 2% general sales tax revenue bonds from Moody's Investors Service (A1), Standard and Poor's (AA-), and Fitch Investors (AA-). These ratings result in very reasonable interest rates on debt.

On March 6, 2003, the City of Baton Rouge converted \$25,035,000 of Series 2002-A Taxable Refunding Bonds from a variable rate to a fixed rate. The bonds were originally issued at a par amount of \$25,900,000 on May 17, 2002, to refund one-third of the City's obligation to the Municipal Police Employees' Retirement System. The true interest cost obtained on the conversion date was 5.65%, and this transaction resulted in gross debt service savings of \$3.6 million and present value savings of \$1.8 million over the life of the new bond issue.

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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On April 9, 2003, the Parish of East Baton Rouge issued \$112,720,000 of Public Improvement Sewer Sales Tax Revenue and Refunding Bonds at a true interest cost of 4.04%. This refunded original par amounts of the \$30.2 million, \$70 million, and the callable portion of the \$36 million Sewer Sales Tax Revenue Bonds. These bonds were originally issued with true interest costs of 5.6%, 5.2%, and 6%, respectively. This transaction generated gross debt service savings of \$4.8 million and present value savings of \$4.5 million over the life of the new bond issue.

It is anticipated that debt will be incurred in 2004 relative to the Sanitary Sewer Overflow (SSO) Corrective Action Program. Application has been made to the Louisiana Department of Environmental Quality for a loan from their state revolving loan fund. They have indicated that \$25 million will be available for this purpose at an interest rate of 3.95% for the first loan. Subsequent loans of \$15 million per year may be available depending on the availability of grant funds from the federal government. Additional bond issuances through 2012 will be needed to provide funds for the SSO program. These obligations will be supported by sewer user fee revenues and sales taxes dedicated for sewer improvements.

## **DEPARTMENT INITIATIVES**

### **BATON ROUGE POLICE DEPARTMENT**

#### ***CALEA Accreditation***

The Baton Rouge Police Department was granted unconditional accredited status at the Commission on Accreditation for Law Enforcement Agencies (CALEA) conference in November of 2002. The department was recognized for establishing and revitalizing the necessary review and analysis processes to maintain compliance with all required standards.

The department is currently conducting a review of all intra-divisional procedures, which will be followed by a review of all CALEA files. A review of all general orders and a department-wide mock assessment will be conducted early in 2004. These efforts are in preparation for the on-site assessment in August of 2004 and the goal of re-accreditation.

#### ***Grant Development***

Programs funded through the acquisition of grants in 2003 include: replacement of the original Mobile Data Computer System with new, high-speed Gemini Mobile Data Modems; the Integrated Criminal Apprehension Project; DARE; Operation Crossroads; the purchase of 600 weapons of mass destruction/hazmat escape kits and 85 full-face masks to replace old masks for the Special Response Team and Mobile Field Force; and partial funding for the replacement of 416 bulletproof vests.

The department will continue efforts to identify and secure alternate sources of funding. In addition to continuing the programs mentioned above, the department plans to seek funding for projects such as upgrading and replacing its voice radio system from analog to digital technology, acquiring equipment and providing training related to homeland security and emergency preparedness.

***Community Policing Model District***

The Community Policing Model District began using a bicycle patrol to target crime in specific neighborhoods. This effort has been very successful and well received by the public in those areas. Work also began with the Blight Elimination Team to rid the Brookstown area of its street-level drug sales activity and related crimes. The model district will continue to train officers and supervisors for community policing and expand the bicycle patrol to include five more officers, continue their partnership with Probation and Parole, continue tactical operations in selected areas, and decrease the number of false alarms to which their officers respond.

***Technological Support***

Thus far in 2003, the department's Technological Support Division has provided 125 desktop workstations and 97 laptop computers, with plans to purchase 38 more laptop computers by the end of the year. They also began efforts to improve or replace the existing Automatic Vehicle Locator mapping product and completed an Application Data Systems, Inc., upgrade department-wide.

The division plans to purchase additional equipment for the storage of departmental records, develop and implement an in-house inventory system, continue the computer asset replacement program by purchasing 135 laptop computers each year, and develop a unified source for the storage of all information necessary to manage the mobile data operations.

***Facility Improvements***

Several projects were completed in 2003, including installation of new windows at the Training Academy Gym, installation of a new aluminum canopy at Headquarters, establishment of a partnership with Exide Corporation to remove spent lead at the firing range at no cost, installation of bullet-resistant glass at three district offices, a mold remediation project at some facilities, and identification of a power quality issue involving computers.

Plans for 2004 include the installation of a telephone and computer system at the firing range in conjunction with the East Baton Rouge Parish Sheriff's Office, installation of new electrical service for Building 9 (which houses Training Services, Technology Call Support and various offices), installation of bullet-resistant glass for the information booth at Headquarters, and renovation of the men's restroom facilities at the Training Academy.

***Serial Killer Task Force***

Many assets and a considerable portion of the department's manpower were dedicated during the last year to the efforts of the serial killer task force. Although the intensity of their work and the expenditure of funds for this purpose are ending, their efforts are now being nationally recognized by other communities dealing with the effects of serial killers and mass murders. The Chief of Police has received numerous requests to share his insight on these matters that was gained under most stressful circumstances.

**BATON ROUGE FIRE DEPARTMENT**

*Suppression*

The purchase of 110 Self-Contained Breathing Apparatuses (SCBAs) brought all units used by the Fire Department into compliance with current applicable safety standards and assures proper protection for firefighters. The cost to replace these units and related equipment was approximately \$400,000. This is the continuation of an effort that began in 2002 when 60 units were purchased.

The SCBA refilling station located at Fire Station #12 on Government Street was replaced at a cost of \$35,000. This facility is used to fill air bottles used by firefighters and to fill portable filling stations mounted on two service units.

The purchase of 21 automatic external defibrillators will allow them to be carried on all first-line engine companies. They are used by firefighters to deliver lifesaving electrical shocks to heart attack victims.

A firefighter academy was conducted from May through August 2002 and graduated 30 firefighters.

The capabilities of computer-based information systems on fire trucks was greatly enhanced. The computers on trucks can now automatically provide detailed maps and real time driving instructions to emergency calls, show special features such as fire hydrants and hazardous materials locations, and graphically provide detailed facility information on Baton Rouge businesses.

*Administration*

The ISO "Class 1" rating was maintained. This assures the citizens of the best possible fire protection at the lowest possible fire insurance rates.

Construction was completed on Fire Station #11 located at 3186 Highland Road at a cost of \$1,041,000. This replaced a 52-year-old station housing one engine company and one ladder truck. Architectural work also began to replace Fire Station #3 located at 3142 Evangeline Street. Demolition and construction are scheduled to begin in 2004.

Three major steps were implemented relative to an employee wellness and fitness program. These included the purchase of treadmills and weight stations for all fire stations, performing baseline physicals for all uniformed personnel, and establishing procedures for all employees to begin and maintain a physical fitness program customized to their individual needs.

A new digital imaging system was purchased and implemented. It allows the storage and retrieval of all paper documentation in a more efficient manner. This provides access to older documentation to numerous individuals throughout the Fire Department.

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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### ***Prevention***

The Fire Department provided over 144 fire education and safety classes during the first seven months of 2003 that reached over 5,500 people. These classes instructed people from preschoolers to senior citizens. Over 9,700 businesses were also inspected during this same time period to assess their compliance with the local fire code and as a fire prevention effort.

In 2004, the Fire Department plans to enhance the safety of Fire Department employees by reducing hazardous emissions from fire trucks in stations through the installation of a vehicle exhaust removal system in all fire stations.

### **EMERGENCY MEDICAL SERVICES**

Emergency Medical Services strives to maintain a state-of-the-art response capability throughout East Baton Rouge Parish. They have established a number of programs that reduce operating costs and effectively use their resources to provide faster responses, better treatment techniques, and quality trained paramedics.

Vehicle remounts of ambulance modules on new truck chassis is a program that has significantly reduced maintenance costs over the last several years. About every 100,000 miles, ambulance boxes or patient compartments are remounted onto new truck frames, which allows them to maintain a newer ambulance fleet. Efforts have also been coordinated with the Coroner and Baton Rouge Metro Airport to create a special response vehicle to handle disaster situations. This vehicle was equipped by all three agencies to quickly respond to any type of disaster that involves numerous patients.

In large crowds, response times can be extended and EMS is continually looking for better ways to access patients in all situations. Their Bike Medic program has been a huge success and several of their paramedics won national competitions last year. Two Segway personal transport vehicles have been added to their fleet. These are ideal for carrying equipment and a medic through large crowds, especially in indoor venues.

EMS has adopted procedures to comply with all federal HIPPA regulations. These changes have included the way they exchange information with other healthcare agencies and their patients. In an effort to increase the physical security of these documents, EMS implemented a digital imaging system. All documents pertaining to patient care are scanned into the system and the documents are then destroyed. When a document is viewed or printed, a complete audit trail is created indicating anyone that has accessed a patient's information.

Recruiting paramedics has become more important than ever before. The lack of available applicants that are paramedic certified in the Baton Rouge area has caused EMS to become aggressive in recruitment campaigns in other areas.

EMS offers more than just emergency services to the citizens of East Baton Rouge Parish. Education and prevention are key in protecting the public. Their children's education program, "Perry Medix and the Sirens," is in its seventh year. This program focuses on teaching young children about safety and the use of 911. It is evolving into a true center for children's safety education, and they are working more with teachers to achieve this goal.

### **OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

On July 23, 2003, the East Baton Rouge Parish Office of Emergency Preparedness officially became the Office of Homeland Security and Emergency Preparedness (OHSEP) in accordance with the revision of applicable federal and state

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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statutes. As the change in title suggests, there will be a broadening of the duties previously delegated to the Office of Emergency Preparedness. OHSEP will retain the legal authority and responsibility for the direction and control of all resources in East Baton Rouge Parish. Additional responsibilities will include taking an integral role in the development and revision of local and inter-jurisdictional homeland security plans. In addition, the Director of OHSEP is responsible for securing the necessary resources for implementation and integration of homeland security plans in our community.

The Emergency Operations Center for the parish was placed on stand-by on 69 occasions and was activated four times during the 12 months ending July 2003. East Baton Rouge Parish also had four disaster declarations in that time. Each time the terror alert level reached "HIGH" in the past year, the OHSEP initiated Homeland Security briefings to coordinate security measures associated with the rise in the threat level.

Training is an important initiative for OHSEP and in 2003, we placed an increased emphasis on integrating the medical community into training programs with traditional responders. From August 2002 through July 2003, OHSEP sponsored ten training programs, seven of which were oriented toward the medical community. The approximate enrollment of those ten programs was 1,140 participants. Free training has been provided for parish response personnel through the Louisiana Office of Homeland Security and Emergency Preparedness with 101 participants.

Several new programs were initiated in 2003. OHSEP, in coordination with the Baton Rouge Fire Department and St. George Fire Department, has taken the lead in development of the Baton Rouge Area Mutual Aid System. This is a regional search and rescue team established to enhance response capabilities for an eight-parish area. East Baton Rouge Parish was selected to participate in a pilot program offered by the Texas Engineering and Extension Service that integrates medical and emergency response training and uses human patient simulators. East Baton Rouge Parish has coordinated with the Joint Readiness Training Center to conduct a week-long exercise to take place in Baton Rouge involving Army personnel. In partnership with the Department of Health and Hospitals, OHSEP is renovating the Gillis W. Long Center in Carville, Louisiana, to be used as a training facility for medical personnel. East Baton Rouge Parish is also the first jurisdiction in the nation to enroll in the Emergency Management Accreditation Program for emergency management programs.

OHSEP continues to receive grant funding for projects that require resources beyond those provided by the City-Parish operating budget. For 2003, OHSEP has applied for \$11,106,000 in grant funding, and for the 2002-2003 grant period, has been awarded \$3,293,000. With additional funding earmarked by the federal government for homeland security initiatives and the possibilities for growth in new and existing initiatives, this figure should increase.

### **DEPARTMENT OF PUBLIC WORKS**

The Department of Public Works is charged with the responsibility of delivering a number of services to the public. It provides engineering for capital improvements, maintains supply warehouses, receives complaints from citizens, and provides maintenance and custodial operations for public buildings and grounds. The department is responsible for regulating the building industry through inspections and maintaining traffic control devices, streets and roads, and the storm sewer system of bridges, canals, ditches and subsurface drainage. It also provides street sweeping services and beautification, and monitors contracts for garbage and trash collection.

In addition to the above, the department is responsible for various capital improvement projects. The renewal of the one-half percent sales tax for street and road improvements will require a considerable effort in 2004, as will coordination of

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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construction related to the Sanitary Sewer Overflow wastewater improvement program. Also, construction is continuing on the Riverside Centroplex expansion. These and other major capital improvement projects are more fully described in the Mayor-President's Budget Message under the section titled "Capital Improvements."

A new and expanded vegetation management program was begun in 2002 and for the first time included chemical management of over 1,800 acres of roadside vegetation. The timing of this program could not have been better, because, while the department was working to reduce operational costs, they were also faced with ideal grass growing conditions all season long. The roadside spray program allowed them to reduce costs, redirect manpower and other resources to other important programs, and produce a pleasant roadside appearance for our citizens and visitors. We believe the program has been very successful and intend to pursue it in 2004 as well. The 2004 budget includes \$150,000 for this program.

The Citizens Service program was transferred to the department in 2002. This change allowed the unit that receives most citizens' requests for services to work in direct harmony with the units that respond to the work requests. The transfer was just the start of a systematic plan to offer customer-centric service to the citizens of the parish. The next step is to procure a modern computer system that will track citizens' requests, monitor resources expended on those requests, provide important management and budgeting tools, comply with Governmental Accounting Standards Board Statement 34 requirements, and provide updated information for the Geographic Information System. Most importantly, the system is fully compatible with, and complementary to, our e-government initiatives.

### **BATON ROUGE METROPOLITAN AIRPORT**

In April of 2003, the Airport held the grand opening of the Atlantic Southeast Airlines (ASA) maintenance facility. This facility employs 55 employees with an average salary of \$40,000. It was built with State Capital Outlay funds and was the result of many government and private agencies participating in the project.

The Airport opened the only alternative fuel station in North Baton Rouge in October of 2003. The Federal Aviation Administration (FAA) provided funding to only ten airports for construction of these facilities. Once again, the Airport was successful in obtaining participation from governmental agencies and private companies for this project.

The notice to proceed for the reconstruction of Runway 4L-22R was issued last December. The FAA issued a PAYGO in the amount of \$23 million to fund this project, and the State Office of Aviation is also participating. The first phase of the project is nearing completion, and Phase II bids will be received in late 2003, with an anticipated start date of early 2004.

During this year, the Airport completed a new Master Plan, which details the projects that the Airport will pursue for the next five years. This plan is FAA-mandated and must be updated or completely revised as necessary to keep the progress of the Airport current. This process involved the FAA, State Office of Aviation, the Airport, and a private consultant firm. These parties along with committees of local residents, civic leaders, and the Metropolitan Council met to discuss the direction that the Airport should be moving to accomplish the goals set out by the plan. At this time, the Airport is awaiting the Metropolitan Council's acceptance of the plan, and it will then be sent to the FAA for their acceptance. The FAA and State Office of Aviation will fund this plan.

Other projects in process at the Airport include the construction of a perimeter road around the airfield for the safety and

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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convenience of all Airport employees, the construction of a new cargo building, construction of air carrier apron drainage, and an air carrier apron.

At the present time, plans are underway to construct an additional parking garage next to the present garage. The new garage is to be funded from a Customer Facility Charge and will provide additional covered parking spaces for Airport patrons and cover for the ready rental cars. In addition, this project will provide for additional cover space so that, once Airport patrons walk through the terminal, they will be under a cover from the airplane to their car, whether it is their personal car or a rental.

The Airport continues its Noise Abatement Program by soundproofing those homes located in the noise contours as established by the FAA. At this time, the Airport has mitigated 1,476 homes, two schools, and a church. Presently, there are 376 homes under contract for sound mitigation. The FAA and the State have appropriated approximately \$70 million since 1986 for this program.

### **EAST BATON ROUGE PARISH LIBRARY**

The East Baton Rouge Library system is comprised of a main library and the following 12 branches: Baker, Bluebonnet Regional, Carver, Central, Centroplex, Delmont Gardens, Eden Park, Greenwell Springs Road Regional, Jones Creek Regional, Pride, Scotlandville, and Zachary. They are open a cumulative total of 856 hours weekly to meet the information needs of its patrons. The system employs a well-trained service-oriented staff, selects and organizes up-to-date collections and databases, and provides convenient outlets with sufficient hours seven days a week to serve the public. To meet the cultural, recreational, and information needs of the diverse Baton Rouge community, the library provides:

- Books, newspapers, magazines, videos, art prints, books on tape, CDs, DVDs and electronic databases that are resources for the young and the old.
- Special activities such as children's summer reading programs, story time, Prime Time-Family Reading Time, author/illustrator workshops, and many other exhibits and programs for all age groups.
- Information services, interlibrary loans, library publications, subject bibliographies, reader's advisory services, public access computers and dial-in access to the online catalog.

The entire world of information delivery in public libraries is rapidly changing and the East Baton Rouge Parish Library must be effective and efficient in connecting its community to the new electronic world of information. The library's home page, created and maintained by library staff, can be accessed at [www.ebr.lib.la.us](http://www.ebr.lib.la.us).

The East Baton Rouge Parish Library is the busiest library system of any type in Louisiana. In 2002, the library staff circulated 2,358,000 items, answered 629,000 reference questions, and registered over 600,000 visits to the Library's web page. Almost 3,000 programs were provided for our patrons in 2002.

Since 1986, funding for the library system has come from a dedicated property tax. An 11.1 millage rate was approved in 1995 for a 10-year period to operate and maintain the existing system, improve services, and replace substandard facilities in Baker, Carver, Central, Eden Park, Pride and Scotlandville. In 2000, the millage was adjusted downward to 10.72 as a result of the reassessment of property.

## BUDGET MESSAGE FROM THE MAYOR-PRESIDENT

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Major accomplishments for the system include:

- Continuing construction on the Zachary Branch Library that began in 2002. This new 18,000-square-foot facility is scheduled to open in late 2003 or early 2004.
- The design phase for the expansion of the Delmont Gardens Branch Library will be completed in 2003, and construction on the expansion should begin in late 2003. The addition of approximately 10,000 square feet will expand this branch to 17,500 square feet.
- The design phase was implemented for the new Eden Park Library. A new 12,000-square-foot facility will be constructed on property near the intersection of Greenwell Springs Road and North Foster Road.
- The design phase was completed and construction began in 2003 for the new Carver Library. The new 12,000-square-foot library will replace the existing leased 3,000-square-foot facility.
- The design phase was completed for the new Pride/Chaneyville Library to be constructed near the Northeast school complex. Construction should begin in late 2003 or early 2004.
- *The Source*, a monthly newsletter detailing information on services, programs, resources, and current events at the library, entered into its third year of publication.
- Outreach services were provided to individuals living in retirement homes and in assisted-living facilities through visits in the outreach van.

The Library system has many plans for the future, including the following:

- Funds will be reserved to continue the pay-as-you-go capital improvement program for future construction.
- Construction will begin on the new branch libraries for Eden Park, Pride, and the Southdowns area.
- Programs will be implemented to introduce patrons to the world of the Internet and the mechanics of graphical access.
- Electronic networked databases will be expanded that can be accessed throughout the Library System and from the Library web site from home computers.
- Approximately 100 new public-access computers will be distributed among the 13 outlets.
- Traditional print and non-print collections in the system will be expanded by 60,000 items.
- Software will be purchased to make the library's electronic catalog more user-friendly.
- Programs that are educational, interesting, and fun for all age groups will be continued.

### DOWNTOWN DEVELOPMENT DISTRICT

The Downtown Development District is pleased to report that over \$410 million in public and private sector investments are underway within Baton Rouge's city center. The previous decade of investment soars to over \$830 million. There is a tremendous collaborative effort among the city, the state, and the private sector to develop downtown into the epicenter of the community.

Working from downtown's master plan, Plan Baton Rouge, the Downtown Development District Commission is working diligently to manage the redevelopment of Baton Rouge's downtown area. Development is underway within several of the plan's components.

#### *The Cultural Arts*

In 2003, the Louisiana Art and Science Museum's Planetarium and Space Theater opened. This facility is second to none

## **BUDGET MESSAGE FROM THE MAYOR-PRESIDENT**

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in the United States. The facility offers inspiring opportunities for children and adults alike. State-of-the-art equipment occupies the facility, as well as priceless pieces of art.

In 2002 and 2003, the new Louisiana State Capitol Park Museum emerged on the skyline. Furthering the state's development in downtown, construction commenced in 2002 on the state museum that will complement the museum treasures of downtown—the Old State Capitol, the Old Governor's Mansion, the Arsenal Museum, the Pentagon Barracks, and the new State Capitol.

The Arts in 2003 have seen the tremendous collaboration of the public and private sectors as construction began on the new Shaw Center for the Arts. In 2003, construction of the new Louisiana State University Art Museum, a new performing arts center, a new plaza, and the renovation of several buildings for the arts commenced. Scheduled for completion in 2005, the new and renovated buildings will allow the Baton Rouge community to explore the arts to a new horizon.

### ***Civic Development***

Downtown will see the continued expansion of the city's convention facilities in 2004. The expansion of the convention center commenced in 2003 with over \$50 million of improvements. The new facility will allow Baton Rouge to become a major competitor in the convention industry. The expansion will be completed in 2005.

The State of Louisiana continued its commitment to consolidate state government into efficient and architecturally magnificent new structures. In 2003, the state opened the Poydras Building, the Galvez Building, and the Livingston Building. Construction commenced in 2003 on the visitors' center, the Bienville Building, and the d'Iberville Building. Upon completion of the Capitol Park in 2005, more than one million square feet of office space will have been constructed and over 3,000 employees consolidated to the city center.

### ***Private Sector Development***

A necessary component to the success of downtown's revitalization is the partnership and leadership of the private sector. The private sector may be seen extending its leadership in business and residential development. Numerous initiatives are underway within downtown in renovating buildings for new commerce and residential development. In 2003, new loft development was initiated in a structure previously known as the Piccadilly Building (Mayer Building). Other loft development was initiated in the Jumonville Building on Lafayette Street. One River Place is being developed as a residential project on the Mississippi River offering a mixed use along with residences, including new condominium development. Other major private commercial renovations which commenced in 2003 include the historic Jackson Building, that is soon to be the headquarters of ABMB Engineers on Main Street, and the Schwing Building, which was the first location of Standard Oil Corporation on Government Street, that will be utilized for office space.

The face of downtown Baton Rouge is changing. The Downtown Development District serves as a catalyst to ensure that downtown's options are continually explored and the best solution is implemented to the highest degree. Furthermore, the Downtown Development District ensures that development of downtown reflects the community it serves.

## **HUMAN RESOURCES DEPARTMENT**

In response to the Mayor-President's strategic initiative of effective, efficient, and excellent government, in 2003, the Human

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Resources Department was actively involved in contracting with MGT of America Consultants to perform a comprehensive classification, compensation, and benefits study within the City-Parish to enhance recruiting and retention efforts. The department, in partnership with key stakeholders, developed the request for proposals and participated in the selection process. The department provided MGT with critical data for the study. MGT's contractual obligations were to review the City-Parish's current pay plan structure and to make recommendations for revisions. Goals included streamlining pay administration, developing a wage and salary plan that provides fair and internally equitable systems of classifications and pay, providing a summary of current benefit and salary compensation, providing an analysis of supervisor to employee ratios for departments, and providing a plan which allows for periodic updating of these systems by our staff. As a second phase to the study, the department will concentrate on a new performance-based appraisal system that ties pay directly to performance. The new system will provide managers with a tool to evaluate employee performance.

In response to the recommendation of MCORE relative to the review of civil service rules and regulations to address deficiencies in personnel rules for classified employees, the department leads a committee of professionals from within and outside our government that reviews civil service rules and makes recommendations. The department has also increased the overall effectiveness of Equal Employment Opportunity compliance by developing a city-wide EEO educational program for all employees.

In order to target the Mayor-President's strategic initiative of improving customer service and citizen accessibility, the department participates in career days at local colleges and universities and sponsors job fairs at local malls. The department provides an annual report and public information communications on the Internet to keep internal and external customers aware of departmental initiatives. A program to accept job applications at local library branches will be re-established in 2004, and efforts will continue to actively recruit applicants through the Internet and to continue to find applications for e-business systems where practicable.

Major goals of the department for 2004 include updating the recruitment and examination processes with an emphasis on diversity and equal employment opportunity. Efforts will continue to enhance educational programming for all City-Parish employees with emphasis on improved performance, improved public services, and sensitivity to differences of all employees and the public we serve.

### ***Training and Employee Development***

City-Parish employees participated in over 22,000 hours of training and development activities that were coordinated by the department during 2002. Special programs included the first annual Head Start Staff Development Conference, Police Leadership Academy, Police and Emergency Medical Services Field Training Officer Development, On-the-Job Training model for Department of Public Works employees, Diversity Awareness, and development activities for supervisors and managers. The addition of an Equal Employment Opportunity/American with Disabilities Act Office to the Department of Human Resources will enable them to lead the City-Parish's efforts in these areas, as well as diversity programs in 2004.

## **FINANCIAL AND ADMINISTRATIVE**

### ***Legislative Issues***

In 2003, the Louisiana Legislature convened for its regular session, which was a general session covering all subjects except fiscal matters. There were approximately 3,000 items of legislation filed, with a great number affecting the City-Parish and

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its various departments. The City-Parish presented a package of six items to the East Baton Rouge Parish Legislative Delegation for their sponsorship and support. All six bills successfully completed the process and became law and addressed the following matters:

- Permitting the Metropolitan Council to appoint its members to boards, commissions, or other entities created by local ordinance, resolution, state statute, home rule charter, or the *Plan of Government*.
- Authorizing the construction of bicycle paths and walkways on the Mississippi River levees in East Baton Rouge Parish and other parishes.
- Removing the requirement that the Capitol House Hotel property be transferred to the City-Parish prior to creation of the Capitol House Taxing District.
- Providing that notices of complaints to local boards of review regarding property tax assessments be received no later than seven days prior to the public hearing.
- Providing additional notice to East Baton Rouge Parish property owners for removal of grass and weeds if initial notices by certified mail are unclaimed.
- Redefining “fixed base operators” as individuals or firms providing general aircraft or air cargo services.

The Appropriations Act contained approximately \$9,500,000 in various appropriations for the City-Parish. The Capital Outlay Act included a number of projects important to the City-Parish, including the following:

<u>Project</u>	<u>State Capital Outlay Funding</u>
Comite Diversion Canal	\$29,980,000
Riverside Centroplex	26,500,000
Third Street Arts Block	25,765,000
Baton Rouge Metro Airport	16,500,000
Bluebonnet Road Extension	6,500,000

In addition to the above, a Uniform Local Sales Tax Code was enacted into law. The legislation included a Uniform Electronic Filing and Remittance System. This system will enable a company to file both its state and local sales tax returns in a single filing on the Internet at no cost. The code will also eliminate inconsistencies contained in the 360 unpublished local taxing ordinances throughout the state and contains administrative provisions which will be the same for all parishes and the same as state law.

***E-Government Implementation***

In October of 2002, \$150,000 was provided to implement five processes for the first phase of the City-Parish’s e-government project. These five processes were sales tax remittances, traffic ticket payments, business license renewals, permitting and inspection, and citizens’ requests for services.

We currently have the ability to process sales tax remittances, traffic ticket payments, and citizens’ requests for services online. By the end of 2003, all five process will be available online. The Automated Citizen Information System will provide citizens with information about services and answers to questions about departments within the government. This system

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will be accessible through the Internet or over the telephone. All of these services will be available 24 hours a day, 7 days a week.

We strive to provide our citizens with online services that will provide them the opportunity to interact with City-Parish government agencies at their convenience. In the coming year, existing online services will be enhanced and additional services will be provided.

### DISTINGUISHED BUDGET PRESENTATION

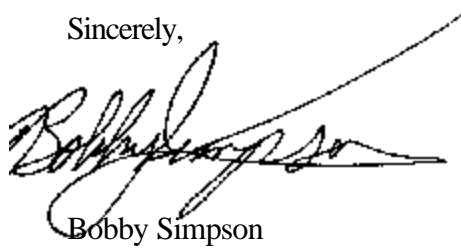
The Finance Department received the “Distinguished Budget Presentation Award” from the Government Finance Officers Association (GFOA) of the United States and Canada for the *2003 Annual Operating Budget*. This national award is the highest professional recognition in governmental budgeting. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device. This is the 13th year in a row that the division has received this award. Employees of the Finance Department have repeatedly demonstrated that they have the highest commitment to quality in the services they provide to their customers. I commend their superior performance.

### CONCLUSION

Government and its leadership are constantly confronted with challenge and opportunity. I am confident that we will jointly meet the challenges that face us and take full advantage of the opportunities before us.

The social and financial resources of this City and Parish, when combined with the work and dedication of ourselves and our employees, can and will produce a community that leads regionally and nationally in the quality and standard of living of its people. This is both our challenge and our opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Bobby Simpson", with a long, sweeping flourish extending to the right.

Bobby Simpson  
Mayor-President