



November 5, 2007

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

I respectfully submit, for your review and consideration, balanced budgets for our General Fund and special funds for the City of Baton Rouge and the Parish of East Baton Rouge for the year 2008.

Since our last report, East Baton Rouge Parish has made great strides among national rankings as we have seen positive growth and results from our economic initiatives. Across the board, national economic indicators are beginning to catch up with the exciting progress in our parish. In one of the top national business rankings, Baton Rouge moved up 38 spots in just one year on the *Forbes* list of Best Cities for Jobs; the second largest one-year increase in America.

Inc. Magazine's 2007 rankings of Best Cities for Business shows that Baton Rouge skyrocketed an amazing 219 places over the previous year, from number 278 to number 59 among cities they identified as "Boomtowns." *Expansion Magazine* ranked Baton Rouge and East Baton Rouge Parish in the top 20 areas for bringing in business, eighth in the country for medium-size areas in business recruitment and attraction.

These positive steps forward have been a direct result of the increase in economic diversity that East Baton Rouge Parish has seen in the past two years.

As we work to diversify our economy, our focus on film, video, and digital media production is creating job opportunities that will help our parish retain our young, creative talent. With the creation of the Baton Rouge Film Commission during 2007, we are recruiting and attracting new films for production and post production with an economic impact exceeding \$55 million. This year, Baton Rouge again hosted the Red Stick International Animation Festival, bringing together companies and people from throughout the world in the forefront of technology, art, and science. Working with Louisiana State University, we have created a Digital Consortium to continue to build capacity for this growing industry.

The economic success of East Baton Rouge Parish has led to an expansion of available flights through the Baton Rouge Metropolitan Airport, which now offers direct flights to major hubs within the United States including Atlanta, Cincinnati, Dallas, Denver, Houston, Memphis, Orlando, and Washington, D.C. This expansion has reduced the cost of flights, allowing businesses to operate more efficiently. Baton Rouge announced its first new airline service in 21 years when Frontier Airlines opened markets to the western U.S., Canada, and Mexico and gave our city its first low-cost carrier in history.

We have seen benefit from a new partnership with the Greater Baton Rouge Economic Partnership (Baton Rouge Area Chamber's non-profit affiliate), resulting in the attraction of national corporations, new manufacturing facilities, and further expansion of several existing national companies. This growth has brought with it an additional 1,050 jobs for our community. With these positive results, we look forward with optimism to the coming year and the continued growth of this renewed partnership.

We have also begun an international partnership among East Baton Rouge Parish, the Pennington Biomedical Center, and the National Science Council of Taiwan for medical research and technology park development. A Memorandum of Understanding signed in Taiwan will allow us to explore collaborations between high-tech



firms and research institutes, as well as the development of biotechnology and medical industry clusters with the Taiwanese Science Parks. The interests of the National Science Council of Taiwan, Republic of China, through its Science Park Administration, and the City of Baton Rouge and Parish of East Baton Rouge can both be served by encouraging knowledge-based companies to cluster in science or technology parks in the Greater Baton Rouge area. This agreement will enable us to work toward that goal.

In transportation we continue to move forward on both short- and long-term solutions to our traffic congestion, starting with the design, planning, engineering, and construction of the road improvements approved by the voters and known as the Green Light Plan. Construction has begun on the first road in that program and will get underway in the immediate future on an additional five roads that are already funded through the construction phase.

We have also initiated a plan to build a traffic loop around Baton Rouge to alleviate congestion. Working together with the parish presidents of four neighboring parishes, East Baton Rouge Parish is leading the way in regional transportation planning. We are exploring new financing models, including public-private partnerships, that were thought of only recently as a vision for the distant future. Use of such models could allow the loop to become a reality within eight years.

Public safety is my top priority today, just as it was when I began this Administration. We are now in Phase II of implementing the Security Canopy Program to make our city safer, expanding the existing system of 58 cameras tied to critical infrastructure. This second phase adds an additional 80 cameras and incorporates a gunshot detection system to monitor areas of high crime, while also building a wireless network for emergency responders to allow for viewing of cameras and transfer of information while protecting our citizens. We have also provided an increase in pay for our police and firefighters totaling approximately \$4.6 million to ensure that first responders are compensated fairly, as compared to other agencies within our region. Funding has been allocated to replace the final two of five outdated fire stations, as well as to purchase a new aerial unit, pumper truck, and service unit to retain our rating as the first Class One department in the United States.

As a government, we continue to move forward with the goal of providing greater services and increased efficiency throughout our departments to better serve the residents of East Baton Rouge Parish.

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 Division of Economic Development and Forecasting, E. J. Ourso College of Business at Louisiana State University. The 2007 *Louisiana Economic Outlook* projects the following conditions for Baton Rouge's nine-parish Metropolitan Statistical Area (MSA) during 2008-2009:

There are an estimated 369,900 jobs in this MSA, the second largest behind New Orleans. It is the largest MSA in the state in terms of numbers of parishes – nine, including East Baton Rouge, West Baton Rouge, Livingston, Ascension, Iberville, St. Helena, Pointe Coupee, East Feliciana, and West Feliciana. In terms of population, East Baton Rouge Parish (429,073) is nudging up against Jefferson Parish (431,361) as the most populous in the state according to census estimates for 2006.



Petrochemicals, Construction, Universities & Government

*The **petrochemical industry** is a huge factor in this MSA's economy. This MSA has the largest concentration of **chemical industry** activity in Louisiana. For example, in 2002 there were 78 plants in the 9-parish area employing 11,789 workers with an annual payroll of \$811.5 million. This sector is heavily concentrated in the three parishes of East Baton Rouge, Ascension, and Iberville. Baton Rouge is home of the nation's second (and the world's tenth) largest **refinery**—ExxonMobil—located just north of the state capitol building. Placid Refinery is also located in this MSA.*

*Because the petrochemical industry is very capital-intensive, when it expands, 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 11 percent of its workforce in the construction sector, a proportion only slightly 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 University – are located in Baton Rouge, along with one of Louisiana's largest community colleges.*

Recent History of Baton Rouge

...This MSA was only mildly touched by the terrible recessionary years of 1982-87. Baton Rouge dropped 4,800 jobs or 2.2 percent of its workforce as compared to the 9 percent decline in the state as a whole over that same period.

***The really good years.** The years from 1988 to 2000 were heady ones in the Baton Rouge MSA. This region had the most enviable growth record in the state in terms of both size and consistency. The MSA immediately recovered the 1982-87 losses with a banner year in 1988 when it gained 10,300 new jobs. Then the region'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.*

***The really weak years.** The tables decidedly turned against Baton Rouge over the next four years. This 9-parish MSA lost 3,900 jobs or 1.1 percent of its workforce in 2001 due to the national recession – both an unusually short and mild dip compared to what happened nationally. Its recovery from that dip was nothing like that of 1988. It took three years to recover the jobs lost in 2001, and those three years were ones of very modest growth... .*

*The culprit behind this slow growth pattern was the **chemical industry**. We have already pointed out the dominant role played by this industry in the MSA's economy. The chemical sector was hurt by two factors. Initially, the **national recession** hit sales in this sector very hard and weakened considerably the price of chemical products. However, the second factor was in many ways the most problematic. **High natural gas prices** radically raised operating costs for these firms. Several chemical firms in the MSA announced layoffs or closed either temporarily, partially, or completely. The region's ammonia fertilizer plants have especially suffered.*



The Katrina Effect

Evacuees in. Baton Rouge is the closest large MSA to New Orleans, so it initially absorbed a huge number of evacuees. From FEMA assistance applications, we estimate that the Baton Rouge MSA initially absorbed about 248,386 evacuees. ***Overnight, the MSA's population thus exploded by over 34 percent.*** Traffic came to a standstill across the area, supplies vanished from grocery stores and gasoline stations, and every rental unit in the area was absorbed. There was a wild real estate period of about one month when realtors were selling more houses in a week than in the previous year. The median price for a single family home leapt 27 percent, the largest jump among the 151 MSAs surveyed by the National Association of Realtors. Sales tax collections in East Baton Rouge Parish rose by 34 percent in September 2005.

Evacuees out. There was, of course, no way for the MSA to permanently absorb a quarter of a million people over such a short time span, if for no other reason than there were not enough jobs available to support that many people. For example, in November 2005, the traffic count on I-12 east of the I-12/I-10 split was up 22 percent over August 2005. Today that count is up only 3.1 percent. On the I-10 bridge over the Mississippi, the count initially jumped by 26 percent, November over August. Now it is up only 2.9 percent.

More importantly, the Census Department has made an estimate of the area's population as of June 2006. That estimate showed the MSA's population was up 35,192 over June 2005—a five percent increase. ...the bulk of that population increase occurred in East Baton Rouge (19,264), Ascension (6,882) and Livingston (5,847) Parishes. The area clearly experienced an “evacuees in – evacuees out” phenomenon. A similar phenomenon was experienced in Hattiesburg, Mississippi and Mobile, Alabama.

Katrina boosted employment. Not only do the population numbers show that this MSA benefited from the storms, the employment numbers...confirm that as well. ...employment...took a distinct upward turn in 2005 and 2006. The MSA's employment rose by 21,300 jobs or 6.2 percent over this period. Obviously such a rapid growth pattern could not be sustained long run. As we predicted in our forecast last year, employment backed off somewhat from the torrid 10,000+ jobs a year pace to a still respectable 6,500 new jobs in 2007.

Forecast for 2008-09

...We estimate that in 2008, the Baton Rouge region will add 7,400 jobs (+2.0 percent) and will follow that with an additional 7,500 jobs in 2009 (+2.0 percent). In percentage terms, this would make the Baton Rouge MSA the fourth fastest growing MSA in the state, behind Houma, New Orleans, and Lafayette.

Construction Leads the Way

Construction activities will continue to be the primary driver behind Baton Rouge's growth over the next two years. We have counted at least \$5 billion in construction projects in the area, by far a record number for the region. They include the following:

- ***Shintech's phase I \$1 billion expansion project began in mid-2006, and the firm indicated it will start an additional \$900 million phase II in late 2008 or early 2009. Once completed the plant will employ 350 permanent workers.***



- *Shaw* has announced the first phase of a large bio-fuels project at the Port of Baton Rouge. The first two plants will cost \$175 million a piece and each will support 300 construction jobs. Shaw anticipates further additions to the facility down the line, which could raise the firm's total investment as high as \$1.5 billion.
- *Cemus LLC* has purchased the old Kaiser property and will spend \$280 million on a new commercial shipping, storage, and distribution center.
- Construction work has begun on the **James Audubon Bridge** over the Mississippi River near St. Francisville. Once completed, this will be the longest cable-stayed bridge in North America at 1,582 feet. Cost of this bridge has escalated to \$406 million.
- *ExxonMobil* will start a \$350 million project at its refinery to produce lower-sulfur diesel.
- *Woman's Hospital* will soon start construction on a new \$301 million hospital on the Briarwood Golf Course property.
- *Placid Refinery* in Port Allen has announced a \$200 million expansion of that plant.
- *Pioneer Chemicals* will spend \$142 million to expand its chlor-alkali plant.
- *Formosa Plastics* has announced a \$100 million expansion of its facility.
- *Huntsman Corporation* will spend \$100 million to increase the size of its plant.
- Construction on a huge new commercial, office, residential complex—**Juban Crossing**—has begun at the intersection of I-12 and Juban Road in Livingston Parish. Over an 8-10 year period an estimated \$750 million will be spent on this project, with about \$300 million being spent over our forecast period.
- Construction has begun on a new **Judicial District Courthouse** estimated to now cost \$112.9 million.
- **The Boulevard**—a \$70 million commercial complex near the Mall of Louisiana—is underway.
- Two large office complexes are being started in 2007 for the downtown area of Baton Rouge—the \$70 million **City Plaza II Tower** and the \$50 million **Laurel Towers/Regions Financial Center**.
- Construction will be continuing on the extensive \$300 million+ commercial/condo/apartment **Perkins Rowe** complex at the corner of Bluebonnet and Perkins.
- Ground should break over the next few months on the \$70 million **Riverplace Condominiums** on the river in downtown Baton Rouge.
- *LSU* will have two significant projects underway during our forecast period—a new \$37 million baseball field and a \$77 million renovation of the Student Union.
- The state has allocated \$87.9 million in **road work** for this region.
- The **National Guard** will spend \$50 million on a new Joint Readiness Training Center at the LSU South property.
- *Wampold Companies* will begin a \$64 million renovation of the old Swaggart dorm into a new hotel.
- *Apartment Development Services* is planning a new \$80 million complex at the Howell Place near the Baton Rouge Airport.
- *Dupont* will be spending \$66 million over the next two years to retrofit its plant in Darrow with new pollution control equipment.
- Work will be completed in 2007 on **The Crescent**—a \$45 million condominium project near LSU.

Note that these construction projects alone will inject at over **\$5 billion** into this region's economy. And this figure does not include normal turn-around maintenance work at the MSA's huge petrochemical complexes, nor does it include on-going residential construction and much of the commercial work driven by the influx of population into the region.



Plus Hotels, Foods, and Fabricators

*It also does not include the remarkable fact that the region will be adding **12 new hotels** over 2007-08, raising available hotel rooms by 1,436. Six are under construction and six are approved but have not started construction. **John Folsie** is expanding his Donaldsonville food processing plant and will add 75 jobs to the workforce. **Lawdan Industries** has completed the overhaul of a 65,000 square foot building in North Baton Rouge and will add about 100 jobs in the first year.*

*In addition to this rather amazing injection of construction spending, there are other new sources of jobs coming to the MSA. In December 2007, the new 120,000 square foot facility for **Direct General Corporation** will be completed, where the firm plans to hire 2,000 employees. **Staples** is establishing a new North American Delivery Contact Center in Baton Rouge that will hire 400 new workers over the next four years who will handle phone calls, emails, and web chats from their homes. Both **Bass Pro** and **Cabela's** will be opening their mega-stores in 2008, with each hiring about 350 workers. Shaw's **Sunland Fabricators** is expanding its facility and adding about 100 jobs.*

It is also apparent that the area's chemical firms have basically finished their adjustments to the lingering high natural gas prices, and as seen in our list of construction projects, some are making multi-million dollar investments again.

Other Big Potential Projects

*This list also does not include other potentially huge construction jobs that are being considered. About the time the LEO is released, the Louisiana Gaming Control Board will make a decision about whether **Pinnacle Entertainment** can locate another riverboat casino in East Baton Rouge Parish. Pinnacle has indicated it will spend \$250 million on a new resort casino. Even if East Baton Rouge citizens manage to deflect Pinnacle from this location, it is highly likely the new casino will still end up in the MSA—either in Iberville Parish or West Baton Rouge Parish.*

*There are three other very large potential projects for this region. The Louisiana Department of Economic Development is working with the **Ligfuels Corporation** to locate a \$5 billion facility in Ascension Parish that would employ 900 people once up and running, not counting another 300 in lignite coal mines in North Louisiana. **Louisiana Generating LLC** has secured the air permits from DEQ to build a \$1 billion expansion to its coal-fired Big Cajun II electrical generating plant near New Roads. The company is trying to put together the final package of investors to move the project forward. This mega-project would support at least 1,000 construction jobs during its peak building cycle. Finally, **R.W. Day** is working on a financing package for a \$1 billion plus film studio, commercial, residential project near the intersection of I-12 and O'Neal Lane. If any of these projects comes to fruition, the construction impacts alone would boost our employment estimates significantly.*

Troublesome Issues: Paper, Sub-prime, EPA

*The MSA is not without its negatives, **Georgia Pacific** laid off 102 workers in 2006 at its North Baton Rouge paper mill, and the union chief there says more layoffs are coming. The 540-person **Tembec** paper mill near St. Francisville closed in July 2007. Finally, the area's only casualty from the sub-prime lending mess was **Wells Fargo**, which closed its 170-person wholesale sub-prime business in August 2007.*



Another more serious challenge for the area is the recent proposal by the EPA to lower emissions from 85 parts per billion (ppb) to 70-75 ppb – the equivalent of one second in 32 years. Achieving this standard would stymie industrial recruitment and force different means of transportation—such as employer-based transportation and limitations on travel in the downtown or other dense traffic—and different fuels for the area.

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 services. 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 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, indicate the positive prospects for growth in the Baton Rouge economy. Much of this growth continues to relate to the increase in population that resulted from the hurricanes in 2005 and the new business activity associated with them. Revenue growth for the City-Parish seems to have stabilized in 2007, reflecting only small decreases from an all-time high revenue mark in 2006.

We will continue our conservative approach to forecasting sustainable revenue growth for 2008. This will result in a considerable undesignated fund balance in the General Fund for the third year in a row. The philosophy of this Administration is that this fund balance will be used to support non-recurring expenditures.

The budget process began with instructions to all entities receiving funding from the City-Parish government. Agencies funded through the General Fund were given target budgets for 2008. In addition to their target budgets, departments could make supplemental requests. All requests were reviewed by a team of Administration, Finance, Council Budget, and Human Resources staff members, and discussions were held with various departments to clarify their need for funding.

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



INDEPENDENT REVENUE ESTIMATE REVIEW

Following are comments from James A. Richardson, John Rhea Alumni Professor of Economics at Louisiana State University, and Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, on their prediction of sales and use tax revenue growth in East Baton Rouge Parish for 2008.

We have examined the projections of sales tax collections for the City of Baton Rouge and the Parish of East Baton Rouge for the remainder of 2007 and the upcoming year of 2008 as suggested by the Department of Finance for inclusion in the budget for the City-Parish and presentation to the Mayor and the Metro Council. The projections are reasonable given the forecast for the Baton Rouge economy for 2008 and the complexities of sales tax collections over the last several years—the post-Katrina surge now reaching a plateau and possibly declining moderately.

...The Department of Finance has projected a 4 percent growth rate for 2008 with the adjusted sales tax base of 2007 as the starting point—that is, the expected collections of \$155.2 million. Projected sales tax collections for 2008 are computed as \$161.4 million as compared to the actual collections of \$166.1 million in 2007.

The Mayor, the Metro Council, and the Department of Finance should be commended for prudently projecting local sales tax collections post-Katrina.

Based upon the advice of these experts, the proposed budget assumes a 4% growth rate for sales and use tax revenues in 2008 over a revised 2007 base.

SOLID WASTE PROGRAM

Solid waste services provided to the citizens of the parish include twice-per-week residential automated garbage collection, once-per-week residential trash collection, once-per-week residential recycling, and twice-per-week collection at multi-family units. This budget proposes a residential monthly solid waste user fee increase of \$3.50 from \$15.50 to \$19.00 per household. This is the third and final phase of a three-year plan to eliminate user fee subsidies from the General Fund and the Consolidated Garbage District. The Consolidated Garbage District property tax levied in the unincorporated areas of the parish was eliminated in 2007.

A General Fund subsidy of \$420,000 is included to provide relief to an estimated 10,000 households that meet federal low-income eligibility requirements. For these families, the solid waste user fee will remain at the current rate of \$15.50 per month for the year 2008. Eligibility will be determined on an annual basis thereafter.

CITY OF CENTRAL

The City of Central, having been incorporated in July 2005, entered into an intergovernmental agreement with the City-Parish to provide services within their city limits in exchange for 90% of Central's 2% general sales and use tax. On March 1, 2008, Central will assume operations of their own city services. We will work diligently with the city's leadership to effect a smooth transition of services. The impact upon the 2008 City-Parish General Fund budget will be a loss of \$3,325,000. City-Parish personnel presently providing services within the Central community will be reassigned to other areas of the parish.



RED LIGHT SAFETY CAMERAS

As a method to increase driver safety, automated red light traffic enforcement cameras will be installed at intersections where crash data and police records indicate concerns for safety. This program will capture images of violations that will be reviewed by law enforcement. If approved, a notice of violation will be sent to the registered owner of the vehicle that was operated in violation of the traffic code. A conservative \$1,000,000 in net revenues has been included in the budget from this source.

FULL-TIME EQUIVALENT POSITIONS

The number of full-time equivalent (FTE) positions for all funds in the government increased by a net of 103.08 in the 2008 budget. There are 73.13 additional FTE positions in the General Fund, and 29.95 additional FTE positions in special funds. The total increase reflects a 2.4% change when compared to the 2007 budget.

The Police Department, Fire Department, Department of Public Works, Emergency Medical Services, and the Animal Control Center account for 71 of the new FTE positions. Adding 69% of new positions to these departments is a reflection of the Administration's commitment to public safety and services.

EMPLOYEE COMPENSATION

It has become increasingly difficult to recruit and retain qualified employees, especially in the technical fields of finance and engineering. An increase in pay for entry-level and career-ladder classifications for these professionals is proposed. In addition, a post-license experience allowance for engineers, granting between \$1,000 and \$10,000 per year depending on experience, is funded and included in the 2008 pay plan.

Municipal police officers will receive a 7.5% increase to bring salaries up to the Southern Regional Average. Total funding needed for this across the board raise and other pay enhancements for police personnel is approximately \$3.5 million. Funding of \$1,054,450 is also included for municipal fire employees to receive a 3% across-the-board raise in order to be competitive within our local job market. This is in addition to the 2% that fire personnel received in 2007. State supplemental pay for public safety employees increased from \$3,600 to \$5,100 per year on July 1, 2007. The cost to the City-Parish in 2008 for the benefits portion of this state pay increase is \$288,810.

EMPLOYEE BENEFITS

Health Insurance and Dental Insurance

We are very fortunate to be able to propose no changes in premiums, benefits, or co-payments for the health insurance program in 2008. We will continue our premium cost-sharing at 75% for the employer and 25% for the employee for single coverage, and 55% for the employer and 45% for the employee for all dependent coverage. The City-Parish health insurance program is self-insured and will use insurance reserve funding for excess claims should the total premium income fall short of total expenses in 2008.

There will also be no increase in premiums in 2008 for the City-Parish dental program, which is fully-insured. Cost-sharing will continue at the current levels with the employer paying 52% of the premium and the employee paying the remaining 48%.



Retirement Contributions

The 2008 employer’s contribution rate to the City-Parish Employees’ Retirement System was certified at 18.68% by the system’s Board of Trustees, which is the rate recommended by our actuary. This budget provides funding at that level, which is a .47% decrease over the 2007 employer’s contribution rate. The employee contribution rate will remain at 9.5% in 2008.

The transfer of law enforcement personnel to the Municipal Police Employees’ Retirement System (MPERS) shifted responsibility for payment of their pension to that system. However, the City of Baton Rouge is required to make employer contributions to that system. Effective July 1, 2007, the employer contribution rate to that system decreased from 15.50% to 13.75%. This change results in a savings in the General Fund of \$668,280 in 2008.

Post-Employment Benefits

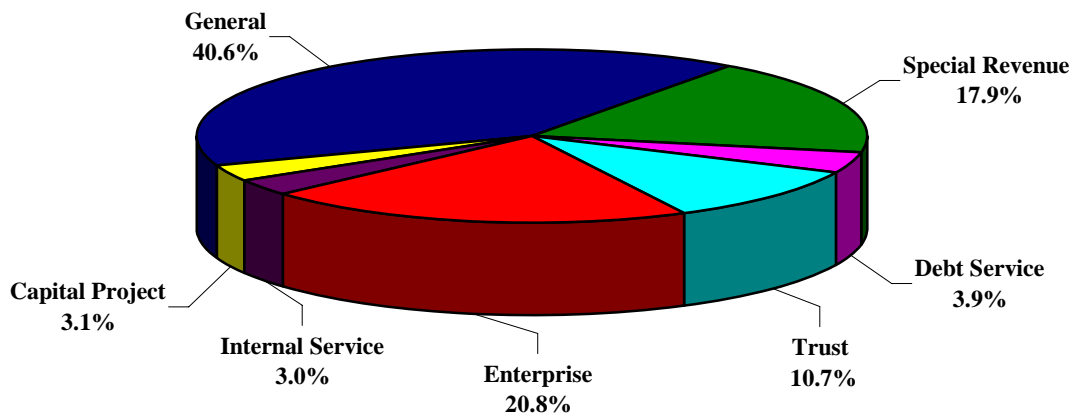
The rate for post-employment benefits in 2008 will be 8.42%, which is a slight increase from 2007. Post-employment benefits for the City-Parish consist of health, dental, and life insurance benefits for retirees. The City-Parish is currently funding post-employment benefits on a pay-as-you-go basis. An actuary has been engaged to assist us in complying with new accounting standards for accounting and financial reporting by employers for post-employment benefits.

All Fund Summary

The proposed budget for the year 2008 for all funds, exclusive of operating transfers between funds, totals \$678,710,874. This is an increase of 9.57% or \$59,306,021 from the year 2007. The graph in Figure 1 and the chart that follows depict the total annual operating budget by fund type for 2008. Major changes in proposed funding are also discussed.

FIGURE 1

TOTAL ANNUAL APPROPRIATIONS BY FUND TYPE
(Excluding Transfers Between Funds)
\$678,710,874





**APPROPRIATIONS – ALL FUNDS
2008 COMPARED TO 2007**

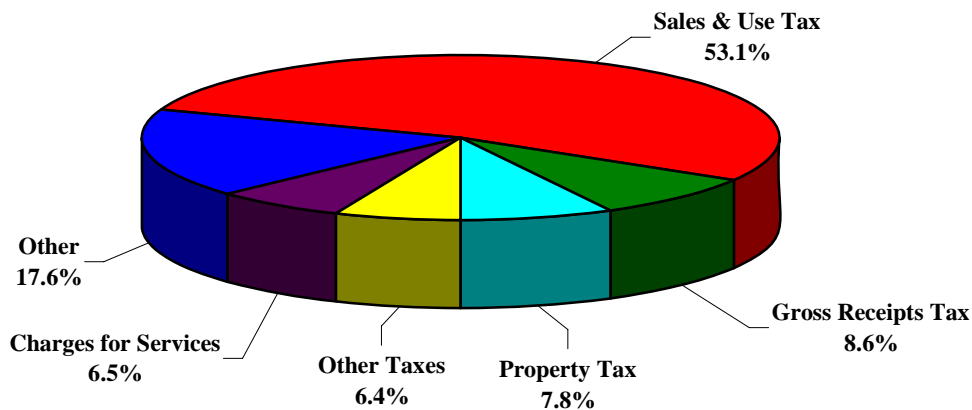
Fund Type	2007	2008	2008 Budget Over	
	<u>Budget</u>	<u>Budget</u>	<u>(Under) 2007 Budget</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Percent</u>
General	\$ 253,685,630	\$ 277,957,730	\$ 24,272,100	9.57%
Special Revenue	108,198,123	123,837,114	15,638,991	14.45%
Debt Service	33,665,020	37,009,790	3,344,770	9.94%
Capital Project	22,419,920	32,819,910	10,399,990	46.39%
Enterprise	144,046,710	148,209,500	4,162,790	2.89%
Internal Service	17,233,790	20,343,780	3,109,990	18.05%
Pension Trust	67,338,300	72,422,450	5,084,150	7.55%
Subtotal	646,587,493	712,600,274	66,012,781	10.21%
Less: Transfers Between Funds	(27,182,640)	(33,889,400)	(6,706,760)	24.67%
Grand Total	\$ 619,404,853	\$ 678,710,874	\$ 59,306,021	9.57%

General Fund

As shown in Figure 1, the General Fund, excluding operating transfers in, makes up 40.6% of the total City-Parish budget for the year 2008. 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 2, include the sales and use tax, gross receipts tax, and property tax.

FIGURE 2

**GENERAL FUND FUNDING SOURCES
\$277,957,730**



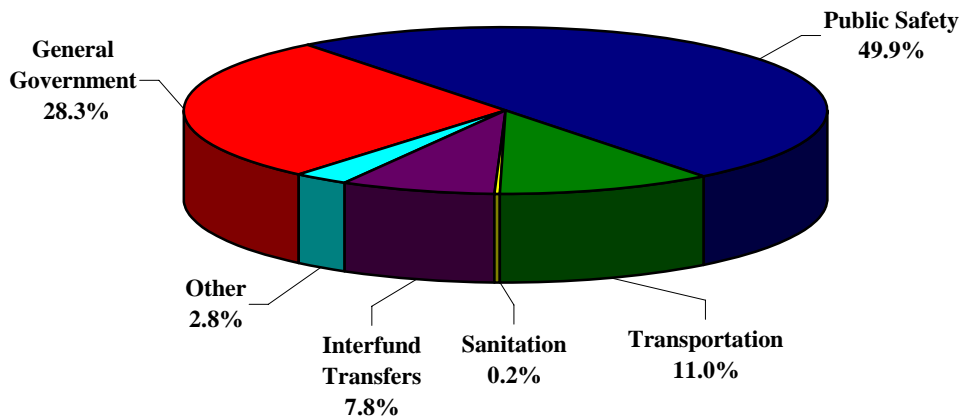


Significant changes in General Fund funding sources include the following:

	<u>Increase (Decrease)</u>
GENERAL FUND	
REVENUE GROWTH:	
General Sales & Use Tax - 4% Increase over Adjusted 2007 Base	\$ 10,656,780
General Property Tax - 3% over 2007 Projected	1,608,970
Gross Receipts Business Tax - 3.8% over Budget	855,530
Reduction in Debt Service for Sales Tax Bonds that Matured & Refund Savings	1,164,670
City Court - Parish Parking Ticket Revenues	50,000
Other Taxes - Occupational License, Interest & Penalties	1,029,730
Red Light Safety Camera Revenues (Net of Fees \$1 million)	1,538,460
On-Behalf Payments, Including State Supplemental Pay	2,012,750
Other Revenues - Licenses & Permits, Charges for Services, Fines	3,632,130
Loss of City of Central Taxes	<u>(3,325,000)</u>
TOTAL REVENUE GROWTH	<u><u>\$ 19,224,020</u></u>

Total appropriations for the General Fund Annual Operating Budget increased by \$24,272,100 or 9.57%, compared to the 2007 budget. Our commitment to public safety continues as shown in Figure 3 with nearly 49.9%, or \$138,683,110 of the 2008 budget proposed for that function. In addition to this amount, \$6,940,600 is provided for capital needs in the Police and Fire Departments. These items are budgeted in Capital Project Funds.

**FIGURE 3
GENERAL FUND APPROPRIATIONS
BY MAJOR FUNCTION
\$277,957,730**





Significant changes in General Fund appropriations (2007 to 2008) are shown below:

	Increase (Decrease)
APPROPRIATION CHANGES:	
<u>Continuation of Existing Programs:</u>	
Baton Rouge Film Commission Added During 2007	\$ 150,000
Planning Commission Added Three Positions During 2007	121,840
Increase in Public Building Utilities	453,300
Fuel and Vehicle Maintenance	552,170
Post-Employment & Related Benefits	556,390
Normal Merit, Longevity, and Pay Grade Adjustments	1,504,110
Decrease in River Center Subsidy	(261,220)
Increase in CATS Subsidy	799,030
Equipment Use Charge (Primarily DPW Motor Vehicles)	794,800
Maintenance of Buildings and Equipment	342,350
Landscape Maintenance Contracts added in 2007	490,000
Communications Expenses	107,220
On-Behalf Payments, Including State Supplemental Pay	2,301,560
Increase in Support of Quality of Community and Family Life Programs	125,000
Increase in Prison Costs - Feeding Prisoners, Housing Inmates in Other Parishes, & Other	1,355,940
Increase in Coroner's Office Contracts for Doctors During 2007	90,000
Wearing Apparel for Police, Fire, & Juvenile Services	73,100
Law Enforcement Supplies	90,100
Collection Cost	170,660
Contractual Services Increases	269,550
<u>Policy Changes:</u>	
Reduction in Solid Waste Subsidy, Increase User Fee by \$3.50 month	(2,750,000)
Implementation of Low Income Subsidy Program for Solid Waste User Fee	420,000
<u>Program Enhancements:</u>	
Police - 7.5% Pay Raise for Officers & Educational Allowance Increase	3,530,510
Police - 14 New Positions & Pay Enhancements	511,820
DPW - 11 New Positions & Pay Enhancements	527,720
DPW - 9 New Engineering Positions, Post-License Allowance, & Pay Enhancements	735,370
DPW - 90 Additional Seasonal Workers	676,190
Fire - 3% Pay Raise	1,054,450
Fire - 22 New Positions (18 Aerial Unit, 4 Comm. Offrs.), & Pay Enhancements	701,670
Finance - 7 New Positions & Pay Enhancements	432,690
Information Services - 3 Technology Positions & Pay Adjustments	204,430
Parish Attorney - One Add'l Position in the City Prosecutor Division & Pay Enhancements	114,310
EMS-Prison Medical Services - 2 Additional Prison Health Care Technicians	94,800
Juvenile Services - One Additional Position & Pay Enhancements	92,840
City Court - Two Additional Support Employees & Pay Enhancements	172,260
Increase in Contract Employees	62,320
Increase in Overtime-Police, Fire, & DPW	168,970
Constitutional Offices Payroll, excluding Coroner	262,950



	<u>Increase (Decrease)</u>
APPROPRIATION CHANGES (Continued):	
<u>Program Enhancements (Continued):</u>	
Other Pay Enhancements	140,510
Public Information - Additional Production Costs for Metro 21	50,000
Red Light Safety Camera Collection Charges	538,460
Economic Development & Community Sponsored Events	243,000
Accessorize Public Safety Vehicles - Police, Fire, & City Constable	142,500
City Court - House Arrest Units & Modular Furniture	212,770
Downtown Development District - Additional Position & Operating Needs	100,000
Animal Control - Expansion of Services: 10 New Positions, 3 Vehicles, & Other Operating Costs	447,580
Council on Aging - Increase in Operational Support	<u>250,000</u>
Total Appropriation Changes	19,224,020
Fund Balance Included in 2008 Budget to Fund Projects Listed Below	12,168,180
Less: Fund Balance Included in 2007 Budget	<u>(7,120,100)</u>
Total Increase in 2008 Budget Over 2007 Budget	<u>\$ 24,272,100</u>

Several capital and one-time items were funded and are itemized below. The source of funds for these expenditures is the surplus existing at the end of 2007.

FROM FUND BALANCE - UNDESIGNATED

<u>Department/Program</u>		<u>Total</u>
Police:		
Vehicles (100 Cars, 10 Motorcycles) plus Accessories	\$ 2,356,800	
Pistol Range Bullet Trap	345,000	
Mobile Radio Modems and Computers	1,058,000	
In-Car Video Systems for Supervisors	<u>456,000</u>	\$ 4,215,800
Fire:		
Replacement of Stations	2,842,000	
Aerial Truck, Pumper Truck, and Service Unit	1,168,000	
Vehicles (10 Vehicles and Laptops)	242,000	
Storage Building	275,000	
Overhead Door Lift and Portable Radios	<u>56,800</u>	4,583,800
Public Works:		
School Flasher System (Phase II)	200,000	
Computers and Street Improvement Projects	323,610	
Priority Building Improvements	<u>1,390,000</u>	1,913,610
GIS Aerial Photography & System Support		190,000
Baton Rouge Area Chamber Economic Development		500,000
Opéra Louisiane		47,130



FROM FUND BALANCE – UNDESIGNATED (Continued):

<u>Department/Program</u>		<u>Total</u>
Arts Council of Greater Baton Rouge:		
Blues Festival and Fest-For-All	\$ 100,000	
Community School for the Arts/Debbie Allen		
Community Performance Residency	<u>100,000</u>	\$ 200,000
Knock Knock Children’s Museum		100,000
Human Resources Test Validation (Phase II)		80,000
Animal Control:		
Vehicles & Disinfecting Unit	66,520	
Expansion Start-up Cost	<u>271,320</u>	<u>337,840</u>
TOTAL FROM FUND BALANCE UNDESIGNATED		<u>\$12,168,180</u>

PUBLIC SAFETY

Police Department

Fourteen new positions have been added to the Police Department in 2008. Eight Communications Officers are needed to efficiently handle emergency call volume, which has increased 25%. They will also play a key role in the implementation and monitoring of “Shot Spotter,” a new advanced gunshot detector/locator technology. Three Criminal Information Specialist positions are being added to assist officers by retrieving information from the National Crime Information Center. In a matter of minutes, officers can obtain information on criminal histories, missing persons, felony warrants, vehicle registrations, and stolen merchandise. Other positions added include a fingerprint technician, support for computerization, and clerical support for the bicycle office.

Capital outlay funding of \$2,011,800 is included for 100 vehicles and 10 motorcycles in order to maintain the three-year cycle for fleet replacement. The 2008 budget also includes \$345,000 to build a bullet trap for the pistol range to address safety and environmental concerns. Funding for inventoried assets of \$1,514,000 includes computerization needs, mobile data radio modems, in-car video systems, and video storage servers.

Fire Department

As a continuation of the commitment to maintain and improve the Fire Department’s ability to better serve our residents, 22 positions have been added in 2008. Eighteen positions will provide manpower for an additional aerial truck to be located at the Menlo Fire Station. In accordance with new Property Insurance Association of Louisiana (PIAL) guidelines, four additional Communications Officers are needed to answer emergency calls, dispatch units, and perform daily radio testing. These additional resources will be critical in meeting the criteria necessary to maintain the Class One rating of the PIAL.

The 2008 budget includes \$2,842,000 for the last two of five fire stations built over 50 years ago that were scheduled for replacement. In addition, funding is proposed for a storage building, \$275,000; an additional aerial truck and other replacement vehicles, \$1,358,000; and \$433,800 for other capital assets.



Animal Control Center

In September of 2007, adjustments were made to the pay plan for center personnel based on recommendations of the Human Resources Department. The adjustments were needed in the effort to assist with recruiting and retaining qualified personnel for the center.

Plans are currently underway to build a 4,000-square-foot addition to the center, and 1,340 square feet of pens to house dangerous animals. Funding in the amount of \$514,100 is included for ten additional employee positions, as well as start-up costs for the addition. The additional personnel will allow for an increase from one to three teams of officers and support staff. Daily hours of service and protection will be increased from eight to 15 hours during the week. Previously, weekend and holiday service was provided only for emergencies by employees on standby. Beginning in 2008, there will be eight-hour coverage with two officers on standby after hours. The additional personnel will allow officers to respond faster to both citizens and calls for assistance from parish law enforcement agencies. The center will be open eight hours on Saturday for adoptions, redemptions, and animal drop-off.

Capital outlay items funded include \$66,520 for three vans and a disinfecting unit.

PUBLIC WORKS AND TRANSPORTATION

Department of Public Works

Citizens can use a simple three-digit telephone number to request service or make inquiries about available services. When the 311 Call Center first opened in early 2006, the main objective was to assist with the transition from manual to automated garbage collection. The center was later expanded to include all Public Works related complaints, and, in October of 2006, the center began taking calls on behalf of the entire City-Parish government. Representatives answering calls provide information and forward service requests to the appropriate department through the use of state-of-the-art technology. The nature of calls received at this center ranges from missed garbage pickup to drainage problems. In the first six months of 2007, the center received over 44,000 calls. This is a dramatic increase from the first six months of 2006, when only 7,000 calls were received. Work orders are tracked from the time of the service request to resolution resulting in increased accountability for the citizens of East Baton Rouge Parish. The success of this Call Center is apparent by the number of service requests that are resolved each day.

Twenty-one additional positions have been added to address requests for services by Public Works—two positions to assist with populating layers in the Geographical Information System, one for in-house demolitions, three to provide maintenance support at the River Center, three for the increased workload in inspections due to construction activity, six to expedite repairs for drainage issues, five for grass cutting and grounds maintenance, including in the downtown area, and one for sewer operations.

Funding in the amount of \$200,000 is included for the second and final phase of replacing the aging school flasher system with state-of-the-art equipment. Building improvement projects scheduled for 2008 include: \$740,000 to repair equipment in the Central Mechanical Building, which supports the governmental complex; \$350,000 for air conditioning equipment at the Leo S. Butler and Jewel J. Newman Community Centers; \$100,000 to repair and waterproof the River Center fountains; \$100,000 to replace the boiler and air handling units at the Louisiana Art and Science Museum; and \$100,000 for repairs at other City-Parish facilities.



Capital Area Transit System

Funding in the amount of \$2,949,030 has been provided in this budget from the General Fund to subsidize the operations of the Capital Area Transit System (CATS). This is an increase of \$349,030 from the amended 2007 budget, which included a supplemental appropriation for operational support of \$450,000. The proposed level of funding will cover all costs associated with the downtown trolley and provide additional operational support. CATS will also receive \$1,247,200 from the Parish Transportation Fund, and about \$1,300,000 from the state-shared hotel/motel tax that is dedicated to this agency by law. These funding sources account for approximately one-third of the revenue stream for this agency.

A study of the system has been completed and is currently under review. The study focused on and included recommendations related to governance, finance, management, operations, planning, and services.

CENTRAL SUPPORT SERVICES

Finance Department

The top priority of the Finance Department for 2008 will be the recruitment and retention of high-quality accounting professionals. A special recruiting rate and an adjustment to entry- and mid-level pay are proposed in order for the City-Parish to be competitive in the current market.

A grants management section is proposed in the Accounting Division to address increased workload demands in this area. Since 1996, annual grant expenditures have increased by 40%, from \$43.6 million to \$61.2 million. Three new accounting professional positions will partner with two existing positions to form this section. Their goal will be to adequately address the increased number of grants and recent revisions in auditing standards that have lowered the threshold for reporting deficiencies. Based on discussions with other cities and Louisiana State University, the most effective way to financially administer grants is to have a small group of accounting professionals with training and expertise in the area.

In the fall of 2007, the Revenue Division completed the installation of the new revenue collection system. The division is currently undergoing reorganization to improve customer service. A revenue inspector and a supervisor are being added to address the backlog and improve the response time for dealing with delinquent accounts. The addition of these personnel will provide for an estimated increase in annual collections by over \$450,000 versus an increase in costs of approximately \$100,000. An additional revenue inspector is needed in the Field Section to monitor special events and trade shows. The historical collection to cost ratio for this section is \$7 to \$1.

The annual operating budget has increased by over 58% in the last ten years, while staffing levels in the Budgeting Division have remained the same since 1990. An additional analyst is proposed to provide for a more manageable workload, reduced overtime, and progress towards performance-based budgeting.

Human Resources

The Human Resources Department strives to ensure that the City-Parish and the taxpayers are served by the most competent workforce possible, which requires intelligent decisions about individuals we employ. Professional ethics and legal mandates necessitate that these decisions be made fairly on the basis of job-related criteria. Written examinations are one of the most valid and reliable methods of assessing and comparing candidates.



In 2006, the Human Resources Department partnered with Darany and Associates to begin developing consolidated job-related examination criteria. With this consolidated approach, more positions/classifications are able to be evaluated with fewer written examinations. This year the following examinations have already been or will be completed: Professional Finance Series, Basic Clerical Series; Entry Maintenance; Advanced Clerical; Entry Treatment Plant Operator, and Entry Traffic Signal Technician. In 2009, upon completion of the consolidated examination process, 21 written examinations will serve as a key part of the selection criteria for approximately 130 positions/classifications, compared to 56 examinations currently required. The new written examinations and current process of rating training and experience are among the best practices for pre-employment assessment tools. The following examinations will be developed in 2008: Entry Probation/Law Enforcement; Basic Trades; Entry Automotive Maintenance and Mechanics; General Supervision in Law Enforcement; Animal and Pest Control; and Engineering Aide. This initiative is being funded in three phases. Funding for the first phase in the amount of \$80,000 was provided in 2006. The 2008 Budget includes \$80,000 for the second phase, and the third and final phase costing \$60,000 will be funded in 2009.

In January, 2007 the Performance Management Appraisal System (PMAS) was implemented. PMAS clearly identifies job responsibilities and performance expectations while promoting an open line of communication between managers/supervisors and employees. Beginning in 2008, employees receiving a "Poor" rating for 2007 performance will be ineligible for a merit increase, transfer, or promotion for a 12-month period. Employees receiving a "Needs Improvement" rating are also ineligible, but are rated again in six months. Human Resources will continue to strive to implement best workforce practices.

Geographic Information Services Initiative

In 2007, the City-Parish completed a multi-year support contract with the U.S. Army Corps of Engineers for geographic information services (GIS). Through this contract a base map of the parish was created, which included streets, curbs, sidewalks, and subdivision plat information. Since the inception of this project in 2000, several City-Parish departments have begun to integrate GIS tools and technologies within their current business processes.

In order to facilitate the growth of an enterprise GIS program, a tiered governance committee structure was implemented in 2007 to coordinate all GIS activities in various City-Parish departments. This structure comprises the Core, Technical, and Educational committees. Together they will ensure that the City-Parish enjoys a centralized GIS repository of data sets that are updated and shared by all departments. The GIS Core Committee establishes overall program direction and departmental policies. The Core Committee also sets priorities regarding various projects, including hardware and software requests. The Technical Committee formulates mapping and data management standards and ensures that they are adhered to within the departments. Finally, the Educational Committee was established for GIS vendors, software providers, and solution providers to showcase the rapidly changing GIS technologies. In 2008, the Geographic Information Services Manager position will be transferred from the Information Services Department to the Office of the Mayor-President in order to establish policies and standards from a city-wide perspective, and expedite enterprise applications to enhance public access to geographic information.

The City-Parish is currently implementing policies and procedures to maintain the base mapping initiated with the Corps of Engineers, and to introduce new data layers from a range of City-Parish departments into a single mapping GIS data stream. The City-Parish will incorporate a quality control process to make sure that the features defined within the GIS have solid attributes, so that eventually the data sets can be used in decision



making. Included in the 2008 Budget is \$100,000 for operational support and network administration, and \$90,000 for aerial photography.

QUALITY OF COMMUNITY AND FAMILY LIFE

A community can often times be defined by the residents' quality of life. We are a community with a mixture of rich heritages, where arts and culture play an important role in our lives and help to define who we are. Because of this, we are dedicated to supporting community events that will help us understand our heritage and build an appreciation for the performing and visual arts, as well as our cultural events. This will be the revival year for the Baton Rouge Blues Festival, returning this popular music genre to the festival line-up. I have included \$50,000 for this festival in this budget. We continue to support the Arts Council of Greater Baton Rouge and the many programs it offers our community including Fest-For-All, the Sunday in the Park Series, and arts programs for youth and adults. This year, we welcome the addition of the Debbie Allen Community Program, a residency program to identify talented youth within our community. This program will coach and prepare students to lead a fully produced musical theater event for the public. We have increased the budget for the Arts Council by \$150,000 to support these initiatives.

We will continue to provide an additional \$100,000 of operational support to the USS Kidd and Veterans Museum that was granted during 2007 and are proud this year to add \$100,000 in support for the Knock Knock Children's Museum, which aims to provide an atmosphere for learning valuable life-long skills through playful experiences.

ECONOMIC DEVELOPMENT

Baton Rouge Film Commission

This economic development agency of the City-Parish has been tasked with increasing the diversity of business within East Baton Rouge Parish as it relates to film production, post production, digital and animation production, and video gaming. The role of the Baton Rouge Film Commission is to provide location scouting assistance and script analysis, assistance in securing competitive rates on housing and accommodations through partnership with the Baton Rouge Area Convention and Visitors Bureau, assistance in securing permits, connection with production office space, and liaison services between production companies, the community, and local government throughout the entire production schedule. Since its creation, in excess of \$55 million in economic impact can be credited to the Baton Rouge Film Commission. This budget includes \$150,000 for the operation of the Commission for 2008.

Greater Baton Rouge Economic Partnership

In addition to facilitating the retention, recruitment, and expansion of nearly 1,050 jobs in East Baton Rouge Parish, the Partnership has executed four national direct mail and advertising campaigns targeted to business leaders in Baton Rouge's target industry sectors. This new economic development initiative by the City-Parish has completed detailed site evaluations for multiple sites in East Baton Rouge Parish, attended several site-consultant events, and has developed a new business recruitment incentive for East Baton Rouge Parish.

The Partnership also maintains a web site with detailed site information and selling points for East Baton Rouge Parish, and has completed a labor market study to identify opportunities to address labor gaps in Baton Rouge,



which is the top current concern of business leaders here. The number of high-potential (i.e., Class A) prospects for East Baton Rouge Parish has roughly doubled in the last year due to efforts undertaken as part of this partnership. The Baton Rouge Area Chamber (BRAC) currently has two full-time staff members who focus exclusively on East Baton Rouge Parish, both of whom have access to all that BRAC offers to any business prospect. This budget continues the \$500,000 in support for this agency.

Downtown Development

The Downtown Development District is the lead City-Parish agency that works with a number of public and private sector partners to implement the vision of Baton Rouge's city center. This vision is captured in master plans such as Plan Baton Rouge, the Baton Rouge Riverfront Master Plan, the Downtown Visitors' Amenity Plan, and the New River District Plan. The investment in downtown in 2007-2008 exceeds \$500 million in construction and planning. In the previous decade, the capital investment in downtown approaches \$1.5 billion.

In 2008, there are a number of noted projects that will be shaping the city's skyline. Those projects include the continued expansion of the Shaw Center with the renovation of the historic Stroube's Building and the new mixed-use Oneleven project; the new 19th Judicial District Court Courthouse, built on land donated by the City-Parish; City Plaza II Tower, the first Class A office building constructed in downtown in over 20 years; Hotel King renovation; Kress/Welsh & Levy mixed-use development; Fifth & Laurel Brownstone residential project; the implementation of the first phase of Riverfront projects; continued expansion of the Baton Rouge River Center; a new amphitheatre adjacent to the Capitol Park Welcome Center; new parking structure for the Welcome Center; the completion of the first phase of projects from the Downtown Visitors' Amenity Plan; and the initiation of developing the Arts & Entertainment overlay district.

Collectively, these projects are working to foster future economic development for the downtown area. Critical to the success of downtown are the residential projects that will be under construction. The strengthening of the residential component will greatly influence the development of downtown.

The General Fund is providing an additional \$100,000 in support for the Downtown Development District in 2008 to fund an additional employee to assist with their efforts.

Special Funds

Approximately 40.6% of spending authorized in this budget relates to the budgets for general operations, as reflected in the General Fund. The remaining 59.4% 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. Highlights of selected funds are discussed below.

GREATER BATON ROUGE AIRPORT DISTRICT

The year 2008 marks a commemorative occasion for the Baton Rouge Metropolitan Airport as it celebrates its 60th anniversary of serving the Baton Rouge area and people from all over the world.

Before the Baton Rouge Metropolitan Airport became a state-of-the-art intermodal facility, it operated as a United States Army Air Corps military base known as Harding Field. Services are provided from commercial



air travel to air cargo connecting more than 1.6 million residents across the Gulf South, south Louisiana, and southwest Mississippi.

In August of 1948, Harding Field became a public airport for civilian use serving the Baton Rouge Metropolitan area. Fast-forward 60 years later and surviving the nation's largest natural disaster, Hurricane Katrina, the airport is more prosperous than ever. Total on-airport employment has grown since 2005 from 1,550 employees to 2,600 currently. Since the mid-1990s, the airport has completed more than \$287 million worth of improvements. In January 2007, the airport announced another \$100 million for construction, much of it focused on airfield upgrades. Projects include reconstruction of the primary runway, a taxiway, an Instrument Landing System, and more airfield accommodations for business aviation that has relocated from New Orleans.

The airport has responded aggressively to meet the needs of its growing customer base. Immediately following Katrina, the airport experienced a passenger increase of 106%. Two plus years later, the airport has sustained a 47% increase when comparing 2004 to 2007. Not only have passenger increases had a significant impact, business aviation is up and cargo has increased significantly. Prior to Katrina, the airport, with little success, was aggressively trying to lure freight and mail. Freight and mail have increased from 800,000 pounds to an excess of 55 million pounds in 2007. Federal Express and the United States Postal Service sorting facilities nearby have had a large impact.

As part of the Baton Rouge economic engine, the airport's role has been magnified and has had to mentally position itself to energize the community by capturing new opportunities. On August 15, 2007, the City-Parish and the airport welcomed its first low-fare carrier, Frontier Airlines. Serving their hub, Frontier flies non-stop to Denver International connecting passengers to 64 destinations in four countries. History was made with the support of the Metropolitan Council and the Greater Baton Rouge Metropolitan Airport Commission as a \$1 million incentive package was finalized to secure Frontier Airlines.

The airport has a 2008 operating budget of more than \$12 million, which includes \$125,000 for the anniversary celebration.

EMERGENCY MEDICAL SERVICES

Emergency Medical Services (EMS) continuously strives to provide the community with the best emergency medical service possible. This is accomplished by providing well-trained medical personnel, state-of-the-art medical equipment, reliable ambulance units, and stations that are strategically located throughout our parish in order to minimize response time.

EMS first became accredited by the Commission of Accreditation of Ambulance Services (CAAS) in 2005. In the summer of 2007, representatives from the CAAS inspected the department as part of their re-accreditation process. No problem areas were cited that would prevent re-accreditation.

During 2008, construction will begin on a new joint EMS/Fire station to be located on Jefferson Highway. This station will be built adjacent to Westdale Middle School. The City-Parish is currently negotiating a long-term lease with the East Baton Rouge Parish School Board for the use of this property. Capital funding of \$140,000 is included in the budget for replacement of four chassis for the ambulance remount program. This program saves thousands of dollars annually by purchasing chassis as opposed to new ambulances.



SOLID WASTE FUNDS

Solid Waste Collection Fund

All revenues and collection costs associated with solid waste programs are consolidated in the "Solid Waste Collection Fund." This is the first year in which user fees are being assessed at full cost to support all expenses associated with collection and disposal. The General Fund subsidy provides for the amount equal to user fee increases for individuals eligible for low income assistance. The funds from the Consolidated Garbage District represent the balance of tax collections from prior years. This fund accounts for all residential disposal costs, expenses associated with refuse carts, and administrative expenses associated with the collection of user fees.

Total financial resources and the proposed use of funds for the program are shown in Figures 4 and 5 below.

FIGURE 4

SOLID WASTE COLLECTION FUND SOURCES OF FUNDS \$31,157,250

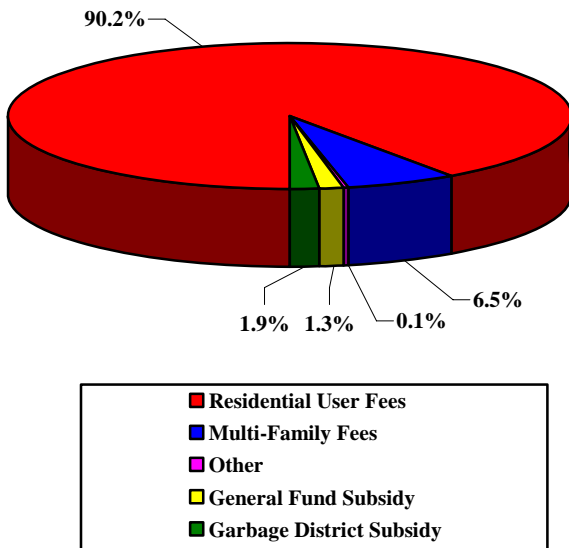
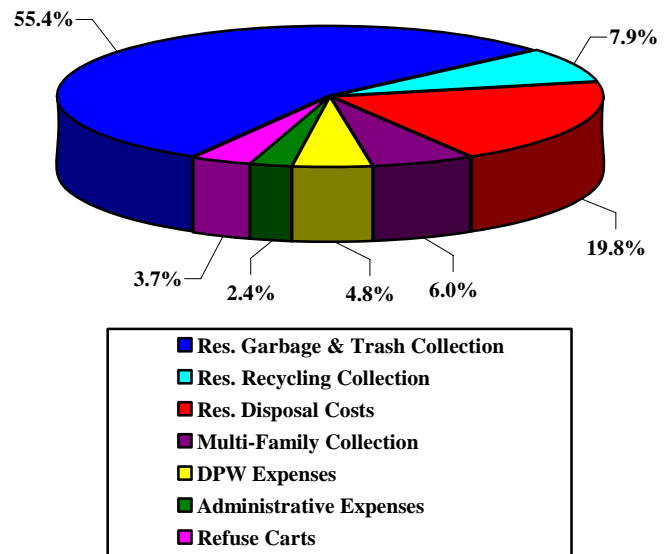


FIGURE 5

SOLID WASTE COLLECTION FUND USES OF FUNDS \$30,743,490



Solid Waste Disposal Fund

The Solid Waste Disposal Fund accounts for activity at the sanitary landfill and administration of waste diversion programs. These activities include the disposal of residential and commercial waste, recycling administration, a portion of environmental compliance, postclosure, and debt service payments.



Sources and proposed uses of funds are as indicated below in Figures 6 and 7.

FIGURE 6

SOLID WASTE DISPOSAL FUND
SOURCES OF FUNDS
\$12,604,340

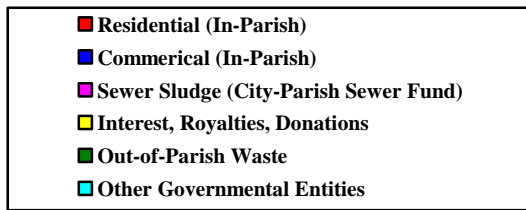
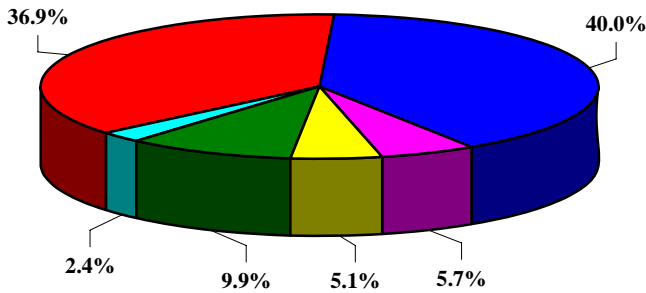
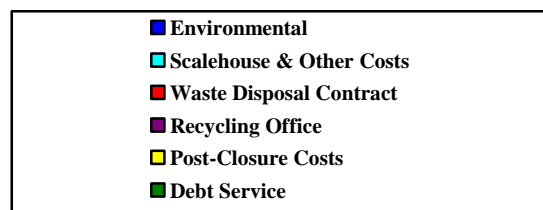
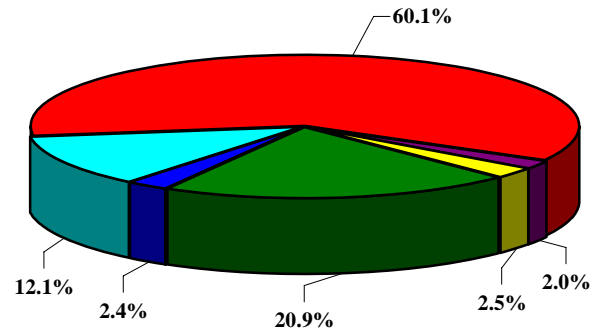


FIGURE 7

SOLID WASTE DISPOSAL FUND
USES OF FUNDS
\$12,044,050



CAPITOL HOUSE TAXING DISTRICT

The Capitol House Taxing District was created by the State Legislature in 2002 for the purpose of restoring and developing the landmark public facility in the City of Baton Rouge known as the Capitol House Hotel. The primary funding source for the project was tax increment financing. The Capitol House receives 10% from the occupancy tax on rooms and 2% from the City sales tax on retail sales within the city block where the hotel is located. These funds are dedicated to the repayment of bonds that were issued for improvements within the District.

CONSOLIDATED ROAD LIGHTING DISTRICT

The Consolidated Road Lighting District was created for the purpose of operating and maintaining the street lights within the district. This tax, which began in 1979, was renewed twice and expires in 2008. Due to adequate reserves, the proposed property tax millage will be reduced from 5.45 to 4 mills for 2008. An item will be placed on the ballot in 2008 for the voters to consider renewal of the tax for an additional ten years beginning in 2009.

COMPREHENSIVE SEWERAGE SYSTEM FUND

The Comprehensive Sewerage System Fund is the largest of the Special Funds. Operations of the sewer system are funded from three main revenue sources. These include sewer user fees, a one-half percent sales and use tax, and a \$4 million annual subsidy from the General Fund. 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 8 and 9. 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 8

SEWER OPERATIONS SOURCES OF FUNDS \$111,729,150

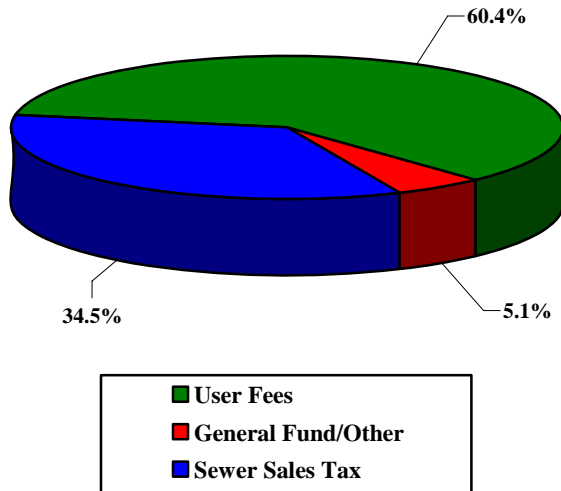
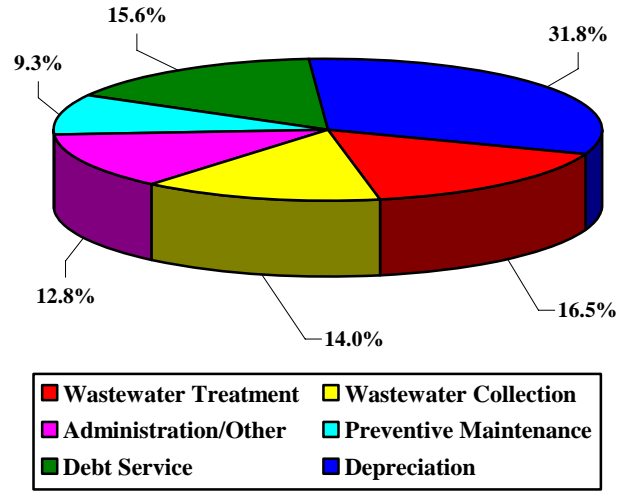


FIGURE 9

SEWER OPERATIONS USES OF FUNDS \$84,935,520



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 titled “Capital Improvement Programs.” However, listed below are some of these major projects or programs.

MAJOR CAPITAL IMPROVEMENT PROGRAM

It has been over four decades since the citizens of East Baton Rouge Parish have approved a major capital program for infrastructure improvements other than for sewerage and roads. With the tremendous growth in our area, the time has come to seriously consider a comprehensive plan to improve our other areas of infrastructure, such as public buildings and drainage. During this next year, we will hold discussions throughout the Parish to gather input on the capital needs of the community. Projects already identified as priorities include a new public safety complex, replacement fire stations, an expansion of the Parish Prison, expansion of sewer capacity, and major drainage projects. In the downtown area, we would consider completion of the River Center expansion, additional parking facilities, and the Riverfront Development Plan as top priorities. This will be a major undertaking for our elected officials, citizens, and the business community to come together to meet the growing demands of our Parish.



ONE-HALF PERCENT ROAD AND STREET IMPROVEMENT PROGRAM

Green Light Plan

On October 15, 2005, the citizens of East Baton Rouge Parish approved an extension of the current one-half percent (1/2%) sales and use tax for street and road improvements. The proposition offered by my Administration extended the so-called “pothole tax” for an additional 23 years until 2030, and allows for 70% of the proceeds to be used for transportation improvements. This includes the construction of new roads, widening of existing roads, and intersection and signalization improvements, along with the necessary engineering, construction management, and drainage requirements for these projects. In this new program, the issuance of bonds was authorized, which will allow for an accelerated road construction schedule.

Twenty-seven percent (27%) of the proceeds of the tax will continue the successful road rehabilitation program. The remaining three percent (3%) portion of the proceeds of the tax will be used for beautification and street enhancement projects.

The road rehabilitation and beautification portions of this tax will not be bonded. It is anticipated that approximately 750 miles of additional City-Parish streets and roads will be rehabilitated during the next 25 years. The rehabilitation program will continue as it currently functions, with projects prioritized on a six-month basis. The beautification allocation will include projects such as new sidewalk and curb construction, sidewalk repairs and improvements to meet Americans with Disabilities Act standards, traffic signal synchronization, landscaping, and the maintenance thereof. Special attention will be given to projects which provide safe pedestrian routes to and from area schools and other public facilities.

The priority projects and the supplemental projects listed in the proposition approved by the voters are listed below. These projects will be completed to the extent that funding is available within the program.

Priority Projects

- A. Burbank Drive (Segment 1) (West Lee Drive to Bluebonnet)
- B. O’Neal Lane (Segment 1) (South Harrell’s Ferry Road to I-12)
- C. South Harrell’s Ferry Road (Segment 2) (Millerville Road to O’Neal Lane)
- D. Central Thruway 4-Lane (Florida Boulevard to Sullivan Road)
- E. Jones Creek Road (Segment 3) (S. Harrell’s Ferry Road to Coursey Boulevard)
- F. Staring Lane Extension 1 (Highland Road to Burbank Drive)
- G. Essen Lane at I-10 (Intersection Improvements)
- H. Lobdell Improvements (Goodwood Boulevard to Florida Boulevard)
- I. Ford Street (Plank Road to Mickens Road)
- J. Hooper Road (Blackwater Road to Devall Road)
- K. Brightside Lane (River Road to Nicholson Drive)
- L. Nicholson Drive (Segment 1) (Gourrier Avenue to Ben Hur Road)
- M. North Harrell’s Ferry Road (Sharp Road to S. Sherwood Forest Drive)
- N. McHugh Road (Wimbush Drive to Lower Zachary Road)
- O. Old Hammond Highway (Segment 1) (Boulevard de Province to Millerville Road)
- P. Staring Lane (Perkins Road to Highland Road)
- Q. Perkins Road (Segment 1) (Siegen Lane to Pecue Lane)



- R. Pecue Lane Interchange and Improvements (Perkins Road to Airline Highway)
- S. Old Hammond Highway (Segment 2) (Millerville Road to O’Neal Lane)
- T. Sullivan Road (Central Thruway to Wax Road)
- U. Perkins at Stanford Drive/Acadian Thruway (Intersection Improvement)
- V. Burbank Drive (Segment 2) (Bluebonnet Road to Highland Road/Siegen Lane)
- W. Highland – Burbank Connector
- X. Siegen Lane (Highland Road/Burbank Drive to Perkins Road)
- Y. Elm Grove Garden (Fairchild to Rosenwald Road)
- Z. O’Neal Lane (Segment 2) (I-12 to Florida Boulevard)
- AA. Stumberg Extension/Pecue Lane (Jefferson Highway to Airline Highway)
- BB. Jones Creek Road Extension (Segment 1) (Tiger Bend Road to Jefferson Highway)
- CC. Highland Road (Perkins Road to Airline Highway)
- DD. Foster at Government (Intersection Improvement)
- EE. Downtown Signals (Approximately 30 signals)
- FF. Fairchild-Badley Road (Scenic Highway to Veterans Memorial Boulevard)
- GG. Coursey Boulevard at S. Sherwood Forest Boulevard (Intersection Improvements)
- HH. Mt. Pleasant-Zachary Road – (Hwy 64) (Hwy 61 to Hwy 964)
- II. Picardy – Perkins Connector (Perkins Road to Picardy Interchange)
- JJ. Veterans Memorial Boulevard Extension (Harriet Quimby to Blount Road)
- KK. Glen Oaks Drive (Plank Road to McClelland Drive)

Supplemental Projects

- S1. Sharp Road (Old Hammond Highway to Florida Boulevard)
- S2. Sullivan Road (Segment 2) (Wax Road to Hooper Road)
- S3. Tiger Bend Road (Jones Creek Road to Antioch)
- S4. Cedarcrest (Airline Highway to Old Hammond Highway)
- S5. South Flannery Road (Old Hammond Highway to Florida Boulevard)
- S6. Nicholson Drive (Segment 2) (Ben Hur Road to Bluebonnet Road Extension)
- S7. Nicholson Drive (Segment 3) (Bluebonnet Road Extension to Parish Line)
- S8. Staring Lane Extension (Segment 2) (Burbank Drive to Nicholson Drive)
- S9. Old Hammond Highway (Segment 3) (O’Neal Lane to Florida Boulevard)
- S10. Perkins Road (Segment 2) (Pecue Lane to Highland Road)
- S11. North Boulevard – Florida Connector (Florida Boulevard at Cloud Drive to North Boulevard)
- S12. Essen Park – Midway Connection (Essen Park to Perkins Road)

CSRS, Inc., provides program management services for the projects listed in the Green Light Plan. The program manager is responsible for developing and recommending to the City-Parish an overall program strategy for the execution and completion of the plan.

The first major step toward funding the projects in the Green Light Plan took place in 2006 with the issuance of \$125,000,000 in Road and Street Improvement Sales Tax Revenue Bonds. This bond issue provided funding for five existing pay-as-you-go projects including: Central Thruway, Comite Drive, O’Neal Lane, Picardy Avenue, and South Harrell’s Ferry Road, as well as funding for the Green Light Plan projects listed in the Schedule of Active Projects.



**GREEN LIGHT PLAN
SCHEDULE OF ACTIVE PROJECTS**

Projects	Estimated Cost in Today's Dollars	Appropriations (Yr 2007)			Total Funded
		Design	Right-of-Way	Construction	
Corridor Preservation	N/A	\$ -	\$ 3,500,000	\$ -	\$ 3,500,000
Design Engineering Retainer Contracts	N/A	3,000,000	-	-	3,000,000
I - Ford Street	\$ 15,221,420	790,000	2,010,000	-	2,800,000
N - McHugh Road	6,195,340	182,000	2,133,000	800,000	3,115,000
DD - Foster @ Government	8,073,580	254,200	1,866,000	1,921,800	4,042,000
C - S. Harrell's Ferry Rd (Segment 2)	9,485,300	853,000	275,000	-	1,128,000
GG - Coursey @ Sherwood Forest	7,661,900	292,000	1,955,000	-	2,247,000
A - Burbank Drive (Segment 1)	11,837,150	830,500	854,500	15,160,000	16,845,000
B - O'Neal Lane (Segment 1)	20,523,600	1,194,200	2,033,800	-	3,228,000
U - Perkins @ Stanford/Acadian	7,012,290	279,000	5,839,000	-	6,118,000
H - Lobdell Improvements	5,317,610	543,000	1,110,000	-	1,653,000
JJ - Veterans Memorial Blvd.	5,363,710	483,000	62,000	6,529,000	7,074,000
G - Essen Lane @ I-10	3,931,380	442,000	2,271,600	-	2,713,600
EE - Downtown Signalization	12,057,180	850,000	-	9,346,000	10,196,000
V - Burbank Drive (Segment 2)	6,438,120	550,500	589,500	8,210,000	9,350,000
CC - Highland Road	22,133,500	1,685,500	1,547,900	-	3,233,400
X - Siegen Lane	16,587,790	1,178,000	55,000	-	1,233,000
K - Brightside Lane	31,159,000	1,818,400	83,600	-	1,902,000
P - Staring Lane	49,765,500	1,848,600	8,500	-	1,857,100
S - Old Hammond Highway (Segment 2)	12,061,900	813,000	55,000	-	868,000
F - Staring Lane Extension 1	10,097,400	969,000	14,900	-	983,900
AA - Stumberg Extension	22,002,100	1,220,000	2,000,000	-	3,220,000
T - Sullivan Road	31,981,300	931,000	312,500	-	1,243,500
M - N. Harrell's Ferry Road	2,700,820	250,000	2,150,000	-	2,400,000
Y - Elm Grove Garden	2,551,580	220,000	-	-	220,000
FF - Fairchild-Badley Road	5,649,060	461,000	-	-	461,000
II - Picardy-Perkins Connector	32,329,190	-	500,000	3,600,000	4,100,000
E - Jones Creek Road (Segment 3)	21,529,100	1,000,000	-	-	1,000,000
R - Pecue Lane Realignment at Perkins Road	2,500,000	-	-	2,500,000	2,500,000
N/A - Nicholson at Lee Drive/Brightside Lane	N/A	400,000	-	-	400,000
HH - Mt. Pleasant Zachary Road	24,725,160	500,000	-	-	500,000
	\$406,891,980	\$23,837,900	\$31,226,800	\$48,066,800	\$103,131,500

It is estimated that over the 25-year period from January 1, 2006, through December 31, 2030, the tax along with the issuance of road improvement sales tax bonds and interest earnings will fund \$755 million in road improvement projects. The remainder of the tax will provide \$414 million for the rehabilitation and beautification components of the program. In addition to the funds administered by the City-Parish, the municipalities of Baker, Zachary, and Central will share and administer an additional \$111 million.

On August 23, 2006, CSRS, Inc., presented to the Metropolitan Council, a prioritized list of the first 24 projects that would require funding along with the Corridor Preservation Program. The list was generated by the program manager using a project schedule evaluation matrix. This matrix used project components such as accident rates, road utilization, the availability of right-of-way, total project cost, potential for future funding



from federal, state, or other sources, and environmental and permitting concerns as the basis for ranking each project. Each project was scored on a scale of one to five and weighted on a scale of one to six in each category. This ranking system provided an objective method of prioritizing the projects listed in the proposition. Since the aforementioned presentation by CSRS, Inc., in August 2006, partial funding for five additional Green Light projects has been approved by my Administration during the 2007 fiscal year. It is anticipated that the Parish of East Baton Rouge will issue approximately \$150,000,000 of Road and Street Improvement Sales Tax Revenue Bonds in late 2008 or early 2009. The proceeds of this issue continue the funding of projects in the Green Light Plan.

The purpose of the Corridor Preservation Program is to acquire rights-of-way along future Green Light Plan routes before development takes place in the planned right-of-way. This will aid in lowering right-of-way acquisition costs.

The table above indicates the estimated costs in today's dollars for the first 29 Green Light Plan projects, the Corridor Preservation Program, and the Design Engineering Retainer Contracts. The table indicates what services (design engineering, right-of-way, and construction) have been funded through January 1, 2008.

1997-2001 and 2002-2007 Road Tax Improvement Programs

The projects approved by the voters in the 1997 and 2001 road tax propositions, respectively, will be completed.

Under the prior Road and Street Improvement Programs, the following streets have been 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
- McClelland Drive Improvement - Evangeline Street to Airline Highway
- Blount Road Improvement - Scenic Highway to Plank Road
- North Boulevard Overpass Improvement - 10th Street to 19th Street
- I-10 Frontage Road – Bluebonnet Boulevard to Siegen Lane
- George O'Neal Road - Jones Creek Road to O'Neal Lane
- Lobdell Avenue - Jefferson Highway to Goodwood Boulevard

Additionally, we anticipate that the following projects will be under construction in 2008:

- Central Thruway Clearing and Embankment - Florida Boulevard to Sullivan Road
- Perkins Road - Essen Lane to Siegen Lane (Utility relocations are now underway and bids for construction have been received.)
- O'Neal Lane Clearing and Embankment - George O'Neal Road to South Harrell's Ferry Road
- Picardy Avenue - Essen Lane to Bluebonnet Boulevard
- South Choctaw Drive - North Flannery Road to Central Thruway
- Comite Drive - Plank Road to Comite River
- South Harrell's Ferry Road - South Sherwood Forest Boulevard to Millerville



Other Street Improvements

In addition to the one-half percent Road and Street Improvement Program, the following major street or intersection improvements were completed in 2007, are currently under construction, or are in the right-of way acquisition process. These projects are funded either by the use of gaming funds alone or by a combination of gaming monies and matching state and federal funds.

- Groom Road Improvements - Old Scenic Highway to LA 19 (under construction)
- Millerville Road - I-12 to Old Hammond Highway (under construction)
- Flannery Road at Florida Boulevard Intersection Improvement (scheduled to be bid)
- South Sherwood Forest Boulevard at I-12 Intersection Improvement (completed)
- State Street at Highland Road Intersection Improvement (right-of-way acquisition process)
- Joor Road at Gurney Road Intersection Improvement (right-of-way acquisition process)

Although the following transportation improvements are not directly funded by the City-Parish, it is important to note that they were either completed in 2007, are currently under construction, or will be under construction in 2008:

- Joor Road Improvement – Mickens Road to Hooper Road (under construction)
- Airline Highway 6-Laning Florida Boulevard to I-12 (completed)

SEWER CAPITAL IMPROVEMENT PROGRAM

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 on March 14, 2002. The 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. The consent decree deadline for completing the Sewer Capital Improvements Program is December 31, 2014.

Program Description

On July 10, 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system-wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plant. In August 2005, the City-Parish presented this alternate plan to EPA and DEQ. This modified program will rely more on the rehabilitation of the sewer collection system, pump station and transmission improvements, the construction of a flow equalization basin at the South Wastewater Treatment Plant, and improvements to the South Wastewater Treatment Plant Facility.

The total cost for this modification is being analyzed by the sewer system's program manager, CH2M HILL, Inc. They anticipate having an overall plan and budget estimate in place for the program by the end of the 2007 calendar year. CH2M HILL, Inc. was hired on September 13, 2006, as the program manager for the sewer capital improvements program. Their responsibilities include developing and recommending to the Parish an



overall program strategy for the execution and completion of the SSO Capital Improvements Program, development of the project schedule and budget, initiation of a Parishwide Sewer Master Plan and other planning efforts, establishment of inter-agency coordination, development of program processes and procedures, establishment of community awareness and reporting procedures, review of program engineering standards and specifications, review of the program right-of-way acquisition process, and other program management functions to expedite construction for compliance with the SSO Consent Decree.

The objective of the Sanitary Sewer Improvement Program is 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. A comprehensive financing model has been developed and is being utilized by the Finance Department to manage the finances of the Sanitary Sewer Improvement Program. The first annual 4% sewer user fee increase was implemented on January 1, 2004. Annual 4% sewer user fee increases will continue to be levied throughout the life of this program. In order to mitigate additional increases in the sewer user fee, the City-Parish will continue to seek low interest loans, federal grants, and state grants to reduce program costs.

In addition to the consent decree work that the City-Parish is undertaking, the 2008 operations and maintenance budget will fund the following programs that involve sewer rehabilitation and/or asset repairs and preventive maintenance:

- Operations and Maintenance – The *2008 Annual Operating Budget* will provide \$5,409,000 for a sewer preventive maintenance program. Of this amount, \$2,534,000 will be dedicated for repair and maintenance of treatment plant and pump station equipment, \$600,000 will be used for the wet well maintenance program, and \$2,275,000 will be used to re-institute the sewer system’s asset management program.
- Sewer Rehabilitation – This is an 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 as required by the consent decree, \$1,000,000 for parish-wide point repair projects, and \$1,210,000 for the parish-wide homeowners’ sewerage pump installation program.
- Emergency Sewer Point Repair Program – This year’s budget appropriates \$2,500,000 to continue this high priority sewer repair program.

FINANCIAL **AND ADMINISTRATIVE**

Debt Management

In March 2007, Fitch Investor Services upgraded the underlying ratings assigned to the City of Baton Rouge (2%) Sales Tax Revenue Bonds and the Parish of East Baton Rouge (2%) Sales Tax Revenue Bonds from AA- to AA, and Moody’s Investors Service upgraded the underlying rating for the City of Baton Rouge (2%) Sales Tax Revenue Bonds from A1 to Aa3.

On March 28, 2007, the City of Baton Rouge issued \$30,395,000 of Public Improvement Sales Tax Revenue Refunding Bonds, Series 2007A. The purpose of the bonds was to provide sufficient funds to refund



\$2,615,000 in principal of the City's Public Improvement Sales Tax Revenue Bonds, Series 1993, and to advance refund \$2,275,000 in principal of the City's Public Improvement Sales Tax Revenue Bonds, Series 1997, and \$25,765,000 in principal of the City's Public Improvement Sales Tax Revenue and Refunding Bonds, Series 1998A. The 2007A Bonds will mature on August 1 of each year through 2018 with interest ranging from 4 to 5 percent. This transaction resulted in a gross savings of \$1,212,380 and a present value savings of \$984,270.

Legislative Issues

The 2007 Regular Session of the Louisiana Legislature was fiscal in nature. Although it was a fiscal-only session, each legislator was allowed to introduce up to five non-fiscal bills. There were approximately 1,300 legislative items filed, with many potentially affecting the City-Parish and its various departments.

A number of items of importance to the City-Parish were enacted in 2007, including the following:

- Act 98 created the Greenwell Springs-Airline Economic Development District in East Baton Rouge Parish.
- Act 201 provided relative to the powers and duties of the Baton Rouge Area Convention and Visitors Bureau.
- Act 202 authorized political subdivisions to establish post-employment benefits funds.
- Act 209 provided for an exemption from sales and use taxes for certain trucks and trailers.
- Act 236 authorized the East Baton Rouge Parish local governing authority to levy riverboat fees based on monthly net gaming proceeds.
- Act 271 authorized a business to receive a \$2,500 enterprise zone credit if 35% of its employees are residents of any enterprise zone, not just an enterprise zone within the parish of its location or a contiguous parish.
- Act 281 increased state supplemental pay for firefighters and law enforcement officers.
- Act 405 provided for a tax increment financing district encompassing the Westmoreland Shopping Center in East Baton Rouge Parish.
- Act 417 created the East Baton Rouge Redevelopment Authority and provided relative to naming a community center located within the parish.
- Act 422 provided for salary increases for justices of the Supreme Court and judges of the courts of appeal, district courts, parish courts, and city courts as recommended by the Judicial Compensation Commission.
- Act 426 provided for an Occupational License Tax rate schedule for fixed location dealers of gasoline or other motor fuels.
- Act 453 provided for tax increment financing for certain purposes in certain cities and for certain written determinations relative to the use of state sales tax increments.

The Appropriations Act of 2007 contained \$11,254,000 in various appropriations to the City-Parish. The Capital Outlay Act of 2007 contained a number of projects that are important to the City-Parish, including the following:



<u>Project</u>	<u>State Capital Outlay Funding</u>
I-12 O’Neal Lane to Walker Widening	\$97,500,000
Comite River Diversion Canal	18,000,000
Riverfront Improvements, Phase I, North Boulevard Town Square and Front Lawn	10,000,000
19 th Judicial District Court Courthouse	6,000,000
Children’s Museum	5,000,000
River Center Arena and Theatre Renovation, Exhibition Center Expansion, Parking Facilities, and Street Realignment	4,600,000
Jefferson Highway Signal Improvements, Government Street to Drusilla Lane	1,725,000
LA 3034 Improvements	1,500,000
Baseball Stadium Improvements	1,500,000
Hooper Road Sewer Improvements	600,000
New Facility for Pride Volunteer Fire Department	250,000
Highway 19 Turn Lanes	200,000

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 *2007 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 17th consecutive year that the department 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

This budget reflects the priorities set by this Administration and continues our philosophy of providing an open public process for decision-making and full cooperation with the Metro Council. I sincerely appreciate the commitment and dedication of the Metro Council members who have worked countless hours and continue to support initiatives to keep our parish moving forward.

In closing, I would like to personally thank each employee of this City-Parish for his or her work, dedication, and contribution to our community. It is with their commitment, and the support of the entire community, that we are building America’s Next Great City and a parish that can compete on the national stage.

Sincerely,

Melvin L. “Kip” Holden
Mayor-President