



November 5, 2014

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 Consolidated Government of the City of Baton Rouge and Parish of East Baton Rouge for the 2015 calendar year.

The economic future looks bright for our region. In June 2014, *Southern Business & Development Magazine* named Baton Rouge as the “Major Market of the Year,” based on deals and investments, and the quality of its economic development strategy. Local economists have projected that 19,600 new jobs will be added in the Capital Region over the next two years. Economic incentives and infrastructure improvements continue to bring big businesses to our area. Construction will soon begin on the Water Campus, a 33-acre site that will become an international center for coastal preservation and restoration. The Water Campus will be located at the old municipal dock between Louisiana State University and downtown. This project will enhance economic development in our area and make our area a cultural and education center.

Our economic development partnership with the Baton Rouge Area Chamber and the efforts of the Baton Rouge Film Commission continue to produce significant results. The availability of educated talent from our local universities and community college, and our unique culture as a quality-of-life draw, make Baton Rouge a great place to live and do business.

Public safety remains a top priority for this Administration. Baton Rouge is the only city in the State of Louisiana that is accredited or has a number one rating in the areas of fire protection, police protection, emergency medical services, and emergency preparedness. Our first responders have been given the necessary resources to maintain the highest possible ratings according to national standards. The Police Department was able to move their headquarters into a newly renovated facility. Meanwhile, crime-fighting partnerships like the Baton Rouge Area Violence Elimination (BRAVE) program are finding success in reducing crime.

Additional infrastructure improvements to our roads and sewer system were advanced through the Green Light Plan and Sanitary Sewer Overflow Capital Improvement Program. Development progresses on our riverfront and downtown area, with many new private and public developments. Developers recently unveiled plans to build the sixth hotel in downtown Baton Rouge, and a seventh is in the works. Within two years there will be more than 1,000 hotel rooms within walking distance of the River Center. This will greatly enhance our ability to attract conventions and large entertainment events to our area. We continue to improve our public facilities in order to provide better service to our citizens.

Work is still underway on FUTUREBR, an update of the land use and development plan for East Baton Rouge Parish. Our commitment to quality of life remains strong through support for cultural initiatives, including our various festivals and community concerts, as well as programs to improve the health of our citizens.

These highlights provide an overview of some of the many areas included in the 2015 budget, the details of which are outlined in the remainder of this message.

General Comments

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 present 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 in the budget document 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.

BUDGET PROCESS

The budget process begins by assessing revenue collections and establishing estimates for funding needed to maintain the existing level of personal services, increases required in employee benefits programs, and other major budget items. In late May and early June, budget packets that included the information needed to compile requests were mailed to departments and agencies. The requests were due to the Finance Department-Budgeting Division beginning in mid-June through early September.

Departments and agencies funded through the General Fund were asked to submit standstill budget requests that provided for their existing operations. The instructions allowed for requests of a critical nature, beyond current funding levels, to be submitted as “supplemental requests.” Most special funds have their own dedicated funding sources, such as taxes or grants; therefore, their budget requests are limited by the level of funding expected to be generated by these sources.

All departments were instructed not to include pay plan amendments or new positions in their budget requests, and to give strong consideration to deleting allotments for positions that had been vacant for the last three years. Departments were allowed to make supplemental requests for changes associated with proposed reorganizations that produce overall savings or increased efficiencies, positions with recruiting and/or retention difficulties, and new or expanded services in self-supporting funds. Departments were also asked to carefully review the narrative portions of their budget requests, paying close attention to performance indicators with an emphasis on efficiency measurement.

Discussions were held between the administrative budget team and various departmental representatives during August and September to discuss their funding needs. Final decisions were made and the document was compiled during the month of October. The result of the process is the budget presented today. The Metropolitan Council will hold budget hearings during November, and a special meeting will be held on December 9, 2014, for the adoption of the *2015 Annual Operating Budget*.

All Fund Summary

The proposed budget for the year 2015 for all funds, exclusive of operating transfers between funds, totals \$830,094,505. This is an increase of \$20,678,080 or 2.55% over the 2014 budget.

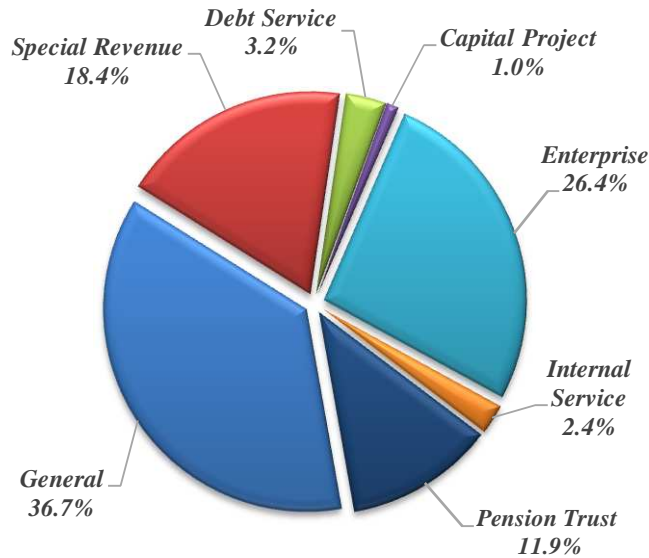
The increase in the General Fund can be mainly attributed to new appropriations for public safety equipment and facilities, funding for personnel costs including merit and longevity increases, and funding for increases in employee benefits. The decrease in Special Revenue and Capital Project Funds is due to one-time capital purchases budgeted for in 2014. The increase in Debt Service Funds is the result of debt incurred to provide funding for the construction of a new fire station and renovation of the Public Safety Complex. The increase in Enterprise Funds is due to the depreciation of assets in the sewerage system. Pension benefit payments to retirees are increasing, necessitating an increase in the appropriations in the Pension Trust.

The graph in Figure 1 and the chart that follows depict the total annual operating budget by fund type for 2015. Following the chart is a discussion on items having a major budgetary impact.



FIGURE 1

TOTAL ANNUAL APPROPRIATIONS BY FUND TYPE
 (Excluding Transfers Between Funds)
\$830,094,505



APPROPRIATIONS – ALL FUNDS
2015 COMPARED TO 2014

Fund Type	2014	2015	2015 Budget Over	
	Budget	Budget	(Under) 2014 Budget	
	Amount	Amount	Amount	Percent
General	\$ 299,348,680	\$ 306,904,650	\$ 7,555,970	2.52%
Special Revenue	155,808,365	155,304,835	(503,530)	-0.32%
Debt Service	31,394,310	32,043,700	649,390	2.07%
Capital Project	12,184,910	10,622,330	(1,562,580)	-12.82%
Enterprise	208,501,920	221,354,850	12,852,930	6.16%
Internal Service	20,623,490	20,097,840	(525,650)	-2.55%
Pension Trust	95,870,530	98,491,080	2,620,550	2.73%
Subtotal	823,732,205	844,819,285	21,087,080	2.56%
Less: Transfers Between Funds	(14,315,780)	(14,724,780)	(409,000)	2.86%
Grand Total	\$ 809,416,425	\$ 830,094,505	\$ 20,678,080	2.55%

INDEPENDENT SALES TAX REVENUE ESTIMATE REVIEW

Following are comments from Dr. James A. Richardson, John Rhea Alumni Professor of Economics at Louisiana State University, and Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, found in their letter of October 21, 2014, concerning their forecasts of sales and use tax revenue growth in East Baton Rouge Parish for 2015.



Dr. Loren C. Scott and I have reviewed the sales tax revenue estimates you have made for calendar year 2015 in preparing the 2015 Budget for the City-Parish.

The Baton Rouge economy is projected to experience positive growth in employment for the next two years by the Louisiana Economic Outlook, 2015-2016, by almost 10,000 jobs per year. We are projecting a growth of 9,900 jobs in 2015 or a 2.5 percent growth rate and a growth of 9,700 jobs in 2016 or a growth rate of 2.4 percent. This expected growth in the Baton Rouge economy will, in our opinion, support the 1.5 percent growth projection for sales tax collections for the City-Parish in 2015.

Obviously, as in any forecast, there are uncertainties. The global and national economies still have some question marks, but the trend has been positive. The national forecasting models are suggesting a positive growth for the U.S. economy over the next two years. Energy prices, especially oil, are dropping at this time into the \$80 range depending on what crude oil price index is being examined. There are other uncertainties, but this has been true and is true for almost all dates. It is our judgment, at this moment, the Baton Rouge economy will do very well despite these uncertainties and possible changes in national or global economic policies.

The City-Parish is fully aware of developments that may affect its tax base: (1) state budgetary issues can affect the Baton Rouge economy given the major presence of state government, two major universities, and a very vibrant community college in the region; (2) oil and gas drilling changes that will affect business development over the next several years; and (3) other communities are developing retail bases for their citizens to shop and this will potentially affect the tax collections typically collected in East Baton Rouge. But we believe the growth in the economy will not be sidetracked by these other possibilities.

The last point is not an item that is of immediate concern, but it is certainly a long-term concern the City-Parish should recognize. We also note there are major developments in the Baton Rouge Metropolitan Area that will be unique to the Baton Rouge economy such as the IBM building in the downtown area, the major chemical expansions throughout the metropolitan area, and the general growth of the region.

The City-Parish Department of Finance has been very cautious in its revenue estimates. It was cautious last year and actual sales tax revenues in 2014 are expected to exceed the projected sales tax collections. It is certainly possible for the City-Parish to witness a growth in sales tax collections in 2015 of more than 1.5 percent; however, we believe the 1.5 percent projection is very prudent and very reasonable based on what we expect to happen in the Baton Rouge economy during the next two years. We note that sales tax collections in 2014 are expected to make the 1.5 percent estimate that was projected last year. We believe that the coming two years will be more vibrant and will support the 1.5 percent estimate.

When compared to the first eight months of last year, collections for the 2% sales and use tax increased by 2.55% during the same time period in 2014. While recognizing that there has been a rebound in the economy, positive job growth is projected, and there will be a positive economic impact from planned business expansions, it was important to use an attainable sales tax estimate when developing the 2015 budget. Based upon historical data and the advice of these experts, the proposed budget assumes a 1.5% growth rate for sales and use tax revenues in 2015. This growth rate was applied to projected collections for 2014.

FULL-TIME EQUIVALENT (FTE) POSITIONS

In the 2015 budget, the number of proposed FTE positions for all funds decreased by 17 positions. A “Summary of Allotted and Full-Time Equivalent Positions” detailing changes by department is included in the budget document.

FTE positions for the Department of Public Works (DPW) decreased by a net of 11 positions. Five vacant clerical and engineering aide positions are being deleted in the Inspection Division to fund two additional analysts for plan review, as well as other proposed changes to the pay plan to enhance this function. There are many pay plan and allotment changes



proposed for the Sewerage Operations and Maintenance Division, resulting in a net reduction of seven vacant positions. These changes are in accordance with the reorganization initiative that will be on the ballot in December and will enhance managerial, technical, and inspection functions. A vacant maintenance position at the North Landfill is also being deleted.

One City Court position is being transferred from the General Fund to provide clerical assistance for Sobriety Court. The reorganization of the Office of Community Development this fall resulted in a net decrease of 9.85 FTE positions. Four positions are being added for Mosquito Abatement and Rodent Control, and one FTE position is being added for the library system. Other positions being deleted include an Attorney B position in the Parish Attorney's Office and the equivalent of .15 positions in social service agencies.

Funding in the amount of \$100,000 is being added to the budget for the District Attorney for two positions to aid in prosecutions. The additional prosecutors for sex crimes and domestic violence do not impact the City-Parish personnel allotment since these positions are under the direct control of the District Attorney.

EMPLOYEE COMPENSATION

Approximately \$3.4 million is included in this budget for 3% merit and longevity raises for eligible employees. Individual requests for amendments to the pay plan and personnel allotment were given consideration only if there were changes in the organizational structure of a budgetary unit or difficulties in recruiting and/or retention.

The results of the City-Parish Total Compensation Study, which were released in October of 2013, will be used as the basis for any changes to compensation moving forward. In order for the City-Parish to be able to attract and retain the caliber of talent necessary to continue to foster its commitment to growth and a strong quality of life, it must move towards an employee compensation system that is both financially pragmatic and competitive with other public- and private-sector employers.

The study analyzed the existing pay plan for non-municipal police and fire employees, benchmarked City-Parish positions against various ranges of pay for comparable positions in other areas, and examined the benefits structure against those of peer cities. Each element of compensation was examined including base pay, longevity pay, overtime, leave, health-care benefits, retirement benefits, and other post-employment benefits. The study concluded that base pay is lower for many classifications in the early years of employment but becomes more competitive with the addition of merit and longevity pay. Benefit costs such as paid leave, health care, and retirement are higher than the benchmark data from other peer cities.

A Compensation Implementation Team consisting of representatives from the Administration and the Metropolitan Council was formed in 2014. Throughout the year a series of informational meetings were held that included subject matter experts, support staff, and representatives from employee unions. Educational presentations were made on the results of the study and on benefits and liabilities associated with retirement, health insurance, and compensated absences. The team came up with several recommendations to balance the total compensation package for City-Parish employees. The recommendations included:

- Increases to base pay
- Incorporation of longevity pay into the current base pay plan
- Increase in the minimum wage for full-time employees to \$9 per hour
- Calculation of overtime in accordance with the Fair Labor Standards Act
- Changes in retirement benefits for new hires
- Elimination of a paid holiday
- Reduction of sick-leave accruals and limits

The team also asked the Human Resources Department to obtain additional information on disability insurance and on health insurance options for both active employees and retirees.



During the first quarter of 2015, the proposed changes will be reviewed for legality and discussed with employee groups. The City-Parish Employees' Retirement Board will be asked to review potential changes to the ordinance governing retirement benefits. The many personnel rules that need to be amended will be rewritten and presented to the Personnel Board for approval, and changes to union contracts will have to be negotiated. The Metropolitan Council will also need to approve any new pay plans and changes to the retirement ordinance, personnel rules, and union contracts. Since no final decisions have been made, these changes are not included in the 2015 budget. The targeted implementation date for these changes is April 1, 2015. The actual implementation will depend on funding availability and the timeliness of the actions needed above. The budget will be adjusted through the budget amendment process.

EMPLOYEE BENEFITS

Retirement Contributions

City-Parish Employees' Retirement System (CPERS)

The 2015 employer contribution rate was certified at 28.10% by the CPERS Board of Trustees, which is the rate recommended by the system's actuary. The 2015 budget provides funding at this rate, which is a 0.87% increase over the 2014 employer contribution rate, and an annual cost to the City-Parish of approximately \$1.2 million. The employee contribution rate will remain at 9.5% in 2015.

The Board of Trustees has an investment policy that outlines the goals, objectives, responsibilities, and restrictions for system investments. Through a well-diversified and prudently managed portfolio, long-term investment returns are expected to meet or exceed the required returns needed to fund the system.

The gross rate of return on investments for calendar year 2013 was 15.7%, which was greater than the actuarial rate of return assumption of 7.5%. The target allocation for system assets is 50% investment in equities, 30% in fixed income, 10% in alternative investments, and 10% in real assets. Gains and losses are smoothed over a five-year period in order to dampen rate volatility.

Municipal Police Employees' Retirement System (MPERS)

The transfer of law enforcement personnel and mandatory enrollment of new hires in 2000 shifted responsibility for payment of their pensions to the MPERS system. As a participating employer, the City of Baton Rouge is required to make contributions to the system. The Public Retirement Systems' Actuarial Committee approved an increase in the rate from 31% to 31.5% for the fiscal year beginning July 1, 2014. The annual cost of this increase to the City-Parish is approximately \$200,000. The employee contribution rate will remain at 10% in 2015.

Health Insurance

The City-Parish health insurance program is self-insured, meaning that sufficient revenues must be generated and maintained in order to pay actual claims and the costs to administer the program. These benefits are available to active employees and to retirees, who make up approximately one-third of the participants. The City-Parish has a contract with a private company to administer a Health Maintenance Organization (HMO), a Point of Service plan (POS), and a High Deductible Health Plan (HDHP). In addition, active employees who are on the HMO and POS plans have the option to have Flexible Spending Accounts (FSA), which allow them to use pre-tax wages to pay for qualifying health and dependent care expenses. Active employees selecting the HDHP, which has considerably lower premiums and higher deductibles, have the option to participate in a Health Savings Account (HSA). The HSA allows them to use pre-tax wages to pay for qualifying health care expenses. HDHP participants may also have a FSA for qualifying dependent care expenses.

In the second quarter of 2014, the City-Parish began a competitive process for a new health claims administrator. After several responses were evaluated, the contract was awarded to Blue Cross Blue Shield of Louisiana. The new contract will have a five-year term of guaranteed rates beginning January 1, 2015, with the option of two, one-year extensions



In the second quarter of 2014, the City-Parish began a competitive process for a new health claims administrator. After several responses were evaluated, the contract was awarded to Blue Cross Blue Shield of Louisiana. The new contract will have a five-year term of guaranteed rates beginning January 1, 2015, with the option of two, one-year extensions thereafter. The contract also included a decrease in the monthly per member fee from \$37.50 to \$37.00 and other contract enhancements.

The City-Parish is suspending the 2014 monthly health insurance rates for active employees for one pay period in December, and the monthly medical premiums for retirees will be reduced by 50%. All funding received through the Early Retiree Reinsurance Program in the amount of \$4.1 million will be exhausted at the end of 2014. In addition, there will be no increase in employer or employee premiums in 2015. With no increase in premiums, approximately \$2.9 million will be needed to balance the health program, which will come from health insurance reserves. Expenses associated with the Affordable Care Act estimated at \$574,000 have been included in the 2015 estimated claims. No plan design changes are being implemented in 2015, other than those mandated by the Affordable Care Act and the managed care network provider. The projected sources and uses for the 2015 health insurance program are shown in Figure 2 and Figure 3 below.

FIGURE 2

2015 HEALTH INSURANCE PROGRAM
SOURCES OF FUNDS
\$63,258,900

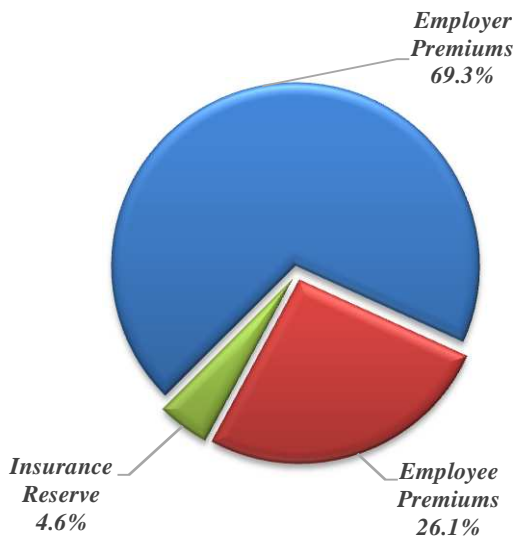
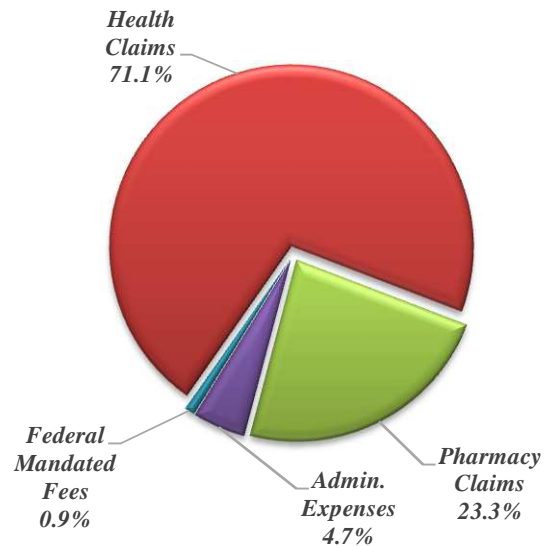


FIGURE 3

2015 HEALTH INSURANCE PROGRAM
USES OF FUNDS
\$63,258,900



Employee Wellness and Education Programs

The *Healthy Lives* wellness program will once again be available to City-Parish employees and health plan participants in 2015. This comprehensive health and wellness solution will improve health outcomes and the value of health care delivery by providing health management tools, developing comprehensive programs to meet the needs of a given population, engaging targeted individuals in the management of their own health and wellness, and optimizing care collaboration and coordination with health care providers.

Through the third quarter of 2014, a total of 580 employees have completed health-risk screening. In addition to the annual health fair, screenings were held at various locations around town on the Our Lady of the Lake Hospital mobile unit. Each individual received a confidential individualized report outlining their screening results and their health-risk profile. Individuals identified at high or moderate risk for a specific disease, such as diabetes, stroke, coronary heart



contacting the individuals identified at moderate to high risk, bringing a person-centered, holistic coaching and care management service to employees and plan participants. The next steps in program implementation will include bi-monthly health screenings on the mobile unit, worksite assessments, and various monthly educational offerings.

The cost of the base contract for *Healthy Lives* is \$286,000 per year. There are additional fees for each individual receiving screening and coaching services. Also included in the 2015 Risk Management budget is \$335,000 to continue a special wellness program for Fire Department personnel.

Dental Insurance

There will be no increase in premiums in 2015 for the City-Parish dental program, which is fully insured. In 2013, the Metropolitan Council approved a three-year contract extension with the current provider at the current rates. The City-Parish will contribute 52%, or approximately \$1,830,000, towards the cost of providing dental insurance, with the active employees and retirees paying the remaining 48%.

Life Insurance and Voluntary Benefits

The City-Parish pays 100% of the cost of life insurance premiums that provide a \$50,000 benefit for elected officials, a \$25,000 benefit for active employees, and a \$5,000 benefit for retirees. The annual cost of the coverage for active employees and retirees is approximately \$482,000.

Optional voluntary benefits available to employees include term life, universal life, vision, cancer, accident, short-term disability, and critical illness policies. Employees are responsible for 100% of the premiums for all of these optional benefits.

Other Post-Employment Benefits (OPEB)

The rate for other post-employment benefits in 2015 will remain at 12% of active payroll. OPEB for the City-Parish consists of health, dental, and life insurance benefits for retirees. Historically, the City-Parish has funded these benefits on a pay-as-you-go basis. While there is no current requirement that a government fund these benefits on an actuarial basis over an employee's service career, the liability must be reported in the financial statements as required by a governmental accounting standard that took effect in 2007. If the City-Parish were to fund the annual required contribution in this manner, a rate of 41% of active payroll would be necessary to cover both normal costs and to amortize the unfunded actuarial liability.

Since the City-Parish does not have the resources to fund this liability on an actuarial basis, significant progress must be made in the near future to reduce this liability for current and future retiree benefits. Options to be reviewed include establishing a trust for post-employment health benefits, closing the current retiree health plan to future hires and implementing a new retiree plan that is more in line with market practices, offering fully-insured Medicare supplement policies with prescription drug coverage once retirees become eligible, and offering a fully-insured Medicare Advantage plan with supplemental prescription drug coverage.

General Fund

REVENUES

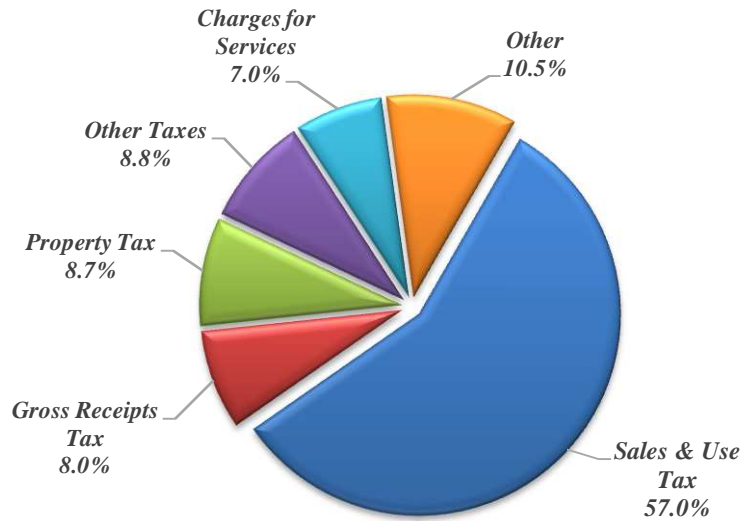
As shown in Figure 1, the General Fund, excluding operating transfers in, makes up approximately 36.7% of the total City-Parish budget for the year 2015. The General Fund provides for the general operations of the government and includes all revenues that are not legally dedicated for a specific purpose.



The primary revenue sources, as shown in Figure 4, include the sales and use tax, property tax, gross receipts tax, and other taxes. Revenues generated from these sources support 82.5% of the appropriations in the General Fund.

FIGURE 4

GENERAL FUND FUNDING SOURCES
\$306,904,650



Significant changes in General Fund funding sources include the following:

	Increase (Decrease)
<u>REVENUE GROWTH:</u>	
General Sales and Use Taxes	\$4,635,740
Gross Receipts Business Taxes	2,091,000
General Property Taxes	1,103,370
Electrical and Building Permits	285,000
On-Behalf Payments for Salaries and Benefits from the State of Louisiana	112,120
Coroner Fees	75,800
Other Revenues	(172,070)
Traffic Safety Fees	(500,000)
TOTAL REVENUE GROWTH	<u>\$7,630,960</u>
<u>CHANGES IN FUND BALANCE:</u>	
Fund Balance - Unassigned	(678,290)
Fund Balance - Insurance Reserve Fund	400,000
Fund Balance - City Court	203,300
TOTAL REVENUE GROWTH AND CHANGES IN FUND BALANCE	<u>\$7,555,970</u>

Major Revenue Assumptions

As previously stated, a 1.5% growth rate over 2014 anticipated collections was used as the basis for the sales and use tax revenue estimate for 2015. The anticipated collections for 2014 sales and use taxes are based on actual collections through August, and a modest growth rate of 1.5% for September through December.



A growth rate of 2% over 2014 projected collections for gross receipts business taxes levied on utility companies, and a 1.6% average growth rate in the assessed valuation of property over the 2014 assessed valuation were used as the bases for forecasting these tax revenues for 2015. Total revenue growth budgeted in the General Fund for 2015 is \$7,630,960.

Use of Fund Balance

Fund balance in the amount of \$7,496,150 has been used in the 2015 proposed budget. This includes \$6,392,850 from unassigned fund balance, and \$203,300 of fund balance committed for City Court that will be used to fund a portion of a new case management system. Fund balance from the Insurance Reserve Fund in the amount of \$900,000 is being appropriated for the payment of compromised judgments and the 2015 installment on a general liability settlement approved by the Metropolitan Council in 2014. Funding used in the budget from unassigned fund balance accounts for approximately 2% of the budget. The projected level of unassigned fund balance remains at a prudent level. A chart detailing the appropriations supported by Fund Balance can be found under “Appropriation Assumptions” in “Understanding the City-Parish Budget.”

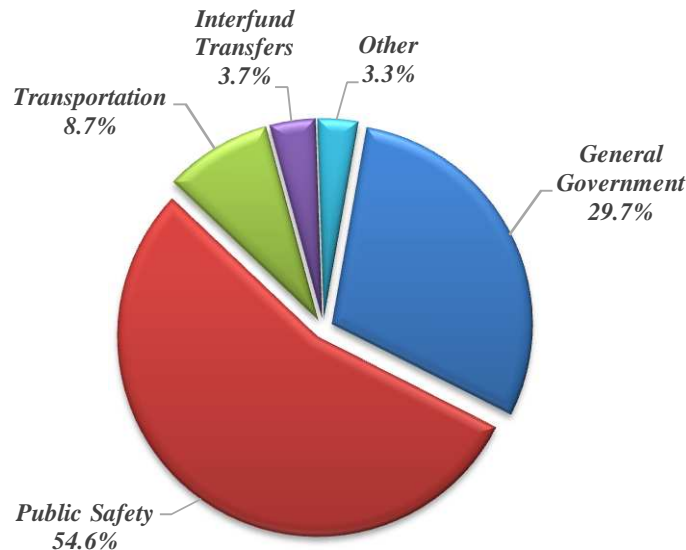
The City-Parish has for some time maintained a portion of the General Fund – Fund Balance in an account titled “Committed for Budget Stabilization.” The financial policy included in the budget document states that a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures will be maintained. In order to adhere to the policy requiring 5% of the budget for the following year to be maintained in this account, the balance in the account will be increased from the current amount of \$14,976,000 to \$15,345,000 at year-end.

APPROPRIATIONS

Total appropriations for the General Fund budget increased by \$7,555,970, or 2.52%, when compared to the 2014 budget. Our commitment to public safety continues as shown in Figure 5 with 54.6%, or approximately \$167.7 million, of the 2015 budget proposed for that function.

FIGURE 5

**GENERAL FUND APPROPRIATIONS
BY MAJOR FUNCTION
\$306,904,650**





Significant changes in General Fund appropriations (2014 to 2015) are shown below:

	<u>Increase (Decrease)</u>	<u>Total</u>
<u>APPROPRIATION CHANGES:</u>		
Public Safety:		
Fire Station - Renovations to Fire Station #12 (Government Street)	\$750,000	
Police - Funding for Second Police Academy of 30 Officers and Additional Five Officers in First Academy	703,330	
City Court - Case Management System	454,010	
Fire Station - Debt - LCDA Loan	415,090	
City Court - Ticket Writers	139,330	
Constable - Three Vehicles and Accessories	<u>101,810</u>	\$2,563,570
Prison-Related Expenses:		
Prison Capital Needs	350,000	350,000
Constitutional Offices:		
Coroner - Operational Needs	205,360	
Juvenile Court - Security Needs	145,000	
DA - Sex Crimes Prosecutor and Domestic Violence Prosecutor	<u>100,000</u>	450,360
Salaries and Benefits:		
Reduction in Salary Savings and Merit Increases	1,069,490	
Retirement Contributions	949,810	
Health, Dental, Life, and OPEB	238,210	
Overtime and Allowances	144,260	
On-Behalf Payments for Salaries and Benefits	<u>112,120</u>	2,513,890
Other Programs and Activities:		
Electricity and Gas	648,500	
General Liability - Settlement Agreement	400,000	
Economic Development Initiatives	100,000	
Insurance - Fire and Extended Coverage	210,230	
Janitorial and Extermination Services - Public Safety Complex and DPW	196,100	
River Center	166,930	
North Boulevard Festival of Lights	110,000	
Priority Building Improvements	<u>75,550</u>	1,907,310
Net Changes in All Other Appropriations		<u>(229,160)</u>
TOTAL INCREASE IN 2015 BUDGET OVER 2014 BUDGET		<u><u>\$7,555,970</u></u>

Budget Highlights

PUBLIC SAFETY

The public safety of our citizens and visitors has always been, and will continue to be, a top priority of this Administration. This has been accomplished through enhancing manpower, creating partnerships, creating efficiency through technological advancements, improving facilities and equipment, and maintaining professional standards.



Police Department

Accreditation

The Baton Rouge Police Department has maintained national accreditation since 1996 and continues to be recognized by the Commission on Accreditation for Law Enforcement Agencies as a “Flagship Agency.” The department received notification in November of 2013 that it had been re-accredited for the sixth time. The accreditation process will continue to serve as a mechanism to ensure professionalism and the efficient use of resources.

Crime Prevention

The department strives to provide the citizens of Baton Rouge with the highest ideals of professional policing and encourage civic engagement through constant community interaction. Innovative enforcement strategies and operational procedures will continue to be examined in an effort to reduce crime and the fear of crime in all communities, both residential and business. A continued community partnership will improve accessibility, acceptance, and community-based intelligence.

The 2015 budget includes funding for an academy starting in February that will train 20 new officers and ten P.O.S.T. certified officers who will attend abbreviated training. Due to the number of scheduled retirements next year, a second academy for 30 officers is planned for October. These officers will supplement existing officers to reduce shortages and increase police presence. Overtime funding previously used for manpower shortages can be utilized for additional targeted enforcement.

In order to make an immediate impact on the rate of violent crime and create a safer environment for our community, the 2015 budget will provide continued funding for street operations and investigations targeting violent street gangs and drug distribution organizations. This will be a collaborative team approach within all divisions of the department and our local, state, and federal partners. This effort will be guided by real-time intelligence and statistical data to determine where those efforts are most needed.

The BRAVE program has been successful in reducing violent crime and enhancing community outreach. BRAVE efforts have led to significant seizures of illegal narcotics and weapons. BRAVE uses a public health and intervention model to stem the senseless violence and killings in the 70805 and 70802 area codes. Baton Rouge Police Officers, social workers, clergy, and persons providing other mental health-related services combine science and street outreach to track violence. Together as a community, the coalition cools the situation down through intervention of offenders who are prone to escalating violent behavior by means of social acceptance of an individual peer group. BRAVE will continue to target known violent, drug, and gang suspects in statistically designated criminal hot spots.

The Violent Crime Unit continues to be a successful collaboration of local, state, and federal law enforcement partners who share in the long-term goal of reducing violent crime by bringing suspected violent offenders to justice.

In 2015, initiatives will include additional manpower to be assigned to the downtown area on a permanent evening shift. The increased police presence will provide a safer environment for the growing number of citizens and visitors that live, work, and play downtown.

Technology

The department continues to research, fund, and implement technologies that are proven to aid in tracking crime patterns, intelligence, investigations, crime-reduction strategies, and apprehension of wanted criminals. Continued funding is included in the 2015 budget for maintenance and management of deployed technology such as surveillance cameras, shot-spotter coverage, in-car cameras, stun guns, and wireless streaming. Grant funding is currently being sought to purchase body cameras for officers.



Facilities and Equipment

Operational funding for the recently occupied Public Safety Complex, located at the former Woman’s Hospital facility, is included in the 2015 budget. The complex is currently occupied by administrative, training, and support staff. Funding in the amount of \$1 million for replacement police vehicles is also included.

Operations

The 2015 budget provides for the creation of a Special Operations Bureau that will manage all special operations, including the 180 special events held annually. The creation of a fourth bureau will provide a mechanism for greater command through greater accountability, increased productivity, and oversight. It will strengthen relationships between the special operations and traffic personnel. The budget will also provide for an additional personnel allotment for a Deputy Chief position to be appointed by the Chief of Police. The Police Major classification and positions will eventually be deleted through attrition.

Baton Rouge Fire Department

PIAL Class One Rating

The current Class One rating by the Property Insurance Association of Louisiana (PIAL) shows our commitment to providing citizens with the best possible fire protection and the lowest possible insurance rates. Fire departments are rated every five years. The next rating will be received at the end of 2015, and will be based on information compiled through the end of 2014.

Manpower

A training academy for 35 firefighters began in June 2014. These recruits will graduate in December of 2014. Funding is also included in the 2015 budget for a training academy for 15 firefighters scheduled to begin in May. The recently annexed areas will continue to receive fire service from the existing fire protection district.

Equipment

During 2014, funding was provided for two front-line pumper trucks, one service unit, and other equipment needed to meet standards required by PIAL. An additional station was also funded and is expected to be completed in late 2015. The new station will be manned through a reallocation of existing manpower. This station will be located on Lee Drive to provide proper coverage for this rapidly growing area. The 2015 budget includes \$750,000 for the renovation of the fire station on Government Street. This station was constructed in 1975 and houses the Hazardous Materials Unit. The 2015 budget also includes \$500,000 for firefighting gear and other equipment needs.

Emergency Medical Services (EMS)

Accreditation

EMS has been fully recognized as being accredited by the Commission on Accreditation of Ambulance Services (CAAS) since 2004. Accredited providers must go through a re-accreditation process every three years in order to maintain this distinction of excellence. Accreditation signifies that an ambulance service has met the “gold standard” determined by the ambulance industry to be essential as a modern emergency medical services provider. In 2013, EMS achieved accreditation with an overall excellent rating in its review by the CAAS review board.



Training Initiatives

In 2014, the first paramedic class graduated as a result of the partnership with Baton Rouge Community College. Graduates completed semesters in the classroom, hospital, and in the field. An Emergency Medical Technician (EMT) class was also completed during the spring semester. The EMS Training Division received approval from the Committee on Accreditation of Educational Programs for the EMS profession to seek national accreditation of the Paramedic Education Program. EMS has implemented a new spinal immobilization procedure to reduce the number of needless spinal immobilizations in the field. EMS will also partner with the East Baton Rouge Parish School System (EBRPSS) to mentor EMT Instructors.

Through affiliations with Louisiana State University (LSU) and Tulane Medical Schools, EMS is providing physician training in pre-hospital emergency medical services. Residents, interns, and medical students are riding with EMS units to get a feel for what the pre-hospital environment is like. This will promote better working relations between pre-hospital and hospital providers.

In cooperation with LSU, EMS is providing real-life opportunities for engineering students to practice their craft. Engineering students from the fields of mechanical and industrial engineering are studying varying aspects of the work EMS does, and designing and implementing plans to improve efficiency. The program will be expanded to other engineering fields of study next year.

Over 7,200 individuals have received cardio-pulmonary resuscitation training through the EMS Training Center. Those trained included City-Parish employees, EBRPSS faculty and nurses, and citizens.

Community Paramedicine

EMS has started its community integrated health program. Paramedics are making home visits to patients that frequently access 911 and are transported to local area hospitals on a regular basis. They work with these patients on compliance with doctors' orders, medications, and general monitoring of their basic health. The goal is to keep these patients healthy and out of the emergency rooms. This will help reduce the congestion in both the 911 system and in hospital emergency rooms. EMS is also including patients that are at high risk of re-admission to a hospital because of the seriousness of their illness. The goal of the re-admission avoidance is to keep patients referred by the hospitals out of the hospital for 30 days. Telemedicine technology has improved assessment capabilities for paramedics and emergency room physicians. Implementing these programs will improve the overall health of the citizens of our parish and improve the effectiveness of the medical community.

Facilities and Equipment

EMS has entered into a land usage agreement with Lane Memorial Hospital to build a new EMS substation on Carpenter Road next to the hospital facility. This new station will provide a better location for response in the northern part of the parish. The 2015 Budget includes \$500,000 for this station and the replacement of the station on Old Hammond Highway.

Through the judicious use of grant funds and funding from the Upper Payment Limit (UPL) program, EMS has been able to purchase and equip vehicles specifically designed for use in mass casualty and large event situations. A multi-casualty response truck that can carry bulk quantities of equipment and can handle large scale events has been added to the fleet, as well as three all-terrain mini ambulances that allow response in large crowd situations and in areas that a normal-sized ambulance cannot reach.



Mayor's Office of Homeland Security and Emergency Preparedness (MOHSEP)

Re-Accreditation

In 2012, MOHSEP was granted full re-accreditation under the Emergency Management Accreditation Program (EMAP). MOHSEP was found to be 100% compliant with each of the 64 standards and 104 sub-standards. The accreditation process for the field of emergency management ensures that citizens are served by a department that can handle all phases of disasters.

Exercises and Training

MOHSEP participates in various disaster exercises and drills every year to ensure readiness for any and all emergencies or incidents that may occur within East Baton Rouge Parish. In 2014, MOHSEP participated in the semi-annual River Bend Nuclear Station graded exercise and was found to be in compliance with all Nuclear Regulatory Committee (NRC) regulations. New regulations include holding a hostile-action-based exercise to test response should terrorists attack the nuclear station, which was the scenario for 2014. The NRC requires the River Bend Station to test its emergency capabilities with a graded exercise every two years, and MOHSEP plays a vital role in this exercise. MOHSEP also participated in a full-scale exercise at the Baton Rouge Metropolitan Airport. The scenario encompassed not only a plane crash, but also a hostile-action-based element. Patients were triaged and moved to local hospitals. Training for other City-Parish agencies is facilitated through MOHSEP, which provides the necessary rooms and equipment for classes.

Public Awareness

Educating and preparing the public will remain one of MOHSEP's top priorities for 2015. Through presentations both in and out of the office, as well as attending public events, MOHSEP delivers its message of personal preparedness through literature distributed to the public and by making its staff available to answer questions. MOHSEP reached out to businesses, government organizations, faith-based groups, volunteer groups, schools and many more to provide vital information needed to help during an emergency. Thousands of children were once again trained in the Emergency Operations Center (EOC) through the Junior Community Emergency Response Team (CERT) program, with the help of partners both public and private. The children come through the EOC and are able to see where first responders work to protect them and their families. MOHSEP also held their annual Red Stick Ready Day at the Mall of Louisiana. In October of this year, MOHSEP began a public awareness campaign to provide information on the Ebola virus.

Incidents

2014 began with multiple winter weather systems causing road, school, and business closures throughout the parish. The EOC was activated to assist citizens as well as other public safety agencies. The Parish Emergency Operation Plan was utilized and lessons learned are now being used to update the plan. In August of 2014, MOHSEP helped coordinate the response to a train derailment. While there was no hazardous materials response, road closures and clean-up of the scene took roughly a week.

Animal Control and Rescue

Companion Animal Alliance (CAA) is a non-profit animal welfare organization whose vision is to find a good home for every healthy and behaviorally sound companion animal in East Baton Rouge Parish. The City-Parish initially signed a Cooperative Endeavor Agreement (CEA) with CAA in August of 2011 to operate the animal shelter. The agreement with this agency was subsequently renewed through December 31, 2016.

In May of 2014, the Metropolitan Council approved an amendment to the Code of Ordinances to increase annual registration fees for dogs and cats effective July 1, 2014. The Council also gave the Administration the authority to amend the agreement with CAA to increase the City-Parish funding for this agency by the amount of the net increase in registration fees. As a result of these actions, the proposed funding for this agency for 2015 was increased by \$150,000,



resulting in a total annual appropriation of \$735,820. At least 25% of the proceeds from the increase in fees will be used for low-cost spay and neuter services in conjunction with private practice veterinarians. The remaining 75% will be used for shelter medicine and vet care, as well as staffing to increase adoptions and fosters with the goal of increasing the save rate.

LSU entered into a Memorandum of Understanding with CAA in 2013 to provide land for a state-of-the-art veterinary clinic and shelter adoption center. This building will be located close to the nationally recognized LSU School of Veterinary Medicine and will provide high-quality veterinary services for shelter animals, grants for research, space for community education, and areas for animal evacuation during hurricanes or disasters. The CAA will continue to conduct capital campaigns to raise private donations for this facility.

The cities of Baker, Zachary, and Central also fund a portion of these costs as well as the cost of animal control services provided by City-Parish employees. Their pro rata share is based on the population counts from the 2010 census.

EFFECTIVE AND EFFICIENT GOVERNMENT

It is important to create public trust and make government accessible, responsive, and accountable to the citizens. There are many on-going practices and new initiatives underway that will make the City-Parish more efficient as well as effective.

Excellence in Budget Presentation and Financial Reporting

The Finance Department continues to demonstrate its commitment to providing high quality customer service through excellence in financial reporting. The department received the “Distinguished Budget Presentation Award” from the Government Finance Officers Association (GFOA) of the United States and Canada for the *2014 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 24th consecutive year that the department has received this award.

The GFOA of the United States and Canada also awarded the Certificate of Achievement for Excellence in Financial Reporting to the City-Parish for the *Comprehensive Annual Financial Report* for the fiscal year ended December 31, 2012. This prestigious national award recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to receive this award, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. The reports must also satisfy both accounting standards and applicable legal requirements. The department has produced a financial report meeting these standards and received this award 37 times since 1971.

Debt Management

Our government has invested considerable effort into maintaining a working relationship with bond-rating agencies. This allows us to keep them informed concerning issues that affect our bond ratings. Rating agencies have cited strong financial management and the willingness to take prompt corrective budgetary action when necessary as positive attributes of our government. As a result, the City-Parish enjoys favorable bond ratings such as the underlying rate on the City 2% General Sales Tax Revenue Bonds from Moody’s Investors Service (Aa2), Standard and Poor’s (AAA), and Fitch Investors (AA+). These ratings result in very reasonable interest rates on debt.

Information Services Initiatives

The current financial, human resources, and procurement systems that were purchased in 1994 need to be replaced due to support issues, their inability to integrate with external databases, and their inability to accommodate a mobile e-government. The City-Parish is in need of a new Enterprise Resource Planning (ERP) system to bring together



information from many different departments to improve efficiencies and effectiveness through the optimal use of resources, better planning, faster decision-making, and the elimination of redundancies.

In January 2014, a team composed of representatives from the Information Services, Finance, Human Resources, and Purchasing departments selected a consultant to assist the City-Parish in procuring a new ERP system. City-Parish departments were then interviewed by the consultant to gain a better understanding of their day-to-day processes. Needs assessments were conducted resulting in the identification of approximately 4,000 system specifications. A request for proposal (RFP) was then formulated based on these specifications and advertised nationally. In August, the City-Parish received 12 responses to the RFP. The team has reviewed these proposals and a short list of vendors has been selected. Vendor presentations and site visits to view working systems will be conducted over the next three months. A system of the size needed for the City-Parish can range from \$5 to \$7 million. Plans are to have a vendor recommendation and a funding plan to the Metropolitan Council for consideration early next year.

Information Services also continues to update the digital infrastructure. In early 2014, network devices at several buildings were upgraded to accommodate increased bandwidth capacity. In late 2014, the network ring that connects several critical City-Parish facilities will be upgraded, as well as expanded to include the new Public Safety Complex.

Purchasing Initiatives

In October of this year, the Metropolitan Council approved a proposal by the Purchasing Director to make amendments to the purchasing ordinance to streamline the procurement function. The amendments were based on an analysis of procurement thresholds for direct purchases performed by the Finance Department-Internal Auditing Division. The changes increased the departmental authority to directly procure materials and supplies from a threshold of less than \$1,000 to \$5,000 or less. This will give departments more flexibility and provide for a quicker and easier procurement process. Other amendments made to the ordinance aligned local and state purchasing procedures. Purchasing will develop an extensive training program for departmental personnel to ensure that the City-Parish is still getting the best values, and budgetary controls will remain in place. These changes will allow the Purchasing Department to focus on expediting long lead-time purchases to assist departments in meeting their mission, goals, and objectives.

Human Resources Department (HR) Initiatives

The HR Department strives to maintain a diverse workforce, which values the differences among employees. They continue to put safeguards in place to ensure that no employee or applicant is discriminated against in any terms, conditions, or privileges of employment because of race, sex, creed, color, religion, national origin, age, marital status, ancestry, sexual orientation, gender identification, or physical or mental disability.

In 2015, HR will continue to expand its training capacity in three ways, including the continued development of departmental trainers via the Training Development Institute; the creation and roll-out of training videos via the Video Training Initiative; and the expansion of the Leadership Development Institute program.

Workforce succession planning will also continue in 2015 to assist departments with identifying key positions, the skills needed for those positions, and how to select the most qualified applicants to provide service without interruption. The Workforce and Succession Planning model also assists employees with resources for career development. The City-Parish continues to use the model to promote continuity of operations and employee career development.

Department of Public Works (DPW) Initiatives

A consulting firm was commissioned to perform an organizational study of DPW by reviewing the current organizational structure and recommending changes to create a more efficient and effective DPW that is accountable to both the residents and businesses.



A DPW Reorganization Steering Committee was organized to advise and shape a process designed to provide recommendations for the reorganization. Members of the committee included a wide cross-section of internal and external public works stakeholders composed of representatives of the Mayor’s Office, the Metropolitan Council, DPW employees, union representatives, industry and trade association representatives, and community stakeholders.

The committee reviewed the consultant’s recommendations that the existing Department of Public Works be decentralized and divided into six new departments with self-contained budget units, clear functional responsibilities, performance metrics, and one director for each new department tasked with overseeing the critical departmental functions and services for which each is responsible. The recommendations include the following new departments:

- Department of Environmental Services
- Department of Transportation & Drainage
- Department of Maintenance
- Department of Development
- Department of Buildings and Grounds
- Department of Fleet Management

In addition, an Office of Business Operations and Capital Programs will be established for the purpose of providing essential financial and programmatic support to each department.

The transition plan for the reorganization was finalized and approved by the Metropolitan Council in September, for placement on the December 6, 2014, ballot for consideration by the citizens in accordance with the process for instituting changes to the *Plan of Government*. Since the reorganization is being voted on after the presentation of the proposed budget, the budget has been prepared under the existing structure. A budget amendment will be presented to the Metropolitan Council early next year if the reorganization is approved by the voters. *The voters approved the reorganization.*

INFRASTRUCTURE IMPROVEMENTS/GROWTH MANAGEMENT

We continue to make progress with our capital improvement programs with some very significant projects beginning in 2015. Details on these programs can be found in the section of the budget titled “Capital Improvement Programs.” Following are selected highlights, including details of the activity that has occurred or can be expected in 2014 and 2015.

Sanitary Sewer Overflow Capital Improvement Program

The Sanitary Sewer Overflow Capital Improvement Program (SSOCIP) has made significant progress since the program began in 2006. As mandated by a United States Environmental Protection Agency (EPA) and Louisiana Department of Environmental Quality (LDEQ) Consent Decree, all sewer overflows in the City-Parish must be reduced to meet design storm parameters by December 31, 2018. This new deadline reflects a four-year extension, which was approved by the Department of Justice (DOJ), EPA, and LDEQ on June 16, 2013, in the “Revised Second Agreement and Order Regarding the Modification of the Consent Decree.”

The revised agreement extends the overall completion date in exchange for including and accelerating over \$150 million in Master Plan projects, including North Wastewater Treatment Plant (NWWTP) Master Plan projects, the NWWTP Public Project, emergency generators at two treatment facilities and over 400 pumping stations throughout the parish, and the installation of a state-of-the-art Supervisory Control And Data Acquisition (SCADA) real-time control system to allow the City-Parish to manage wet weather flows to maximize in-system storage and treatment to reduce overflows.

The current program manager’s first task was to develop a comprehensive Program Delivery Plan (PDP). The plan was written as the master plan for design and construction of the wet-weather projects, which will implement corrective actions to reduce sanitary sewer overflows and meet the requirements of the Consent Decree. The plan is revised



periodically to refine the design of several projects. The City-Parish will realize a significant cost savings by combining some of the projects, which will also provide a reduction in construction inconveniences to residents and business owners.

Work has progressed in the areas of design engineering, bidding services, and construction. Through September 2014 there are 110 projects, of which 56 have been completed with a total construction value of nearly \$575 million. An additional 26 projects valued at approximately \$423 million are under construction, and 28 projects valued at approximately \$250 million are in the design phase.

The current estimated cost for completing the revised program is \$1.64 billion (\$1.49 billion for construction and \$148 million for SSO program administration). The PDP is currently under analysis and review, with a focus on reducing and containing costs. The financial model for the program is constantly being monitored by a financial team to ensure that the operations, as well as the capital needs, of the sewer system can be met. In April of 2014, the City-Parish issued \$209,785,000 of subordinate lien sewer revenue bonds to finance 18 additional projects for the SSOCIP. These bonds have a term of 30 years and were issued at a true interest cost of 4.48%. They are secured from the proceeds of the sewer user fee and the one-half of one percent sewer sales and use tax.

Throughout 2015, most of the design of the PDP projects will be completed and many projects will enter into the construction phase, while some projects currently under construction will be completed and closed out. Projecting through the end of 2015, 76 projects will be completed, 34 projects will be under construction, and the design of the remainder of the projects will be completed and awaiting construction. Complete information on the program can be found on the City-Parish's website, www.brgov.com, under Baton Rouge Sewer Program.

Green Light Plan

In October of 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. With this vote, the tax that was previously referred to as the "pothole tax" was extended until the year 2030. The tax proposition called for 70% of the proceeds to be used for transportation improvements, including all costs associated with the construction of new roads, widening of existing roads, and intersection and signalization improvements. The projects funded through this portion of the tax are part of the Green Light Plan (GLP). Twenty-seven percent of the proceeds of the tax are being used to continue the road rehabilitation program, and the remaining three percent will be used for beautification and street enhancement projects. The City-Parish has taken advantage of available federal dollars to provide a portion of the funding for projects, including the Central Thruway project. All collections in Baker, Zachary, and Central dedicated for street improvements are remitted directly to and administered by those municipalities.

The City-Parish is constantly looking for innovative ways to stretch our local tax dollars and identify alternative funding sources to expedite road construction projects. In October of this year, the City-Parish was notified of the award of \$17.1 million in federal grant funds. Local funding of \$6.3 million will be added to the federal award, for a total of \$23.4 million to be applied to improvements on Old Hammond Highway. The federal funds were approved for use during the 2018 and 2019 fiscal years.

The capital budget includes the appropriation of \$7,940,580 in anticipated revenue collections in 2015 for transportation improvement projects. The uses for the pay-as-you-go funding include \$3,173,920 for program administration and inspection services, and \$4,766,660 to supplement the construction of O'Neal Lane (George O'Neal Lane to South Harrell's Ferry Road).

A detailed chart is included in the section of the budget titled "Capital Improvement Programs" outlining the current status of the projects in the program. Also, complete information on this program can be found on the City-Parish's website, www.brgov.com, under the Green Light Plan.

***Riverfront Development***

The riverfront and skyline of downtown Baton Rouge continue to be transformed as more public and private investments are initiated and completed. Several of the master plans for downtown Baton Rouge focus on the importance of riverfront development to reconnect the downtown area to the Mississippi River, the region's economic, environmental, and cultural anchor. The 2015 budget includes \$550,000 in appropriations funded from the proceeds of the state sales tax rebate dedicated for riverfront development for the projects discussed below.

Originally built in 1984, the Riverfront Plaza is a classic water garden style public space of the particular era in which it was designed. Funding in the amount of \$250,000 is being allocated to plan and renovate the plaza. Lighting, audio equipment for public announcements, landscape and irrigation, sidewalk, and handicapped access improvements will be made. The Riverfront Plaza improvement area includes the levee stage area and levee green between the USS Kidd and the plaza.

A comprehensive wayfinding signage package is needed to provide direction to the thousands of daily visitors to the riverfront. Funding in the amount of \$50,000 is being allocated for signage to be placed along the preferred pedestrian routes and gateway access points along the Central Green. The signage will provide information about riverfront attractions.

Gateway corridors at South Boulevard, Government Street, North Boulevard, Convention Street, Florida Street, Laurel Street, Main Street, and North Street directly connect to riverfront access points. This budget includes \$250,000 for a project that will provide an improved first impression for the visitors to our riverfront. Improvements will include lighting and wayfinding signage. Improvements will also be made on the adjacent surface parking lots under the interstate overpass. Over 500 parking spaces beneath the interstate structures surrounding downtown have been identified.

Riverfront investment and development is experiencing unprecedented growth, a testament to the entire parish's economic strength and stability. With continued growth, exciting entertainment options, unparalleled cultural amenities, and workforce opportunities all within walking distance, the downtown area has become one of the most desirable places to live and work in Baton Rouge. Three hundred residential units are currently in the planning or construction phases and over 30 new businesses have opened in 2013 and 2014, many spearheaded by Baton Rouge's young entrepreneurs. Many public endeavors are also underway to provide the infrastructure and quality of life components that contribute to downtown's continued success.

Library Capital Improvements

Design discussions for the replacement of the River Center Branch Library began in the summer of 2012, and included many opportunities for input from members of the public. The design phase is expected to be completed in the fall of 2014. Construction should begin in 2015 and is estimated to take two years to complete.

In order to thoroughly assess the emergent functional and public service needs of 11 of the library's older branch facilities, a study has been commissioned with an architectural firm and should be completed by the end of 2014. Data and recommendations from the study will assist the library in documenting the current state of buildings and outline issues associated with aging facilities. Information from the assessment will assist in considering the repurposing, renovation, and possible addition of new spaces and features that are popular and heavily used in newer facilities, such as collaborative study rooms and quiet reading areas. Data will also be provided to project costs and help determine the most effective sequencing and prioritization of possible projects.

Planning continues for the South Baton Rouge Branch Library. Selection and purchase of a site, followed by architectural design for this branch, is expected to begin in 2015.



QUALITY OF LIFE/CULTURAL INITIATIVES

Baton Rouge continues to celebrate its heritage, use historic assets for community revitalization and development, and build an appreciation for the performing and visual arts as well as cultural events. Of equal importance is the development of partnerships to promote and provide volunteerism and educational opportunities for our citizens, our health, and the general appearance of our parish. The following ongoing cultural, health-improvement, youth development and employment, volunteering, and planning initiatives support our commitment in these areas:

Cultural Initiatives

The 2015 budget includes continued support for partnerships with non-profit agencies to provide funding for festivals and cultural events, including the Baton Rouge Blues Festival, FestForAll, Live After Five, Sunday in the Park, and Earth Day.

Also funded is continued support for facilities and programs to enrich and promote cultural life and preserve heritage that include the Baton Rouge Symphony, the USS KIDD Veterans Memorial, the Louisiana Art and Science Museum (LASM), and the Arts Council of Greater Baton Rouge. This budget includes \$140,000 for waterproofing the LASM.

Healthy Baton Rouge Initiatives

In response to America's growing obesity problem and its relationship to chronic diseases, the U.S. Conference of Mayors launched the "Mayors' Healthy Cities Initiative" to promote the benefits of a healthy lifestyle. The City-Parish has received national recognition for the work that has been accomplished, including being named one of 12 finalists for the Robert Wood Johnson Foundation's Roadmaps to Health Prize. Presentations on this program were given at the National League of Cities Conference and the United States Conference of Mayors.

Healthy BR communicates, coordinates, and collaborates to effect change on the four health priorities identified in the community health needs assessment process: obesity; HIV/AIDS; mental and behavioral health; and overuse of emergency rooms.

The initiative was awarded a \$1 million "Fresh Beginnings Grant" from the Blue Cross Blue Shield Foundation. An additional \$1.2 million in matching funds was secured, bringing the total project budget to \$2.2 million. The program, which began on September 1, 2013, funds the Red Stick Mobile Farmers Market, the Healthy Corner Store initiative, the Food Access Policy Commission, and improved physical fitness equipment and training for four Baton Rouge schools. Zip codes 70805, 70807, and 70802 are being targeted for participation.

Healthy BR, in collaboration with partners, developed a community-wide message about healthy eating and active lifestyles, **5-2-1-0+10**, and has assisted with the rollout of this message in all East Baton Rouge Parish elementary schools, BREC parks, YMCA facilities, clinics, and hospitals. The curriculum stresses the importance of a minimum of **"5"** servings of fruits and vegetables per day, limiting recreational screen time to **"2"** hours, **"1"** hour of physical activity, **"0"** sweetened drinks, and **"10"** hours of sleep.

The HealthyBR.com website includes all local health and wellness services, programs, and information in an easy-to-access format for the community. Also included is a "Healthy Calendar," which keeps the community up-to-date on health events. Healthy BR has a social media presence on Facebook, Twitter, and Instagram.

Neighborhood Revitalization Initiatives

During the past year, the City-Parish received two grant awards from the White House's Neighborhood Revitalization Initiative to help local communities develop strategies to change neighborhoods in distress into neighborhoods of opportunity.



The United States Department of Justice Byrne Criminal Justice Innovation grant will provide funding to create a comprehensive plan to address crime issues in four neighborhoods. Implementation of the plan will improve public health and safety through the reduction and prevention of chronic crime, and deter future crime by addressing the social issues most likely to influence crime.

The City-Parish also received the United States Department of Housing and Urban Development Choice Neighborhood Planning grant. This two-year grant will provide the necessary funding to create a transformation plan aimed at revitalizing the Smiley Heights/Melrose East neighborhood, and the Ardenwood Village Apartments. The goal of the plan is to create high-quality mixed-income housing, attract public and private business investments, and provide social support and educational opportunities for individuals and families living in the neighborhood.

Youth Development and Employment Initiatives

Mayor's Youth Advisory Council (MYAC)

The mission of the MYAC is to represent and advocate on behalf of youth throughout the parish. The students chosen must have solid communication skills and be able to work well with others in a collaborative manner. They must also be able to identify problems and be willing to actively search for and work toward solutions.

In an effort to promote healthy living among young people, the students on the MYAC have completed service-learning projects, conducted park clean-ups, designed and created a website, and have written an original song and video to promote healthy living among young people.

Big Buddy LEVEL UP! Summer Internship Program

The Office of the Mayor-President and the Big Buddy Program partnered to provide high-school-aged youth with summer internships at businesses, government agencies, and non-profit organizations to help develop and support their future employment endeavors. This partnership provided an opportunity to work with the community's most under-supported youth to build resiliency against the three major threats to the economic development of our community – poverty, crime, and academic failure. During the summer of 2014, the eight-week internship placed 105 students within organizations and assigned each participant to a mentor at his or her workplace host site. Additionally, the summer interns attended Tool Time Workshops once a week to learn life tools such as business acumen, punctuality, proper attire, and financial management. Each intern had an opportunity to earn a stipend up to \$1,500. The program was designed using a Junior Achievement curriculum that helps to prepare young people for success in the global economy by providing them with real-world experience and hands-on business activities. The 2015 budget includes \$200,000 in funding for this partnership.

Love Our Community Summer Youth Employment Program

The adolescent years are critical times for engaging young people in meaningful activities that help develop valuable skills and knowledge that will benefit them for the rest of their lives. The Love Our Community Summer Youth Employment Program gives youth ages 14 to 16 the opportunity to earn income while completing work that benefits themselves, the environment, and the community. This experience will not only give them an opportunity to engage in real world work experiences, but also provide them with multiple educational and professional development opportunities that set the foundation for future employment and academic success.

The program, which began in 2013, engages youth in hands-on environmental stewardship projects and introduces them to the environmental issues that impact their quality of life. In addition, participants are provided the opportunity to become change agents by developing and leading projects that will make a difference in their communities, while creating a sense of pride and ownership because the youth play an active role in making their community a better place to live, work, and play. The 2015 budget includes \$200,000 in funding for this program.



During the summer of 2014, the four-week program employed approximately 115 youth and 19 staff members from across the parish. The participants were given the opportunity to gain environmental and neighborhood revitalization work experience working on projects such as:

- Fighting blight by transforming overgrown and vacant lots into community gardens and painting murals on blighted buildings.
- Implementing various environmental stewardship projects, including collecting recyclable materials for use in the community gardens.
- Promoting sustainability by installing irrigation systems and building compost bins.
- Conducting agricultural research through service-learning projects in conjunction with the LSU Agricultural Burden Center.
- Participating in cooking demonstrations with fruits and vegetables harvested in community gardens.

Truancy Initiative

The initiative to reduce truancy is a collaborative community effort led by the Mayor’s Office, Office of the District Attorney, East Baton Rouge Parish Sheriff’s Office, and the East Baton Rouge Parish School System. The East Baton Rouge Parish Family and Youth Services Center (FYSC) opened in September of 2012. The mission of FYSC is to identify children who have exhibited truant tendencies, assess the causal problems for these tendencies, and provide access to services to the children and their families to eliminate the causal problems. Multiple organizations are located at this one-stop center in an effort to proactively address the challenges faced by truant students and their families. This approach allows for team-based collaborative problem-solving strategies and empowers families and community networks to target the issues related to truancy and juvenile crime, while addressing challenges to the family unit. FYSC provides services including grief counseling, services for school attendance and behavior/education assessments, GED assistance, job skills training, and case management. In October of this year, the offices for the BRAVE program were relocated to the center.

Children’s Advocacy Center

The budget includes \$25,000 in funding for core staffing support and facility maintenance at the Baton Rouge Children’s Advocacy Center. The center provides support for child victims of sexual assault and physical abuse in an effort to reduce psychological and physical trauma of victims; supports the community through prevention and education efforts; coordinates criminal justice agency efforts to increase the reporting of child sexual assault and physical abuse; and promotes the investigation, prosecution, and conviction of child abuse perpetrators. Representatives from the City-Parish Police Department, the Office of the District Attorney, and the East Baton Rouge Parish Sheriff’s Office are integral partners with this agency.

Volunteerism Initiatives

Baton Rouge Proud (BR Proud)

In 2011, the City-Parish launched BR Proud, a high-impact service plan that provides residents with opportunities to contribute to their community through service. This initiative targets Baton Rouge’s most pressing challenges while encouraging the growth of a volunteer force across a range of neighborhoods and agencies. The plan matches volunteers with service initiatives, such as revitalization of blighted neighborhoods and preparation of disadvantaged students in pre-K through third grade for success in school. The creation of this innovative plan was made possible through receipt of the Cities of Service Leadership Grant award funded jointly by the Rockefeller Foundation and the Bloomberg Philanthropies.

The initiative continues to engage numerous community organizations and local businesses to further promote volunteerism to address community needs. The Police Department and the Office of Community Development will partner with Entergy later this month for a day of service to make homes near Glen Oaks High School more energy



efficient. Volunteer work will include caulking around windows, installing weather stripping around external doors, repairing holes and cracks in floors and walls, replacing incandescent light bulbs with fluorescent bulbs, and installing water heater blankets.

Love Your Block

In accessing the city's challenges and identifying where volunteers could make a difference, many people pointed to the links between neighborhood blight, lack of community organizations, and higher crime rates. One way to combat these issues is to increase the stability of a neighborhood through the active participation of its residents. The "Love Your Block" initiative is a competitive grant award program that gives residents the opportunity to apply for grants to physically transform public spaces. Since its inception in 2012, successes to date include the award of more than 30 grants to community organizations, the planting of more than 50 trees, the creation or enhancement of 50 green spaces, and the collection of more than 6,000 pounds of litter. This work was accomplished through various partnerships by approximately 2,610 volunteers who provided more than 10,000 volunteer hours to transform communities. The initiative has also formed a strategic partnership with the BRAVE program to instill community pride in an effort to reduce crime in select areas.

FUTUREBR

FUTUREBR, the comprehensive master plan for land use and development in East Baton Rouge Parish, was unanimously adopted in 2011 by both the Planning Commission and the Metropolitan Council.

A Strategic Implementation Plan (SIP), which included four primary strategies to be accomplished within the first three years after the plan was adopted in 2011, has been followed by the FUTUREBR Implementation Team (FIT) responsible for prioritizing implementation of the plan. The four strategies include: developing a new transportation system; creating an urban renewal program; aligning the Unified Development Code with FUTUREBR; and creating a balanced housing market with thriving neighborhoods. A major initiative of the SIP included the creation of Complete Streets policies. Following the anticipated adoption of a resolution to authorize these policies in late 2014, the Mayor's Office, Department of Public Works, and the Planning Commission will begin the implementation of the recommendations next year.

The plan is an opportunity to guide future policy decisions that will shape future growth in the City and Parish over the next 20 years. Planning Commission staff have conducted a thorough review of the 577 Action Items with each Lead Agency and will be recommending changes to them throughout 2015. The FUTUREBR Progress Report will be published in May 2015 to align with the City-Parish budgetary cycle. This will enable Lead Agencies to include FUTUREBR implementation items in their budget requests.

The "Health District" is a several-square-mile area south of the I-12 and I-10 split in Baton Rouge that contains many of the city's leading health-care industry sites including Baton Rouge General Hospital, Our Lady of the Lake Regional Medical Center, and Pennington Biomedical Research Center as well as clinics, doctors' offices, and teaching centers. As this medical district has grown in density and importance, it has struggled with traffic congestion. With \$500 million of new facilities proposed for the area, and recognizing the importance of the medical industry to the regional economy, FUTUREBR called for a district plan. This plan would not only address the traffic concerns, but also work to build a district identity and leverage the advantages of multiple industry leaders working in close proximity to increase both collaboration and innovation. The Baton Rouge Area Foundation has taken the lead on crafting a plan for the Health District.

ECONOMIC DEVELOPMENT INITIATIVES

2014 has been a truly exceptional year for economic development in the parish, resulting in some spectacular and game-changing projects that will create jobs, tax revenues, and new payroll opportunities for the citizens of the Baton Rouge area. These projects will further transform the downtown area and, perhaps most importantly, transform how others look at Baton Rouge on a national stage, resulting in yet more economic development opportunities.



This budget includes funding for 2015 business incentives previously approved by the Metropolitan Council, including the final \$1.5 million annual payment for IBM, and a \$36,000 annual payment to Ameritas for employee parking reimbursement. Also included is funding for the Greater Baton Rouge Economic Partnership, the Baton Rouge Film Commission, and commitments related to upcoming events.

Greater Baton Rouge Economic Partnership

Since 2007, the City-Parish has engaged the Baton Rouge Area Chamber (BRAC) to manage a professional business development program targeting high-quality job growth and increased economic opportunities for the Baton Rouge area. This partnership is performance-based, subject to continued achievement and reporting of results for the professional services provided. As a public-private partnership with East Baton Rouge Parish, BRAC uses the professional services agreement with the City-Parish to leverage external funding, achieving an overall organizational budget that is funded 80% from private sources. The proposed *2015 Annual Operating Budget* includes an appropriation of \$450,000 for a professional services agreement for business development efforts between BRAC and the City-Parish.

In 2014, BRAC's efforts have directly impacted the recruitment and expansion of new companies in Baton Rouge. To date, BRAC has helped to secure five economic development projects that will generate \$17.5 million in new annual payroll through the creation of 335 new direct permanent jobs. The five companies will be investing nearly \$24.5 million in capital investment in new facilities in the parish. This reflects ongoing high performance by the BRAC team, which was recognized in May 2014 by *Site Selection* magazine as one of the top 10 economic development teams in the United States. This is the fifth consecutive year BRAC has received this high honor.

Projects completed during the first three quarters of 2014 include:

- ***Stixis Technologies*** announced plans to invest \$1 million and launch a new software development center that will employ 230 professionals at an average salary of \$59,500 per year. Stixis will lease space at the Louisiana Technology Park with plans to build a larger facility in the coming years as they reach their growth targets. This represents two goals for East Baton Rouge Parish in addition to job creation, which are the diversification of the economy and the attraction of more foreign direct investment.
- ***Pod Pack International***, a Baton Rouge based creator of individual compostable coffee and tea pods, announced a \$10.1 million expansion of its manufacturing facility in Baton Rouge's Industriplex. The company will hire approximately 20 new employees and will be well positioned for continued growth in this hot niche sector.
- ***Community Coffee*** continues its commitment as a Baton Rouge headquarters and will hire 15 new employees to support its growth. The average salary will be nearly \$40,000 and will accompany a new capital investment of \$9.2 million.
- ***Glazetech***, based in Tucson, AZ, announced a \$4 million glass manufacturing facility located near Choctaw and Sherwood Forest Drive. The new facility will employ 50 individuals at an average salary of \$34,000. The company will distribute glass products across a 400-mile radius along the Gulf Coast.
- ***DMI Contractors*** is planning to consolidate pipe fabrication operations from Mississippi to Louisiana resulting in the addition of 20 new jobs paying an annual salary of \$45,000. The anticipated capital investment is \$200,000.

For the remainder of 2014, BRAC's team is working aggressively on three projects that could result in an additional 400 jobs through local expansions and national recruitment efforts.

To yield these results, BRAC's business development team marketed the City-Parish at national and international trade shows and site consultant events; conducted direct company lead generation to specific national and international companies in targeted sectors; conducted site consultant familiarization tours in the parish; conducted visits to existing small businesses and large employers that are economic driver firms (generating most of their revenue from outside the



area); advertised in targeted-sector trade publications; and served as the “one-stop” office for business recruitment and expansion prospects, consultation on state and local incentives, site details and visits, and project management. BRAC’s recruitment efforts in 2014 have included recruitment missions to trade shows as well as company-specific recruiting trips to meet with manufacturing and information technology companies in Houston, Atlanta, Dallas, Philadelphia, Cleveland, New York, Los Angeles, San Francisco, and Toronto as well as in Germany, Belgium, the United Kingdom, and the Netherlands.

Based on independent research, BRAC has identified target industry sectors that could yield major economic development opportunities in 2015 in the following sectors: chemical manufacturing and new energy, fabricated materials, software design and development, technical consulting and research, and advanced shared services. For the next year, the keys to the parish’s success in business retention and attraction will be continued contact with existing companies with a potential for expansion, high-quality prospect marketing and project management, industrial and commercial site certification, pursuing development of additional commercial real estate, targeted international recruitment to attract foreign direct investment, talent development, and proactive workforce solutions.

To maintain transparency and accountability, BRAC’s business development team regularly reports to the Administration and reports quarterly to the Metropolitan Council on projects, jobs and investment levels, and current activity. These reports keep both entities abreast of the overall activities of the team, and additional information is provided to individual Council Members regarding potential projects in their districts as they arise.

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 and television production and post-production. The role of the Baton Rouge Film Commission continues to be two-fold, to market the City-Parish as a premiere international destination for film and television production, and to provide continuous logistical support to all productions filming in our region. Our hospitality and attention to detail continue to set Baton Rouge apart from the competition. Specific services include location scouting and script analysis, assistance in securing competitive rates on housing and accommodations through partnership with Visit Baton Rouge, assistance in securing permits, connection with local production resources, and liaison services among production companies, the community, and local government throughout the entire production schedule.

The Baton Rouge Film Commission continues to heavily market and attend sales events in major entertainment hubs such as New York and Los Angeles. Advertising is strategically placed in major trade publications. Community outreach has continued through local speaking engagements, participation in industry events, and the use of “BY BATON ROUGE,” a software application designed to promote local businesses to the film industry.

Through the third quarter of 2014, Baton Rouge has hosted over \$200 million worth of productions, which include studio-financed and independent feature films, commercials, reality television, films made for television, and a television mini-series.

Since the inception of the Baton Rouge Film Commission in 2007, the organization's efforts have attracted more than 300 productions to film in our area and have generated direct spending of over \$800 million. This budget includes \$170,000 for the operations of the Commission in 2015.

Baton Rouge Events

In partnership with Visit Baton Rouge, the official travel resource, the City-Parish will assist with tourism-related events in 2015. Tourism brings more than two million visitors to Baton Rouge annually, and these visitors spend more than \$1 billion in the area.



In 2015 during the Memorial Day weekend, Baton Rouge will host the sixth annual Bayou Country Superfest in Tiger Stadium. In a record-setting turnout, more than 135,000 fans came together to celebrate this event in 2014. In addition to a unique tailgating fan festival, the three-day concert showcased many of the biggest stars in contemporary country music including George Strait, Reba McEntire, Luke Bryan, Jason Aldean, Eric Church, and Florida Georgia Line. Baton Rouge-area hotels took in a record \$3.4 million during Bayou Country Superfest, according to figures released by Smith Travel Research. Country music stars will light up the stage for three nights again this year due to the success of adding an additional night last year. The 2015 line-up is being announced today.

The 2017 United States Bowling Congress Women's Championships is expected to attract an estimated 36,000 bowlers and guests to the area, with an estimated economic impact of \$50 million. The budget includes \$100,000 for the 2015 commitment related to the 2017 event. In 2012, 70,000 bowlers and guests visited the area over the 151 days of the United States Bowling Congress Open Championships, with direct spending of more than \$64 million and an economic impact of \$113 million.

Conclusion

Our Administration continues to seek ways to provide greater services with increased efficiency to the citizens of our parish. While we have made much progress and have had many accomplishments over the last ten years, there are many challenges ahead. I believe that we have what it takes to work together to face those challenges, many of which are impacting local governments across the nation.

In closing, I would like to express my sincere appreciation to our Metropolitan Council, and all of the employees, for their service to the citizens of East Baton Rouge Parish. It is an honor and a pleasure to serve as your Mayor-President.

Sincerely,

Melvin L. "Kip" Holden
Mayor-President

