

CITY OF NEW ORLEANS

BottomLineStat

September 7, 2011

Agenda

- Introduction
- Overview of City finances
- Revenue Source Analysis
- Departmental Expenditure Reviews
 - Information Technology and Innovation
 - Emergency Medical Services
 - Sanitation

About BottomLineStat

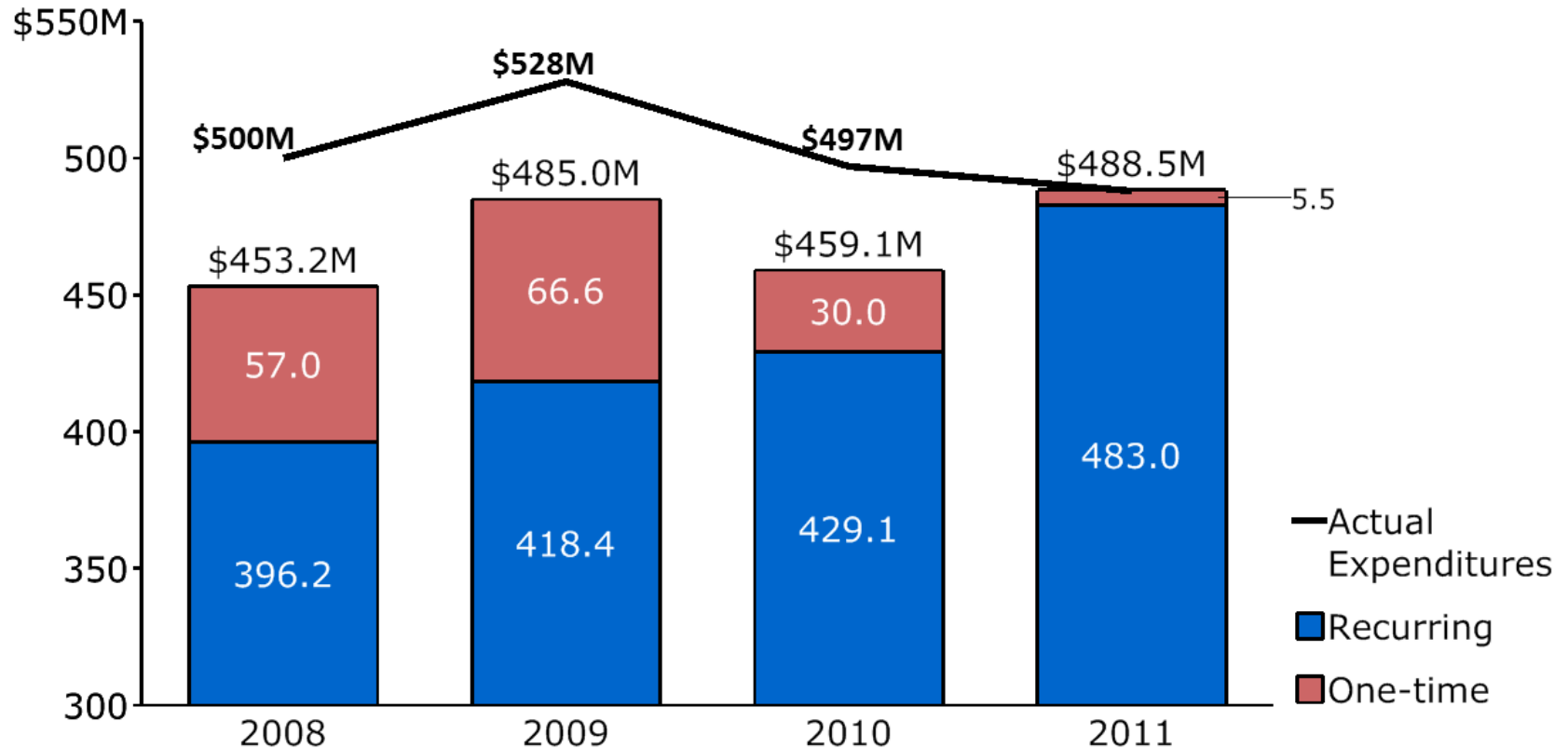
- BottomLineStat is a performance management system that Mayor Landrieu uses to help manage the City's finances, to improve the efficiency of the city's revenue collection system, and to ensure that departments are held accountable for staying on budget
- BottomLineStat is a working meeting where key City staff review data to assess how the City is meeting its goals and to analyze what's working, what's not, and what the City needs to do to improve
- BottomLineStat is a component of the City's portfolio of PerformanceStat programs. Other PerformanceStat programs include:
 - BlightStat: *Next meeting Thursday, September 8*
 - ReqtoCheckStat: *Next meeting Thursday, September 8*
 - ComStat: *Next meeting Friday, September 9*
- BottomLineStat is one of the programs being implemented by the Office of Performance and Accountability, the team in charge of overseeing the City's performance management initiatives, like the ResultsNOLA performance reports

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Since Katrina the City of New Orleans has spent considerably more money than we brought in

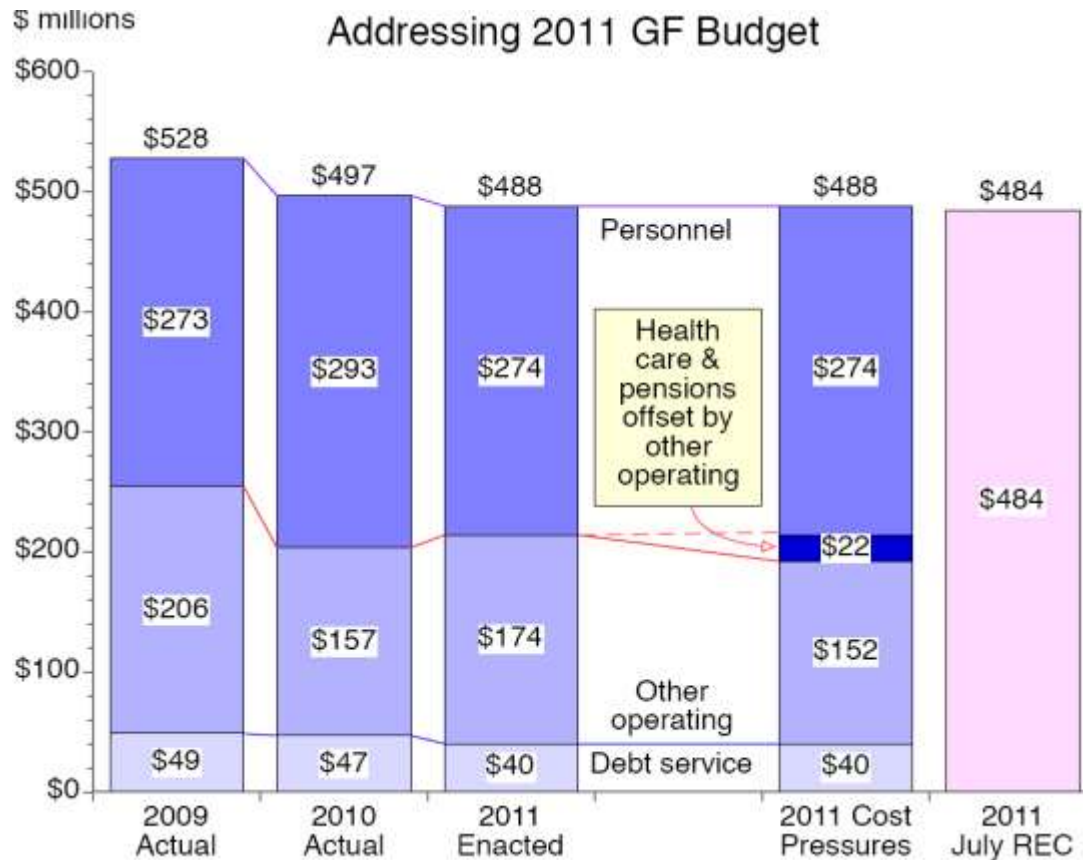
Historical Expense vs. Revenue



Authorized Budget	2008	2009	2010	2011
	\$467M	\$486M	\$454M	\$488M

Note: 2009 Revenue of \$528M includes Community Disaster Loans (CDL) as General Fund Revenue. BottomLineStat September 7, 2011

City spending has been reduced by over *\$40 million* since 2009



In 2011, budget pressures from increased health care and police pension costs require additional cuts to non-personnel “other operating” costs

Mayor Landrieu has emphasized a strategic approach to managing the City's finances

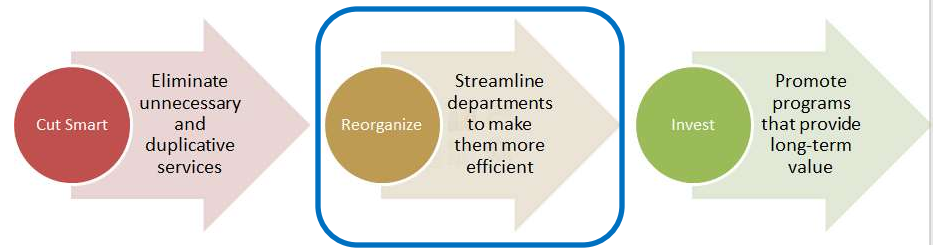


Cut Smart...



- Cancelled MWH contracts - \$11.9 million savings to capital budget
- Reformed City retiree health benefit plan - \$4.8 million annual savings
- Renegotiated landfill disposal contracts- over \$400,000 savings in 2011
- Strengthened management of NOPD overtime - \$2.5 million in first half of 2011 v. first half of 2012
- Cut or reduced IT contracts - \$2.1 million
- Issued summonses instead of incarcerating low-level offenders – \$1.4 million cumulative savings in 2011
- Reduced take-home cars for City employees– cumulative savings of over \$560,000 since August 2010

Reorganize...



- Merged various blight fighting agencies to create the Code Enforcement and Hearings Bureau
- Flattened management structure in the NOPD
- Closed City health clinics that duplicated care provided by nonprofit clinics

...and Invest.

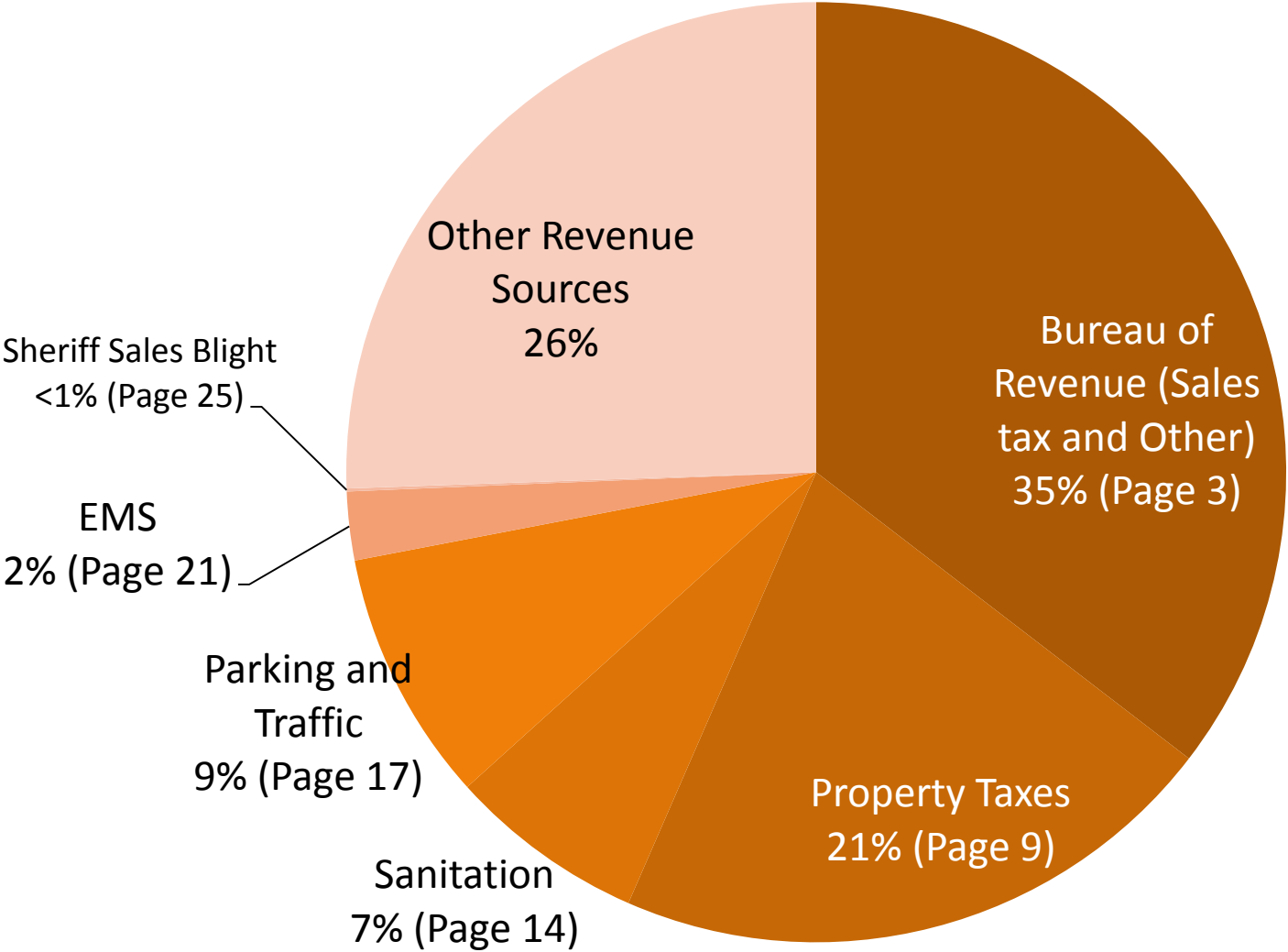


- Doubled NORD's budget from \$5 million to \$10 million
- Started a strategic match fund that has leveraged over \$37 million to date in philanthropic and federal investments
- Created Service and Innovation team to drive process improvements and implement value-capturing opportunities

Agenda

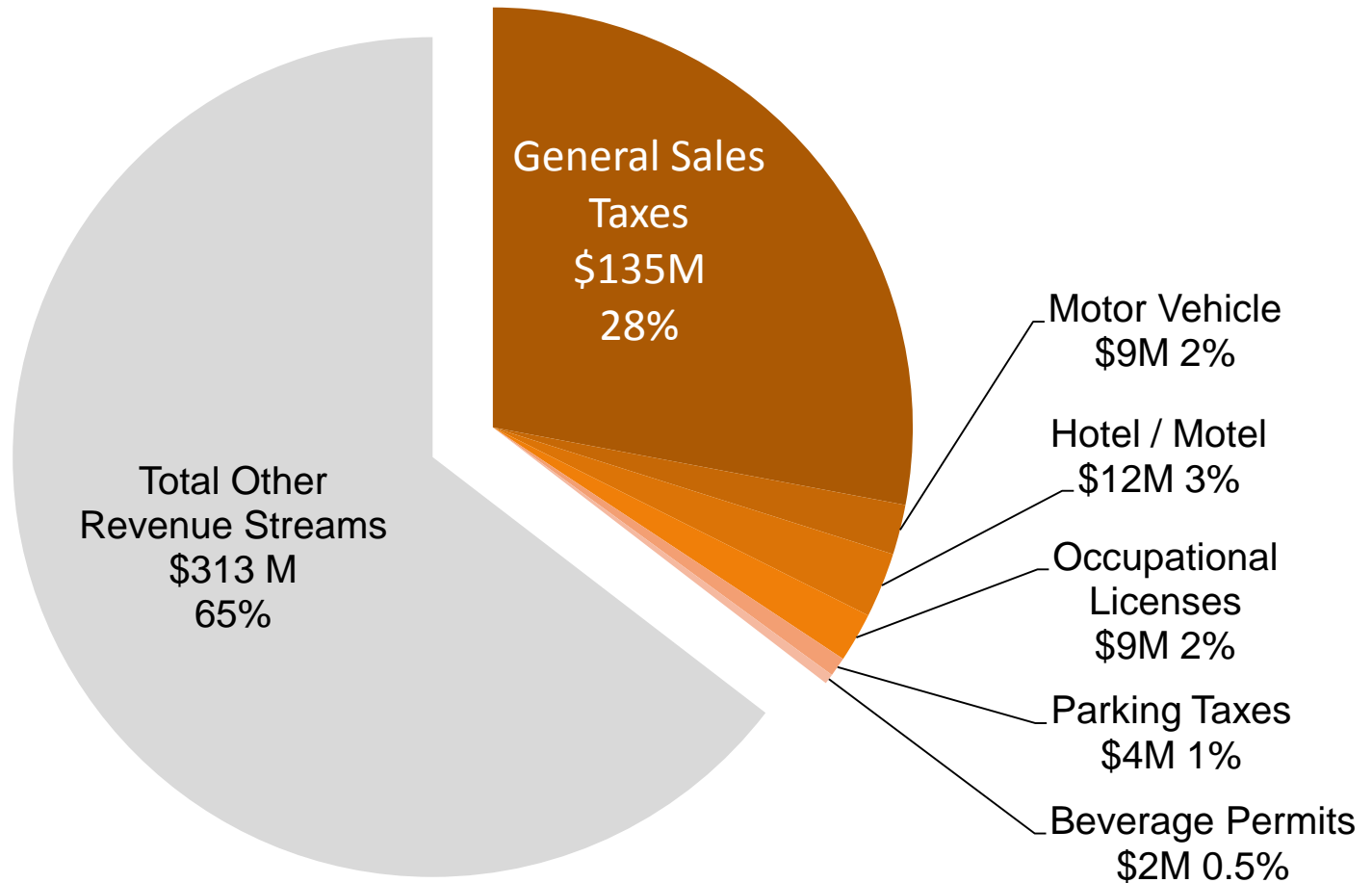
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Revenue Source Analysis: Proportion of Revenues by Source



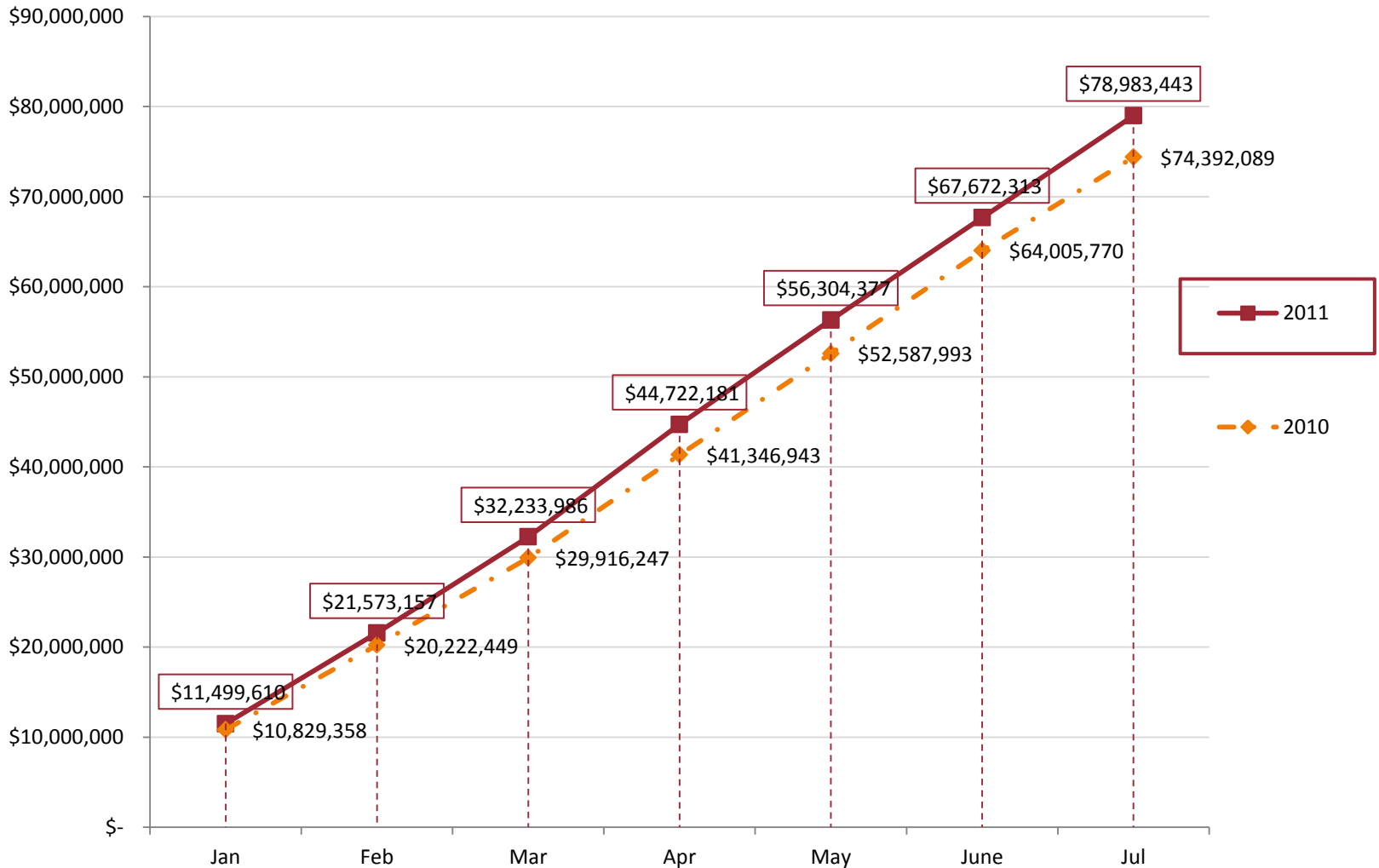
Budgeted Revenues for 2011 : Bureau of Revenues 35% of GF Revenues

General Sales Taxes, Motor Vehicle, Hotel/Motel, Occupational Licenses, Parking Taxes, Beverage Permits *

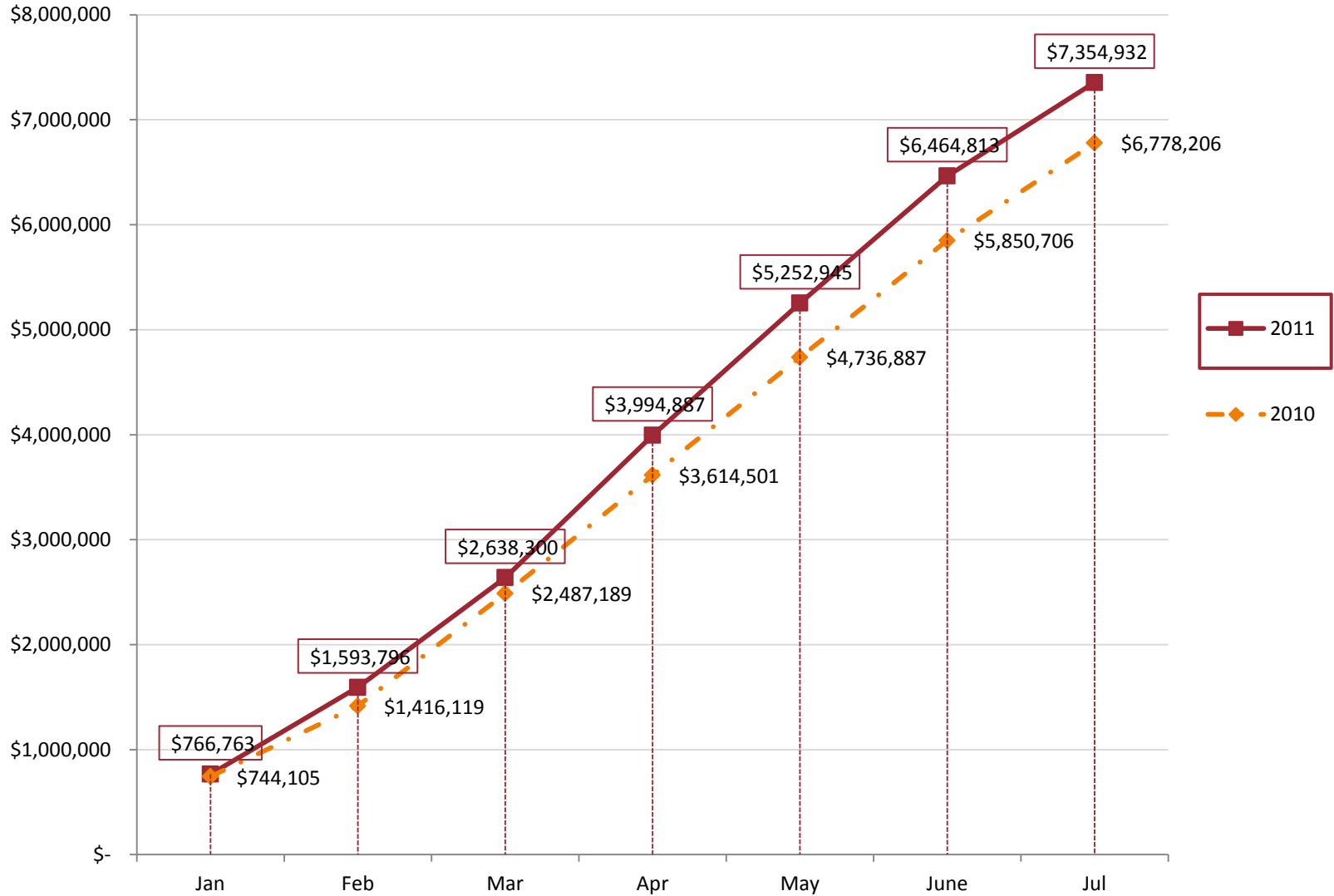


*Analysis Excludes Slot Machine, Live Racing, Off Track Betting Taxes, Mayoralty Permits and chain store licenses for a total of 2M (These are also collected by the Bureau of Revenue)

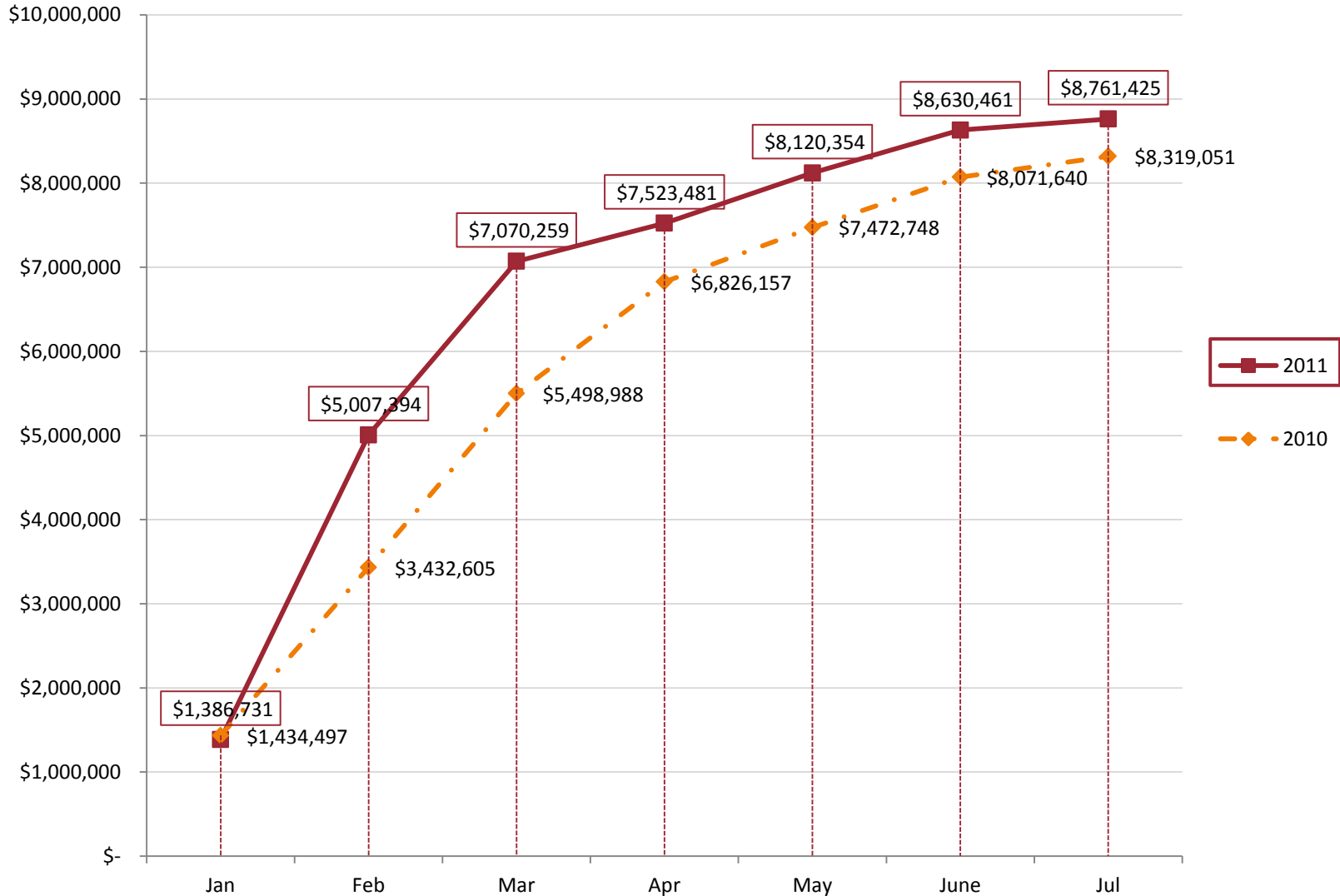
General Sales Taxes (excluding Vehicle and Hotel/Motel): Cumulative Collections as of July 31, 2011 are up 6.2% in 2011 vs. 2010



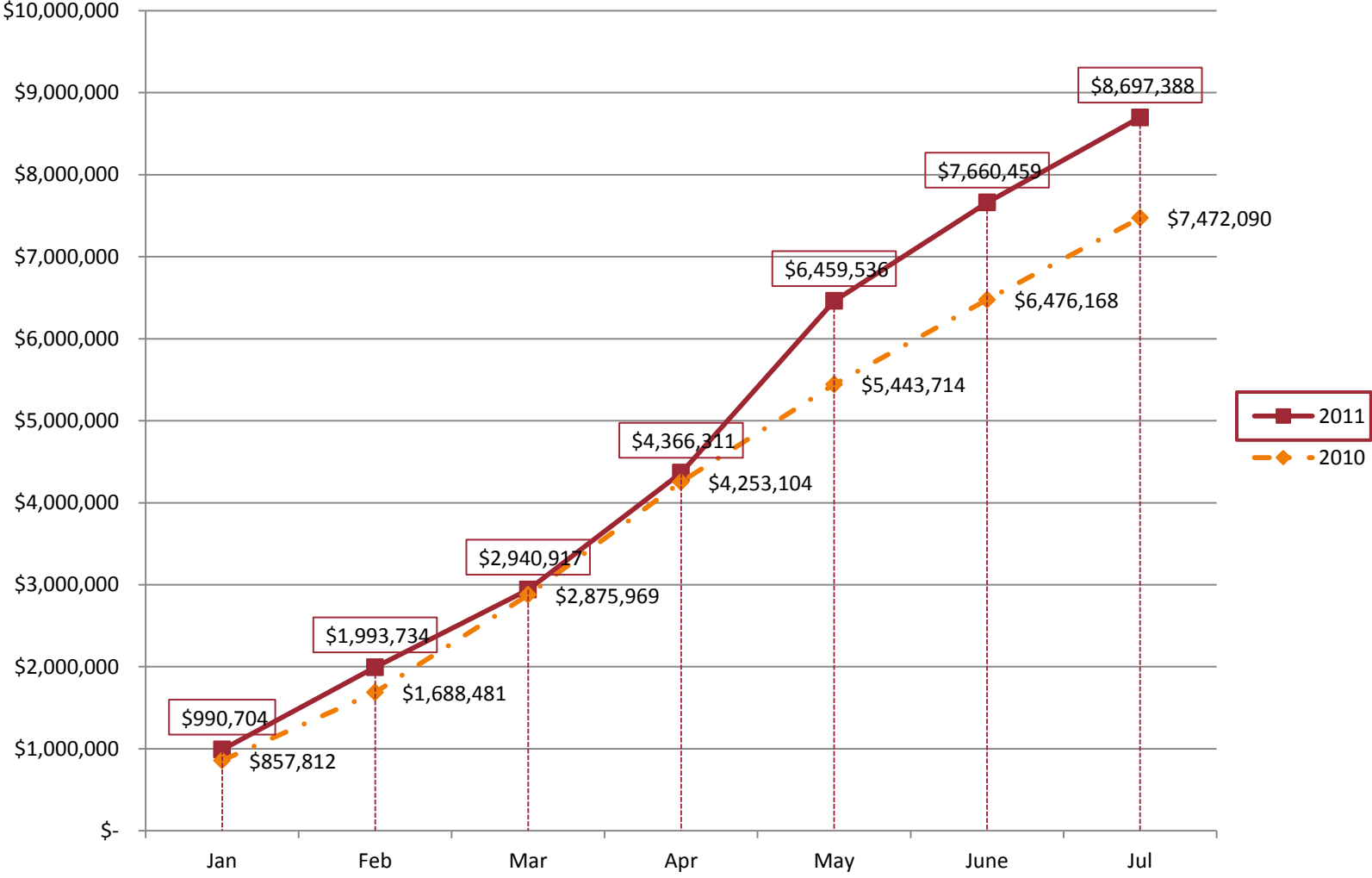
Hotel/Motel Sales Taxes: Cumulative Collections as of July 31, 2011 are up 8.5% in 2011 vs. 2010



Occupational Licenses Revenue: Cumulative Collections as of July 31, 2011 are up 5.3% in 2011 vs. 2010

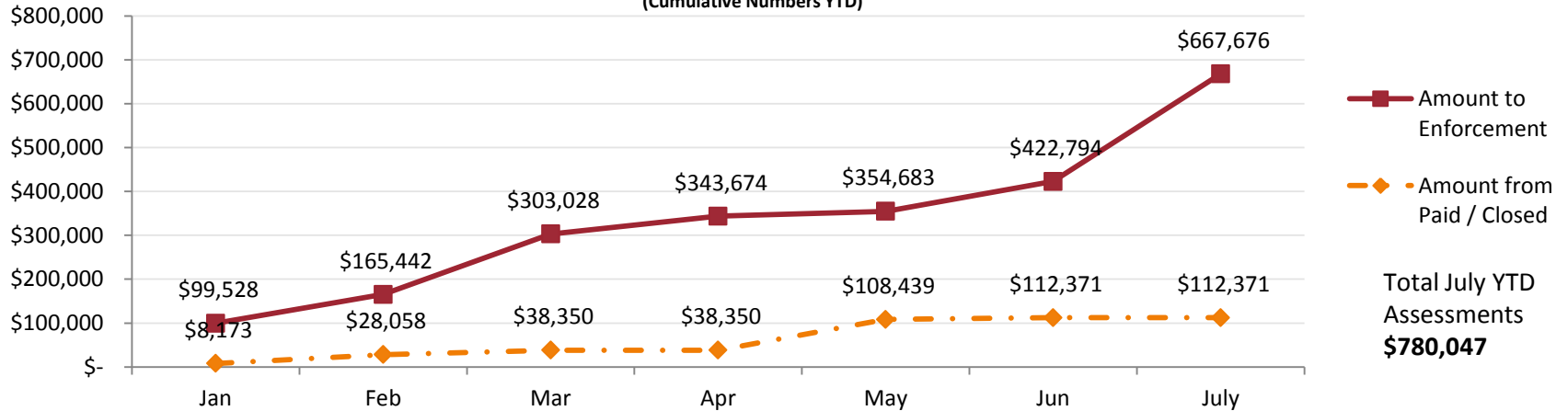


Other Revenues (ABO, Vehicle Sales, and Parking Tax): Cumulative Collections as of July 31, 2011 are up 16.4% in 2011 vs. 2010

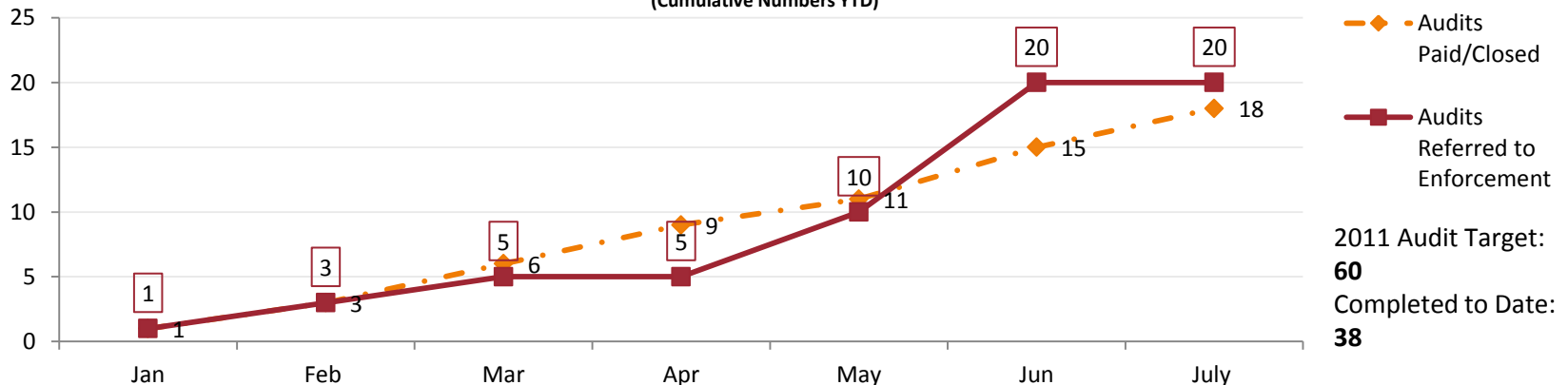


Source : Department of Revenue

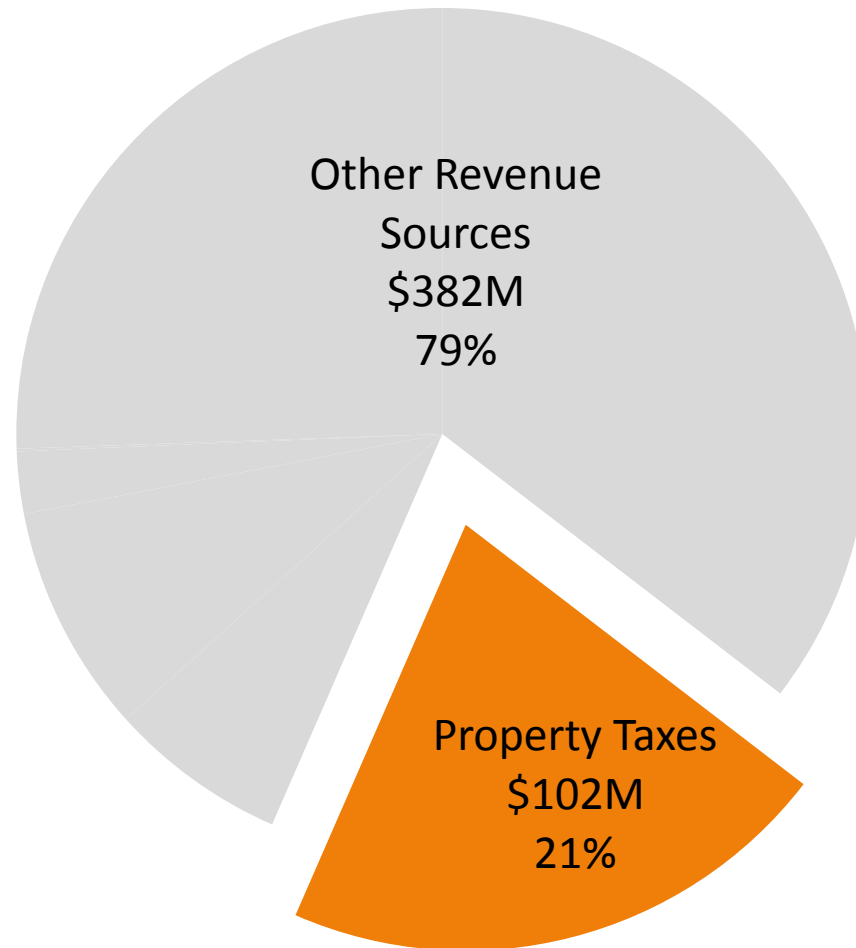
Sales Tax Audits: Compliance Efforts Yield 65% Collections of \$1,200,000 2011 Target (Cumulative Numbers YTD)



Sales Tax Audits: Increased Compliance Efforts Reflect 63% Completion of 2011 Target Audit Goal (Cumulative Numbers YTD)

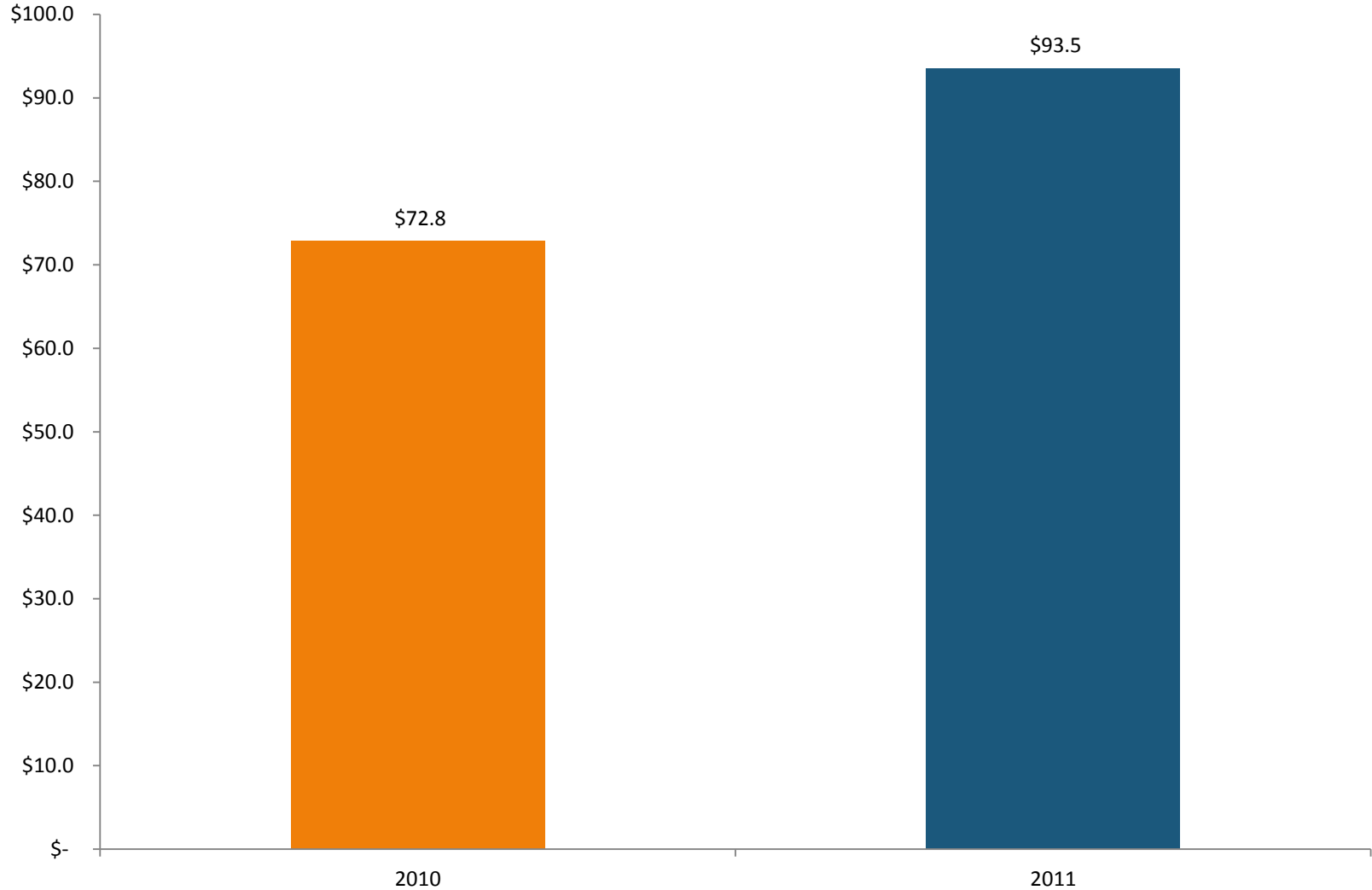


Budgeted Revenues for 2011 : Property Taxes 21% of GF Revenues

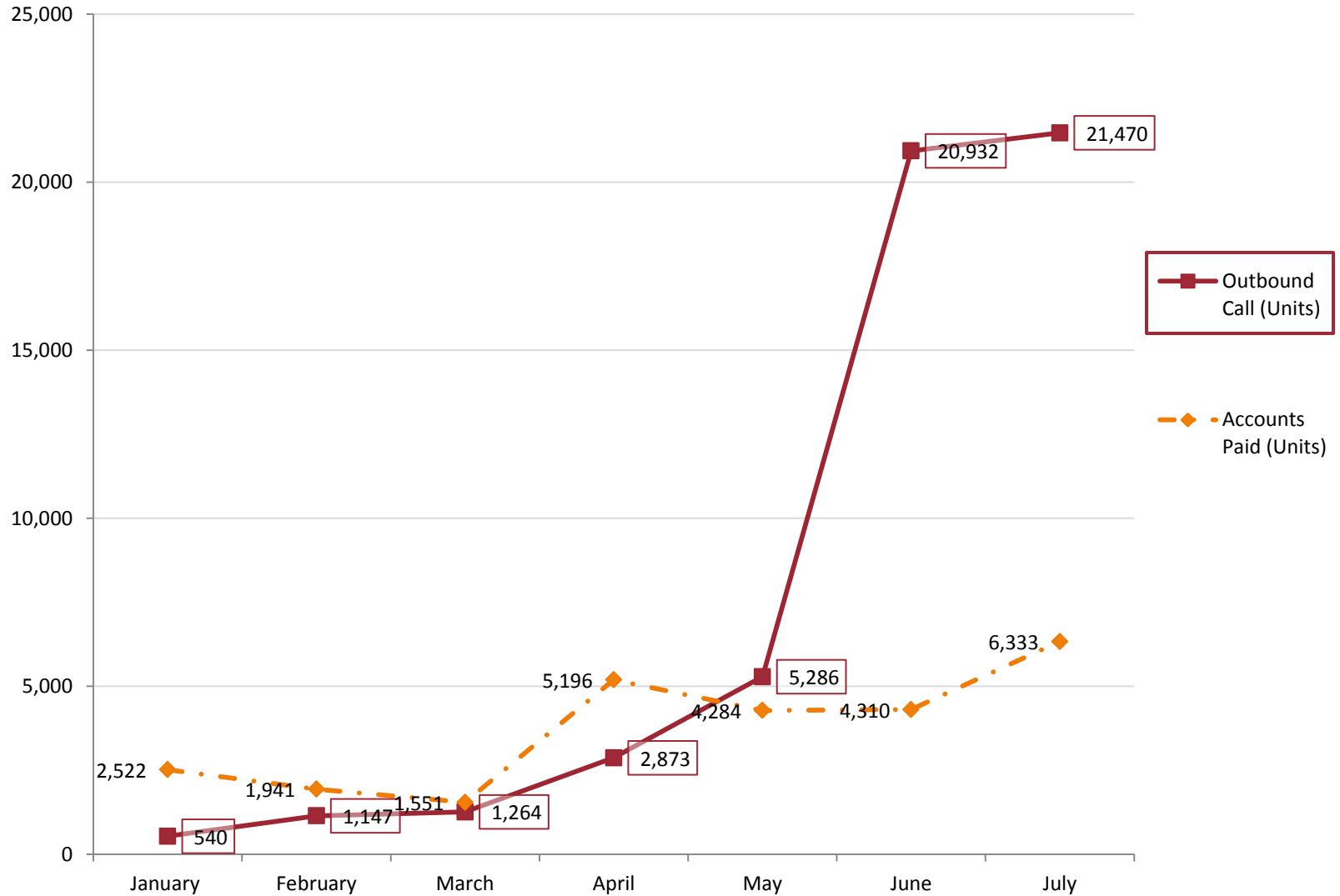


*Analysis Excludes Slot Machine, Live Racing, Off Track Betting Taxes, Mayoralty Permits and chain store licenses for a total of 2M (These are also collected by the Bureau of Revenue)

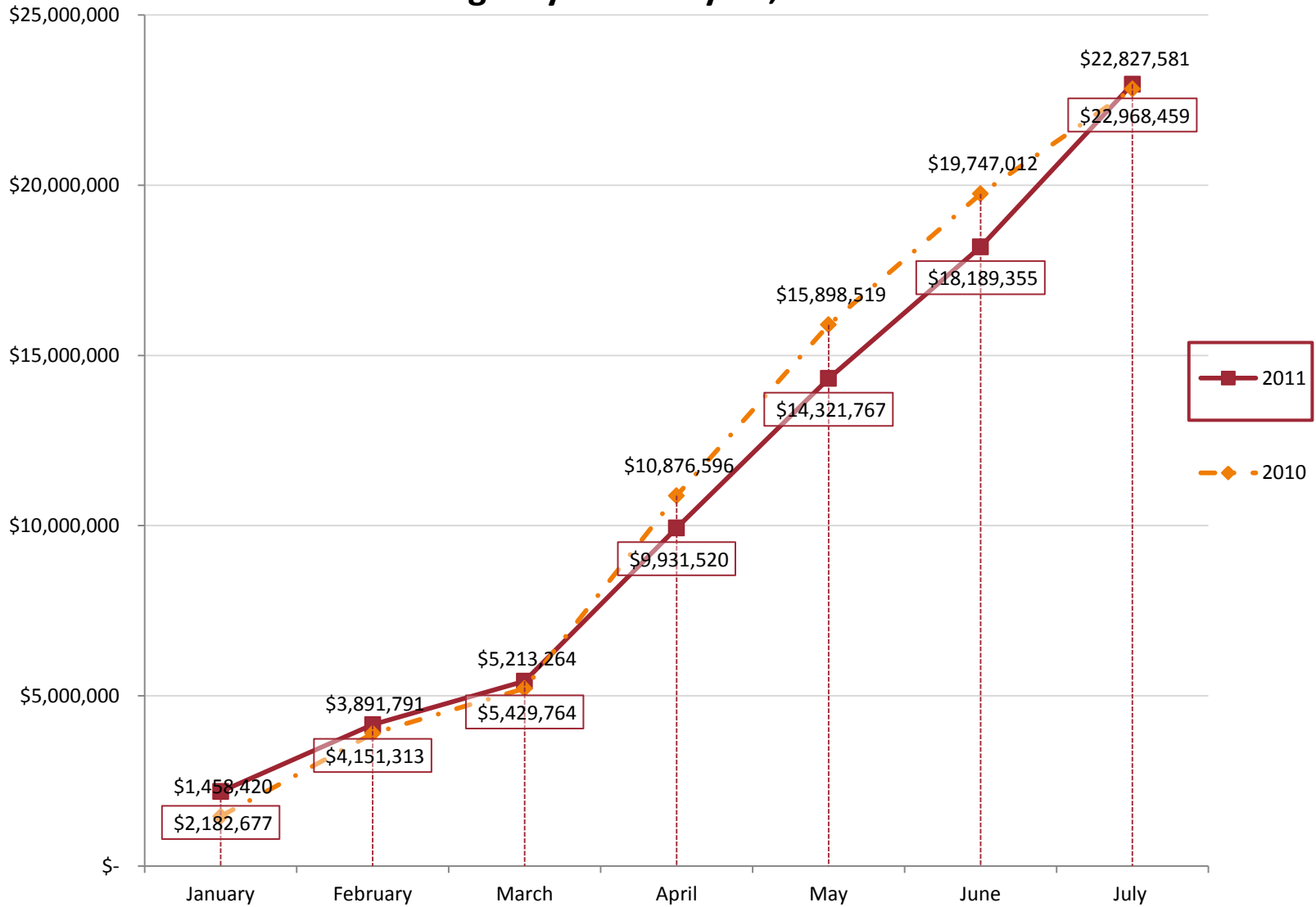
Property Taxes: Millage Rollforward results in 28% increase in Cumulative YTD Collections (in millions) as of July 31, 2011



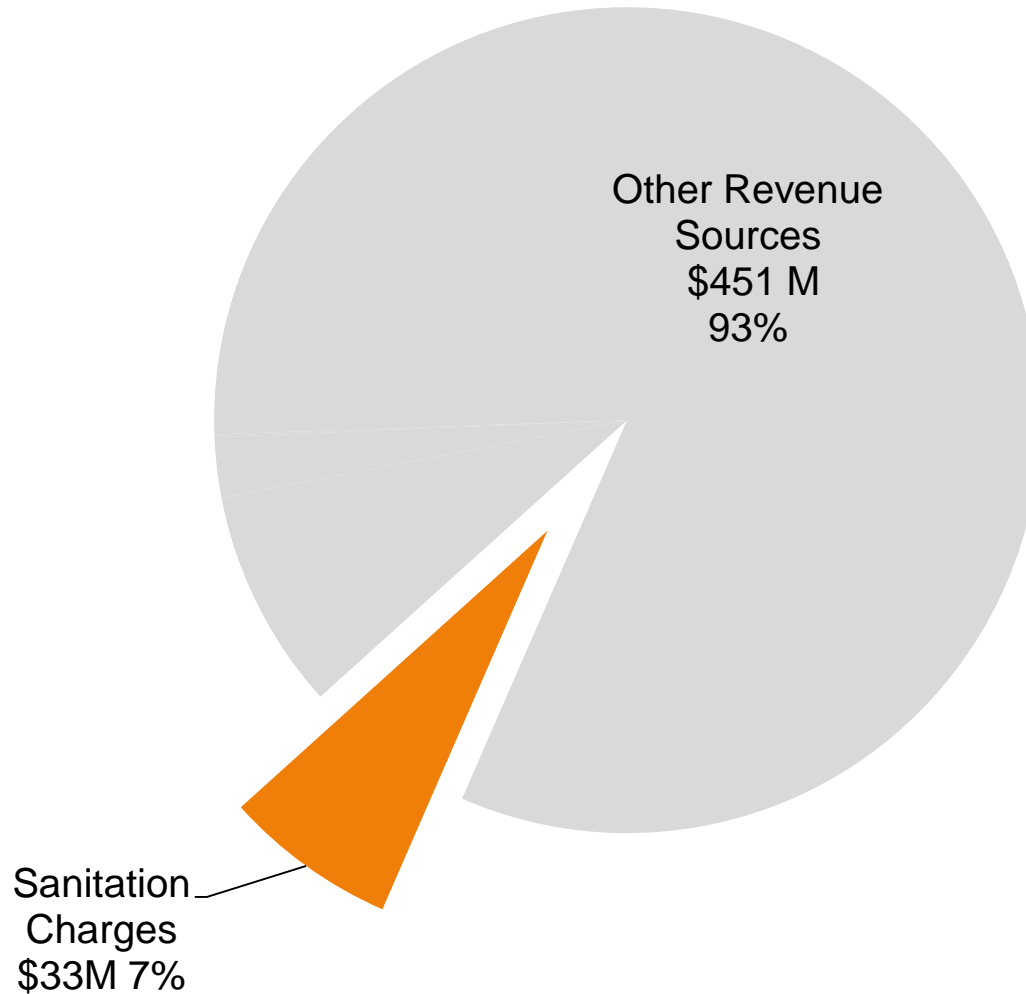
Property Taxes: Increase in Calls by Collection Agency as Finance Department Enforces Property Tax Compliance



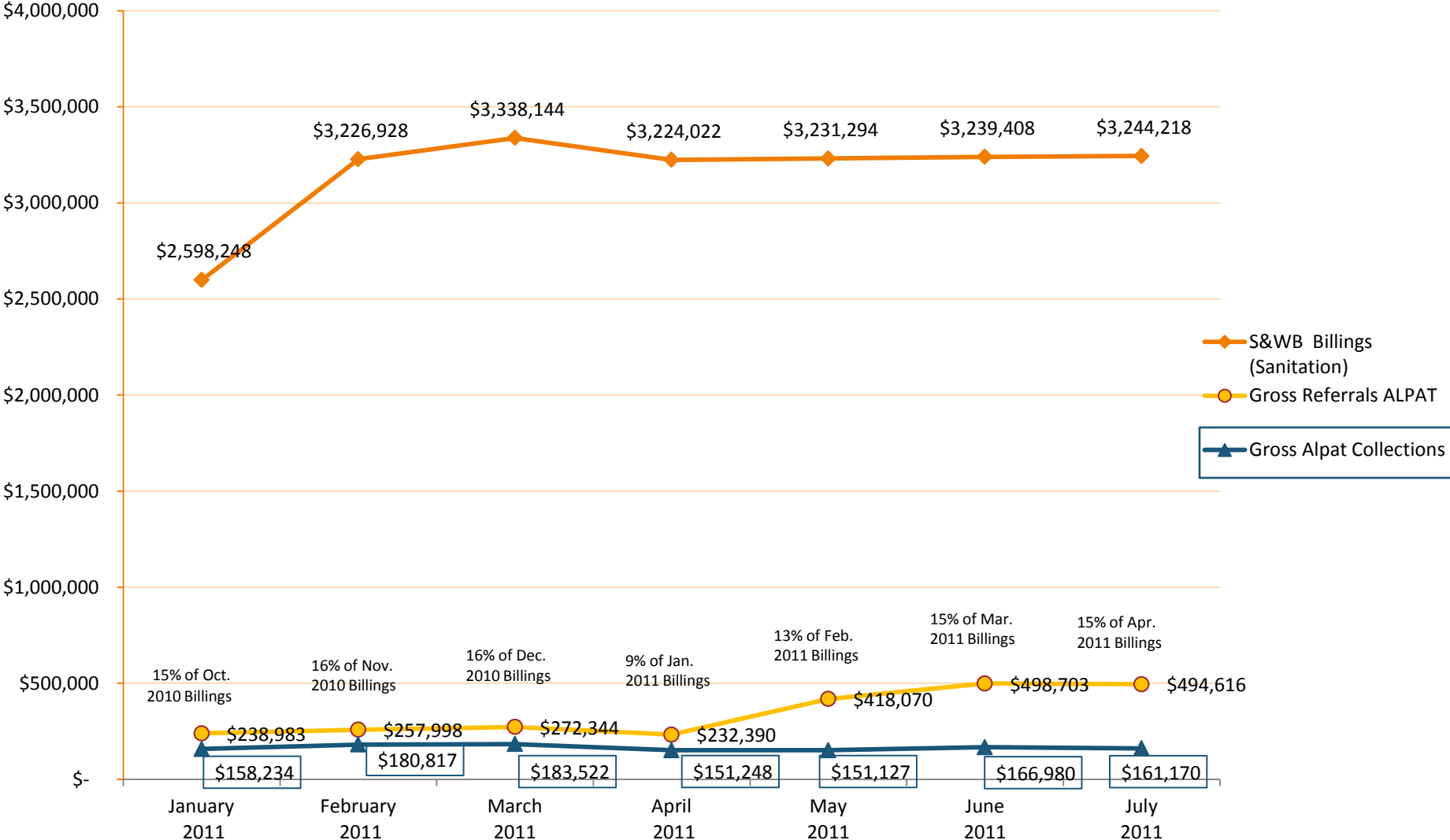
Property Taxes: Cumulative Delinquent Collections by Collection Agency as of July 31, 2011



Budgeted Revenues for 2011 : Sanitation Charges 7% of GF Revenues

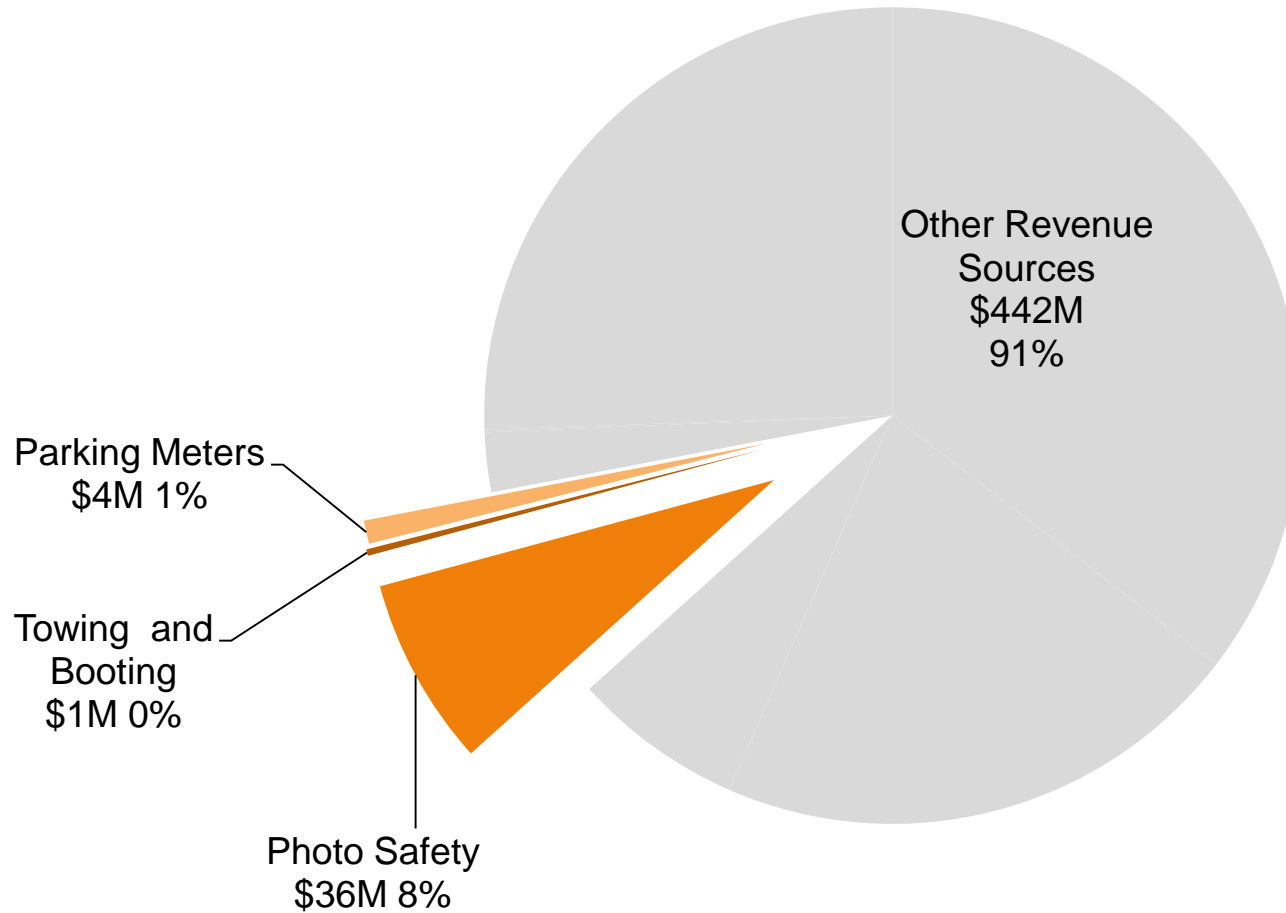


Sanitation Charges: Gross Monthly Billings and Constant Referral Percentages to Collection Agency (accounts referred upon 120 day aging)



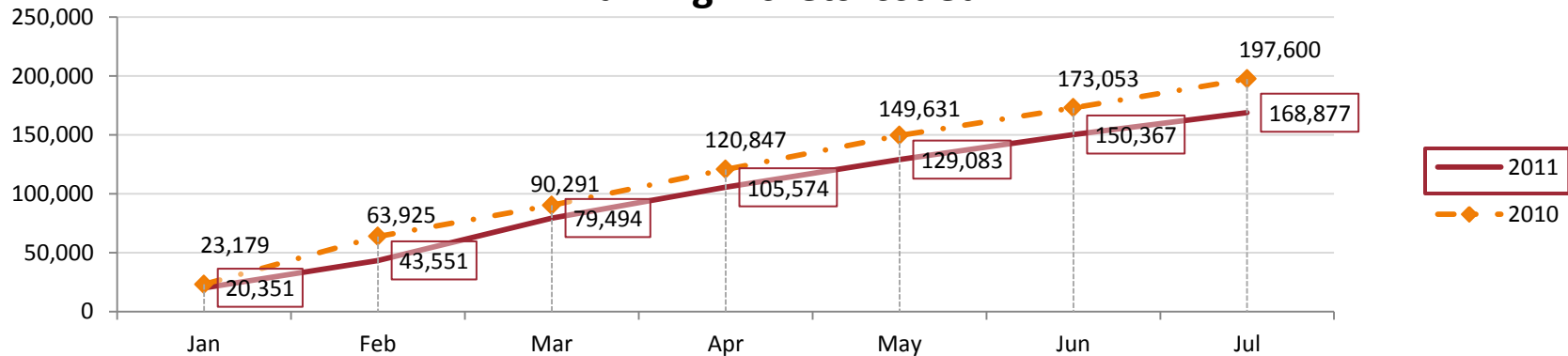
Source : S&W Board for Billings and ALPAT for Referrals

Budgeted Revenues for 2011 : Parking and Traffic Revenues 8% of GF Revenues

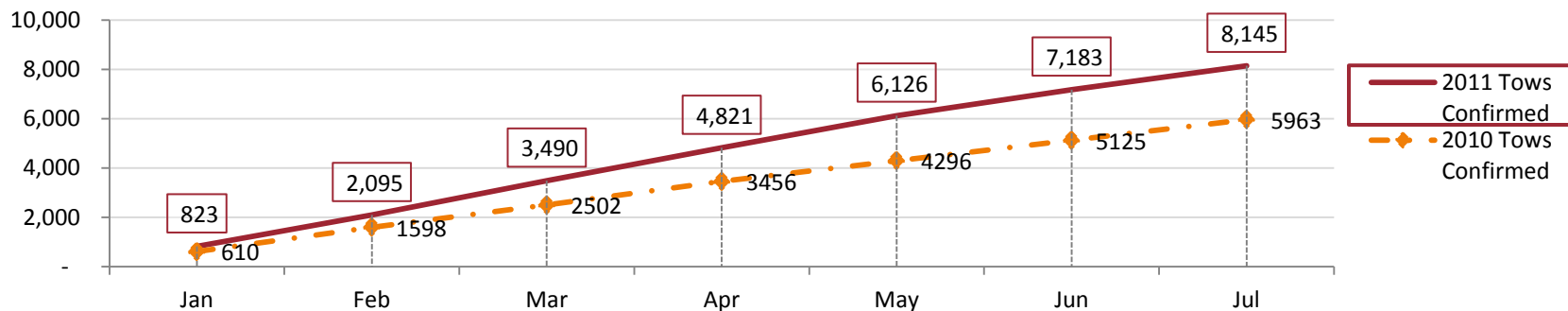


Parking : Counts of Parking Violations by Type

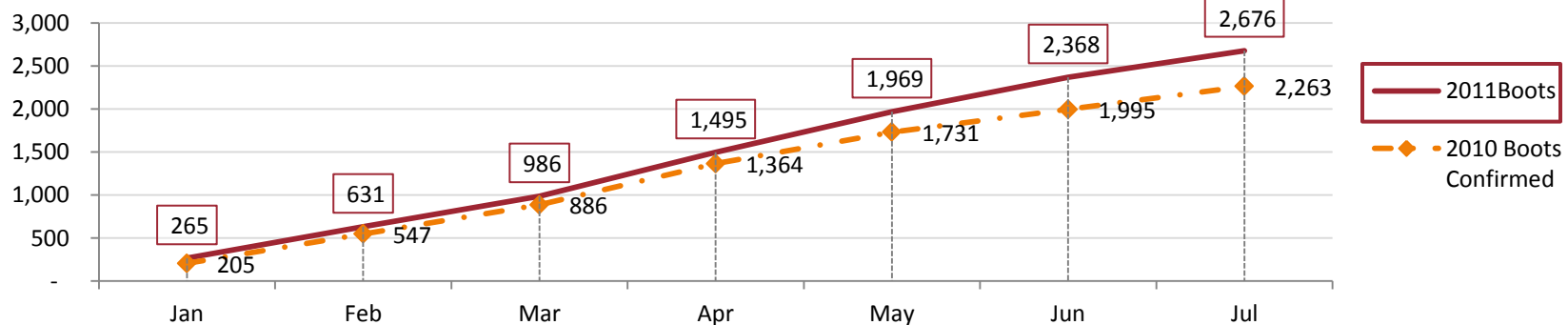
Parking Tickets Issued



Comparison of Monthly Towing Activity



Comparison of Monthly Booting Activity



Parking Violations Revenue (Tickets, Towing & Booting)

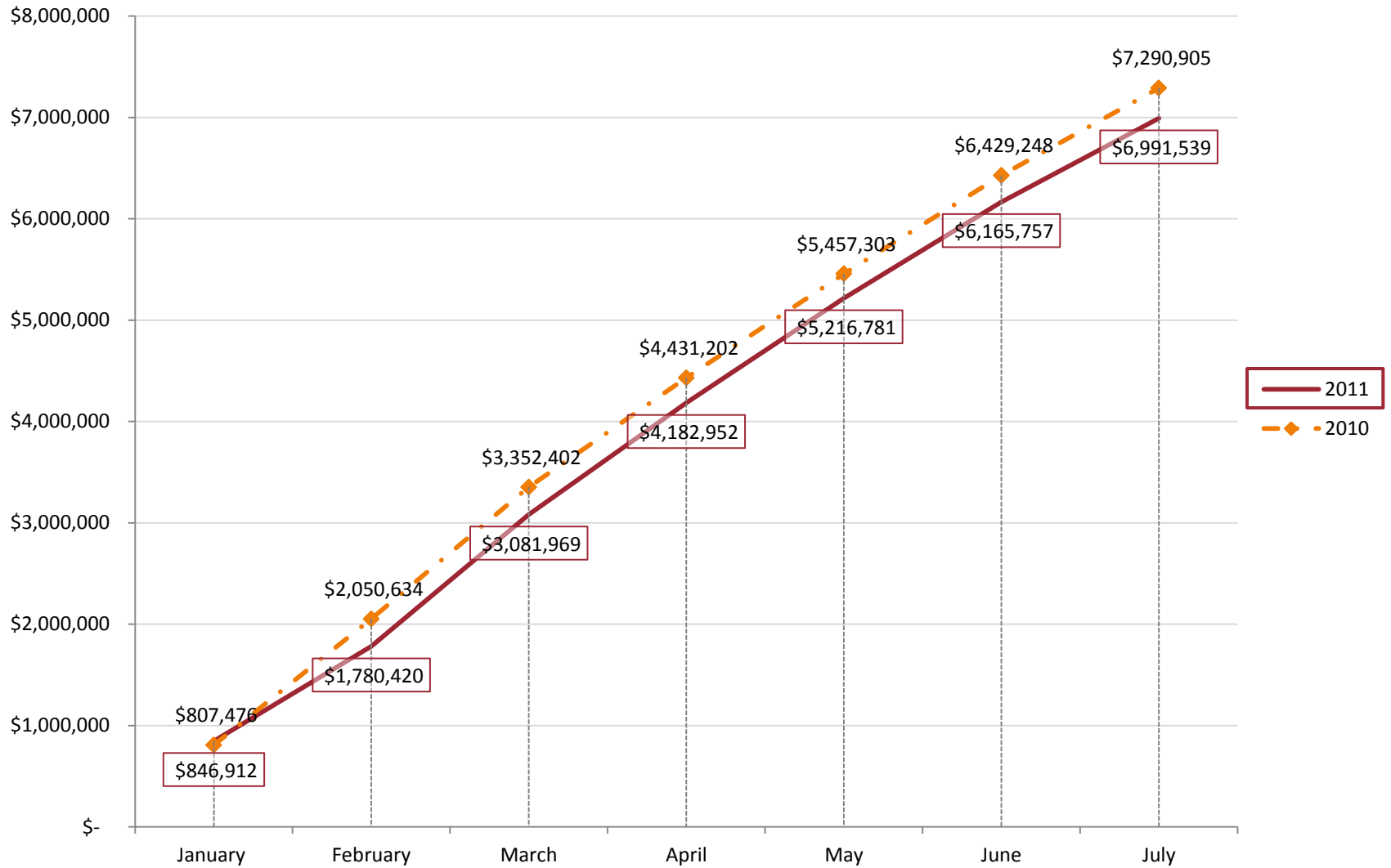


Photo Safety: Red Light Camera Monthly Citations Issued and Payments Received

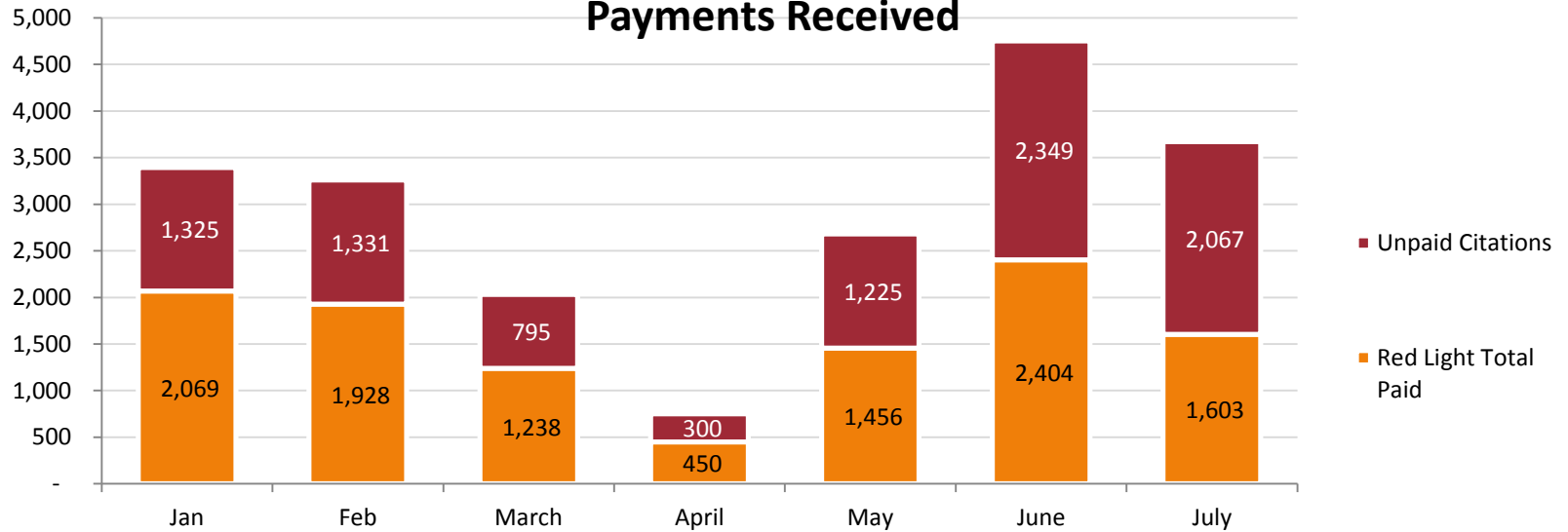
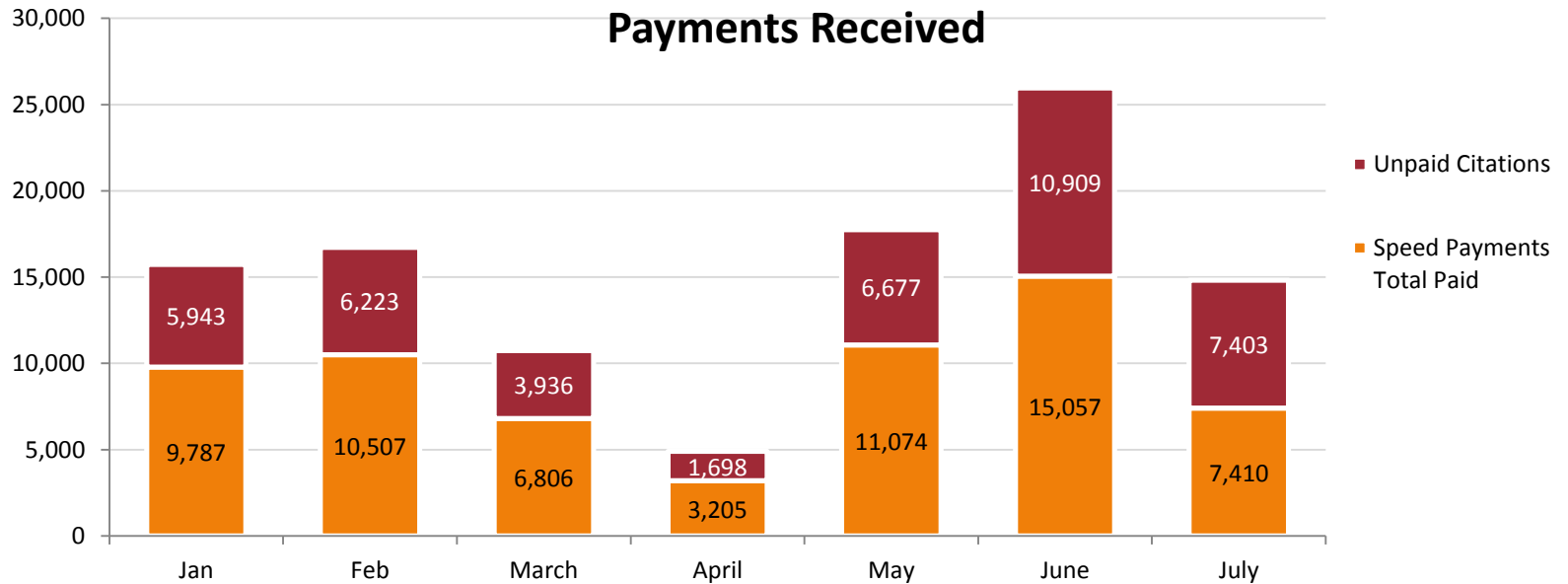
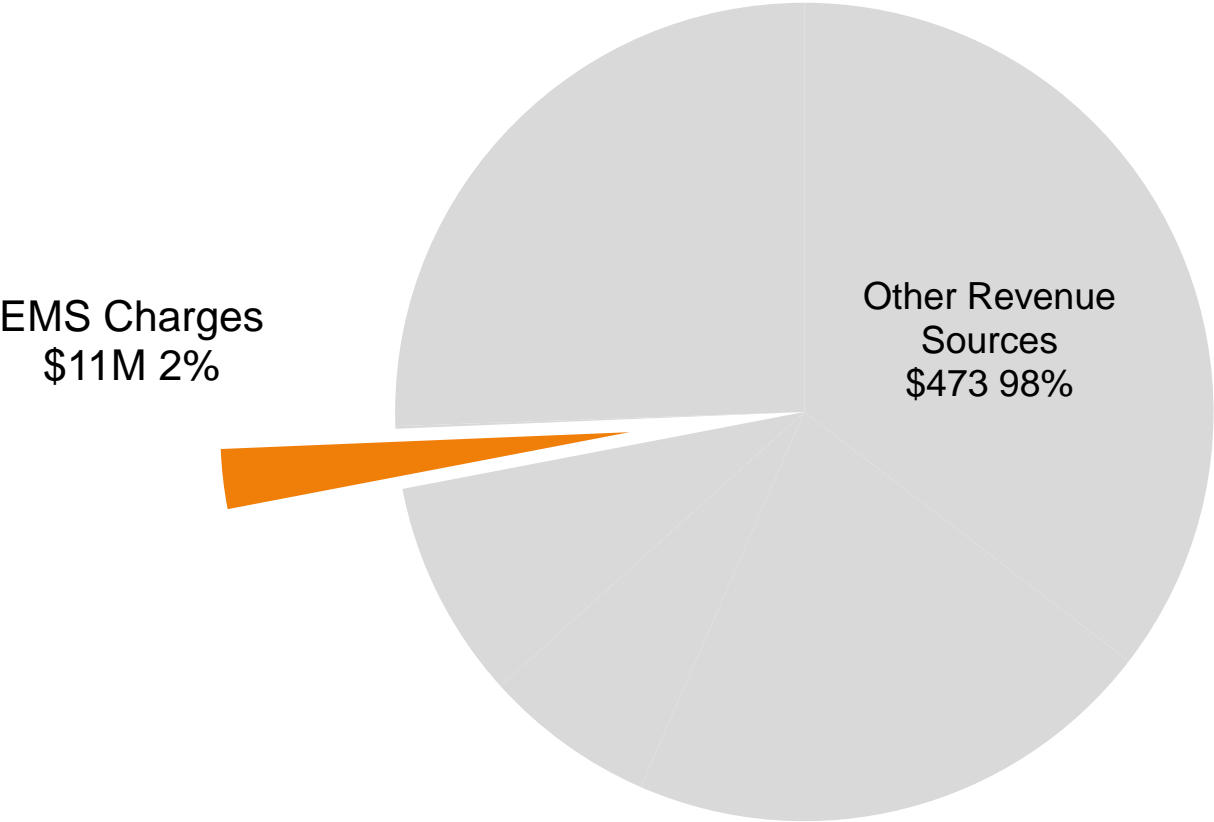


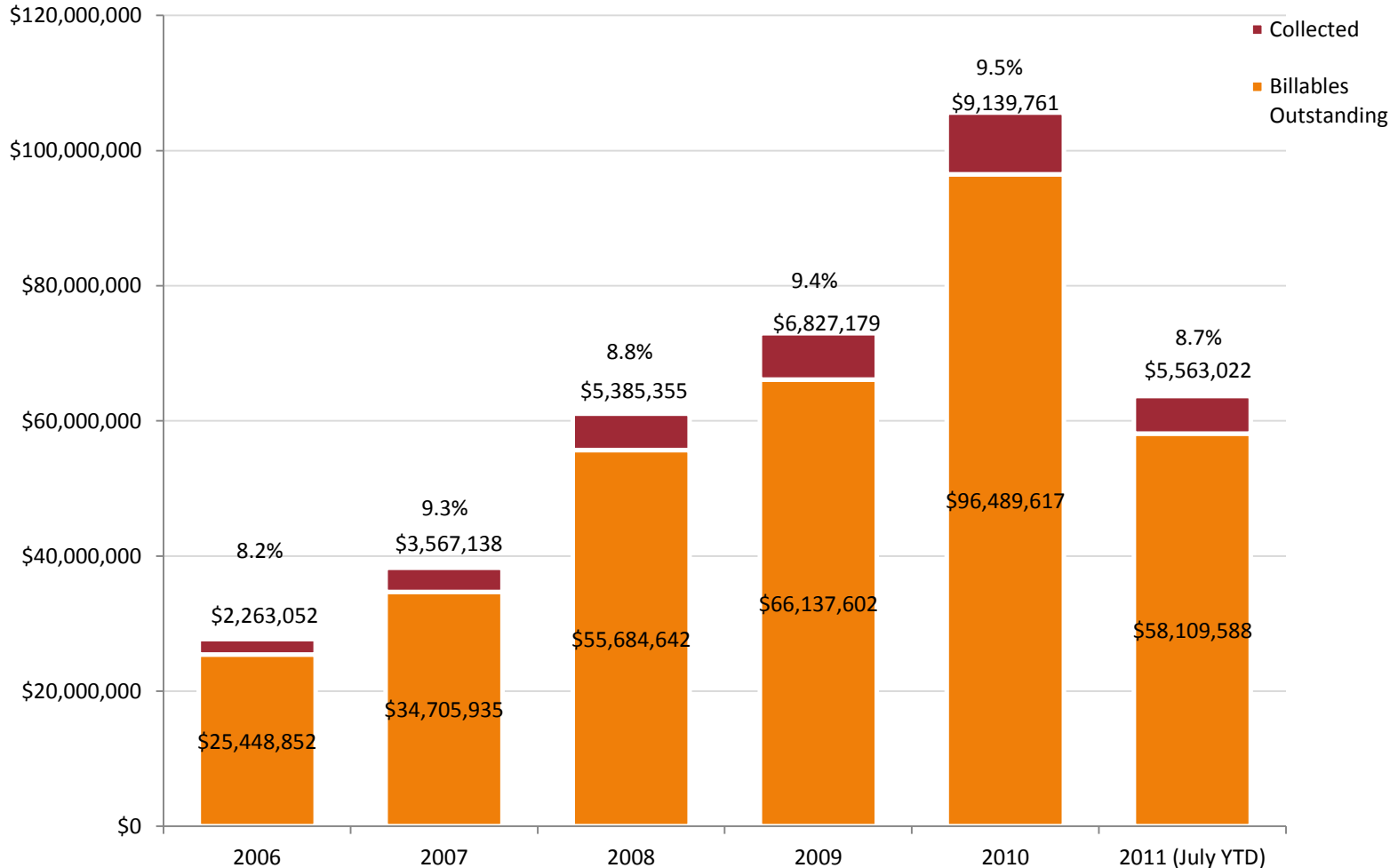
Photo Safety: Speeding Camera Monthly Citations Issued and Payments Received



Budgeted Revenues for 2011 : EMS Charges 2% of GF Revenues

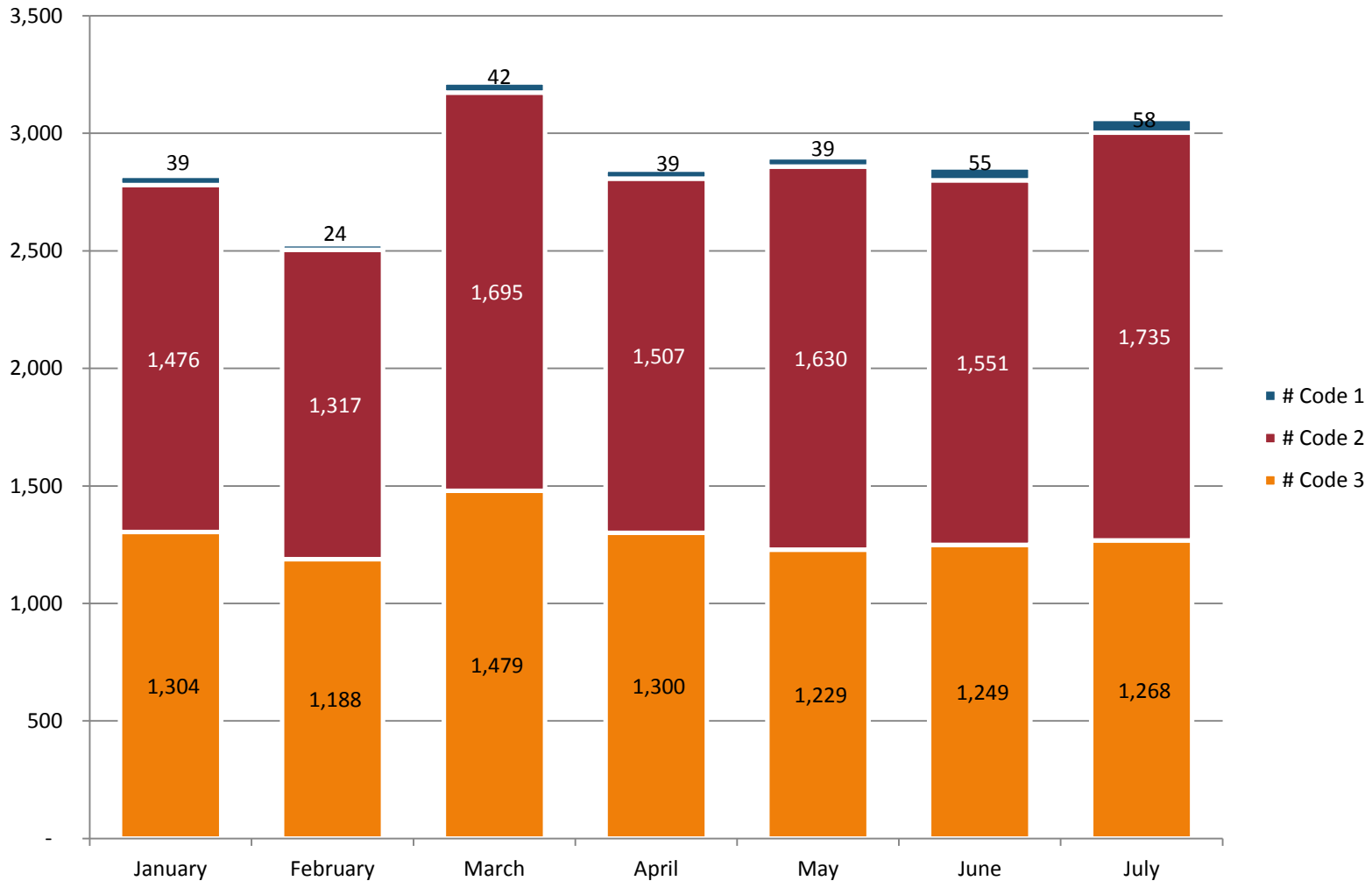


EMS: Billings and Raw Collections have increased since 2006 with collection percentage remaining constant



The collection rate across all payer classes has remained mostly unchanged across years. Still, 2011 shows improvement in collections despite the transport rate increase from \$500 to \$1,015.

EMS: Transports by Month per Activity Type (Jan- July 2011)

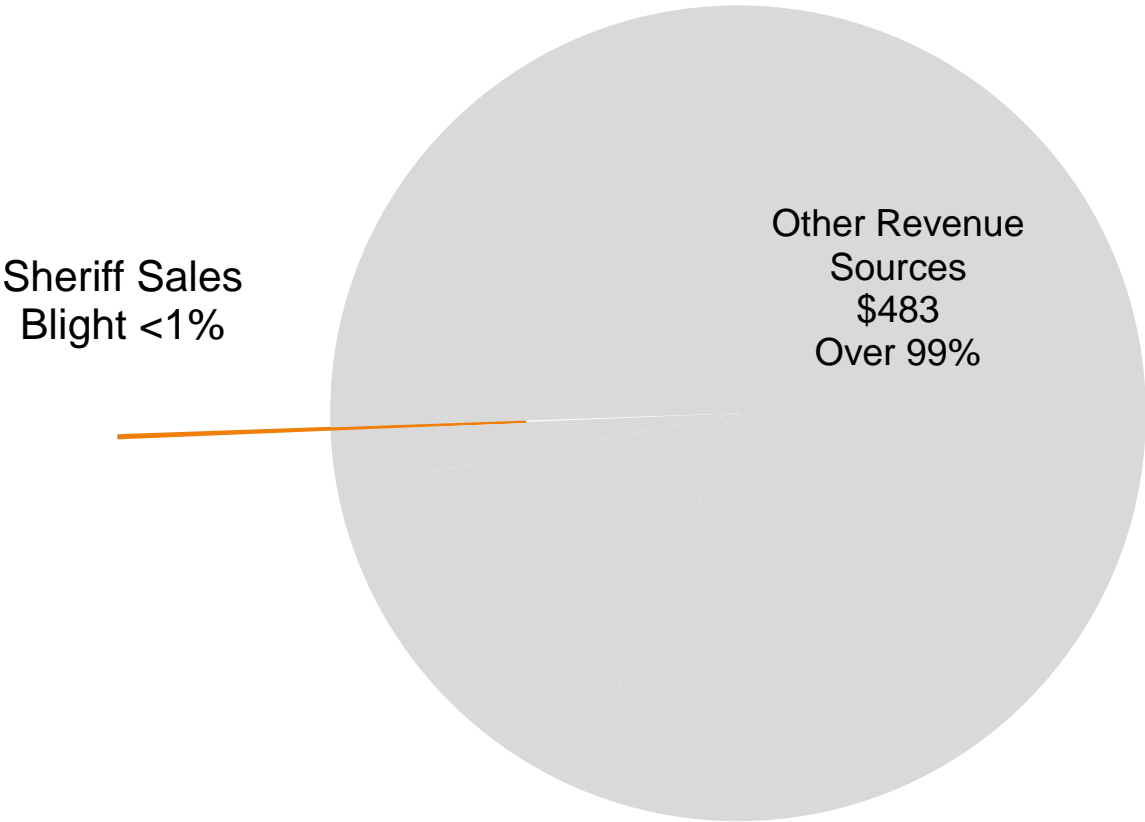


Code 1: Non-Acute, non life threat: sprained finger – this remains low across all periods

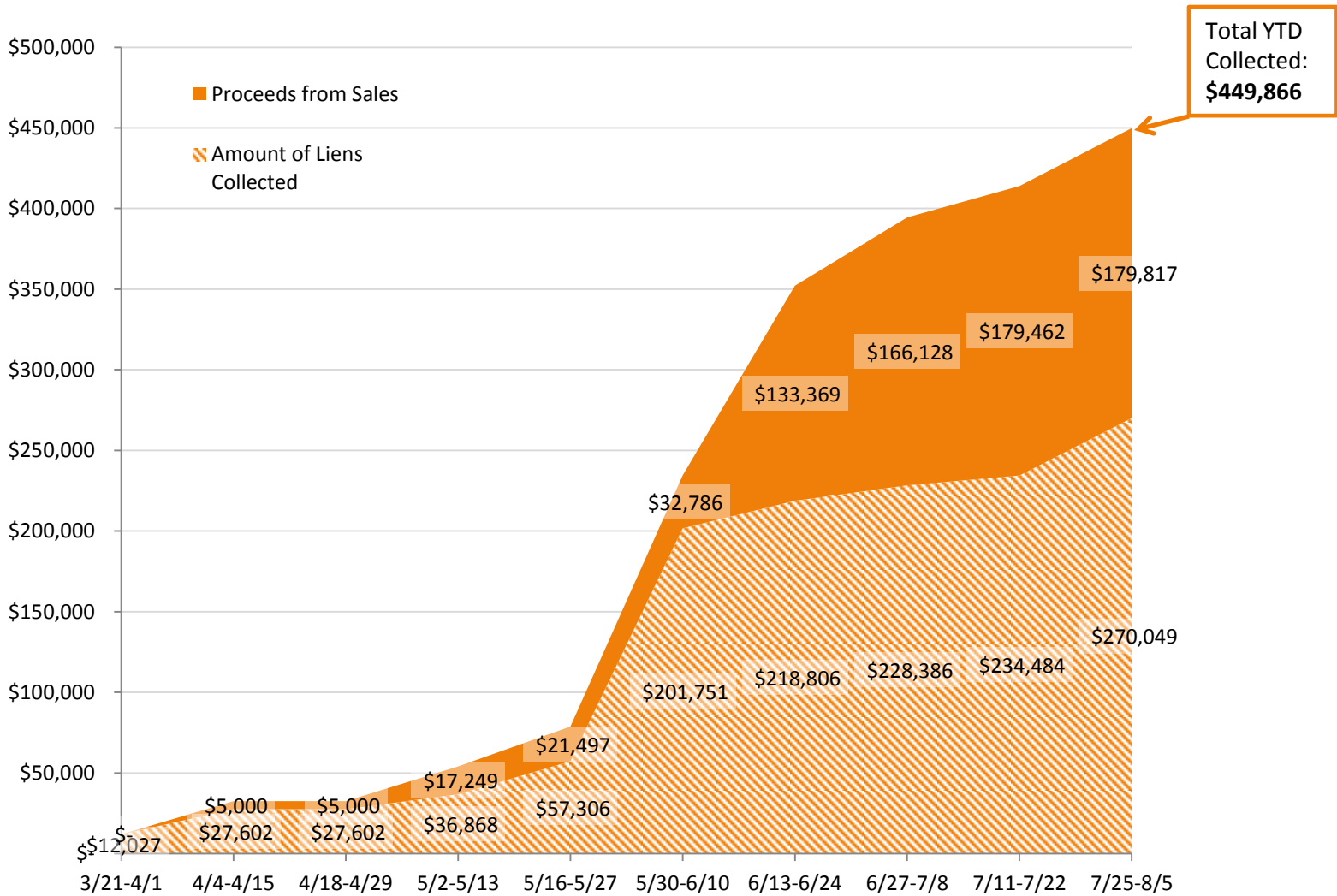
Code 2: Acute, non life threat: abdominal pain, seizure (not actively)

Code 3: Life-threat: seizure, chest pain

Budgeted Revenues for 2011 : Lien Foreclosures less than 1% of GF Revenues



Blight Process: Bi-weekly Revenues Collected from Code Lien Foreclosure Process



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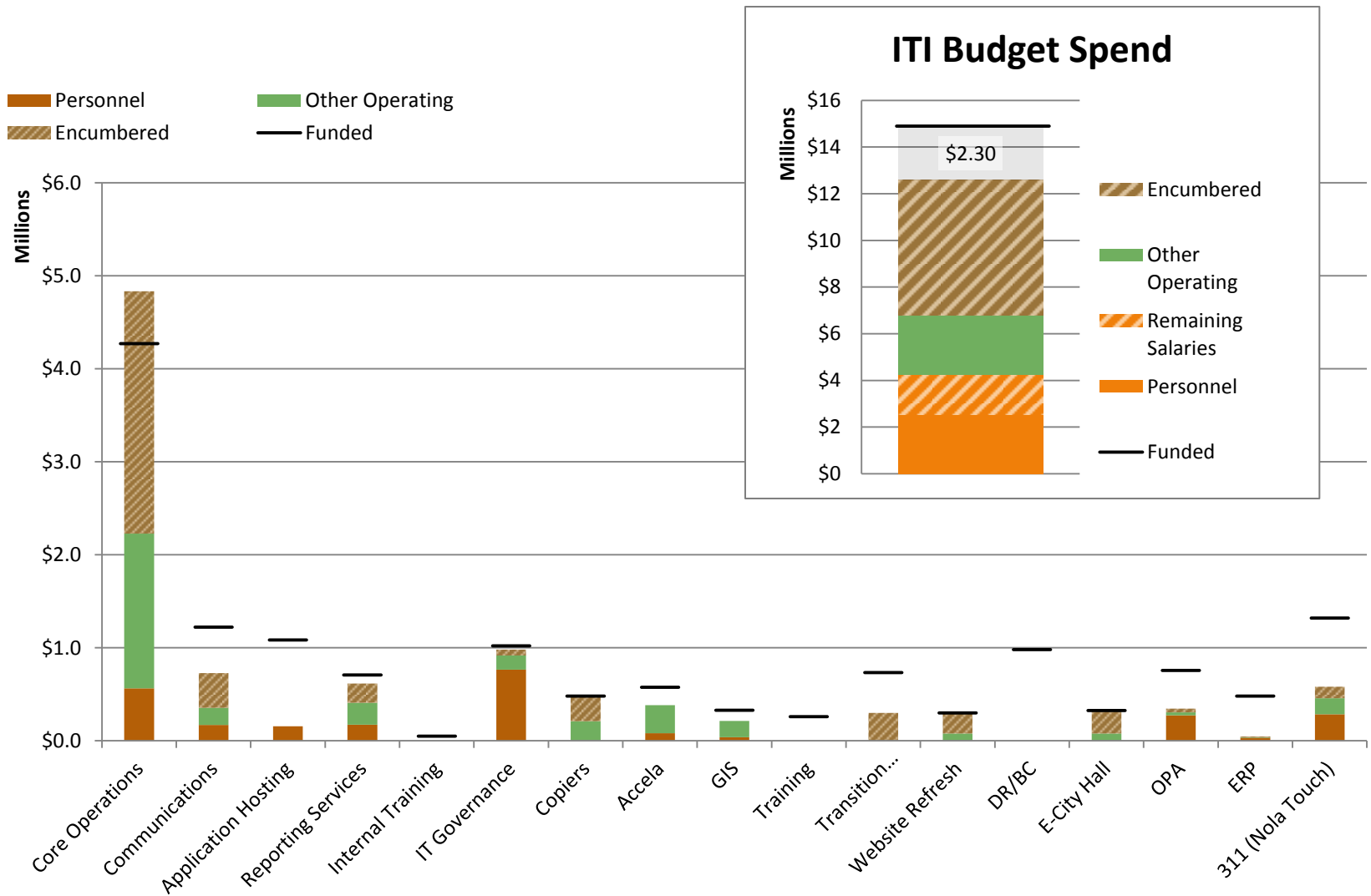
Information Technology and Innovation

	2009 Actual	2010 Actual	2011 Budget	2011 Actual YTD	2011 Budget Balance
Personnel Total	\$1,593,033	\$1,973,331	\$2,919,882	\$1,274,741	\$1,645,141
Salaries	\$1,116,279	\$1,396,270	\$1,549,157	\$860,628	\$688,529
Overtime	\$10,186	\$721		\$707	-\$707
Fringes	\$466,568	\$576,340	\$1,370,725	\$413,406	\$957,319
Other Operating Total	\$14,685,710	\$7,984,861	\$12,896,188	\$8,202,601	\$4,693,587
2011 Pre-Encumbered				\$14,700	
2011 Encumbered				\$3,050,834	
2011 Expensed As of 8/31/11				\$5,137,067	
Grand Total 8/31/11	\$16,278,744	\$9,958,192	\$15,816,070	\$9,477,342	\$6,338,728

Key Budget Drivers & Cost Avoidance Highlights

- Drivers
 - Budget Offers
 - Service Delivery
 - Provide best service at the best price
 - Project Delivery
 - Decide WHICH projects we want to spend money on then review HOW MUCH we've already spent
 - **High-priority** projects drive spending decisions; remaining items are cut.
 - *Personnel- Implied, but not a strong driver


YTD Spending by Budget Offer



Cost Avoidance Through Project Prioritization

To adapt to the City's budget goals, we
PRIORITIZED, REDUCED SCOPE and/or SUSPENDED
projects.

	<u>Project Remaining to Spend</u>
Priority Projects	\$3,524,793
High-Priority Projects	\$2,147,345
Other Projects	\$1,380,005
<hr/>	
Grand Total	\$4,904,799
Remaining 2011 Anticipated Spend on Projects	\$2,147,345



Emergency Medical Services

	2009 Actual	2010 Actual	2011 Budget	2011 Actual YTD	2011 Budget Balance
Personnel Total	\$8,289,314	\$8,452,644	\$7,267,948	\$6,038,261	\$1,229,687
Salaries	\$4,591,155	\$4,762,380	\$4,577,251	\$3,221,614	\$1,355,637
Overtime	\$1,600,439	\$1,774,983	\$541,794	\$1,090,115	-\$548,321
Fringes	\$2,097,719	\$1,915,281	\$2,148,903	\$1,726,532	\$422,371
Other Operating Total	\$1,522,751	\$1,152,206	\$2,285,538	\$2,033,596	\$251,942
2011 Pre-Encumbered				\$0	
2011 Encumbered				\$344,479	
2011 Expensed As of 8/31/11				\$1,689,117	
Grand Total 8/31/11	\$9,812,065	\$9,604,850	\$9,553,486	\$8,071,857	\$1,481,629

Key Budget Drivers & Cost Avoidance Highlights

- EMS Unit Hour Utilization (UHU) is greater than 70% (meaning that over 70% of the time, a given unit is actively responding to a call). The national average is 40%.
 - At a 1.03% Mutual Aid rate, the city has lost approximately \$80,000 in possible revenue during Quarters 1 and 2 because we didn't have the capacity to handle the calls.
 - Implemented 14 hour swing shifts(instead of 12 hour shifts) for a greater span of coverage while covering shift change and decreasing case overtime
- For each billable call for service, EMS is averaging \$318.45 in collections.
- Hired 8 full time and 20 part time employees to decrease overtime staffing by \$177,206.49 while increasing EMS coverage and improving response time compliance (RTC).

Sanitation

	2009 Actual	2010 Actual	2011 Budget	2011 Actual YTD	2011 Budget Balance
Personnel Total	\$1,911,185	\$1,716,955	\$1,253,323	\$1,165,674	\$87,649
Salaries	\$827,270	\$839,694	\$853,884	\$496,570	\$357,314
Overtime	\$562,379	\$441,242		\$328,193	-\$328,193
Fringes	\$521,536	\$436,018	\$399,439	\$340,912	\$58,527
Other Operating Total	\$44,290,918	\$38,103,782	\$36,542,003	\$23,417,288	\$13,124,715
2011 Pre-Encumbered				\$330,606	
2011 Encumbered				\$62,553	
2011 Expensed As of 8/31/11				\$23,024,130	
Grand Total 8/31/11	\$46,202,103	\$39,820,737	\$37,795,326	\$24,582,963	\$13,212,363

Key Budget Drivers & Cost Avoidance Highlights

- Renegotiation of all three garbage collection contracts.
 - Actual Savings is contingent upon house count finalization
- The landfill disposal contract was renegotiated to \$29.11/ton from \$34.25 at the end of the second quarter taking effect July 1st.
 - Actual Cost avoided in July 2011 was \$73,769 based on the rate reduction.
 - Average monthly tonnage disposed of 13,661 for Aug-Dec (based upon 2010 actuals) the city can expect to spend \$351,087 less for the remainder of 2011.

Evaluation Form

Are you a city employee or a member of the public?

On a scale 1-5, how useful was this meeting to you (1= least useful and 5= most useful)?

What's working?

What's not working?