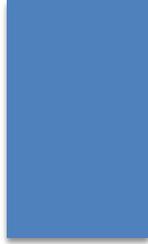


# Revenue Review Meeting

MARCH 3, 2021



- ▶ **The Parish is projected to run out of money if we continue operating as is by March 2022. This time next year.**
  - ▶ See Revenue Review Committee handout dated December 2<sup>nd</sup>
- ▶ The Parish instituted a number of cuts after the losses at the ballot.
- ▶ To restore the full operations would take \$29 million.
  - ▶ See Revenue Review Committee handout dated February 9<sup>th</sup>
- ▶ To cover basic, required services the Parish needs at least \$16 million.
  - ▶ See February 9<sup>th</sup> handout
- ▶ Collecting \$18 million would give a cushion to cover larger maintenance items.
- ▶ A sales tax of .33 would collect approximately \$16 million; .35 would collect approximately \$18 million. ~1/3 of a cent.

# WHAT WOULD THIS AMOUNT BE USED FOR?

- ▶ Operation of the jail: ~\$11 million
- ▶ Capital for the jail: ~\$1 million
- ▶ Operation of the Justice Center (space, building, maintenance for the Judges, DA, Sheriff, Assessor, Clerk, Registrar): ~\$3.5 million
- ▶ Payroll for Judges and DA: ~\$6.5 million
- ▶ Operating costs Judges and DA: ~\$1.4 million
- ▶ = \$23.4 million
  - ▶ See handout February 9<sup>th</sup>



- ▶ Funding is needed for the DA, Jail, and Judges. This is a Criminal Justice tax. As you can see, the majority of the funds needed are not for the building, but for the operations of the jail and our court system. Much of this money is used to pay the salaries of Judges, Assistant District Attorneys, support staff, and for the running of their offices.
- ▶ Without additional funding, the Parish General Fund is being used for Criminal Justice expenses.
- ▶ Without a tax dedicated to the Criminal Justice System in St. Tammany Parish, money that could be used for litter abatement, blighted housing programs, and other important parish programs will continue to be used to fund our Criminal Justice System, as is required by law.
- ▶ The Parish cannot choose to use available funding for other programs – it MUST go to the Criminal Justice System. Funds you may expect to go to Parish programs will be required to go to other entities – the Judges, DA, and Jail – before it can be used for any Parish Government purposes.
- ▶ Even worse, on top of current cuts, without a dedicated tax the Parish cannot continue to fund the Criminal Justice System at the current levels after March 2022.
- ▶ The situation is dire and critical. Without additional funding, the Parish faces threats to its quality of life.

# WHY CAN'T WE GET MONEY FROM SOMEWHERE ELSE?

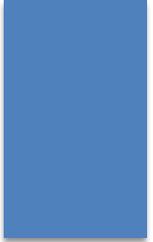
- ▶ The Parish's General Fund revenue is about \$12 million dollars. Far short of the necessary expenses for the Criminal Justice System, without even considering the funding of Parish Government itself.
  - ▶ December 2<sup>nd</sup> handout
- ▶ The Parish currently has a nearly \$9 million funding deficit from reoccurring revenue.
  - ▶ December 2<sup>nd</sup> handout
- ▶ The two other main sources of revenue for Parish Government are our roads and drainage taxes.
- ▶ Sales Tax District 3 is the parish's main source of revenue for Roads, Bridges, and Drainage.
- ▶ ~\$10 million of this is shared with municipalities as part of revenue sharing agreements.
- ▶ The Parish budgets Capital Projects using a 5-year budget, as these projects can be large and often take years to complete.

## WHY CAN'T WE GET MONEY FROM SOMEWHERE ELSE? (cont.)

- ▶ In 2020, nearly \$15 million was budgeted in the Capital Budget.
  - ▶ See spreadsheet
- ▶ In 2021, that amount was almost \$18 million.
  - ▶ See spreadsheet
- ▶ The total budgeted in the 2020-2025 capital budget is over \$180 million dollars, with many projects waiting for funding.
  - ▶ See spreadsheet
- ▶ The parish currently does not have the funding to complete all of the needed road, drainage, and bridge Capital Projects in its long-term Capital Projects list.
- ▶ Rededicating taxes currently dedicated to roads and drainage to allow for the use in the General Fund and for the Criminal Justice System would mean that these many needed infrastructure projects would go even longer without funding.

## WHY CAN'T WE GET MONEY FROM SOMEWHERE ELSE? (cont.)

- ▶ If funding for roads and drainage was rededicated to the General Fund or the Criminal Justice System, could mean pulling anywhere from \$16 million to \$29 million away from infrastructure projects every year.
- ▶ Robbing Peter to pay Paul.
- ▶ While we know people pay plenty of taxes, currently only 5% of property taxes are paid to Parish Government, and 23% of sales tax.
  - ▶ December 2<sup>nd</sup> handout
- ▶ This small percentage is used to fund infrastructure – thousands of miles of roads and drainage – throughout the entire parish; the Criminal Justice System – the jail, DA's office, and Judges - as well as the Civil support provided by the DA to support Recreation, Fire, Sewer, Water, Drainage, and many other districts and government entities; provide services such as permitting, inspections, grass cutting, litter abatement, code enforcement; and public meetings like Council, Planning and Zoning, and Board of Adjustment; secure grants and funding for important community services, and many, many more services provided by Parish Government, the Judges, DA, and Jail staff.
- ▶ The vast majority of taxes go to the School Board, Municipalities, Fire Districts, and other government entities. This money does not go to Parish Government.

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- ▶ **To avoid drastic cuts to parish infrastructure programs and our Criminal Justice System, as well as all the above mentioned services, we need \$18 million dollars per year, which can be funded by a .35% sales tax (~1/3 of a cent).**

# OTHER OPTIONS

- ▶ Property tax: 1 mil = ~\$2.35 million
- ▶ To fund using a property tax would require approximately 7 to 8 mils
- ▶ Or a combination of sales and property taxes