



## Internal Memorandum

**Finance & Management**  
Chief Financial Officer (0100)

**TO:** Josh Guillory **DATE:** Revised April 21, 2020

**THRU:** Cydra Wingerter

**FROM:** Lorrie R. Toups

**SUBJECT:** **City General Fund Projection, Earlier Depletion of Fund Balance in City General Fund due to Projected Decrease in Sales Taxes as a Result of COVID-19**

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During the fiscal year 2019-2020 budget process, the previous City-Parish Council amended and adopted a City General Fund Budget to a level that is slated to use \$18.3 million of the Fund's \$54.8 million fund balance. This level of fund balance usage is unsustainable.

Prior to the economic downturn from the COVID-19 pandemic, our projections show we would deplete fund balance by December 2022. With the pandemic crisis, today's outlook is more austere.

A 35% decrease in sales tax collections for the remainder of this year along with reductions in other revenues, would mean a further use of approximately \$10 million for a total of \$28 million of City General Fund balance. Based on these projections, the City General Fund would be depleted by April 2021, or 20 months sooner than originally predicted.

We will begin work on the 2020-2021 budget in the next few weeks. We will have some very tough decisions to make in these next few months. I look forward to working with you on our first consolidated budget under two separate councils.

Sincerely,

A handwritten signature in black ink that reads 'Lorrie R. Toups'.

Lorrie R. Toups, CPA  
Chief Financial Officer

LRT/erb

Attachments

CITY GENERAL FUND  
CURRENT BUDGET

	FY2019	FY 2020	FY 2021	FY 2022
	ESTIMATE	Current Budget	ESTIMATE	ESTIMATE
<b>Beginning Fund Balance</b>	50,659,729	53,720,310	35,000,700	21,281,090
<b>REVENUES</b>				
AD VALOREM	25,149,345	25,008,156	25,008,156	25,008,156
SALES TAXES	28,667,205	28,136,655	28,136,655	28,136,655
FRANCHISE & OTHER TAXES	2,141,788	2,292,122	2,292,122	2,292,122
LICENSES AND PERMITS	2,569,543	3,029,237	3,029,237	3,029,237
INTERGOVERNMENTAL REVENUES	762,438	773,761	773,761	773,761
CHARGES FOR SERVICES	3,824,804	4,111,804	4,111,804	4,111,804
FINES AND FORFEITS	853,052	819,260	819,260	819,260
INTEREST EARNINGS	1,265,641	1,011,085	1,011,085	1,011,085
INTERNAL TRANSFERS	5,536,139	6,101,963	6,101,963	6,101,963
ILOT LUS	25,051,002	23,800,000	23,800,000	23,800,000
OTHER REVENUES	4,345,277	2,828,226	2,828,226	2,828,226
LUS/LPPA/COMM A&G	4,158,019	4,271,581	4,271,581	4,271,581
<b>TOTAL REVENUES</b>	<b>104,324,253</b>	<b>102,183,850</b>	<b>102,183,850</b>	<b>102,183,850</b>
<b>EXPENSES</b>				
PERSONNEL SALARIES	(44,669,257)	(50,736,240)	(50,736,240)	(50,736,240)
EMPLOYEE BENEFITS	(6,306,657)	(6,775,955)	(6,775,955)	(6,775,955)
RETIREE HEALTH INSURANCE	(905,057)	(1,196,288)	(1,196,288)	(1,196,288)
RETIREMENT SYSTEM	(12,032,005)	(13,959,799)	(13,959,799)	(13,959,799)
ACCRUED SICK/ANNUAL	(1,539,357)	(2,318,300)	(2,318,300)	(2,318,300)
PURCHASED SERVICES	(10,926,123)	(14,039,965)	(14,039,965)	(14,039,965)
SUPPLIES & MATERIALS COSTS	(3,451,348)	(3,661,241)	(3,661,241)	(3,661,241)
INTERNAL APPROPRIATIONS	(12,098,771)	(20,909,110)	(20,909,110)	(20,909,110)
EXTERNAL APPROPRIATIONS	(1,489,306)	(1,476,163)	(1,476,163)	(1,476,163)
FIRE/POLICE RETIREE COLA	(821,355)	(905,600)	(905,600)	(905,600)
PENSION MERGER COST	(3,448,969)	(3,451,625)	(3,451,625)	(3,451,625)
UNINSURED LOSSES	(3,575,767)	(1,473,175)	(1,473,175)	(1,473,175)
OTHER COSTS	301	-	-	-
REDUCTION IN EXPENDITURES			5,000,000	5,000,000
<b>TOTAL EXPENSES</b>	<b>(101,263,672)</b>	<b>(120,903,461)</b>	<b>(115,903,461)</b>	<b>(115,903,461)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXP</b>	<b>3,060,581</b>	<b>(18,719,610)</b>	<b>(13,719,610)</b>	<b>(13,719,610)</b>
<b>ENDING FUND BALANCE</b>	<b>53,720,310</b>	<b>35,000,700</b>	<b>21,281,090</b>	<b>7,561,480</b>

CITY GENERAL FUND  
POST COVID-19 - NO CHANGE IN EXPENDITURES

	FY2019	FY 2020	FY 2021	FY 2022
	ESTIMATE	Current Estimate	ESTIMATE	ESTIMATE
<b>Beginning Fund Balance</b>	50,659,729	53,720,310	24,151,353	(5,067,604)
<b>REVENUES</b>				
AD VALOREM	25,149,345	25,008,156	25,008,156	25,008,156
SALES TAXES	28,667,205	22,800,000	18,250,000	18,250,000
FRANCHISE & OTHER TAXES	2,141,788	1,489,879	1,489,879	1,489,879
LICENSES AND PERMITS	2,569,543	1,969,004	1,969,004	1,969,004
INTERGOVERNMENTAL REVENUES	762,438	773,761	773,761	773,761
CHARGES FOR SERVICES	3,824,804	2,672,673	2,672,673	2,672,673
FINES AND FORFEITS	853,052	819,260	819,260	819,260
INTEREST EARNINGS	1,265,641	600,000	500,000	100,000
INTERNAL TRANSFERS	5,536,139	6,101,963	6,101,963	6,101,963
ILOT LUS	25,051,002	22,000,000	22,000,000	22,000,000
OTHER REVENUES	4,345,277	2,828,226	2,828,226	2,828,226
LUS/LPPA/COMM A&G	4,158,019	4,271,581	4,271,581	4,271,581
<b>TOTAL REVENUES</b>	<u>104,324,253</u>	<u>91,334,503</u>	<u>86,684,503</u>	<u>86,284,503</u>
<b>EXPENSES</b>				
PERSONNEL SALARIES	(44,669,257)	(50,736,240)	(50,736,240)	(50,736,240)
EMPLOYEE BENEFITS	(6,306,657)	(6,775,955)	(6,775,955)	(6,775,955)
RETIREE HEALTH INSURANCE	(905,057)	(1,196,288)	(1,196,288)	(1,196,288)
RETIREMENT SYSTEM	(12,032,005)	(13,959,799)	(13,959,799)	(13,959,799)
ACCRUED SICK/ANNUAL	(1,539,357)	(2,318,300)	(2,318,300)	(2,318,300)
PURCHASED SERVICES	(10,926,123)	(14,039,965)	(14,039,965)	(14,039,965)
SUPPLIES & MATERIALS COSTS	(3,451,348)	(3,661,241)	(3,661,241)	(3,661,241)
INTERNAL APPROPRIATIONS	(12,098,771)	(20,909,110)	(20,909,110)	(20,909,110)
EXTERNAL APPROPRIATIONS	(1,489,306)	(1,476,163)	(1,476,163)	(1,476,163)
FIRE/POLICE RETIREE COLA	(821,355)	(905,600)	(905,600)	(905,600)
PENSION MERGER COST	(3,448,969)	(3,451,625)	(3,451,625)	(3,451,625)
UNINSURED LOSSES	(3,575,767)	(1,473,175)	(1,473,175)	(1,473,175)
OTHER COSTS	301	-	-	-
REDUCTION IN EXPENDITURES			5,000,000	5,000,000
<b>TOTAL EXPENSES</b>	<u>(101,263,672)</u>	<u>(120,903,461)</u>	<u>(115,903,461)</u>	<u>(115,903,461)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXP</b>	3,060,581	(29,568,957)	(29,218,957)	(29,618,957)
<b>ENDING FUND BALANCE</b>	53,720,310	24,151,353	(5,067,604)	(34,686,562)