



BGR Outlook on Jefferson

November 1998

Jefferson Department of Public Works

Introduction

In previous issues of *Jefferson Outlook*, BGR focused its attention on the financial condition and operation of local government as a whole in Jefferson Parish (general-purpose government). In this issue, BGR will focus on one specific area of local government – the public works function. The Public Works Department in Jefferson Parish is responsible for the construction and maintenance of the parish’s roads, parkways, water lines, sewers, and drains. The purpose of this report is to provide a brief overview of how this department is organized, where it receives its funding and how it spends its resources. The report is also intended to provide a brief listing of some of the issues affecting the future development of public works within Jefferson Parish.

BGR’s decision to focus on the Public Works Department was based on three factors:

- ◆ **Area of Largest Expenditure** Public works is easily the largest expenditure within Jefferson Parish government. In 1998, the public works department received 29.3 percent, or approximately \$70.9 million of the parish’s \$242 million budget. (See Table 1) In addition, user fees for water and sewer services generated an additional \$27 million.
- ◆ **Most Employees** With a total personnel compliment of over 1,000 employees, nearly 1 out of 3 workers in Jefferson Parish government is employed in some aspect of public works.
- ◆ **Critical Governmental Services** From the area’s frequent experiences with floods, tropical storms and hurricanes, it is clear that drainage and flood control are vital services in local government. The upgrading and maintenance of the parish’s road system, another critical service in Jefferson Parish, is also the responsibility of the Public Works Department.

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**Table 1
Jefferson Parish Expenditures
1998**

Public Works	29.3%
General Fund	20.9%
Enterprises Fund	17.2%
Public Safety	15.7%
Culture & Recreation	12.4%
Transit	2.5%
Health & Welfare	2.0%

Source: 1998 Budget in Brief Jefferson Parish, Louisiana

How is the Department Organized?

The Public Works Department currently includes the following nine divisions:

- ◆ Engineering
- ◆ Water
- ◆ Sewerage
- ◆ Environmental Development
- ◆ Parkways
- ◆ Streets
- ◆ Drainage
- ◆ Pumping Stations
- ◆ Capital Projects

All nine division heads report to the Deputy Chief Administrative Assistant for Public Works who is one of four deputy chief administration assistants in Jefferson Parish. The Deputy Chief Administrative Assistant, in turn, reports to the Chief Administrative Assistant to the Parish President.

The public works portfolio has grown over the past two decades, most notably in 1980 s, when the water and sewerage functions were added to public works. Although it is by far the largest department, public works is not a required department in the Jefferson Parish Charter as are law, personnel, finance and

planning. Therefore, the number, name and functions of the departments or divisions which constitute public works may be changed by parish ordinance at any time after consultation with the Parish President. The Parish Council may create new offices or departments in public works only upon the recommendation of the Parish President.

The primary divisions or departments comprising the public works department, their areas or responsibility, and their major sources of funding are listed below.

Drainage

The Drainage Department within public works oversees the operation of three drainage districts and the parish s pump stations. The major responsibilities of the three drainage districts are the canal and ditch systems in addition to the street sub-surface drainage systems.

Drainage Districts

The three drainage districts are the Fourth Jefferson Drainage District, Consolidated District No. 1, and Drainage District No. 9. The Fourth Jefferson Drainage District handles all Eastbank operations, while Consolidated Drainage District No. 1 and Drainage District No. 9 s territory are the Westbank. District No. 9 covers the land between the Harvey Canal and the Orleans and Plaquemines Parish lines. District No. 1 covers the rest of the Westbank including Grand Isle.

Each drainage district is responsible for the construction, improvement, and maintenance of minor and major canal systems, street sub-service drainage, and pump stations. The drainage districts provide protection from floods caused by rain and hurricanes. Maintenance activities of these drainage

districts also includes controlling the grass and weed growth that impede drainage to the canals or sub-surface drains.

The three drainage districts operating budgets are funded with both sales and property taxes. In 1981, voters approved a one-half percent sales tax. One-third of the sales tax receipts are dedicated to the operation and maintenance of drainage facilities. The remaining two-thirds is used for the operation, maintenance, and capital improvements of both drainage and sewerage facilities.

The property tax millages that fund the operations and maintenance of the drainage districts are from three districts of the Parish. This year Westbank voters approved a rate increase in their districts to bring tax rates up to the rate in effect on the Eastbank. Now the millage rate for all three districts is equally set at six mills.

The majority of revenues dedicated to the Fourth Jefferson Drainage district are from property taxes. Property taxes average about \$4.9 million, while sales taxes contribute \$1.6 million to the district. Drainage District No. 1 and Drainage District No. 9 both have received a higher proportion of their money from sales taxes. About two thirds of District No. 1 revenue, or \$2.1 million, is generated from sales taxes. Sales taxes for District No. 9 are expected to total a little over \$1.0 million in 1998, while property taxes will be just over \$900,000. (See Table 2)

Pumping Stations

The pumping department operates and maintains the 43 pump stations containing 117 pumps throughout the Parish that help control flooding in the event of storms. Drainage pumping stations are funded with sales taxes, one-third of the one-half cent sales tax

authorized in 1981. Sales tax revenues currently generate about \$9 million a year.

Sewerage

The Sewerage Department's responsibility is to collect and treat sewerage and wastewater for the protection of public health and preservation of water quality. The major functions required to accomplish these goals include the treating of wastewater, pumping and collecting untreated sewerage, and pumping treated water to the Mississippi River for discharge. The Sewerage Department provides service in the unincorporated portions of the Parish and the Town of Jean Lafitte.

About 62 percent of the department's operating budget (\$12.9 million) is funded with user fees. Property taxes also help fund the maintenance and operation of the sewerage district. Property tax revenues average about 23 percent of all revenues or \$4.9 million. The dedicated millage for these purposes is 4.66 mills.

Water

The consolidated water district is divided into four functional units. Two departments are in charge of administrative functions and the other two, treatment and distribution.

The most important purpose of the water department administration is to ensure that all the drinking water supplied to the residents of the Parish meets, at a minimum, all current federal and state standards for water quality. The other administrative department is the water warehouse, which handles the ordering, receiving, stocking and distributing services for materials used by the field maintenance crews.

The water treatment plant processes and provides for an adequate supply of drinking water for both the east and west banks. The plant also insures that the supply is uninterrupted. The water distribution system maintains and repairs the distribution systems on the east and west banks, installs new service connections, and responds to emergency line breaks. The Water Department services the entire Eastbank including the municipalities of Kenner and Harahan. On the Westbank the water is supplied to the unincorporated areas and the Town of Jean Lafitte.

The water district is almost totally funded by user fees. About 90 percent of revenues, \$17.0 million, is derived from user fees. Property taxes fund a small portion of maintenance and operations. The current rate dedicated to these purposes is .5 mills.

**Table 2
Public Works Department
Revenue Sources by Department
1996-1998**

Department	1996 Actual	1997 Actual	1998 Proposed
Fourth Jefferson Drainage District			
Property Tax	\$ 4,859,674	\$ 5,017,967	\$5,009,152
Sales Tax	1,274,100	1,600,000	1,600,000
Other	<u>1,013,602</u>	<u>1,072,744</u>	<u>807,606</u>
Total	7,147,276	7,690,711	7,416,758
Consolidated Drainage District #1			
Property Taxes	1,032,352	1,087,883	1,085,438
Sales Tax	2,853,287	3,090,095	2,070,000
Other	<u>333,921</u>	<u>244,905</u>	<u>254,928</u>
Total	4,219,560	4,422,883	3,410,366
Drainage District # 9			
Property Taxes	895,945	936,159	925,126
Sales Tax	1,507,000	1,615,788	1,082,000
Other	<u>123,675</u>	<u>161,291</u>	<u>113,518</u>
Total	2,526,620	2,713,238	2,120,644
Drainage Pumping Stations			
Sales Tax	9,932,300	9,094,586	9,000,000
Other	<u>155,142</u>	<u>48,840</u>	<u>174,751</u>
Total	10,087,442	9,143,426	9,174,451
Parkways Department			
Other	<u>4,046,070</u>	<u>3,738,753</u>	<u>3,754,298</u>
Total	4,046,070	3,738,753	3,754,298
Consolidated Sewerage District			
Property Tax	4,752,160	4,918,406	4,923,660
User Fees	13,425,889	12,769,152	12,993,323
Other	<u>2,062,789</u>	<u>2,811,811</u>	<u>2,742,131</u>
Total	20,240,838	20,499,369	20,559,114
Streets Department			
Property Tax	32,122	28,611	22,143
Sales Tax	20,858,116	21,014,824	20,634,735
Other	<u>1,671,002</u>	<u>1,907,772</u>	<u>1,776,673</u>
Total	22,551,240	22,951,207	22,433,551
Consolidated Water District			
Property Tax	2,344,013	709,856	715,713
User Fees	18,246,888	17,465,851	17,732,316
Other	<u>1,186,339</u>	<u>968,957</u>	<u>875,987</u>
Total	21,777,240	19,144,664	19,324,016
Total	\$ 92,606,286	\$ 90,304,251	\$88,293,198

Source: Jefferson Parish Budget Department

Streets

The primary function of the Streets Department is to maintain streets, bridges, and the right-of-ways within the unincorporated areas of the Parish. There is a maintenance unit on each side of the river with components for drainage, asphalt, concrete, and heavy equipment, in addition to clerical and warehouse sections. This is the largest department within public works in terms of the number of employees. (See Table 3.) There is a parish-wide administrative section that is responsible for record keeping, budgeting, payroll, personnel, complaints and contracted street repair. New street construction and major repairs are contracted out to private construction firms.

The Streets Department receives over 90 percent, of its funding from sales taxes. In 1954 a one-half percent sales tax was approved and dedicated solely for the purpose of constructing and maintaining public roads, highways and bridges within the unincorporated areas of the Parish. This tax yields about \$20 million a year.

In January of 1998, 7/8 of one-percent sales tax, which had been used for sewerage projects, was extended to 2002 and rededicated to street and road improvements.

Parkways

The Parkways Department has a functional relationship with both the drainage and streets units. The purpose is to maintain the grass, shrubs and flowerbeds along the streets in unincorporated areas of the Parish. Such duties include mowing grass and trimming trees in parish rights-of-way and cleaning drainage pump station screens.

This department is not directly funded by any taxes. The departments for which the Parkways Department performs services reimburse the department for costs incurred on their behalf.

Where Public Works Funds are Spent

The funds associated with the various public works departments are characterized as either special revenue funds or enterprise funds depending on their source and use.

Table 3
Public Works Expenditures
by Department
1996 - 1998

Department	1996 Actual	1997 Actual	1998 Actual
Streets Department	\$ 22,615,770	\$ 23,456,825	\$ 24,945,336
Parkways Department	4,003,776	3,703,758	3,789,294
Fourth Jefferson Drainage District	6,610,453	6,615,262	8,559,044
Consolidated Drainage District #1	4,005,639	3,940,019	4,559,033
Drainage District # 9	2,520,123	2,406,479	3,144,664
Drainage Pumping Stations	9,136,402	10,286,983	10,548,961
Water	20,122,352	18,707,580	20,246,471
Sewerage	<u>20,146,059</u>	<u>19,318,416</u>	<u>21,912,259</u>
Total All Departments	\$ 89,160,574	\$ 88,435,322	\$ 97,705,062

Source: Jefferson Parish Budget Department

Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business; costs of providing goods or services to the general public are recovered primarily with the user fees. The consolidated sewerage and consolidated water districts each have an enterprise fund.

The remaining Public Works Department operating funds are characterized as special revenue funds. These funds are used to account for the proceeds of specific, dedicated revenues to be spent for specific purposes. No general fund revenues of Jefferson Parish are allocated to the Public Works Department.

The other category of funds associated with public works is capital funds. These funds are used to account for all resources and expenditures, exclusive of enterprise funds, in connection with the acquisition or construction of capital facilities. There are currently ten parish capital funds for public works.

How Major Construction Projects are Funded

Major construction projects are included in the Parish's five-year capital improvement program. Each listed project specifies the resources committed to finance the project. These projects are usually financed through general obligation bonds as the product (new infrastructure such as roads or bridges) is expected to last at least as long as the bonds are outstanding, (usually 20–30 years). The bond interest and principal payments are secured by long-term property or sales tax dedications. Federal and state grants also fund all or part of many construction projects in the Parish. Street and sewerage capital projects are financed with bonds paid for by the various tax dedications.

Additional road improvements are funded by the State and some by the Causeway Commission. Water-related capital projects are funded primarily with property taxes.

Challenges Facing Public Works Department

Maintaining and enhancing the quality of life in Jefferson Parish is dependent upon Parish government's ability to provide good roads, effective drainage, water, and sewerage systems, and well-maintained parks and parkways. All of these vital services are the responsibility of the Public Works Department.

As Jefferson Parish has matured as a parish, the public works infrastructure needs have continued to grow while parish government's operating revenues have not kept pace (see *Jefferson Outlook*, March 1998). Jefferson Parish's flat operating revenue base has put increasing pressure on the Public Works Department, as the largest and most costly department, to deliver essential public services more efficiently. This has taken the form of exploring other areas in public works that could be privatized or restructured.

In the future, the need to maintain or even lower operating costs may lead the department to consider consolidation of the nine departments within public works. Last year, the Parish hired the University of New Orleans College of Business Administration and the Louisiana Urban Technical Assistance Center to administer surveys and conduct focus groups with public works employees. The goal of this effort was to get feedback from employees on how the divisions within the department could save money and operate more effectively. BGR suggests that this sort of self-examination is

healthy and should be conducted on an ongoing basis to encourage greater efficiencies and the development of new techniques and technologies within the department.

While generating sufficient operating revenue to maintain public works is likely to be a growing problem in the near future, the department can expect to see significant growth in its capital budget in the years ahead. The growth in the public works construction budget is due to two relatively new major revenue sources:

1. When Jefferson Parish voters voted in January of 1998 to extend and rededicate a one-cent sales tax for roadwork, this made approximately \$125 million available for road improvements in East and West Jefferson. As a result of bonds sold in 1998, approximately 30 projects are scheduled to begin construction in 1999.

2. The U. S. Army Corps of Engineers, in cooperation with local governments, will oversee more than \$400 million of flood control and drainage projects in Jefferson, Orleans and St. Tammany parishes. Thus far, over \$115 million for canal improvements and pumping stations in Jefferson Parish have been authorized by the Corps of Engineers.

While the additional funding available for public works construction in Jefferson Parish is certainly welcome news, the department will also face some significant new challenges as a result. The challenges ahead include:

Planning and Management Capabilities

The department's planning and management capabilities will be severely tested as the Parish embarks on a very ambitious construction program in road, bridges canals and pumping station improvements over the next 5-10 years. While supportive of the need for additional resources for roads, BGR continues to be concerned about the lack of a comprehensive master plan to guide development and

transportation improvements in Jefferson Parish. Such a plan is particularly important for the Westbank of Jefferson Parish where most of the undeveloped land is located.

Selection of Professional Service Contractors

With the significant increase in construction activity, the Parish will need the assistance of a wide range of professional services including engineers, project management consultants, surveyors, transportation planners, architects and other types of specialized consultants. The selection of professional services is now governed by the Parish Code of Ordinances (Article VII, Chapter 2) which provides for a Statement of Qualifications method. The qualifications are submitted to and evaluated by a committee. The committee then submits its evaluation report to the Parish Council, which selects the company to do the work. The challenge for Parish Government will be to assure the public that all contractors have been selected on the basis of experience and qualifications rather than on the basis of political connections or campaign contributions. Minimizing the Council's role in the selection process would help avoid even the appearance of political favoritism in the awarding of these contracts.

Need for Additional Funds

Even though there is an additional \$125 million available for roads and bridges, this is less than half of the major road improvements that are needed. For example, none of the projects in the \$125 million package address the traffic problems associated with the Causeway Boulevard Corridor. Additional funding sources will be needed to upgrade the Parish's roads and highway infrastructure. ➤

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BGR Outlook on Jefferson Parish: The Department of Public Works

Department of Public Works Infrastructure

Quick View

♦ Acres of Land	359
♦ Acres of Water	272
♦ Miles of parish roads	855
♦ Daily gallons of water production	85,020,900
♦ Miles of water lines	1,580
♦ Daily gallons of wastewater treated	57,000,000
♦ Number of sewerage lift stations	500
♦ Number of pumping stations	42
♦ New single family units	492
♦ New multi family units	24