



July 1, 2020

Honorable Kirk Lepine, President
Plaquemines Parish Government
333 F Edward Hebert Blvd
Building 100
Belle Chasse, LA 70037

Dear Parish President Lepine and Council Members,

On behalf of the Members of the Plaquemines Association of Business and Industry (PABI), we support and applaud any recommendations forthcoming to increase user fees needed to shore up underfunded parish services.

Financial shortfalls facing the current Plaquemines Parish Government are not new or unforeseen as fiscal woes were predicted when the price of oil began its steady decline from a 2013 high of \$110 per barrel, going as low as \$0 earlier this year. The current council and administration are not to blame for past councils and administrations stance to avoid fee increases in favor of subsidizing services through the general fund. We are asking you to no longer take the position of closing budget gaps with one-time monies but using a balanced approach consisting of increased fees for parish provided services, reduction of manpower, disposal of idle assets, outsourcing of services, reduction of materials and supplies, and optimization of ferry services. This approach will reach across all parish residents in a more equitable way.

In 2015, PABI established a committee to research parish budget issues meeting with Parish President Amos Cormier, Jr., Finance Director Tommy Serpas and all of the council members, knowing fee increases, tax increases or other means of generating revenues would be needed if oil continued its decline. Following the passing of Cormier, Jr., meetings continued with President Cormier, III, President Lepine and some Council members.

The intent of our involvement has been and remains to first have a clear understanding of the issues, second to offer help in providing solutions, and third to avoid continuing to prolong decisions which make financial matters worse in the future.

Ferry operations, shipyards, boat harbors, garbage collection, mosquito control, recreation, building rentals, permits/inspection department and the water department all operate with various levels of subsidy from the general fund. We believe that enterprise funds, like the afore mentioned, should have costs reduced and fees increased allowing for operations closer to break even.

Our organization has been asked by all three presidents mentioned to support increased taxes. Our response has been steadfast that while it may be an option for us to support tax increases, spending has to be reduced to bare minimums and fees for services provided by the parish should be increased so departments operate closer to break-even.

PABI is not insensitive to the burden placed on some residents by increased fees. If elevating fees to break-even in one step creates financial hardships, then incremental increases over multiple years could be implemented similar to the water rate increases several years ago.

In a survey conducted by The Plaquemines Gazette in September, 2019, responses indicate that public opinion supports increased fees and even privatizing certain services if there is a savings. Perhaps additional public outreach is warranted explaining the need for each fee increase.

In closing, PABI ask you to develop a multi year plan to show the impact of initiatives. This document will provide transparency to all stakeholders and act as a unified roadmap for the next three years as we work thru balancing projected deficits during the difficult times that Plaquemines Parish is experiencing today and what lies ahead.

Sincerely,
Timothy Schotsch
2020 Chairman