

# City of New Orleans 2008 Budget



C. Ray Nagin, Mayor  
Brenda G. Hatfield, Ph.D., CAO

**ONE**  
NEW ORLEANS  
*Resilient • Renewed • Revived*

RETHINK  
RENEW  
REVIVE

# 2008 Budget Overview

## Creating the Foundation for Recovery

- Restored utilities to entire city
- Addressed budget shortfall – cut City staff by nearly 3,000 employees
- Removed 32 million cubic yards of debris
- 31 trips to Washington, D.C., to lobby for federal assistance
- Shared financial updates with capital markets immediately after storm



# 2008 Budget Overview

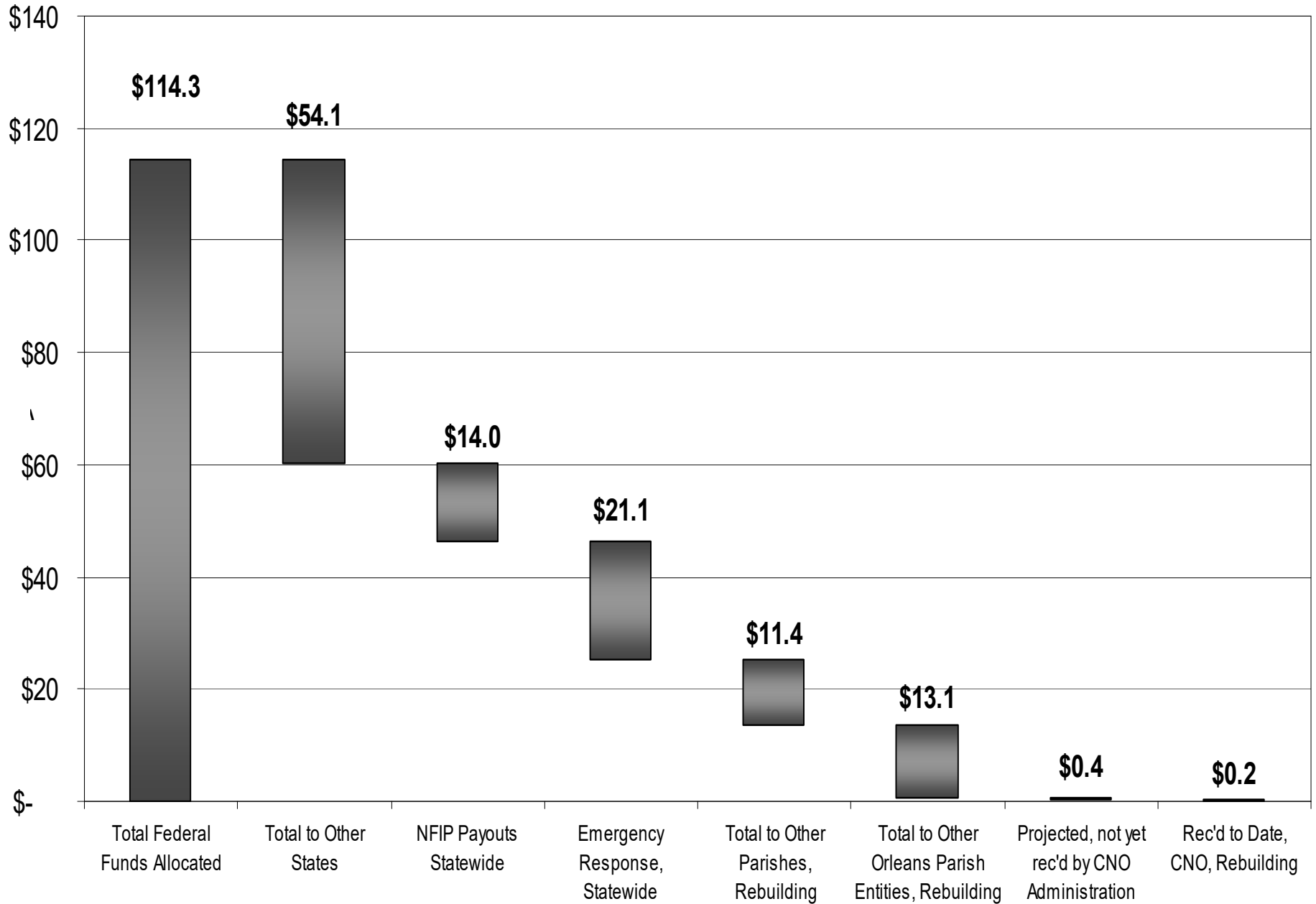
## Creating The Foundation for Rebuilding

### Restored City Services

- Filled more than 60,000 potholes
- Repaired 12,000 street lights
- Replaced over 12,000 street signs - last phase of street sign replacement began in Lower 9<sup>th</sup> Ward in October
- Cleaned over 7,000 storm drains and 1.3 million feet of drainline
- Focused first on recovering areas that received 2-feet of water or less

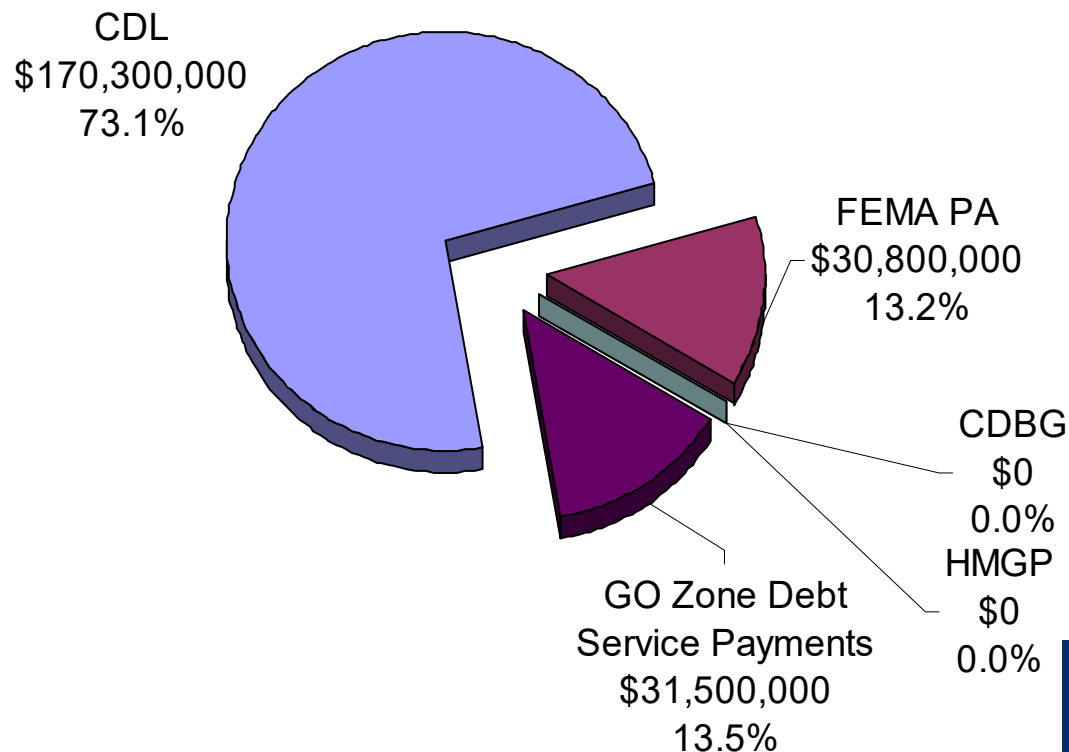


## Distribution of Federal Funds Following Hurricanes Katrina & Rita



# 2008: Budget Overview

**Federal Rebuilding Funds to New Orleans City Administration  
Received and Spent to Date: \$233 Million**



# 2008 Budget Overview

## 2 Years of Hard Work

### Focused on Public Safety

- Increased police officer salaries
- More officers on the street
  - Currently 1,419 officers, exceeding end of year goal of 1,400
- Reduced officer attrition
  - Reduced by 11 officers per month. Down from 19 officers per month
- Heightened effort to address violent crimes
- On track to meet year-end goal of 200 crime cameras



# 2008 Budget Overview

## 2 Years of Hard Work

Focused on Cleaner Communities

- Returned to twice-weekly garbage pickup
- Disney-like garbage service in the French Quarter
- Demolished 8,000 storm-damaged houses
  - 1800 properties remain
- Exceeded Gutting/Board budget goal of 5,000 homes for seniors/low-mod families



# 2008 Budget Overview

## 2 Years of Hard Work

Focused on Infrastructure Improvement

- Began street projects using 2000 bond issue, including Kabel Drive, Fleur de Lis, Broad Street and Cardenas St.
- Using pavement lifting to repair streets in Algiers
- Acquired three “Pothole Killers” and exceeded annual goal of filling 50,000 holes



# 2008 Budget Overview

## 2 Years of Hard Work

### Enhanced Quality of Life

#### NORD

- Reopened and restored NORD playgrounds, parks and swimming pools
  - Downtown, N.O. East, Lakeshore Sites, Uptown Sites and Westbank Sites.
- 5 NORD Centers (Behrman, St. Bernard, Treme, Annunciation and Cut-Off ), and sections of Joe Brown Park open
- Community and tutorial activities have been reestablished for our youth, families and seniors
  - Baseball, football, adult volleyball, swimming

#### Parks and Parkways

- Planted approximately 2,000 trees
- Trimmed or removed 2,013 trees
- Mowed 14,163 acres of grass



# 2008 Budget Overview

## 2 Years of Hard Work

### Stabilizing City Finances and Economy

- The city's economy is growing in terms of job counts, employment and payroll compensation
- Employment has grown in 13 of 20 sectors since the storm
- Property tax collections expected to be 93 percent of pre-Katrina



# 2008 Budget Overview

## 2 Years of Hard Work

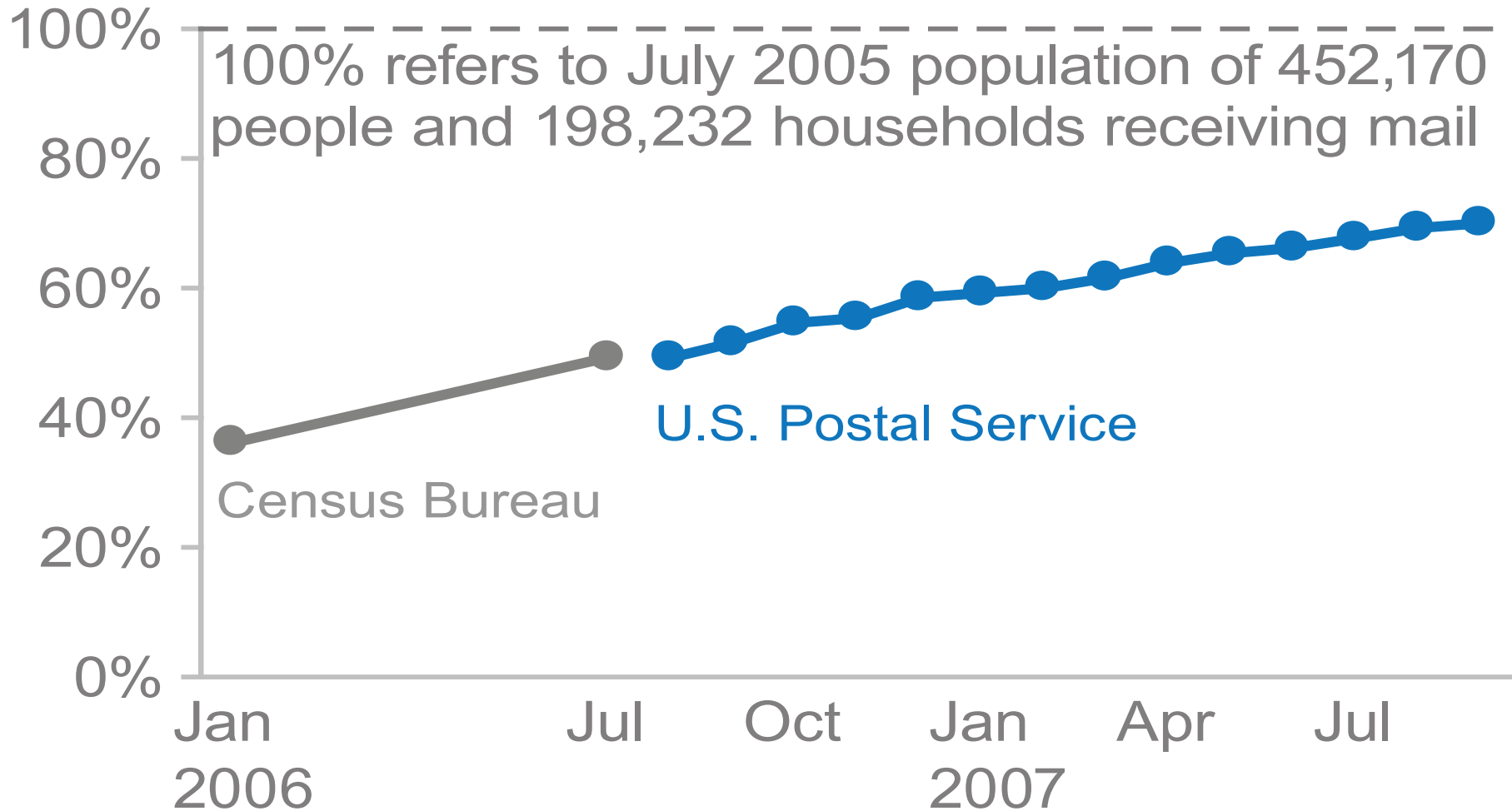
### Tourism and Airport are Rebounding

- 3.6 million people visited New Orleans in first six months of 2007; 3.7 million people visited for all of 2006
- Visitors are projected to spend \$4.5 billion in New Orleans this year. The record was set in 2004 at \$4.9 billion
- This month the airport will reach 132 daily flights with 15,663 seats -- 81.5 percent of flights and 75.8 percent of seats offered Pre-Katrina.
- Free wireless service now available throughout the terminal
- Upgrade to airport security system underway



# 2008 Budget Overview

## New Orleans Post-Katrina Population Indicators



# 2008 Budget Overview

## Repopulation Trends

- The population of the city of New Orleans continues to rebound.
- **Through October 2007, the City continues to grow at a rate of approximately 4,000 residents per month.**
- Growth continues to radiate from established neighborhoods and communities.
- This trend has been apparent and consistent through 2007

**Source: GCR & Associates**

# 2008 Budget Overview



## 2 Years of Hard Work

- Established Office of Recovery Management
- Unified New Orleans Plan (UNOP) developed based on the BNOB, Lambert Plan, S&WB with unprecedented citizen input
- Citywide Strategic Recovery and Redevelopment Plan based on UNOP with first focus on 17 target areas
- **First** recovery plan in the state to be approved by the Louisiana Recovery Authority

Proposed Farmers Market Under the Main Street Grant Program (Freret Street & Napoleon Avenue Location)



# 2008 Budget Overview

## 2 Years of Hard Work

### Recruited and Retained Employees

- Effectively responded to changing market conditions by being the first major employer in city to increase the minimum wage
- Increased staff and pay for departments of City Planning and Safety & Permits, eliminating backlog for permits in non-historic areas
- Mid-year pay raise based on survey conducted by Civil Service Commission



# 2008 Budget Overview

## 2 Years of Hard Work

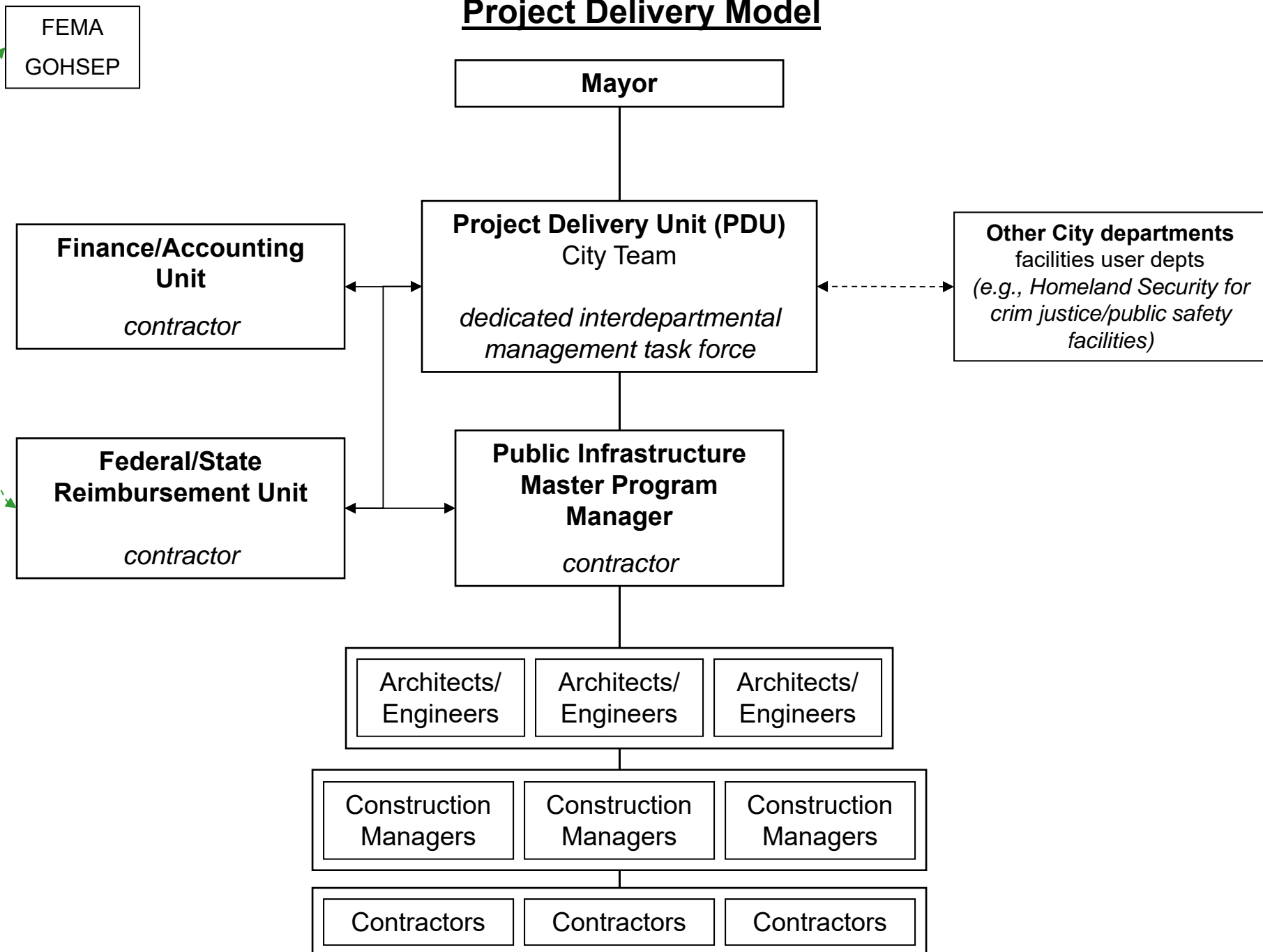
### Unprecedented Reorganization

- Restructured city government to meet work demands of recovery
- Creating project delivery task force to focus on executing recovery projects expediently and efficiently
- Continue to explore opportunities to outsource project management services





# Project Delivery Model



# 2008 Budget Priorities: The Tipping Point



# 2008 Budget Priorities: The Tipping Point

## The Budget Approach

- **Continue track record of transparency, accountability and good stewardship of citizens tax dollars**
- **2008 budget process summarizes plan to rebuild city**
  - Spending proposals are matched to performance measures
  - Identified four priority areas
- **Adopted Government Finance Officers Association model for municipal budgeting**
  - City of NO budget connects rebuilding/recovery priorities into a financial model that tracks results and measures accountability
  - First time this approach to government budgeting has been implemented in the City of New Orleans



# **2008 Budget Priorities: The Tipping Point**

## **4 Budget Priorities**

(1) Public Safety

(2) Recovery and Livable Communities

(3) Opportunities for Youth

(4) High Performing Government



# 2008 Budget Priorities: The Tipping Point

## Budget Priorities:

### (1) Continue to invest in Public Safety

- Lease of new fire trucks
- Replace vests for police officers
- Provide NOPD officers with state-of-the-art crime fighting equipment
  - \$7 million from State of Louisiana



# 2008 Budget Priorities: The Tipping Point

## Budget Priorities: (2) Recovery and Livable Communities

### Investing in Management and Enforcement

- Develop Community Standards Ordinance
- Upgrade code enforcement efforts
- Outsource to Project Management firms to handle demolitions and debris removal
- Reorganize Office of Recovery Management to include Housing, Planning and Economic Development areas
- Invest in Temporary Trash Collection Services (TTF)



# 2008 Budget Priorities: The Tipping Point

## Budget Priorities: (2) Recovery and Livable Communities

### Critical Roadwork Repairs

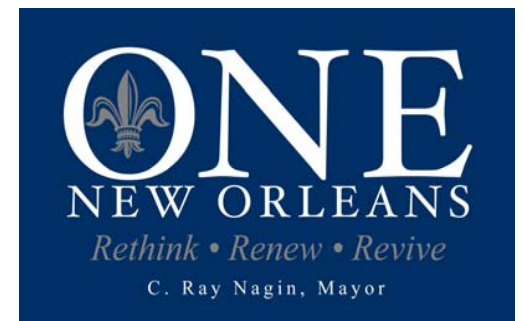
**\$363 million in federal, state and local funds for roads, bridges, traffic lighting and sidewalk improvements**

- Replacing deficient bridges, including Michoud Bridge, Park Island Bridge, Harrison Ave. and others.
- Resurfacing major streets, urban arteries and minor streets throughout city such as:

**Tchoupitoulas St. (Canal- Calliope)**

**Robert E. Lee Blvd. (Paris-Pratt)**

**MacArthur (Kabel-Woodland)**



# 2008 Budget Priorities: The Tipping Point

**Budget Priorities: (2) Recovery and Livable Communities**

**Critical Roadwork Repairs**

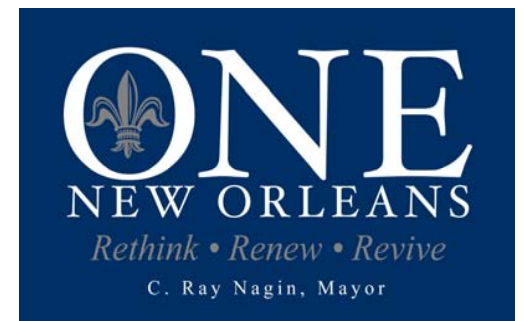
**Street reconstruction projects and streetscape improvements within 17 Target Zones:**

**Examples of Street Repairs:**

- **Harrison Ave (West End Blvd – Orleans)**
- **Frenchman Street (Gentilly – Sere)**
- **Toulouse Street (N. Broad – N. Dorgenois)**

**Examples of Streetscape Improvements**

- **Alsee Fortier (Chef Hwy-Michoud Lagoon)**
- **Bayou Road (N. Broad –N. Rocheblave St)**





# 2008 Budget Priorities: The Tipping Point



## Budget Priority: (3) Investing in Youth

- Continue the Enhancement Youth Recreation Programs and Facilities
- Partner with Recovery School District to extend school day and school year



# 2008 Budget Priorities: The Tipping Point

## Budget Priority: (4) Creating High Performing Government

### Streamline Contracting Process

- Convert to an automated contracting routing system that promotes transparency, tracks the entire routing process, identifies bottlenecks, and reduces redundancy

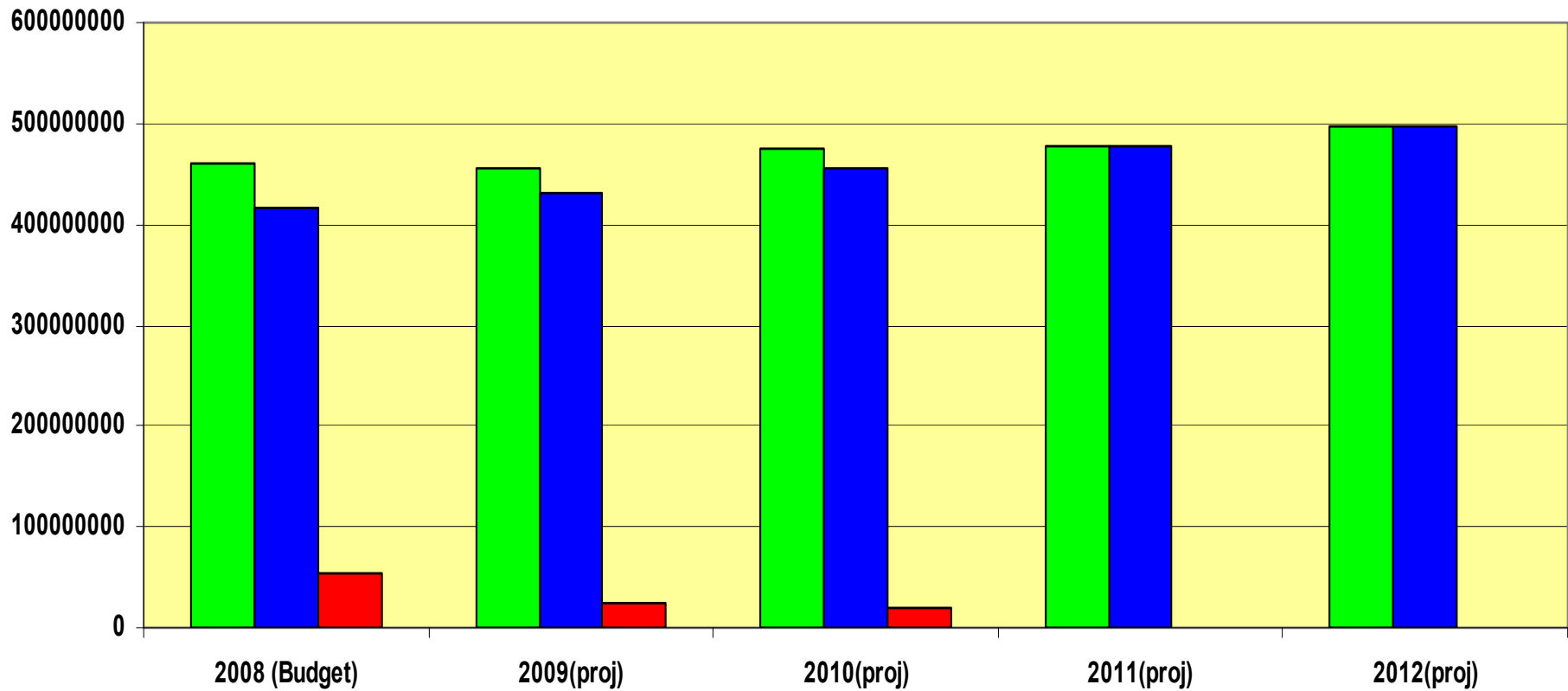
### 3-1-1 Enhancements

- Technology upgrade to link 311 system to other city departments. Provides ability to view and track the status of cases, thus, maximizing accuracy and efficiency.
- Specialized reporting capabilities by council district

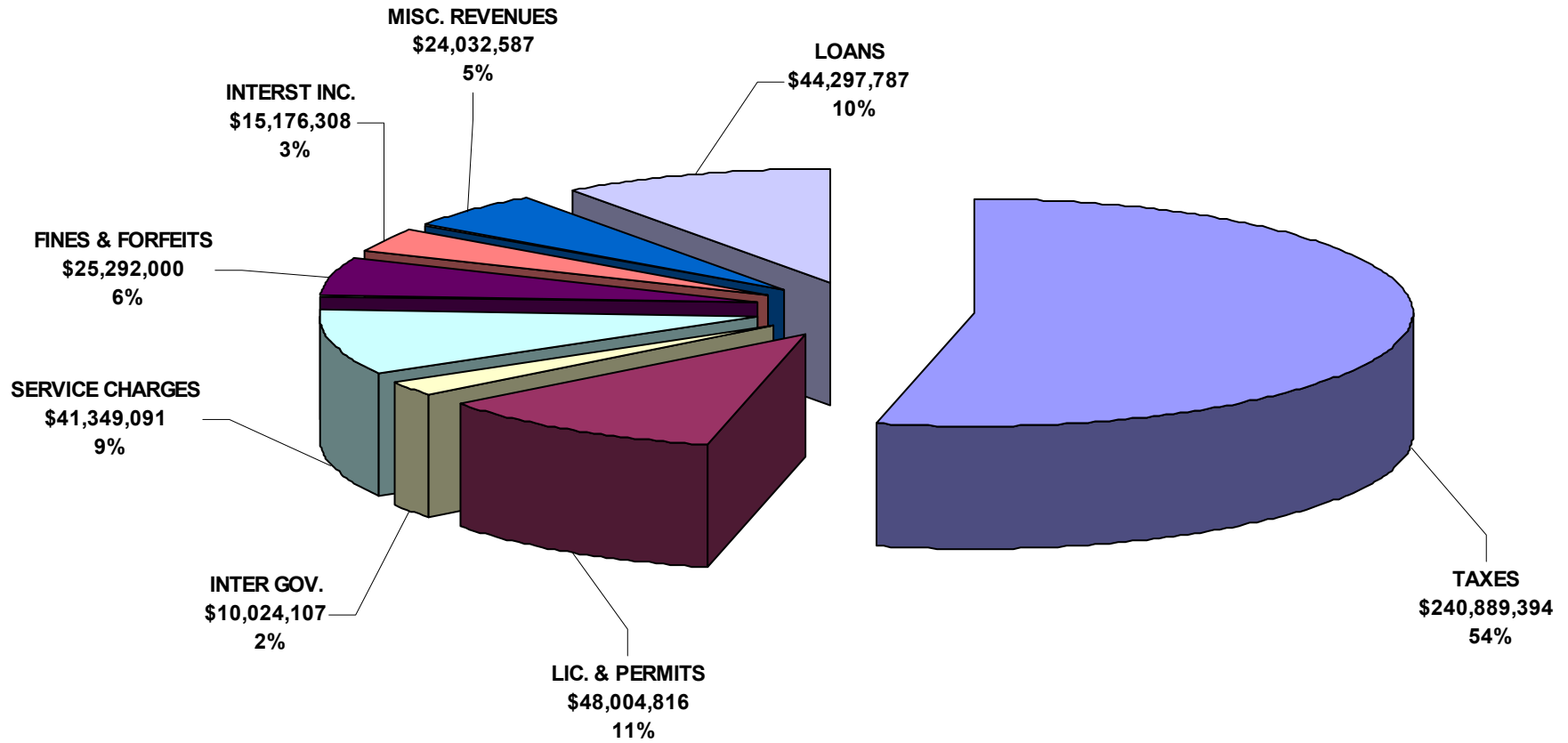


# 5 YEAR GENERAL FUND BUDGET PLAN

- EXPENDITURES
- REVENUES/SOURCE
- LOANS



# FY 2008 PROJECTED REVENUES



# 2008 Budget Priorities: The Tipping Point

**Budget includes a property tax roll forward of 2 mills**

- This is not a windfall
- Pre-K collections -- \$84 million
- Post-K collections -- \$73 million
- Already approved rollback of
  - Board of Liquidation: 7.9 mills
  - Sewerage and Water Board: 6.1 mills
  - City of New Orleans: 10 mills

**Total rollback 24 mills**



# 2008 Budget Priorities: The Tipping Point

**Programs proposed to be funded with 2 mill roll forward**

Public Safety Officers: \$800,000

New Orleans Recreation Department  
Program Enhancements: \$1.6 million

Juvenile Court Youth Resource Center:  
\$500,000

Office of the Inspector General: \$1.3 million

Total: \$4.2 million



# 2008 Budget Priorities: The Tipping Point

## RECAP

- **Created the Foundation for Recovery**
  - Restored all critical city services
  - Stabilized city finances and improved investment grade
  - Gained confidence from Wall Street
- **Past 2 Years Committed to Accelerating our own Recovery**
  - Invested in Public Safety, Quality of Life and Youth
  - Did not let slow pace of funding stop down- invested our own resources in our recovery, created public/private partnerships, creative, strategic approach to rebuilding.
- **Now, we are Reaching a Tipping Point**
  - Restructuring to manage unprecedented rebuilding efficiently, responsibly and swiftly



# 2008 Budget Priorities: The Tipping Point

## Checks are No Longer in the Mail!

The \$117 million from the LRA

- \$300 million State Revolving Loan Fund
- \$260 million Voter-approved Bond Issue
- \$514 million in GO Zone Bonds
- \$54 million from Federal Highway Administration for roadway projects
- \$77 million from Federal matches (Surface Transportation Plan, Off System Bridge & Enhancement programs)





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