



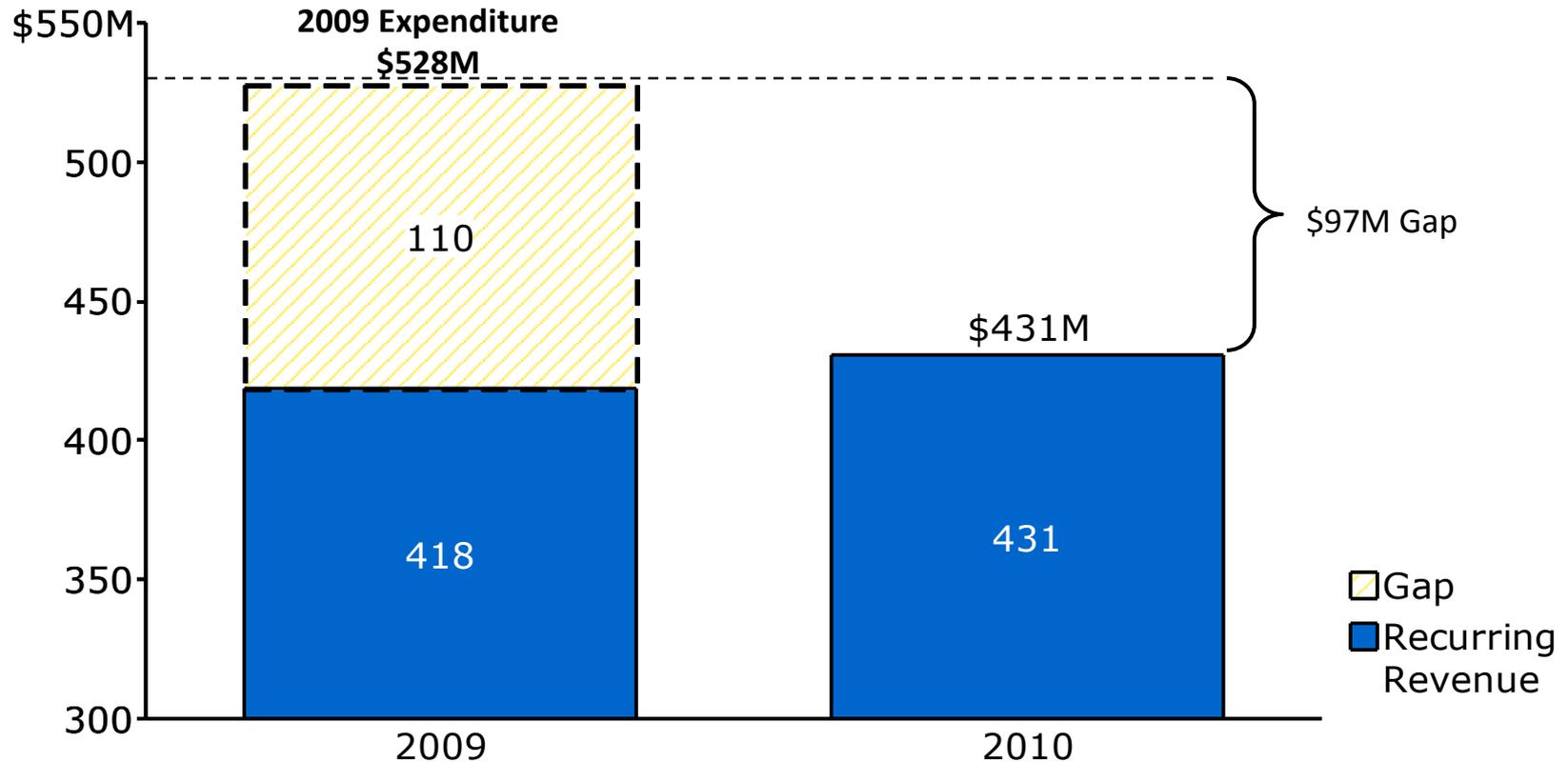
**Local Governments Do More  
with Less**

**Deputy Mayor Andy Kopplin  
Chief Administrative Officer**

**CITY OF NEW ORLEANS**

# The Landrieu Administration addressed an inherited \$97M spending gap

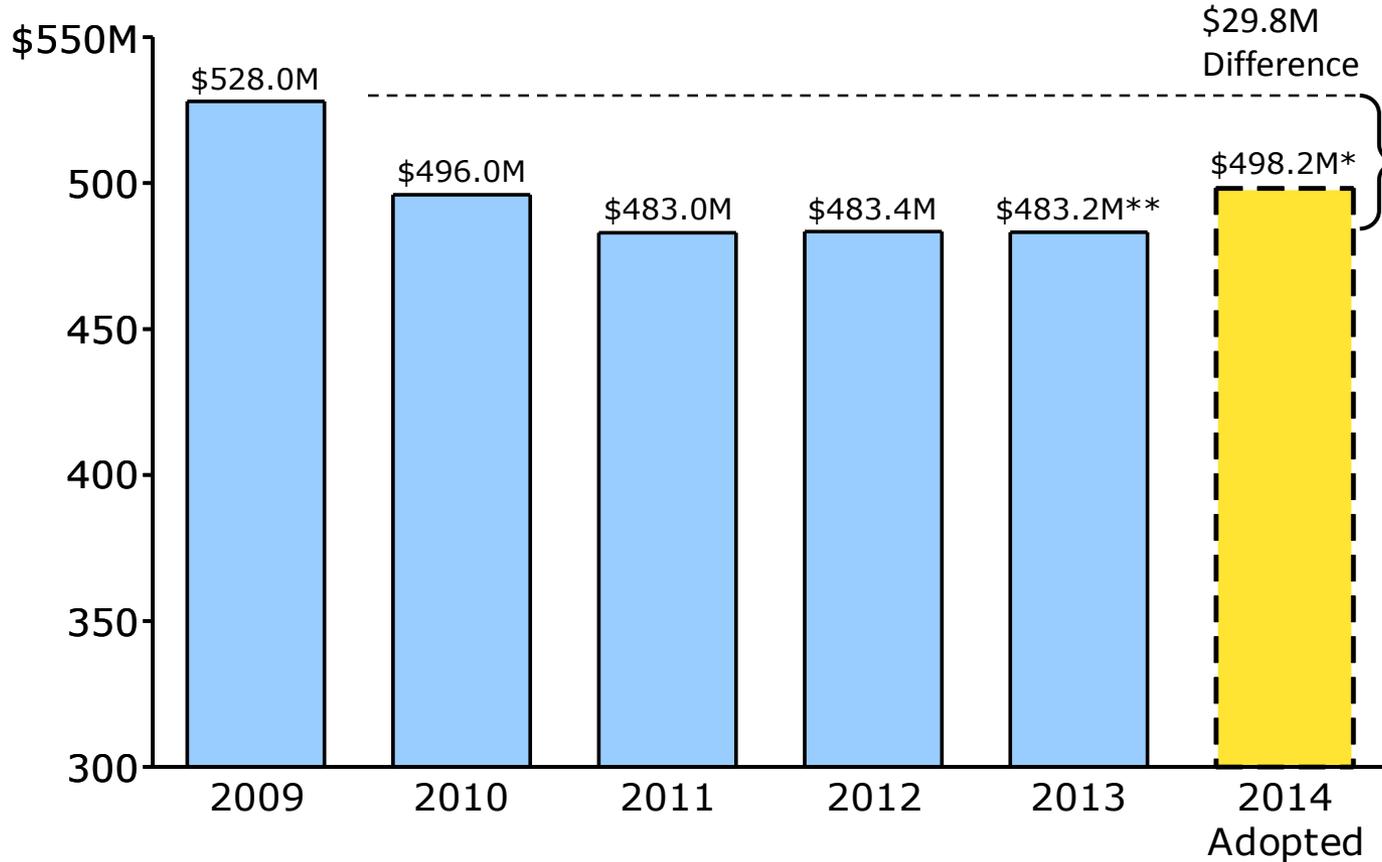
## Budget Comparison



*Note: One-time revenue sources not included in chart*

# First step to eliminating gap was to reverse the spending trend

Annual Expenses



\$29.8M  
Difference

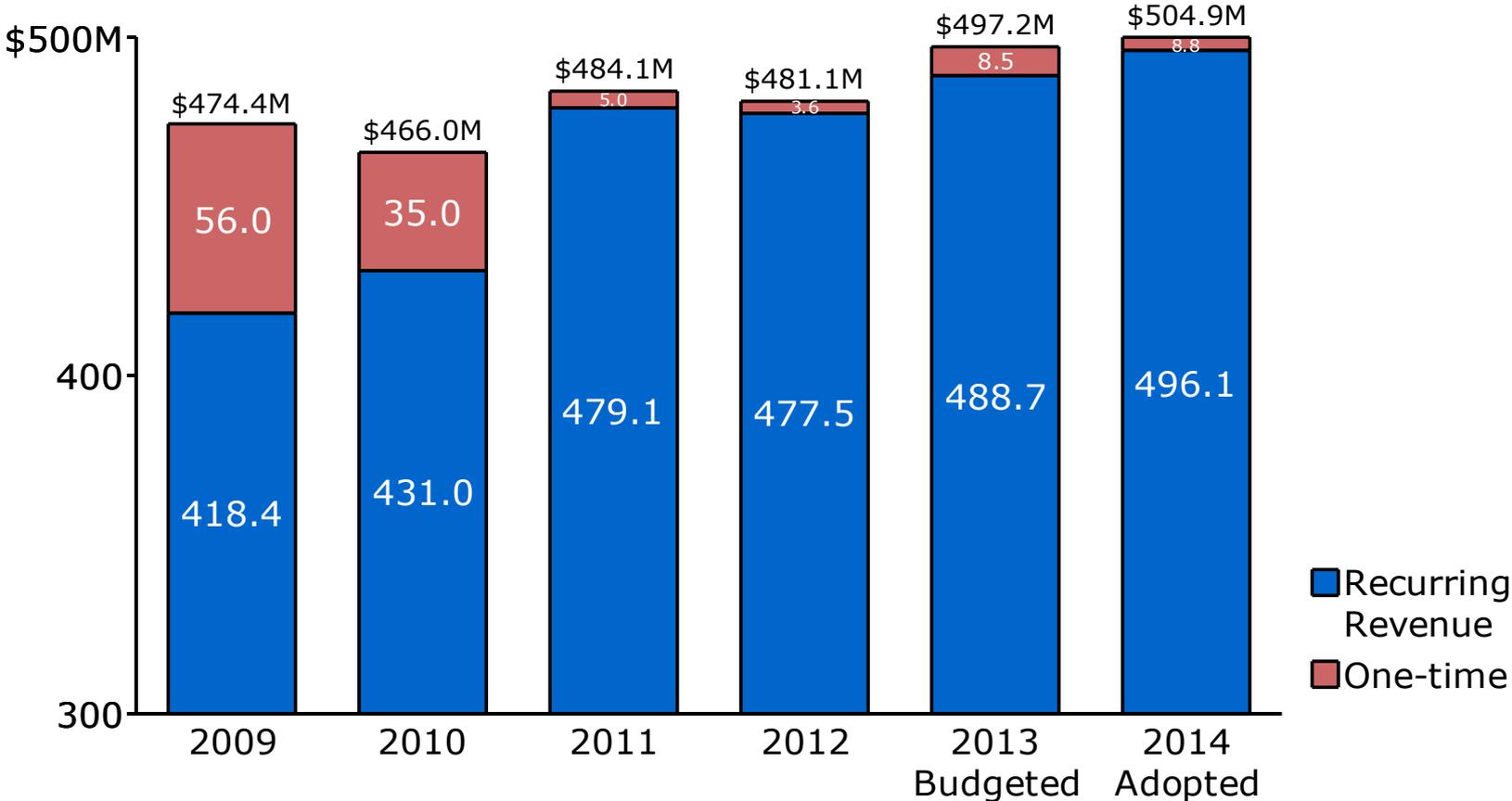
\*= \$498.2M adopted for 2014 does not include \$6.7M to fund balance. Including fund balance contribution, the City proposes \$504.9M in 2014.

\*\*= \$483.2M budgeted in 2013 does not include \$14.0M to fund balance. Including fund balance contribution, the City's current budget for 2013 is \$497.2M.

Delta to previous year	2009	2010	2011	2012	2013	2014
	+\$28.0M	-\$32.0M	-\$13.0M	+\$0.4M	-\$0.2M	\$15.0M

# Second step was to reduce the reliance on one-time monies to balance the budget

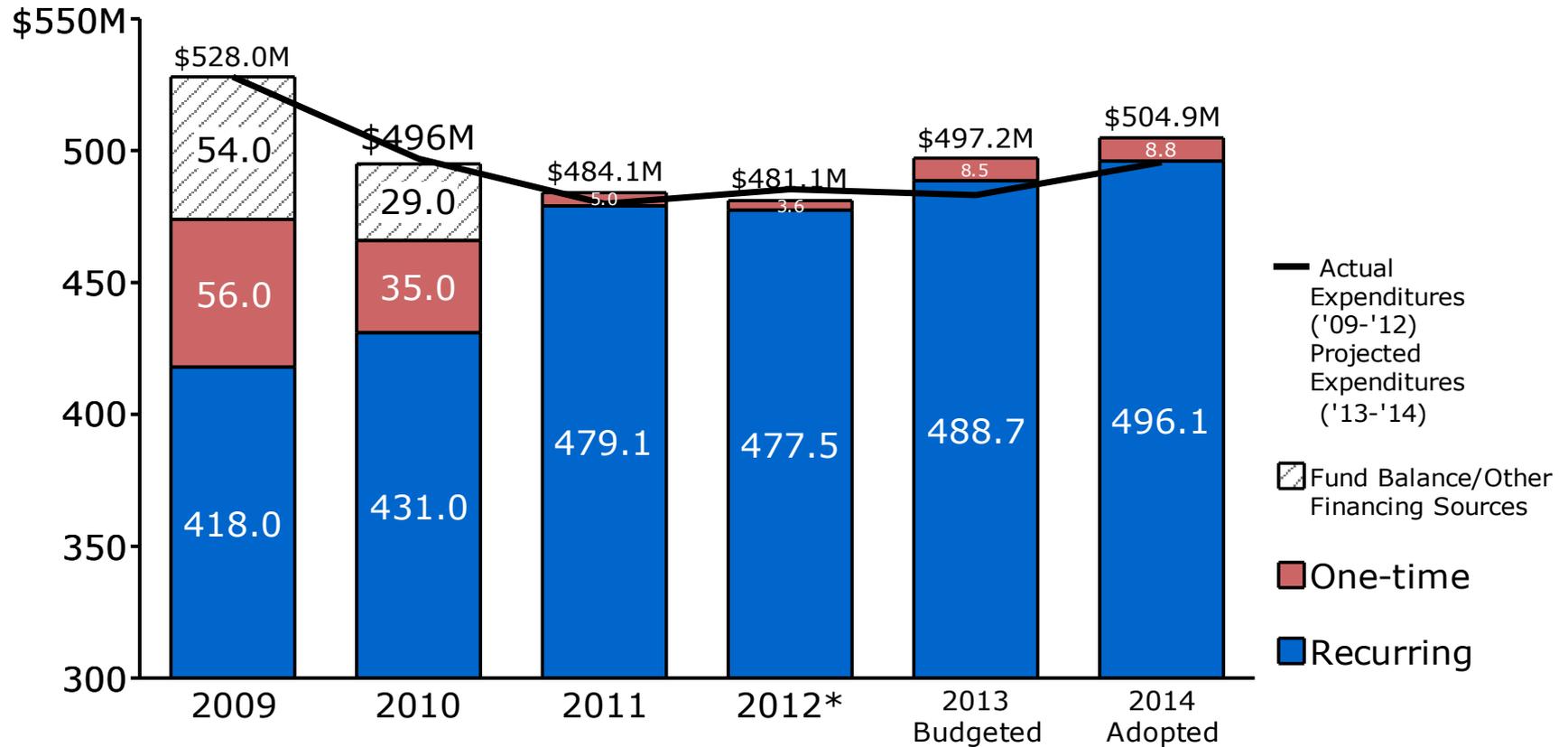
Annual Revenue



One-time money as a % of overall budget	2009	2010	2011	2012	2013	2014
	11.8%	7.5%	1.0%	0.8%	1.7%	1.7%

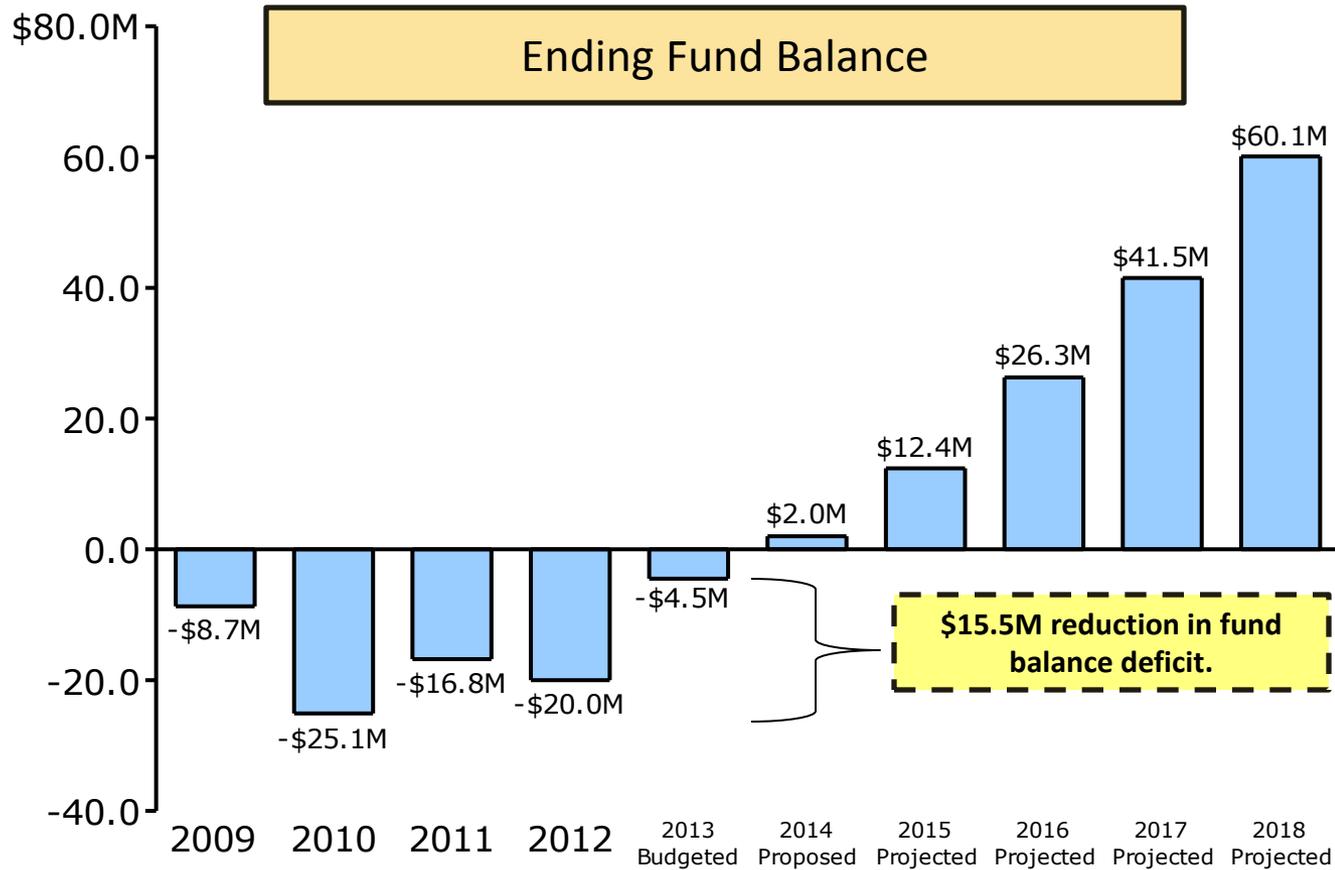
# We are now living within our means

Historical Expense vs. Revenue



Budgeted 2013 Expenditures do not include \$14.0M appropriation to fund balance as that is not an expenditure on operations. Including fund balance contribution, budgeted \$497.2M in 2013.

# The City now has a positive fund balance



■ Fund Balance Reserve

Assumes 1% Annual Growth in Non-Debt Expenditures in 2015 and 2016 and 2% growth in 2017 and 2018

# The Landrieu administration's budgeting practice is to...

Cut Smart

Reorganize

Invest

- Eliminate services that are duplicative or better delivered through other agencies or private entities
- Reduce service level or eliminate service all together if citizen demand is low or nonexistent
- Combine, consolidate, and or streamline departments with similar or redundant services
- Develop or increase partnerships with public and or private entities to improve service delivery
- Increase funding in services that have effective service delivery but still don't meet citizen demands
- Fund projects that improve departmental effectiveness and efficiency
  - E.g., technology or business process improvement projects

# We've Cut Smart...



- Citywide we continue to reduce the reliance on contractors for daily operations
  - Ended MWH contract saving \$11M
  - Saved a combined \$8.5M in 2011 and 2012 by renegotiating all sanitation hauling contracts and our landfill contract;
  - Saved \$2M on contracted staff augmentation IT services
  - Closed Xerox copy center saving \$100k in 2010 (\$400k annually)
- Replaced 75% of general fund for Capital Projects with federal funding
- Transitioned delivery of primary and Dental Care to private sector, reducing health department by 48 employees
- Reduced fuel expenditures by eliminating take home cars
- Reduced debt service by refinancing
- Eliminated 16 boards or commissions
- Canceled over \$6M in housing contracts
- Shifted retirees from city health care to Medicare, saving \$5M per year
- Cut overtime expenditures from \$29.2M in 2009 to \$12.2M in 2011
- Eliminated Human Service Department management positions

# We've Reorganized...



- Created deputy mayor system
- Reorganized NOPD districts; doubled homicide unit;
- Merged Environmental Health with Code Enforcement
- Revised policies to improve sanitation fee collections
- Created OPA and STAT programs
- Addressed retirement costs by increasing city and employee contributions and making cost-saving plan changes (NOMERS and Police)
- Consolidated management of Canal Street Development Corp, Rivergate, and Piazza D'italia
- Reformed the Public Belt Railroad
- Transformed Customer Service by implementing NOLA 311 and One-Stop-Shop Permitting
- Created a public private partnership for Recreation
- Created a public private partnership for NOLA Business Alliance

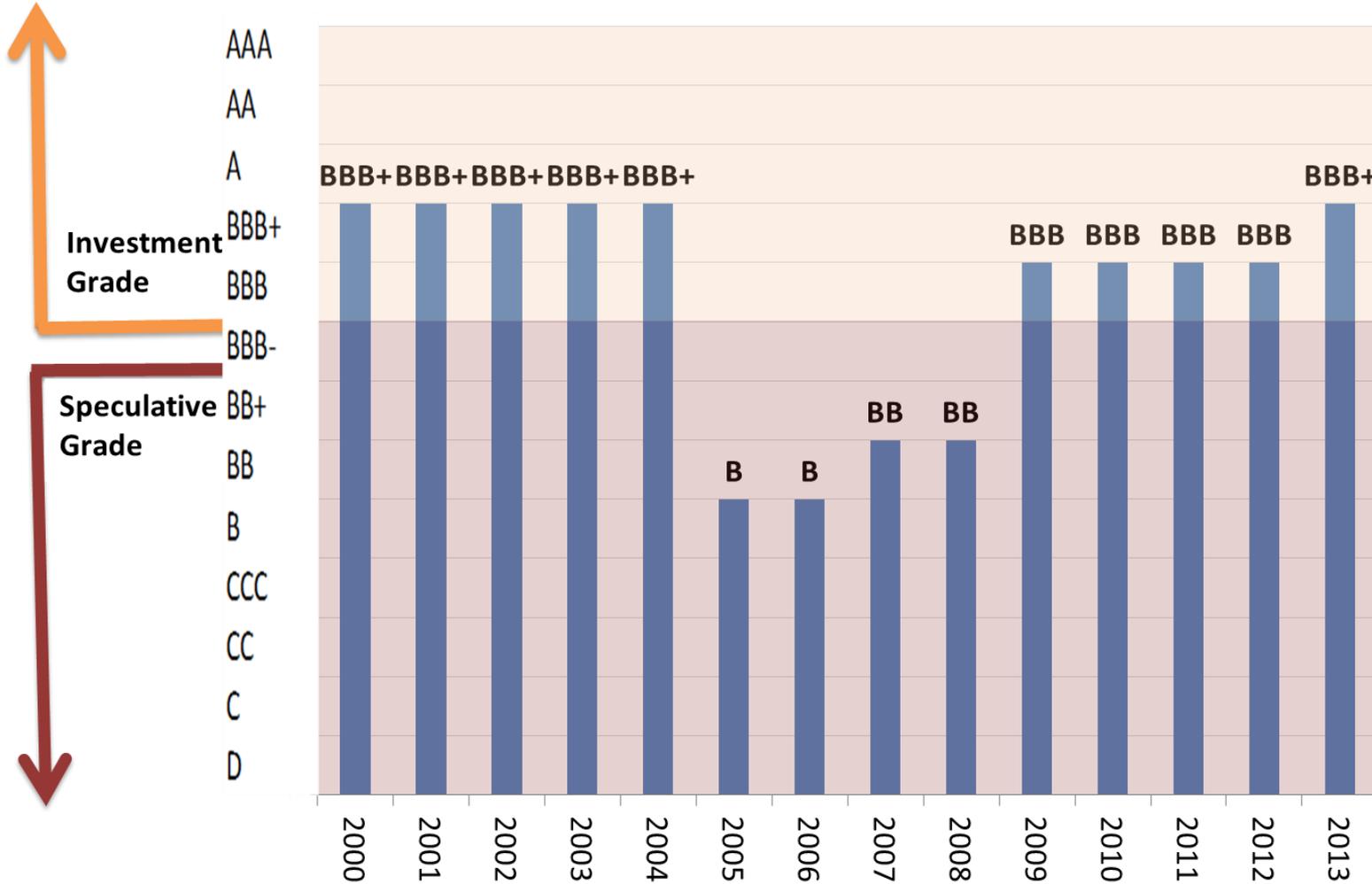
# ...and We've Invested in priority areas



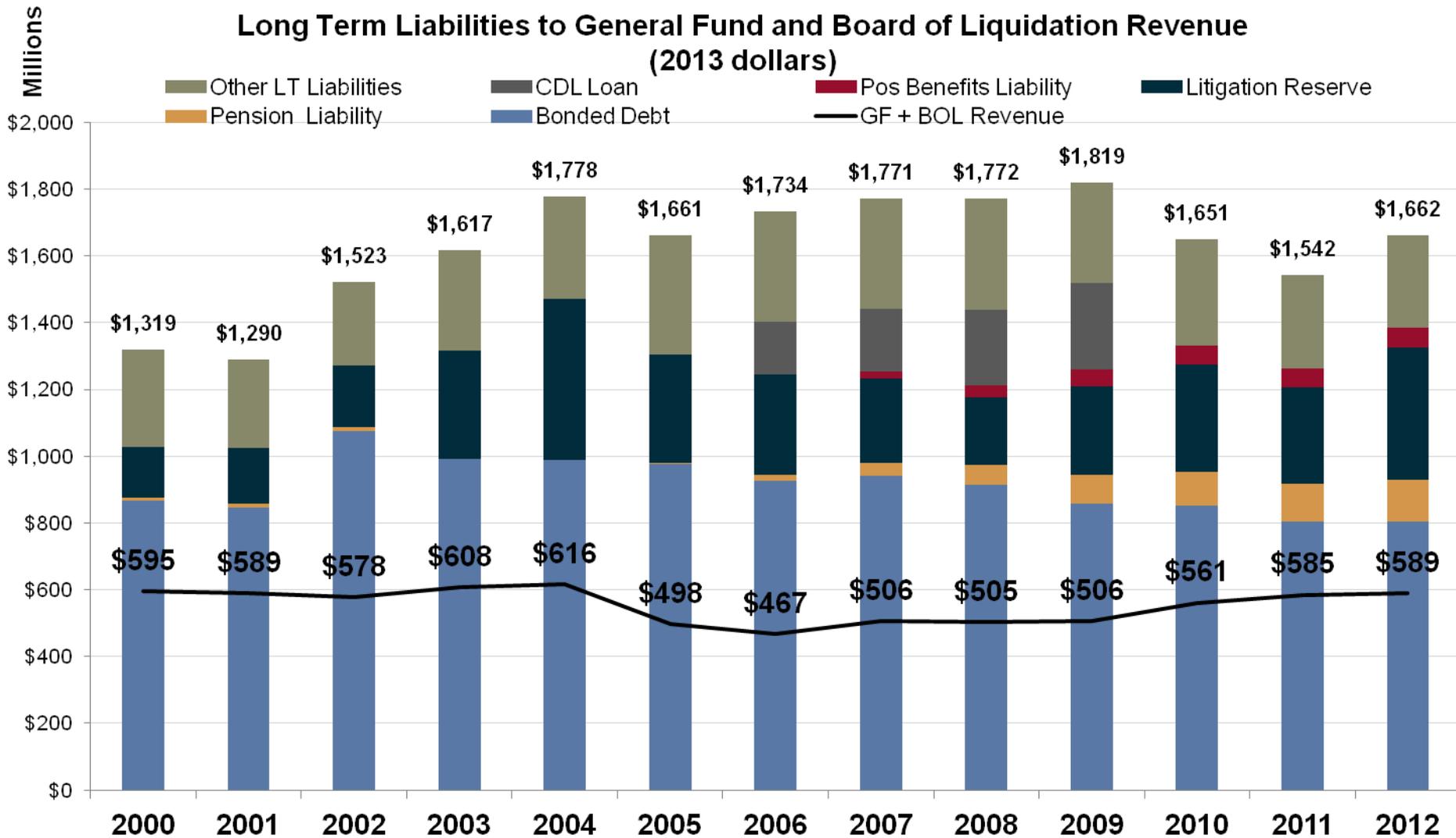
- Increased appropriations for Police, Fire, and EMS by 18%
  - NOPD – 16.1% increase from 2010 to 2013 (\$109.2M to \$126.8M)
  - NOFD – 16.8% increase from 2010 to 2013 (\$72.7M to \$84.9M)
  - NOEMS – 49.4% increase from 2010 to 2013 (\$7.9M to \$11.8M)
- Investment in NOPD Consent Decree (\$11M in 2014)
- Invest in new Police Cars (\$5M) with FEMA funds
- Continued investments in the Innovation Team has resulted in at least \$6M in captured value
  - I.e., reduced costs or improved revenue
- Fully funded Supplier Diversity initiative
- Increased staffing of real estate office to collect leases and sell assets
- Ramped up collections initiative by increasing staff
- Invested in field agents for revenue department which led to increased revenue collections
- Increased investments in ABO prosecution
- Hired more parking control officers and tow truck drivers

# City's Bond Rating has improved

Standard and Poor's Bond Rating for the City of New Orleans (BOL)  
2000 - 2013

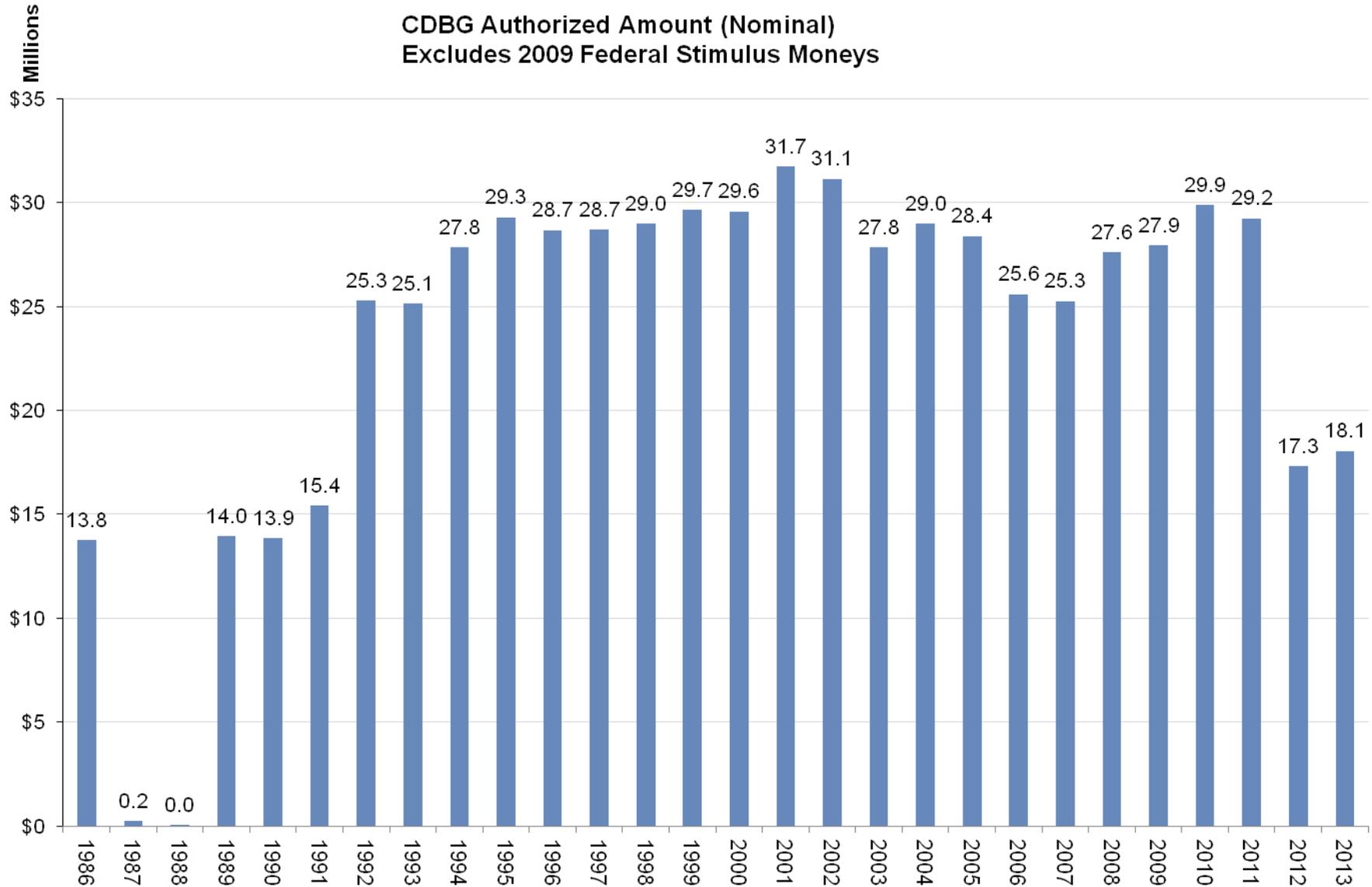


# While GO debt has been decreasing, pension and legal pressures are increasing

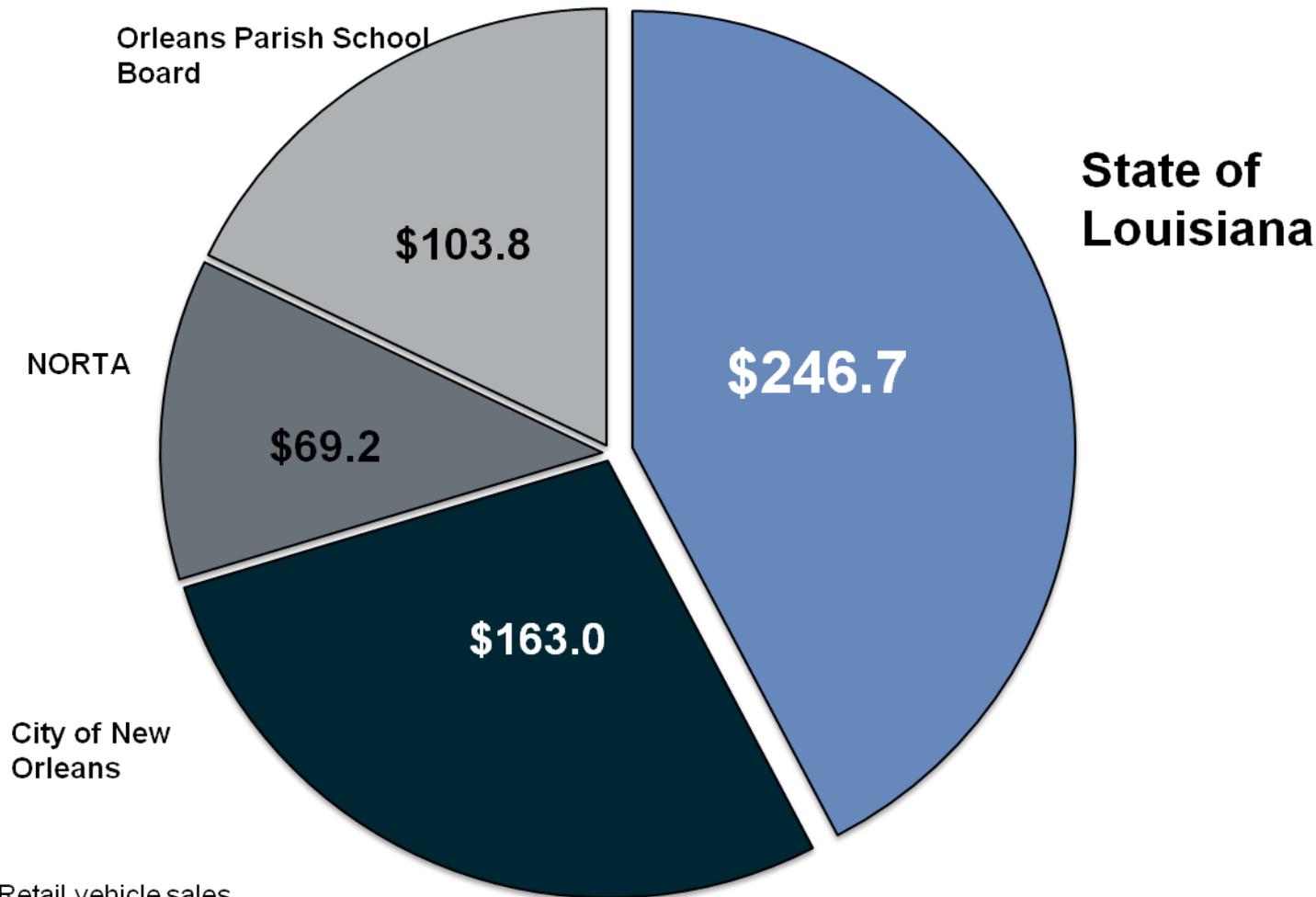


# Federal CDBG Funding has decreased

CDBG Authorized Amount (Nominal)  
Excludes 2009 Federal Stimulus Moneys



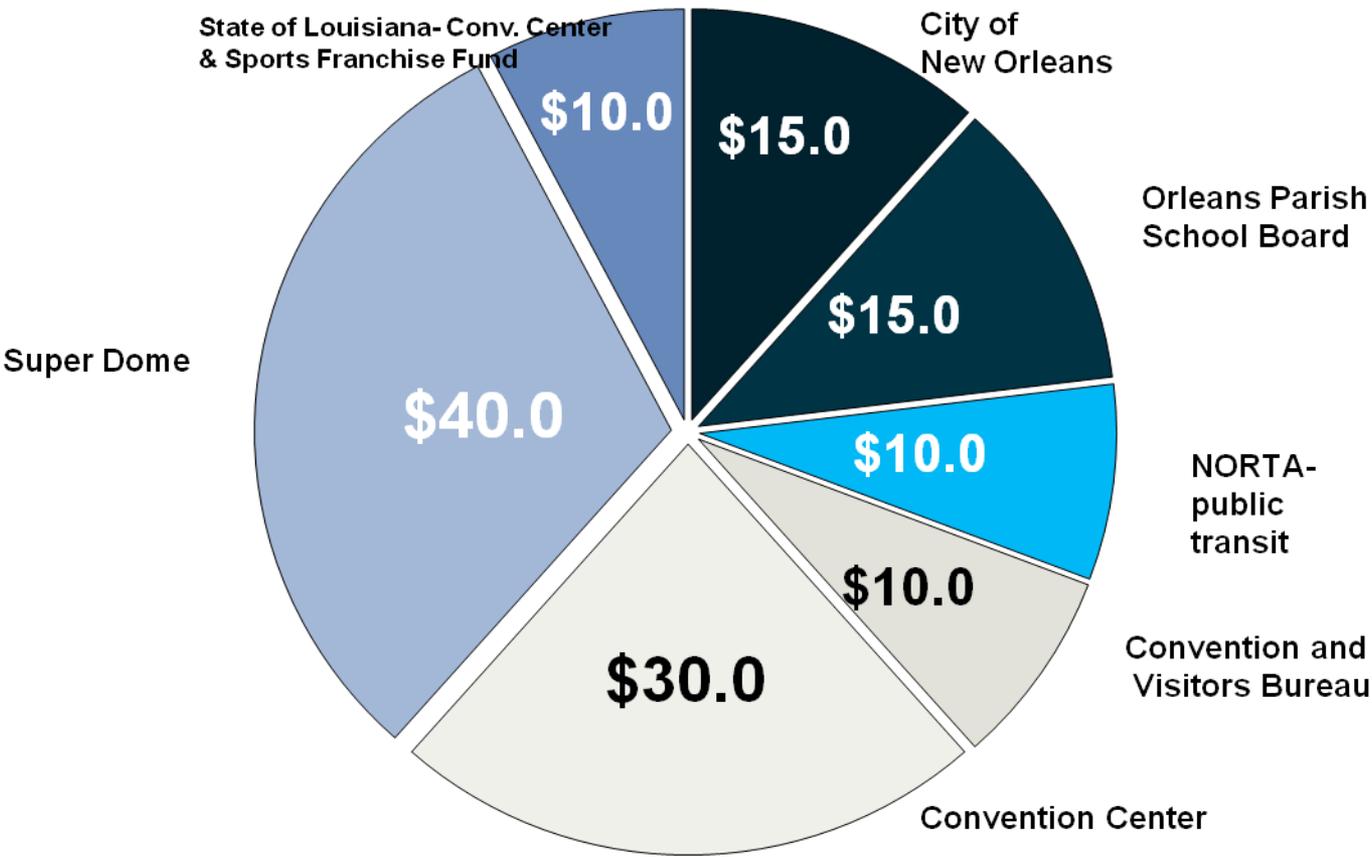
# City government only retains 28% of all sales tax generated in New Orleans



**Note:** Includes Retail vehicle sales taxes and Hotel Motel

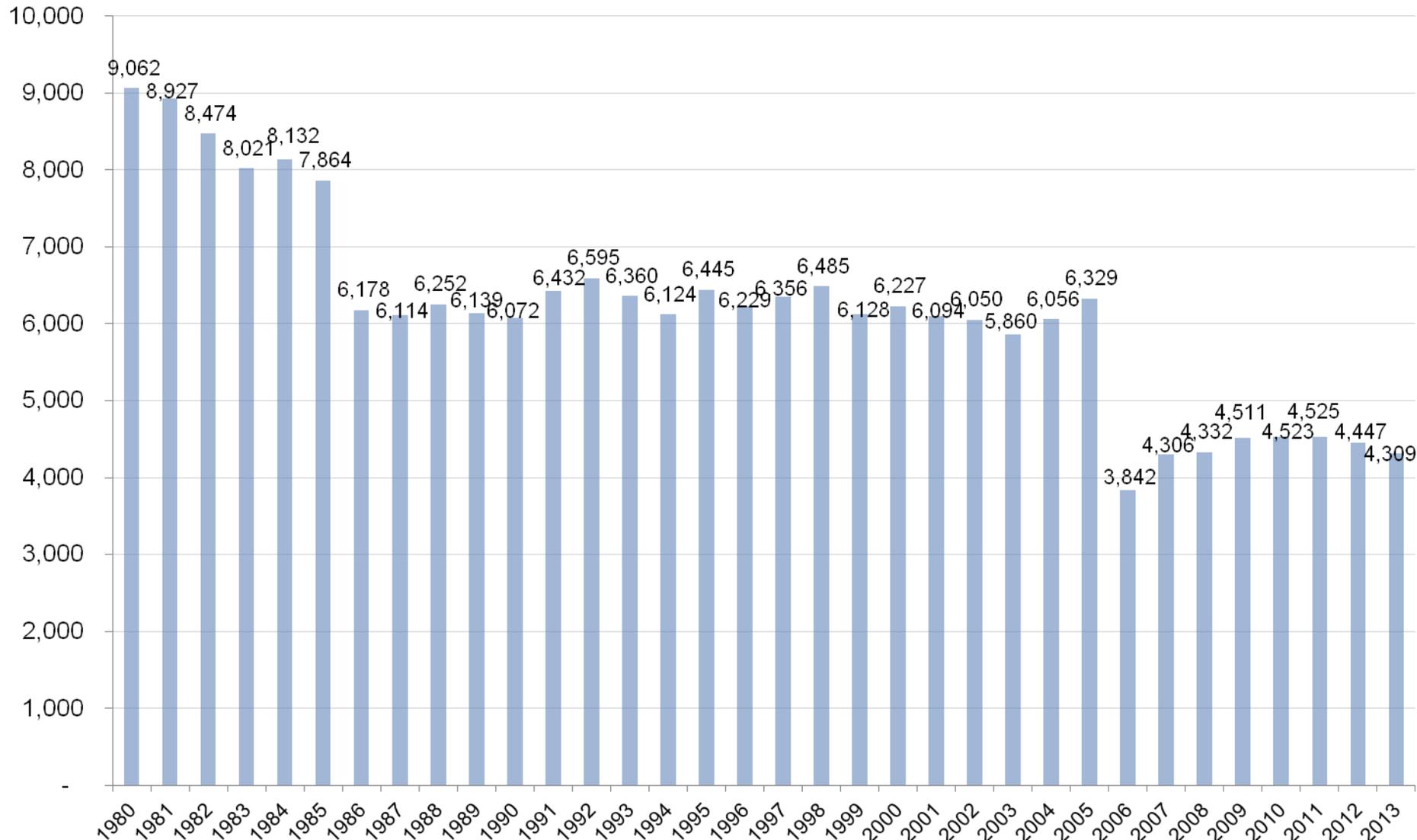
# City government only retains 12% of all Hotel sales tax generated in New Orleans

2012 Hotel Sales Tax Distribution for Economic Activity in Orleans Parish



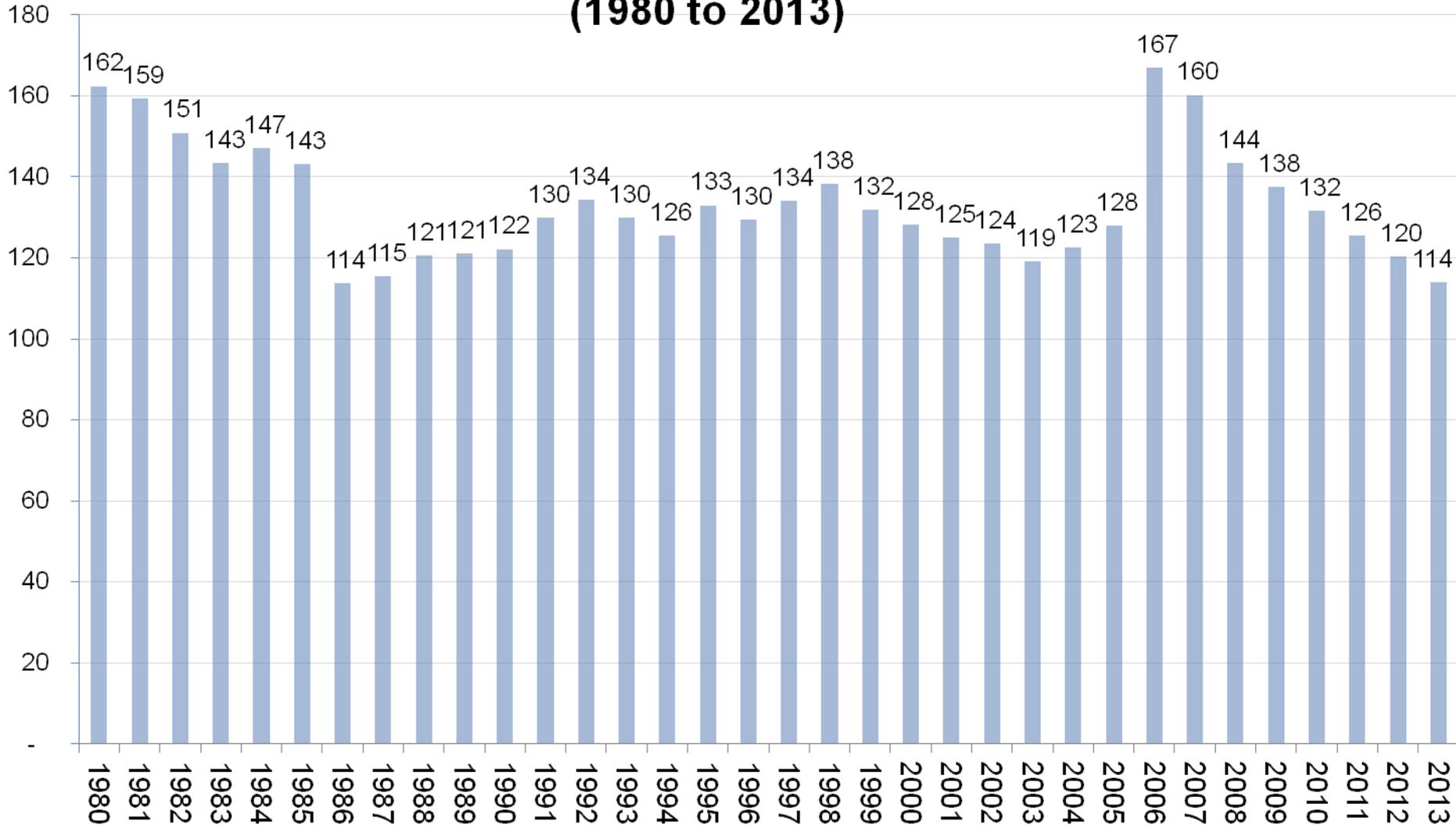
# The City's workforce is nearly 50% of what it was 30 years ago

City of New Orleans Budgeted Workforce (1980 - 2013)



# Budgeted Employees per 10,000 residents continues to decrease

Budgeted Employees per 10,000 Residents  
(1980 to 2013)



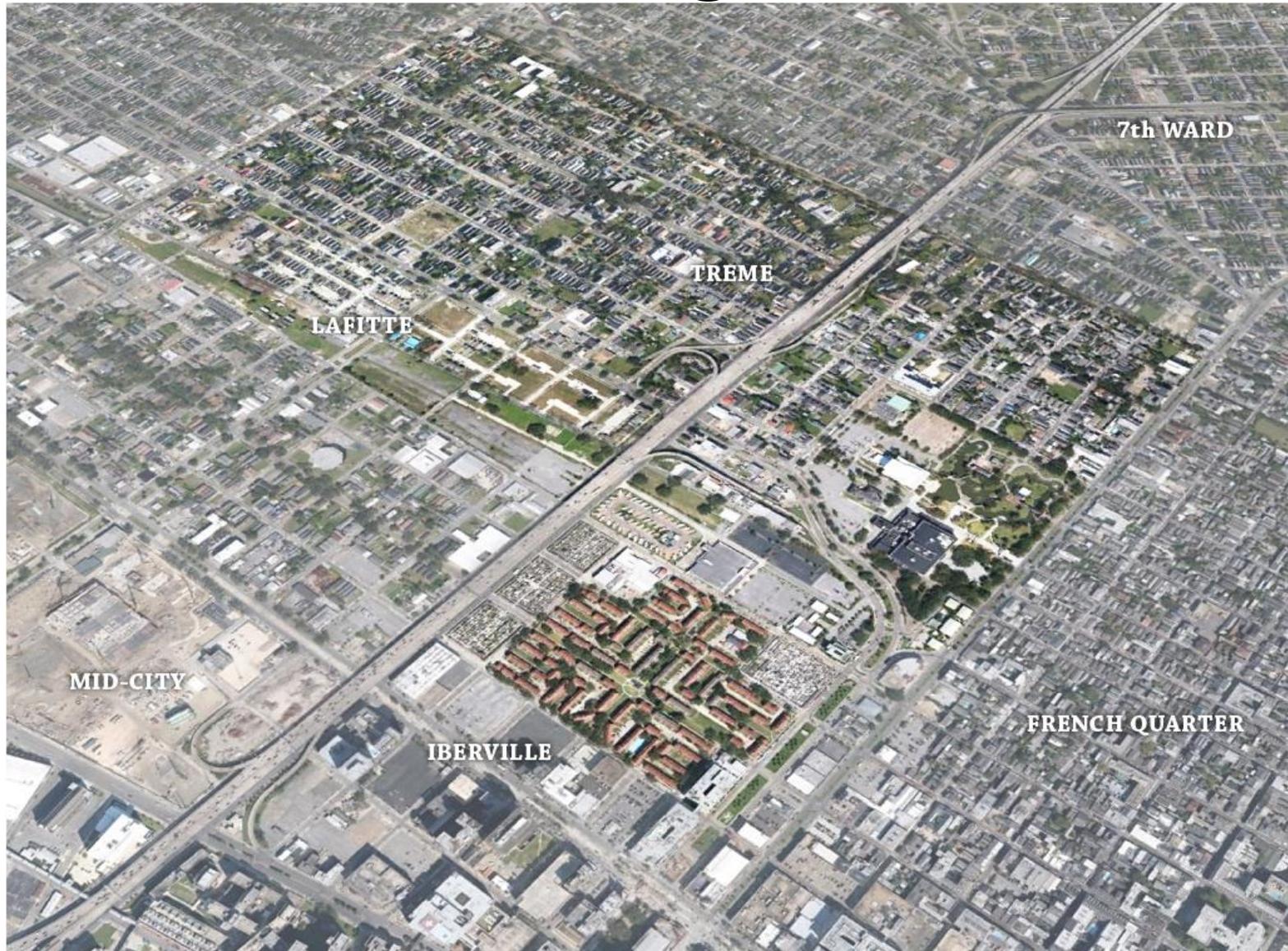
# Approaching 300 Years



An aerial photograph of New Orleans, Louisiana, showing the Mississippi River and the city's grid pattern. A black outline highlights a specific area in the central part of the city, near the river. The text is overlaid on the left side of the image.

**New Orleans—  
Becoming  
America's  
Laboratory  
for Innovation  
and Change**

# Revitalizing New Orleans Urban Core- Where 6 Historic Neighborhoods Meet



# Reopening Armstrong Park

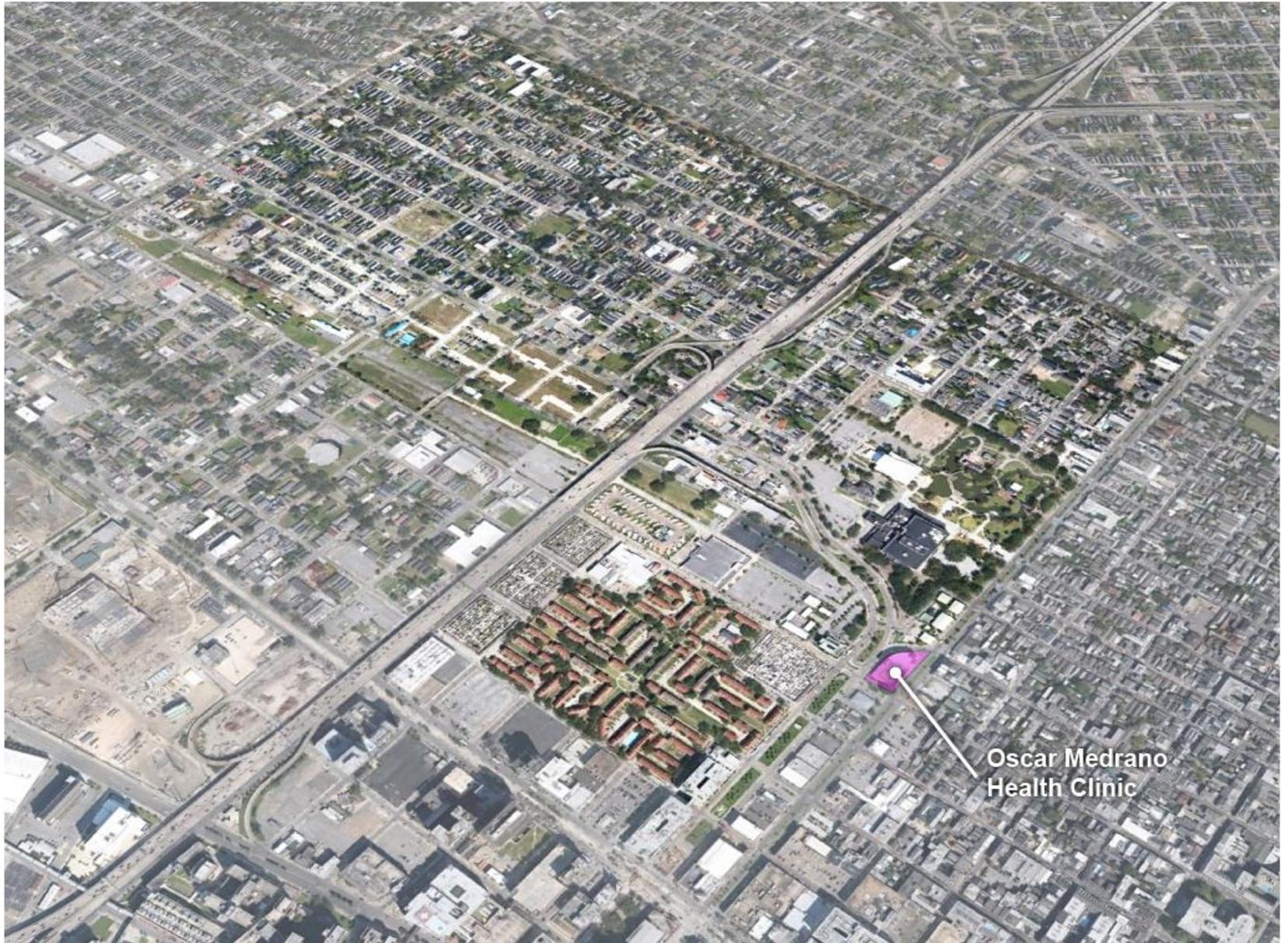


Armstrong Park

# Restoring Sacred Places

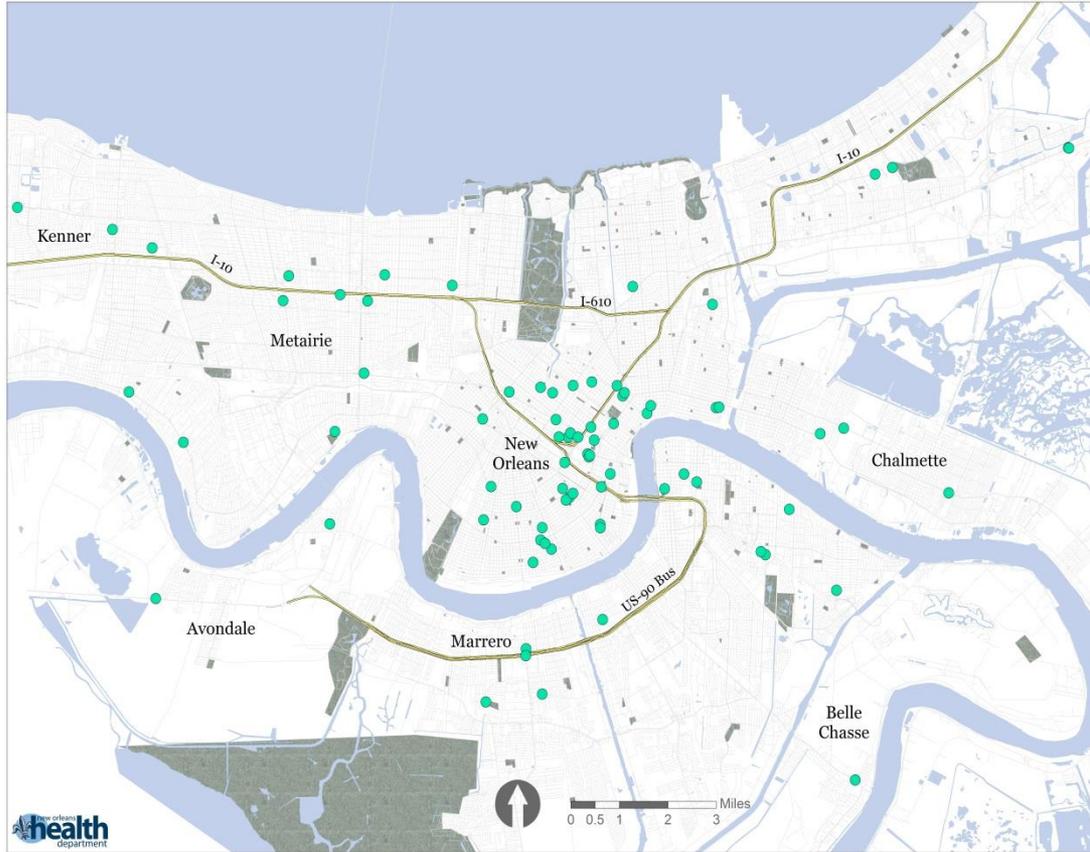


# Oscar Medrano Health Clinic

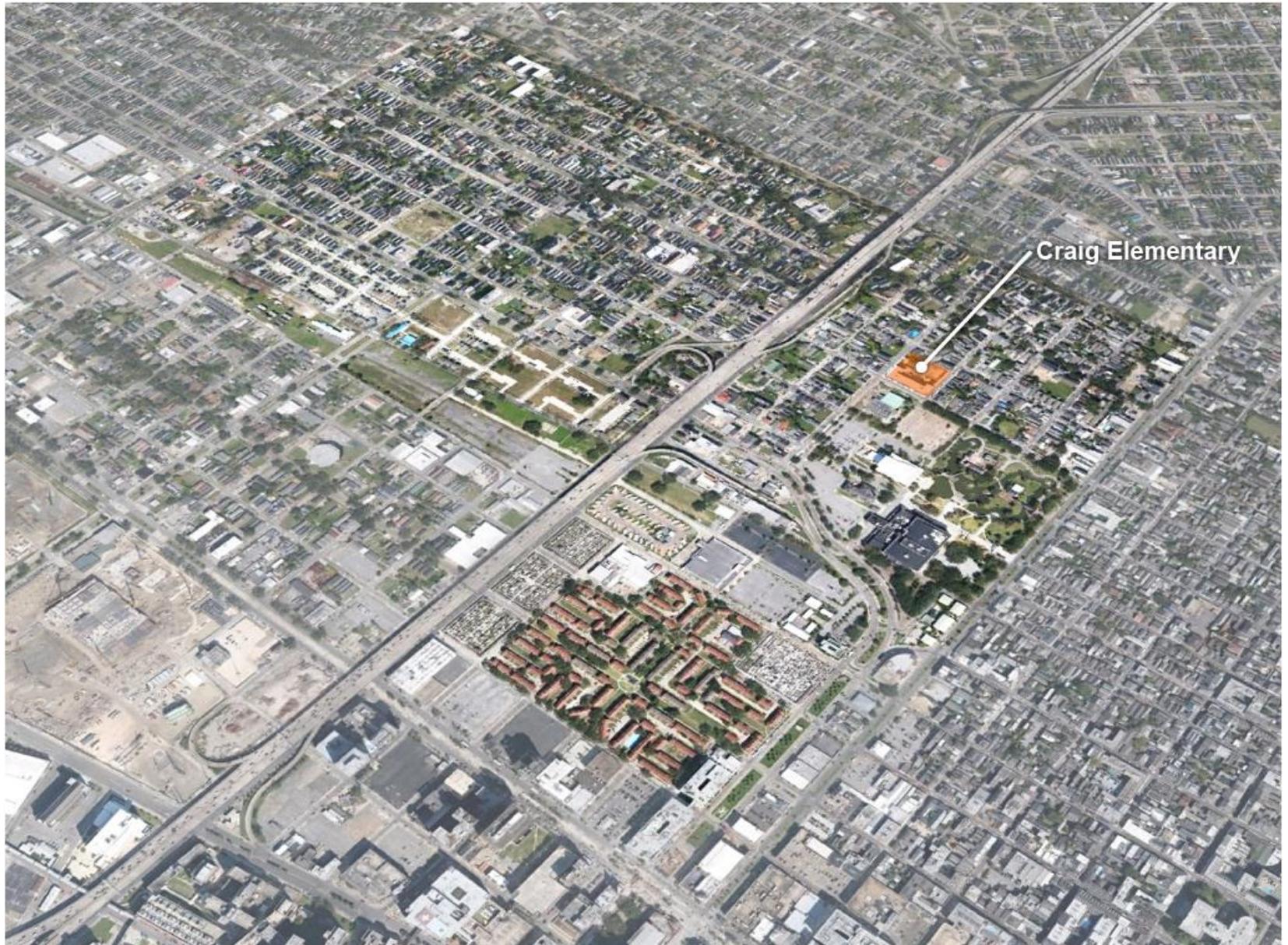


Oscar Medrano  
Health Clinic

# Creating a Primary Care Safety Net



# Craig Charter Elementary



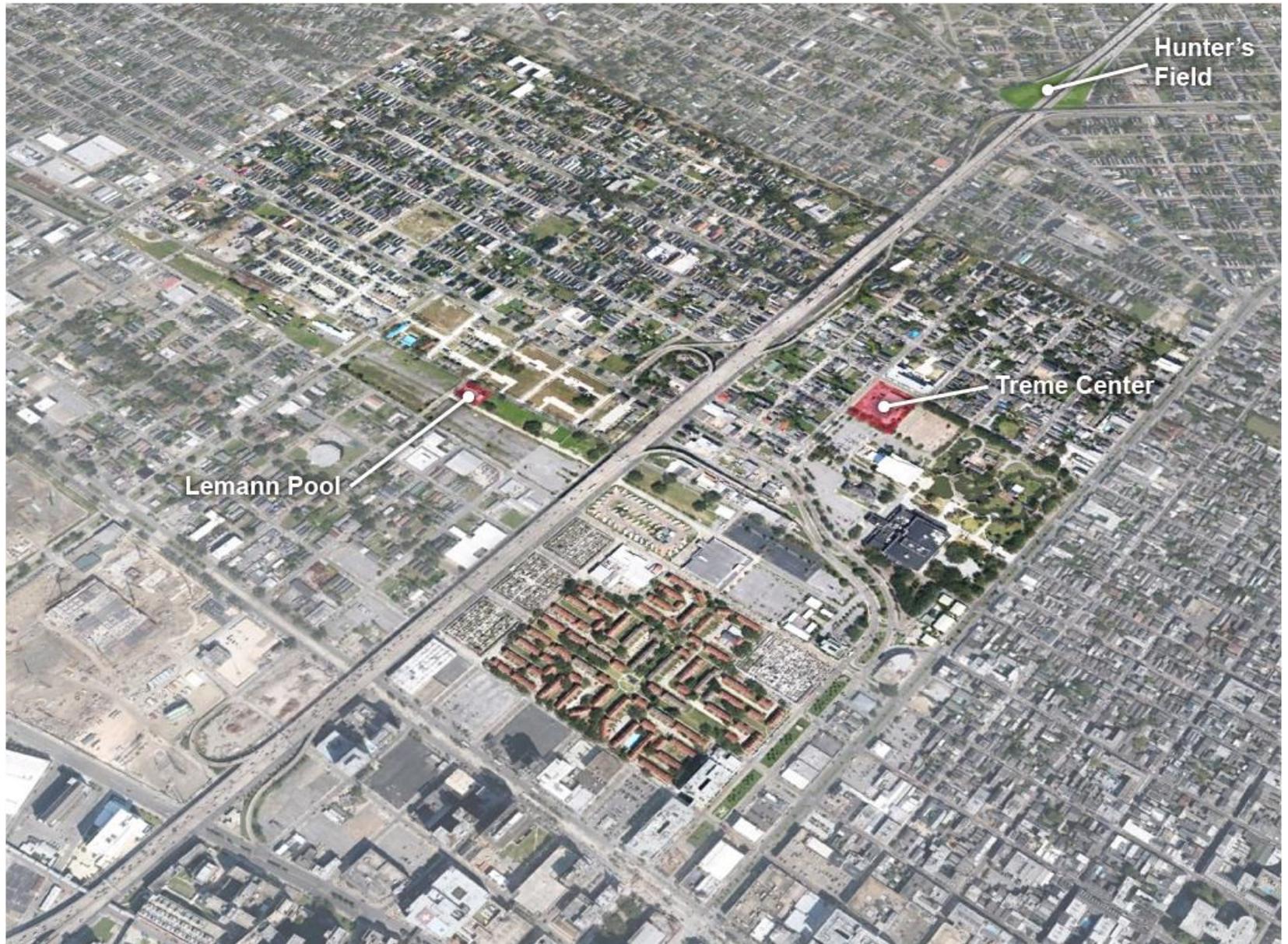
# A System of Charter Schools



**Craig Charter Elementary**



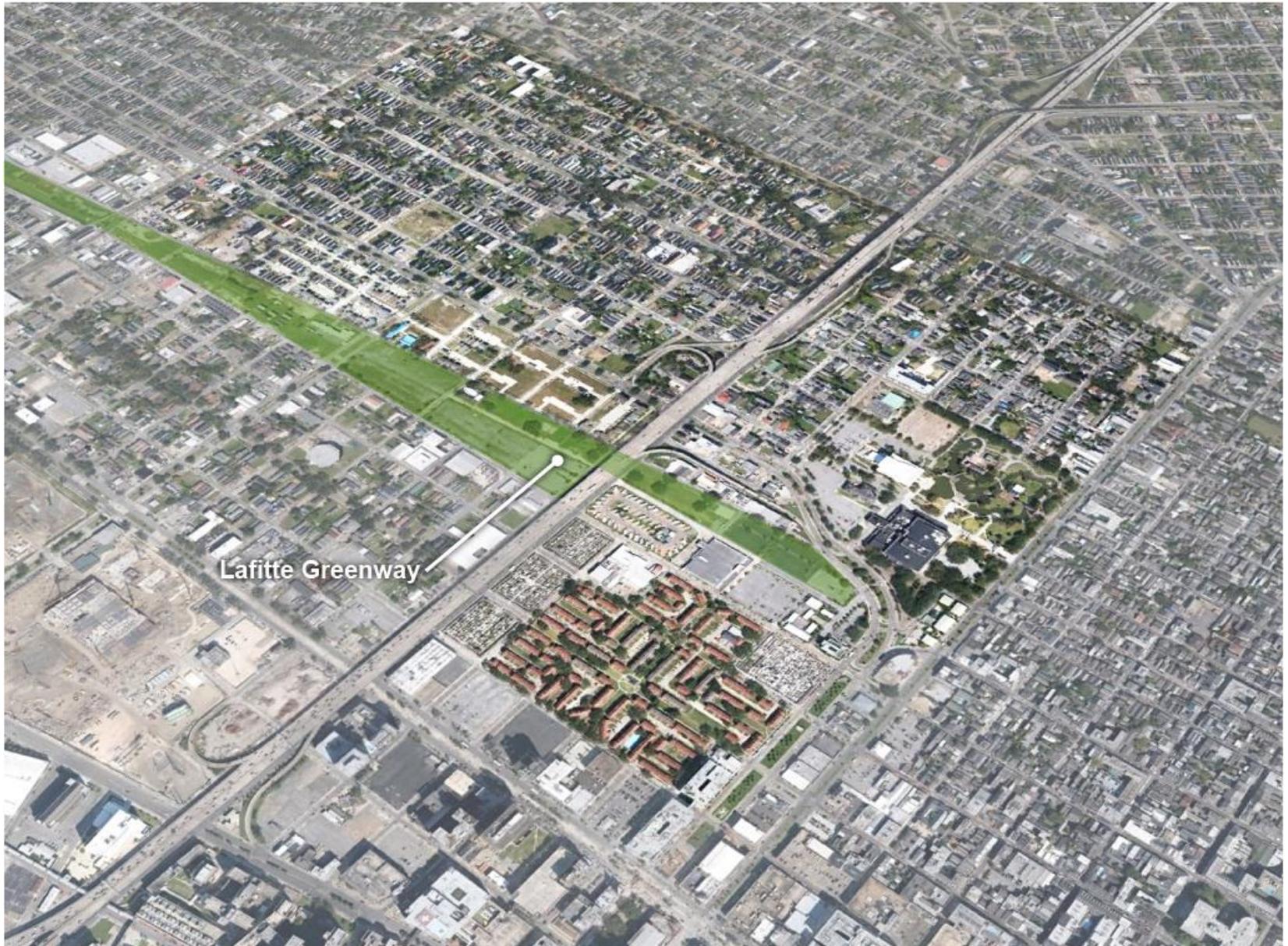
# Recreation Facilities



# A P/P Partnership for Recreation



# Lafitte Greenway



Lafitte Greenway

# Connecting Historic Neighborhoods in New Ways



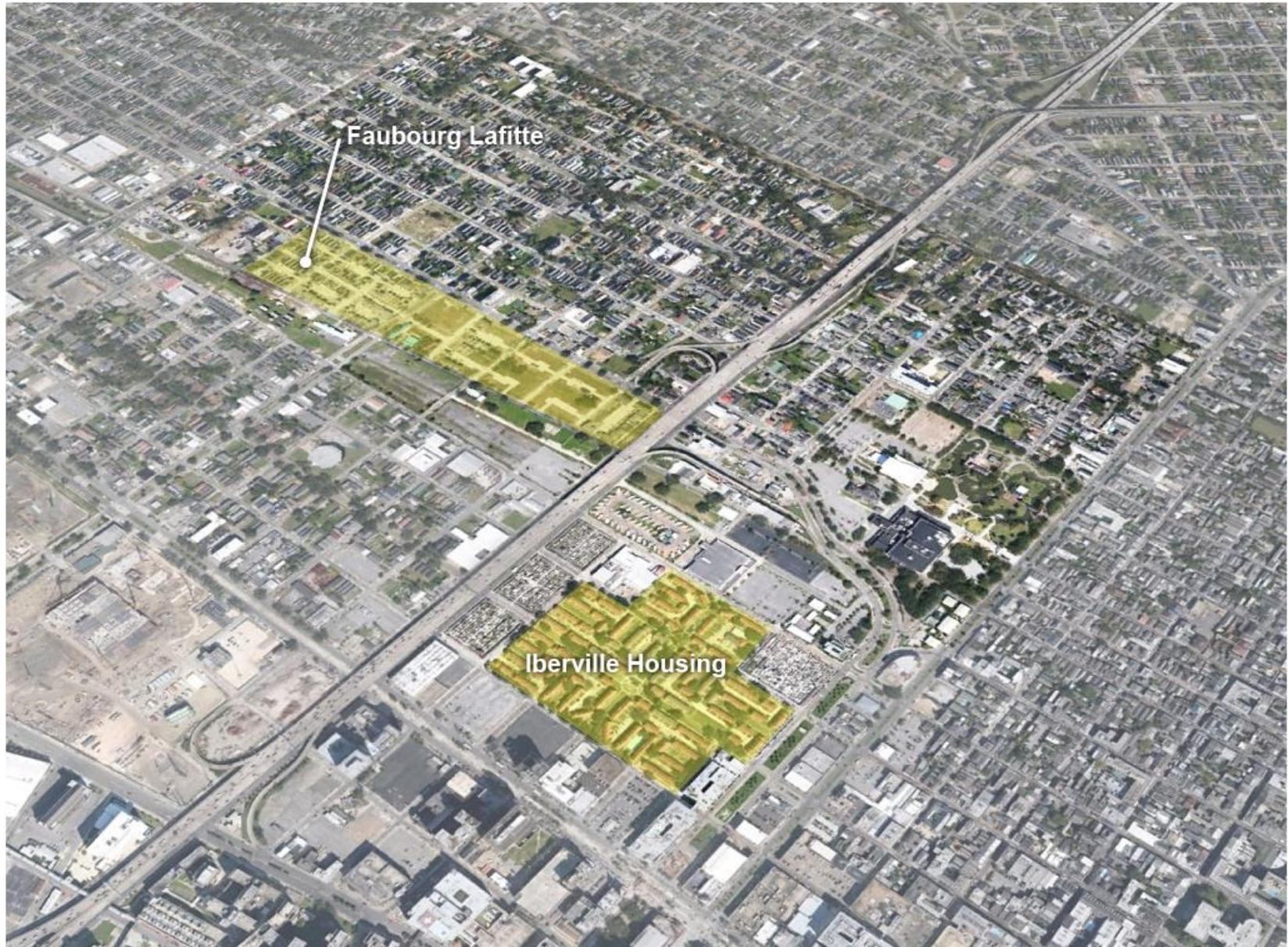
Old



New



# Rethinking Public Housing



# Not Repeating the Mistakes of the Past

Old



## Faubourg Lafitte

New



# Not Repeating the Mistakes of the Past



Old



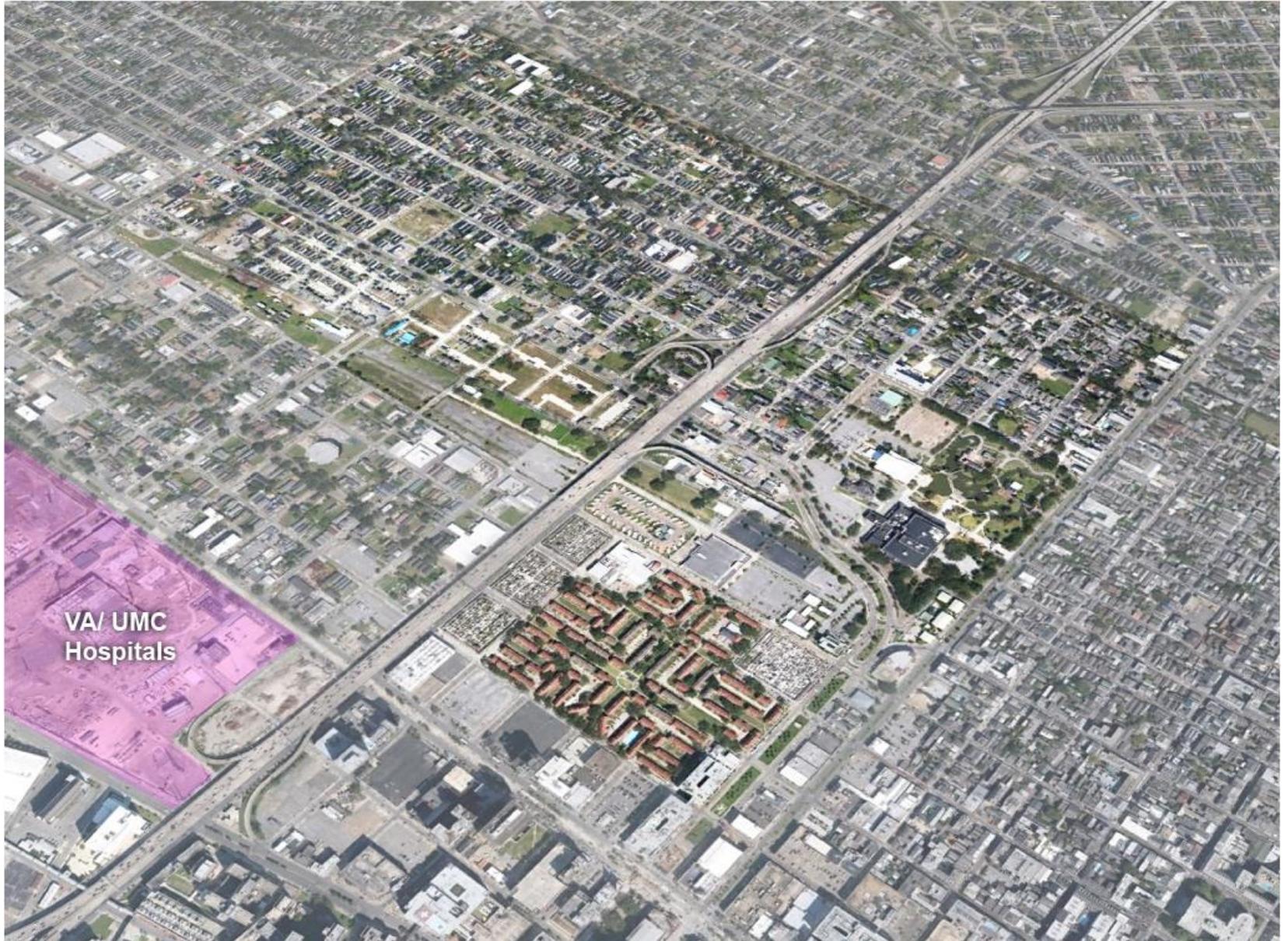
## Choice Neighborhoods Iberville



New



# VA/ UMC Hospitals



VA/ UMC  
Hospitals

# \$2 Billion Hospital District in Mid-City

Old

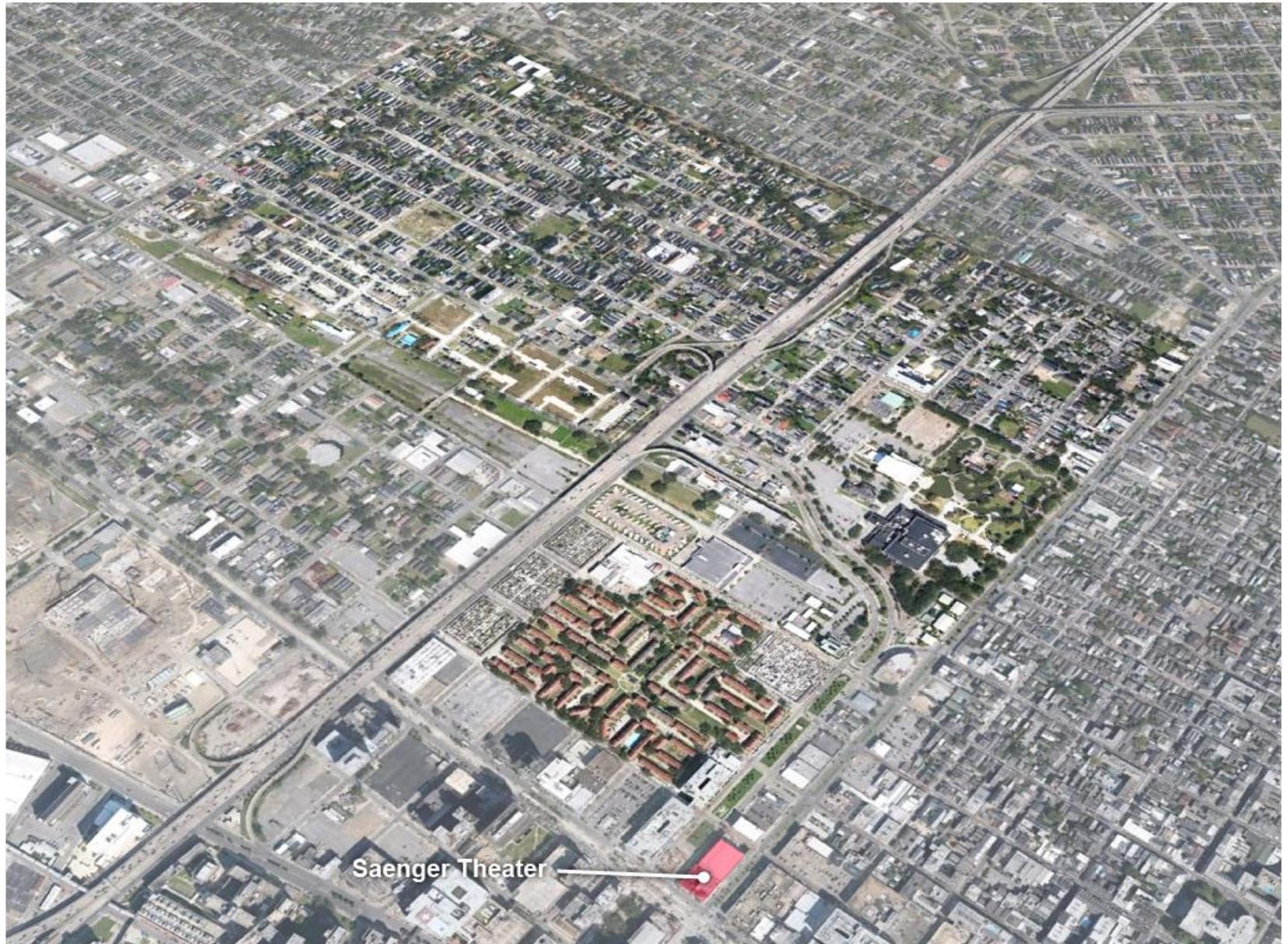


**New University Hospital**



**New VA Hospital**

# Saenger Theater Restoration

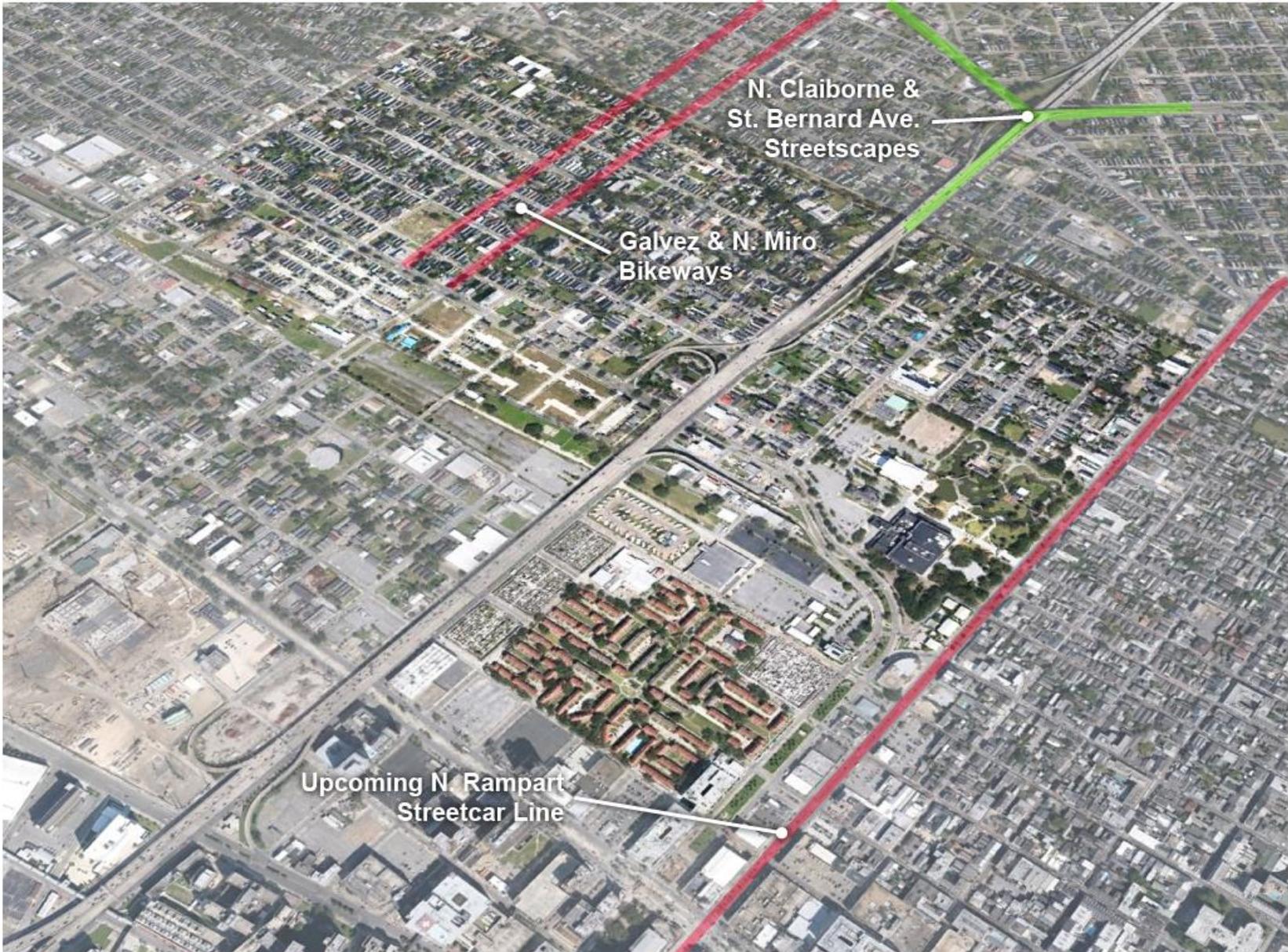


Saenger Theater

# Bringing Back a Legend



# Bikeways, Streetscapes, and Streetcars



N. Claiborne & St. Bernard Ave. Streetscapes

Galvez & N. Miro Bikeways

Upcoming N. Rampart Streetcar Line

# Investing in Infrastructure



# Bringing Back Retail



# Repatriating Retail from Suburbs



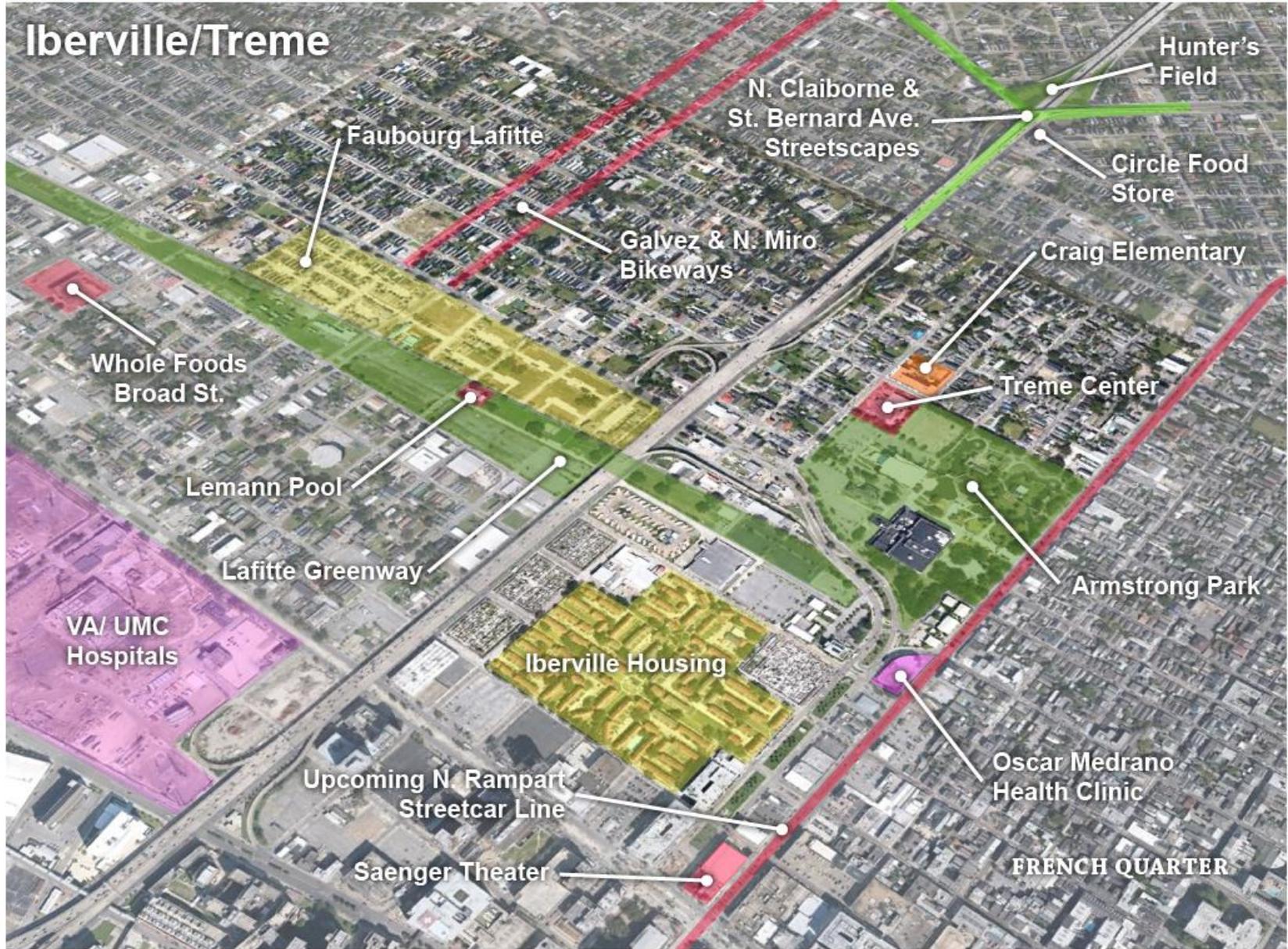
**Circle Food Store**



**Whole Foods Broad Street**



# Putting These Pieces Together



# Investing in Our Neighborhoods

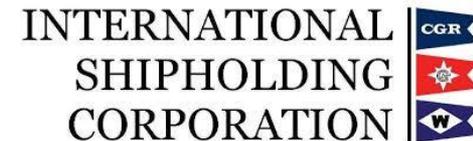


**Monthly BlightSTAT Meetings**



**Over 10,000 Blighted Units Removed**

# Attracting New Businesses and National Retailers



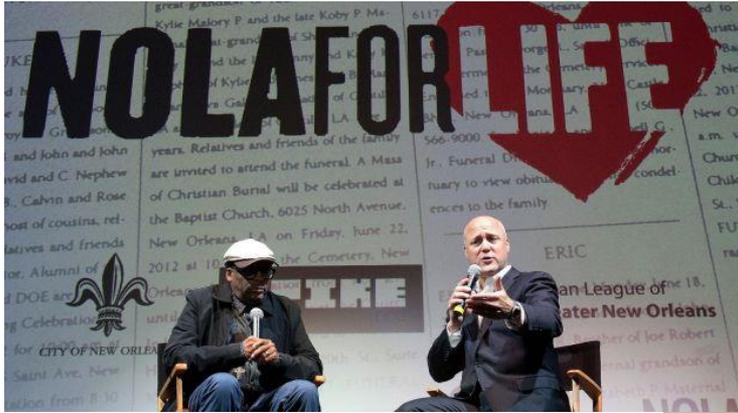
# Creating New Jobs



Over 7,400 New Jobs



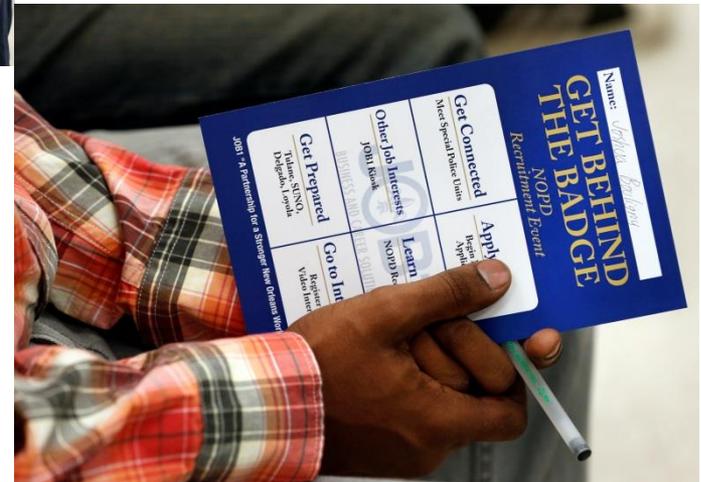
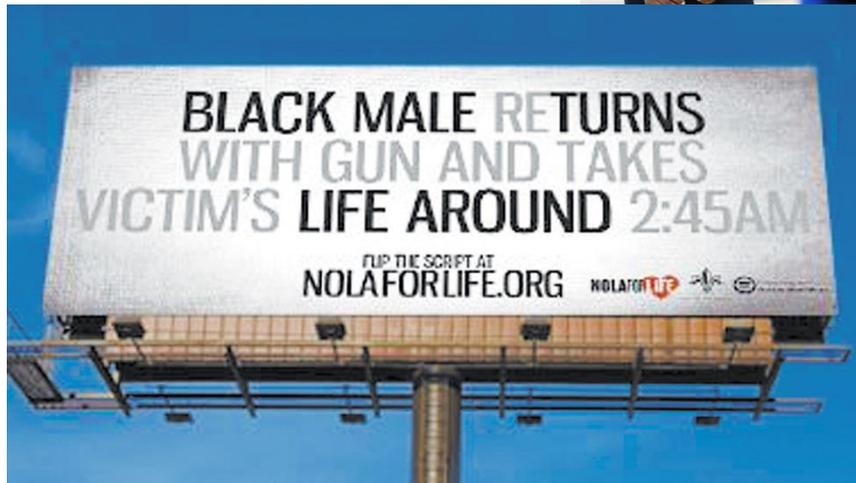
# Making Our Streets Safe



**Murder at 30 Year Low**



**Raising the Bar for Police;  
Putting More on the Street**



# Building A New Armstrong Airport



# New Orleans – A Dynamic, Resilient City for the 21<sup>st</sup> Century

