



CITY OF NEW ORLEANS

2007 Budget

C. Ray Nagin, Mayor

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City of New Orleans Budget 2007
Mayor C. Ray Nagin



Recovery & Rebuilding: Creating a New Direction

NEW ORLEANS

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2007 Budget Overview

- Proven Fiscal Management
- Transition to Accelerate Recovery
- Fiscal Year Overview
- 2007 Budget Priorities
- Financial Challenges
- Future Outlook – 5 Year Projections



Proven Fiscal Management

Good stewards of taxpayer dollars

- First Term Challenges
 - 2 days of operating cash available to run city
 - Successfully managed City out of 2 budget deficits
- Post Katrina Challenges
 - Economy totally shut down
 - \$112 million in projected revenue and \$317 million in expenses – Budget gap of \$205 million
 - City-wide reductions of 3,000 employees
 - 30% to 60% reduction in city-wide operations
 - Successfully stabilized and restored critical city services

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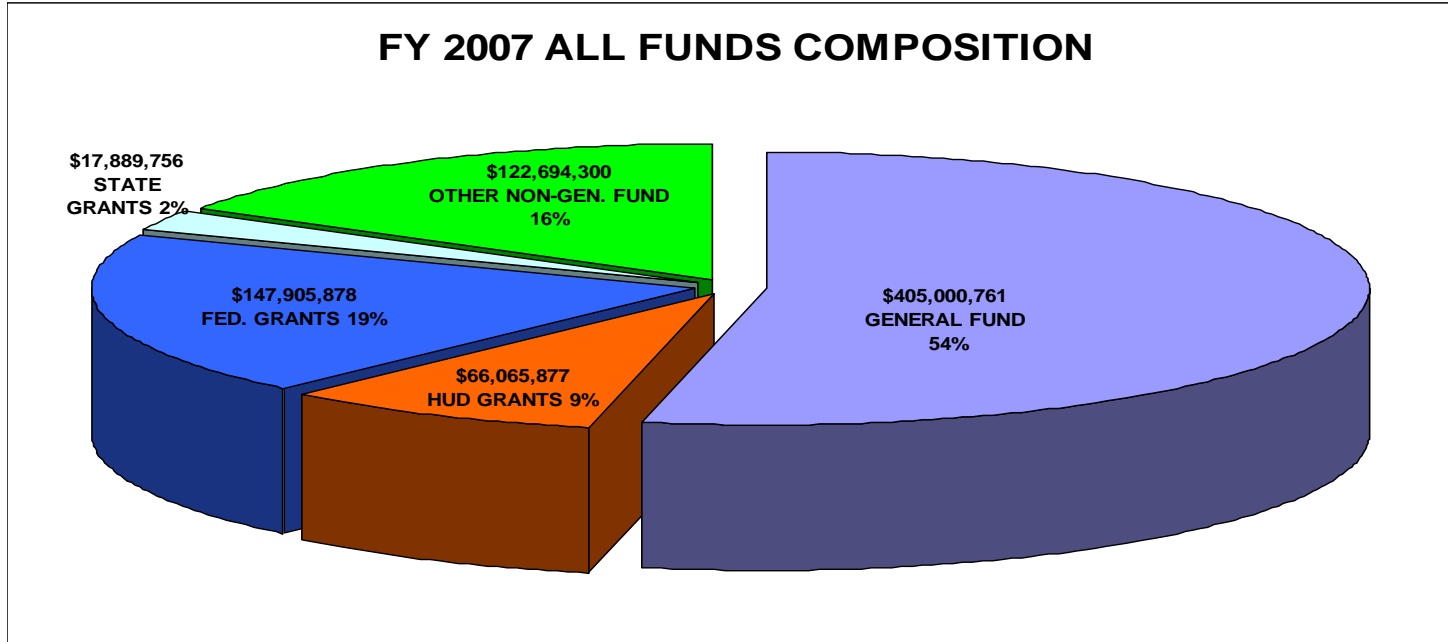


Transition to Accelerate Recovery

- Utilities Restored city-wide
- 100% Removal of all Storm Related Debris by Year End
- BNOB, Neighborhood Council Planning, and S&WB planning complete
- Public Transportation restored
- Airport traffic at 70%, Port fully operational
- Hospital bed capacity at 83%
- 97% medium to large businesses back
- Class A office space +90%
- 120,000 building permits issued; job value \$3.5 billion
- City Population – 230k to 250k, source: GCR, UNO



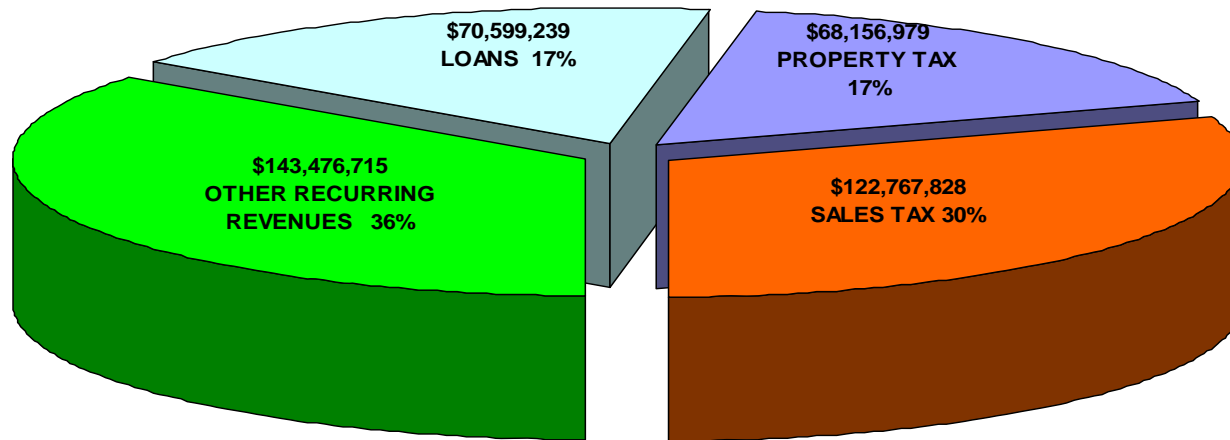
2007 Fiscal Year Overview





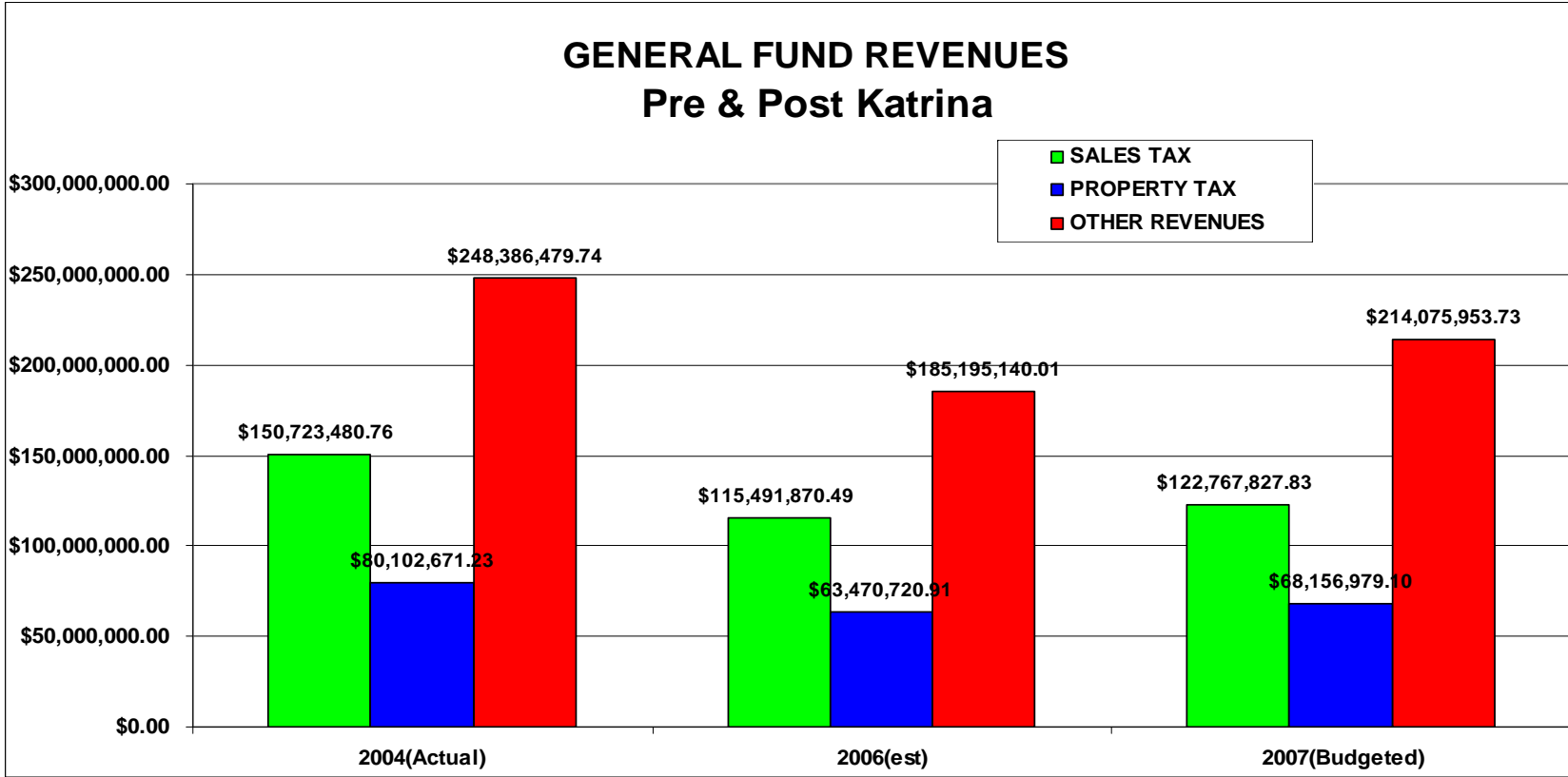
2007 Fiscal Year Overview

FY 2007 GENERAL FUND REVENUE COMPOSITION





2007 Fiscal Year Overview





2007 Budget Priorities

- Public Safety Enhancements
- Accelerate Recovery/Infrastructure Restoration
- Quality of Life Enhancements
- Recruitment & Retention of City Employees



Public Safety Enhancements

- **Key Challenges**

- Resurgence of violent crime and damaged criminal justice system
- Police force at critical staffing level – pre-k 1,668 ,current 1,425
- Current attrition doubled and recruitment is down
- Trends suggest less than 1,000 officers on the streets within two to three years

- **Solutions**

- Redeploy crime cameras
- Prioritized the restoration of the criminal justice infrastructure
- Budget competitive ADA salaries
- Increase presence of NOPD
 - Budget 1,600 police officers
 - Reduce attrition by increasing pay, funding promotions, securing military preferences, and implementing innovative housing program
 - Develop young cadet program – under 21 years old



Accelerate Recovery/Infrastructure Restoration

Re-prioritize normal annual allocations of CDBG, HOME, and NHIF dollars

- Gutting/Remediation
 - \$15 million of HOME funds to gut and board up 5,000 homes
 - Target Seniors/low to moderate income families
 - Waiver requested from HUD
- Demolition
 - \$5 million of annual CDBG allocation for 10,000 demolitions by year end 2007. 90/10 split.



Accelerate Recovery/Infrastructure Restoration

One New Orleans Road Home Fast Track Program

- A complementary local program designed to accelerate neighborhood revitalization
- One year pilot program starting January 2007
- Targeting 1,000 Orleans parish homeowners registered with LRA
- \$50 million self replenishing gap loan fund
- \$25 million from annual CDBG funds; balance in matching funds
- Eligible to receive up to \$50,000 in assistance
- Local banks to administer program – Chase and Liberty banks committed
- Homeowners sign affidavit to reimburse the loan when LRA dollars received

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Accelerate Recovery/Infrastructure Restoration

Recovery Department

- Reorganized administration into three distinct functions: Planning/Housing/Economic Development, City Operations, and Recovery
- Recovery Department focus is to centralize and manage recovery efforts and accelerate flow of resources
- Chief Recovery Officer to be in place by December 2006



Quality of Life Enhancements

- **Cleaner city**

- Return to twice per week, garbage pick collection
- Semi-automated, high-tech collection service
- No increase in sanitation fees
- Performance based contract with penalties
- Local experienced firms as prime contractors
- CBD/FQ Disney like services out for bid
- Continue *Tactical Trash Force* debris collection services

- **NORD Improvements**

- Budget addition of \$500,000
- 3 multi-service centers, 10 playgrounds, & 2 stadiums re-opened
- Bringing back “Golden Ages” Seniors program
- Re-starting tutorial program at St. Bernard Center
- Average 6,000 participants –children, teens, families-participating weekly
- Target reopening 9 swimming pools Summer '07



Quality of Life Enhancements

- Parks and Parkways
 - Budget addition of \$300,000
 - Re-focus on main boulevards
 - grass-cutting, planting trees where needed and seasonal planting
 - Partnered to replace trees citywide
 - Outsourced 50% of grass cutting



Recruitment & Retention of City Employees

- 10% across the board salary increases
 - Pay raises implemented 3 out of last 4 years
- City employees minimum wage \$7.50
- Increase staffing and pay rates in City Planning and Safety & Permits - \$400,000

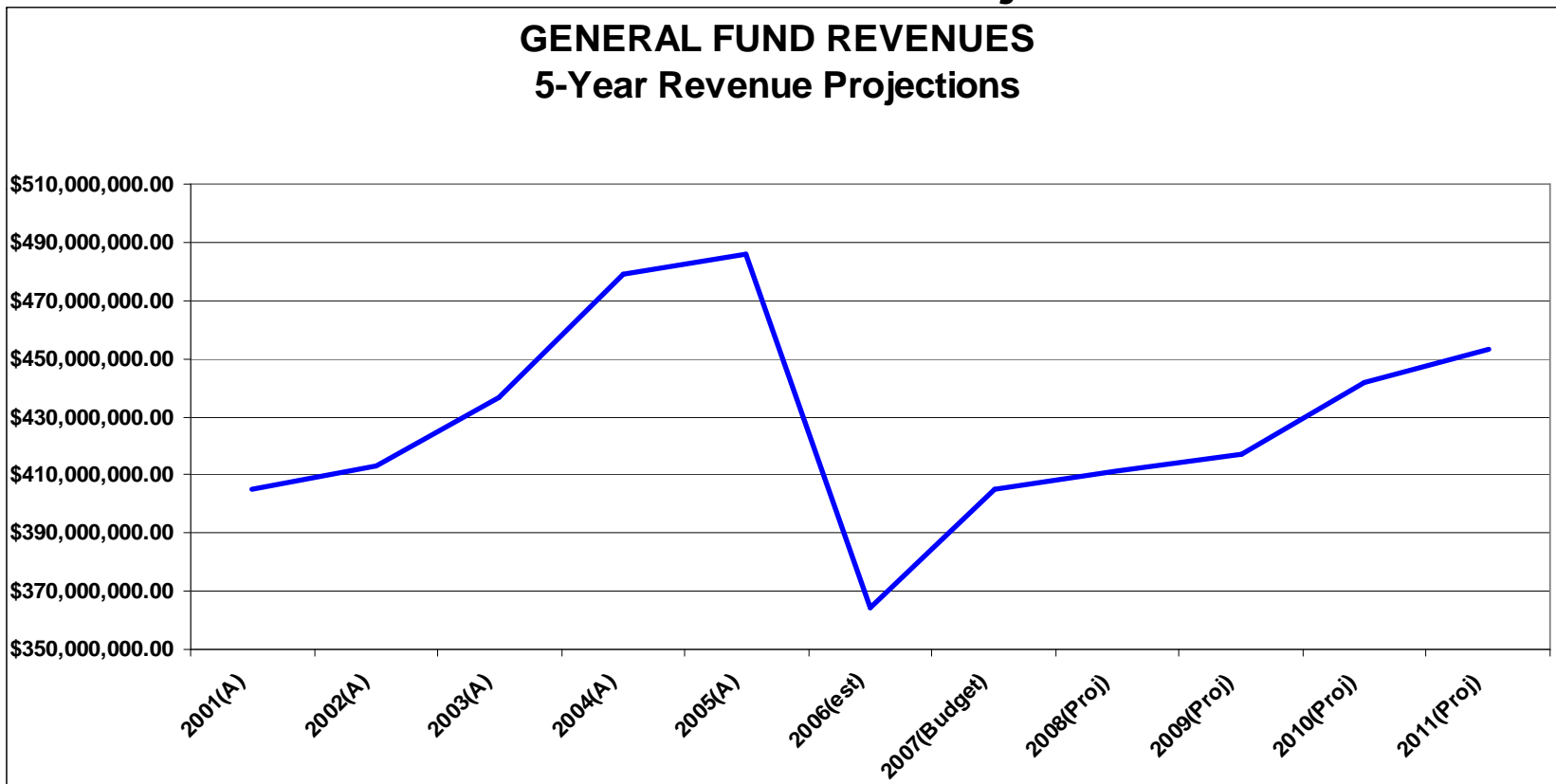


Financial Challenges

- Bond Rating
- 10% match on debris removal
- Upfront dollars needed for infrastructure repairs
- Increasing insurance premiums
- Maintaining competitive city workers salaries
- Criminal Sheriff inmate costs
- Firefighters' judgment
- Terminal leave payout at 50%; balance during 2007
- CDL and GO Zone loans payback



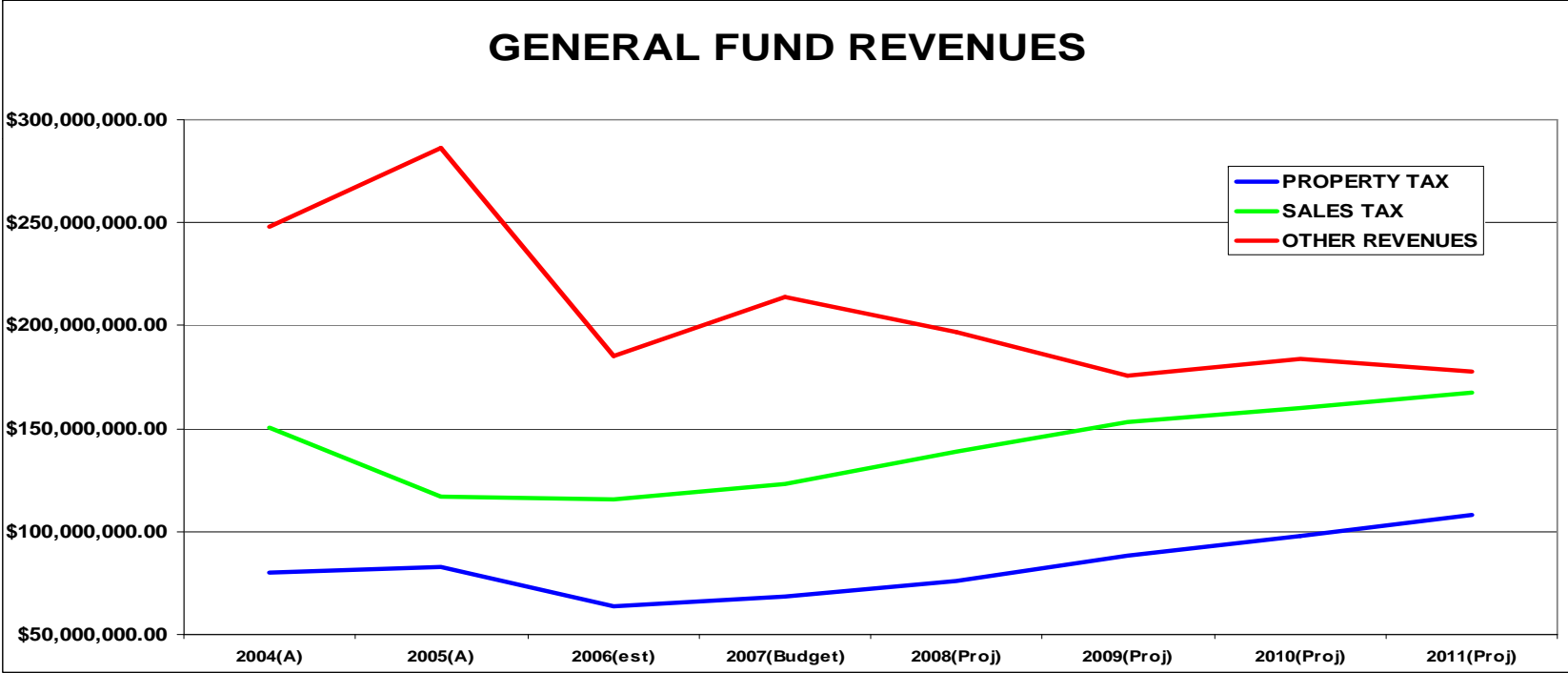
Future Outlook-5 Yr. Projections



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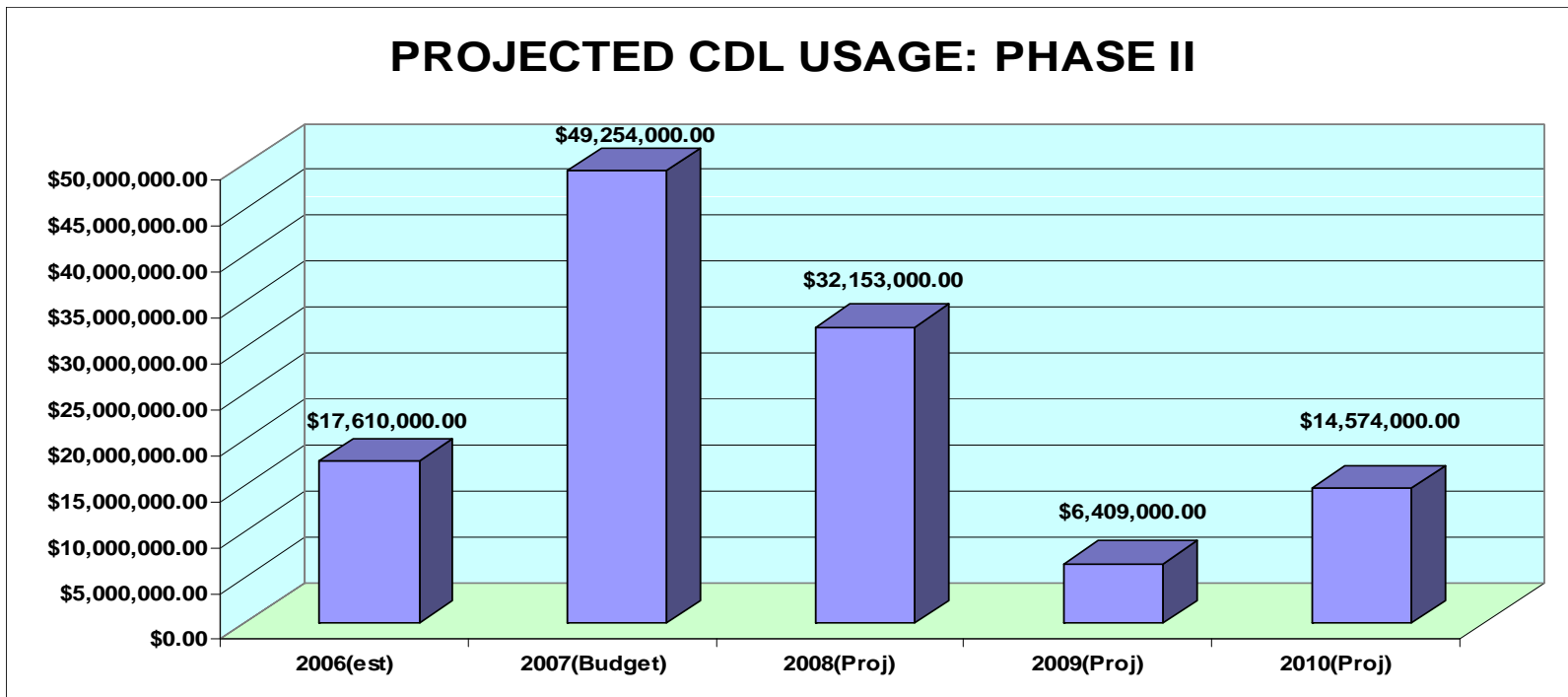


FUTURE OUTLOOK- 5 Yr. Projections





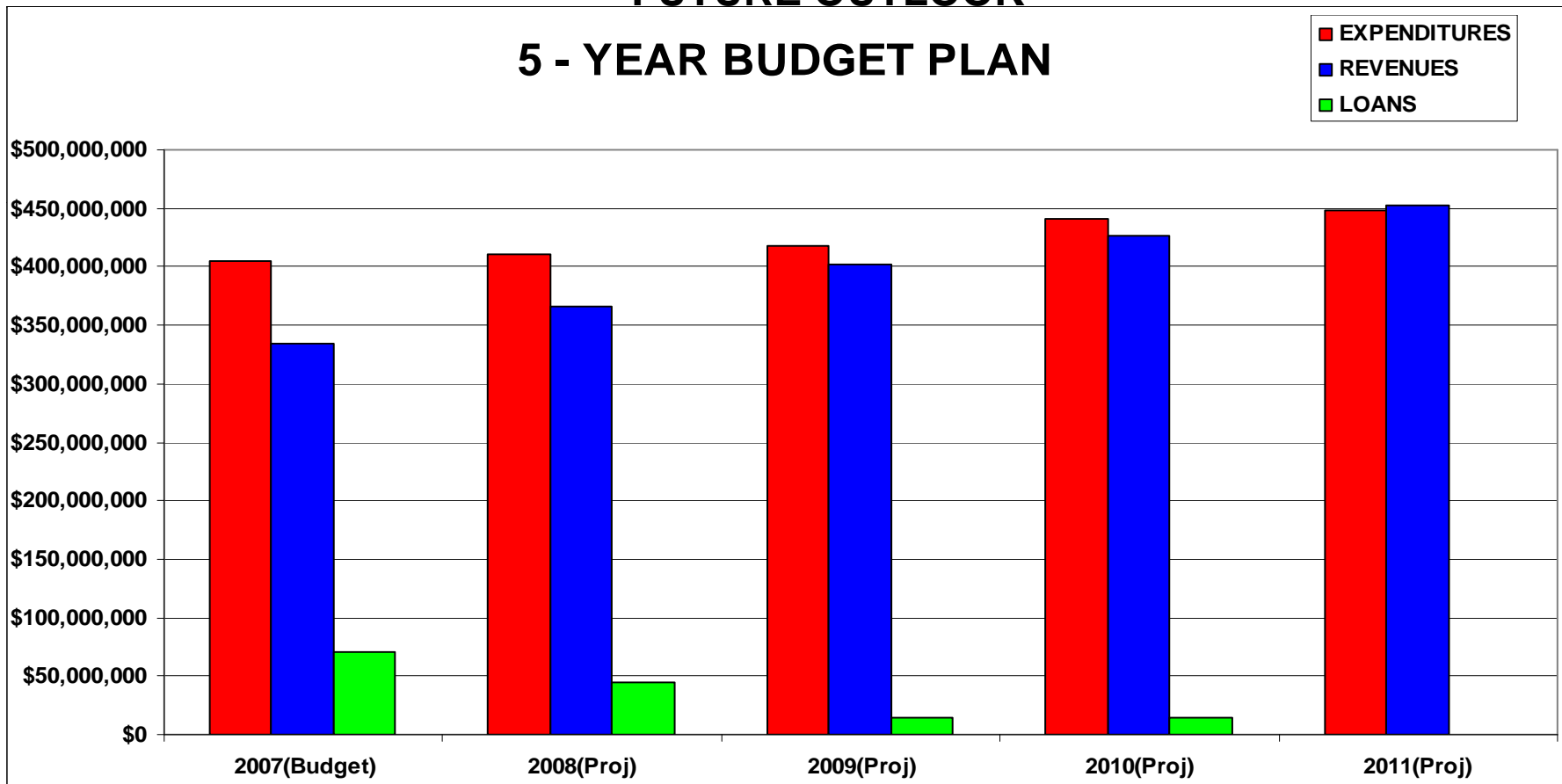
FUTURE OUTLOOK- 5 Yr. Projections





FUTURE OUTLOOK

5 - YEAR BUDGET PLAN



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Recap: Accelerating Our Recovery

- Good financial stewards
- Yielding solid results
- Turning corner on recovery; J-Curve
- Redirecting funds to accelerate recovery
- Controlling expenditures & maintaining adequate fund balance -- critical to improving bond rating
- \$260 million in capital improvements already approved by citizens



Commitment To Recovery

“Let both sides unite to heed in all corners of the earth the command of Isaiah-to undo the heavy burdens... let both sides join in creating a new endeavor, not a new balance of power, but a new world where the strong are just and the weak secure and the peace preserved.” (passage from President John F. Kennedy, Inaugural Address)

It is time to *undo the heavy burdens* and commit to better public safety and an improved quality of life for all citizens!

It is time to *undo the heavy burdens* and direct our own funding to speed up recovery and bring our citizens home!

It is time to *undo the heavy burdens* and create a city government where financial integrity and the future of the next generation are a top priority!

We are charting a new course, a bold, new direction. It will take a spirit of community and a will to work to succeed. Let's continue to believe in the capacity, aptitude and miracle that is New Orleans.

Believe in **One New Orleans!**

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We Still Believe!

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