



CITY OF NEW ORLEANS

2013 Budget Proposal

October 29th, 2012

2013 Budget Presentation

- **Background**

- **Performance Management/Review of Improvements**

- **2013 Budget Proposal**



Funding Cuts at the State and Federal level are posing significant budgeting challenges for municipalities across the U.S.

- Nearly 48% of cities plan to reduce workforce this year
- Los Angeles predicts over 200 City jobs will be eliminated due to budgetary challenges
- San Bernardino closing all but one library and reducing 100 jobs including Police and Fire positions
- The State of Louisiana is not meeting its obligation to fund District Attorney, Indigent Defender, or mental health

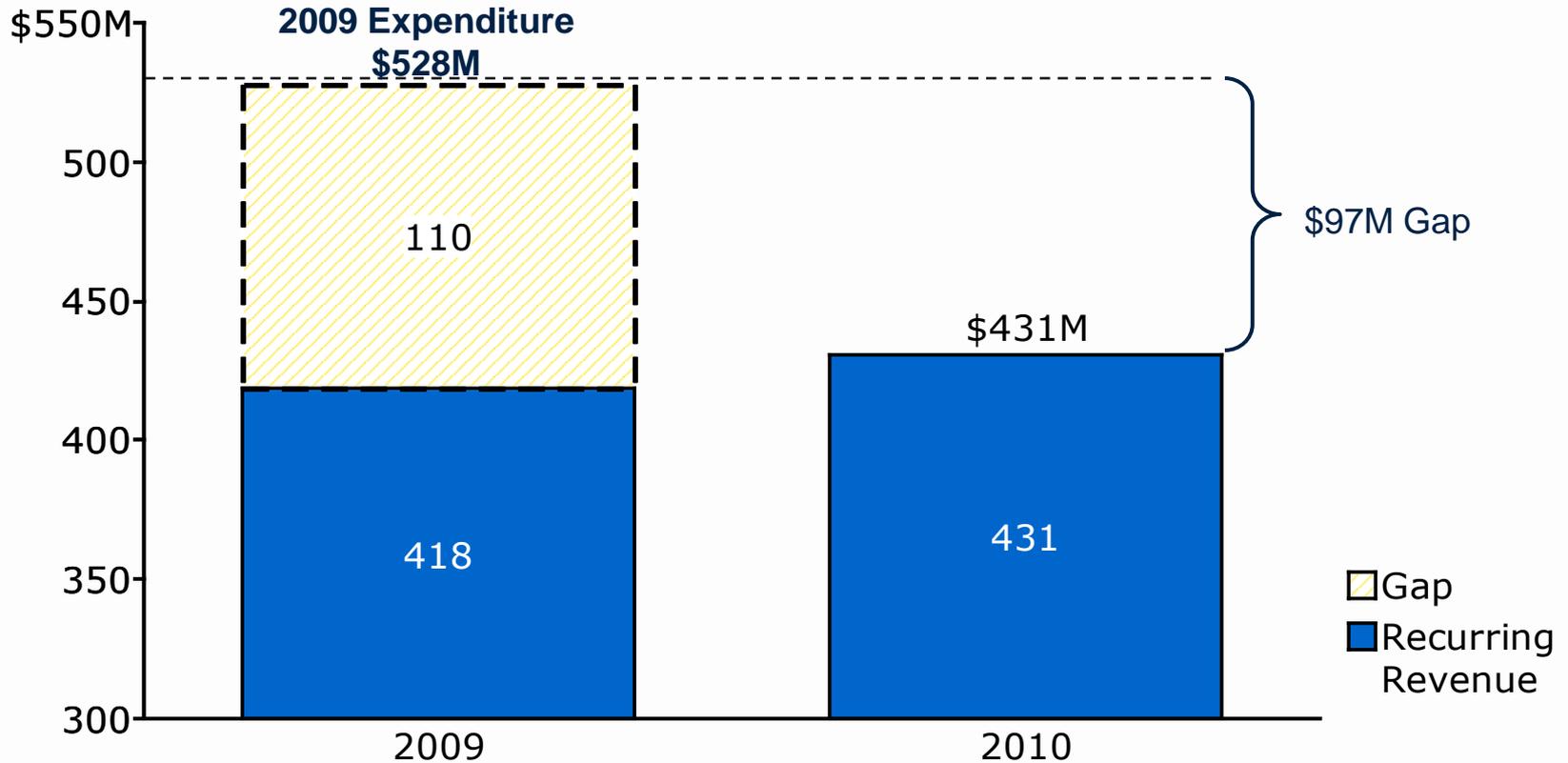


***We must continue to take action to be smart
about how we get smaller***



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

Budget Comparison

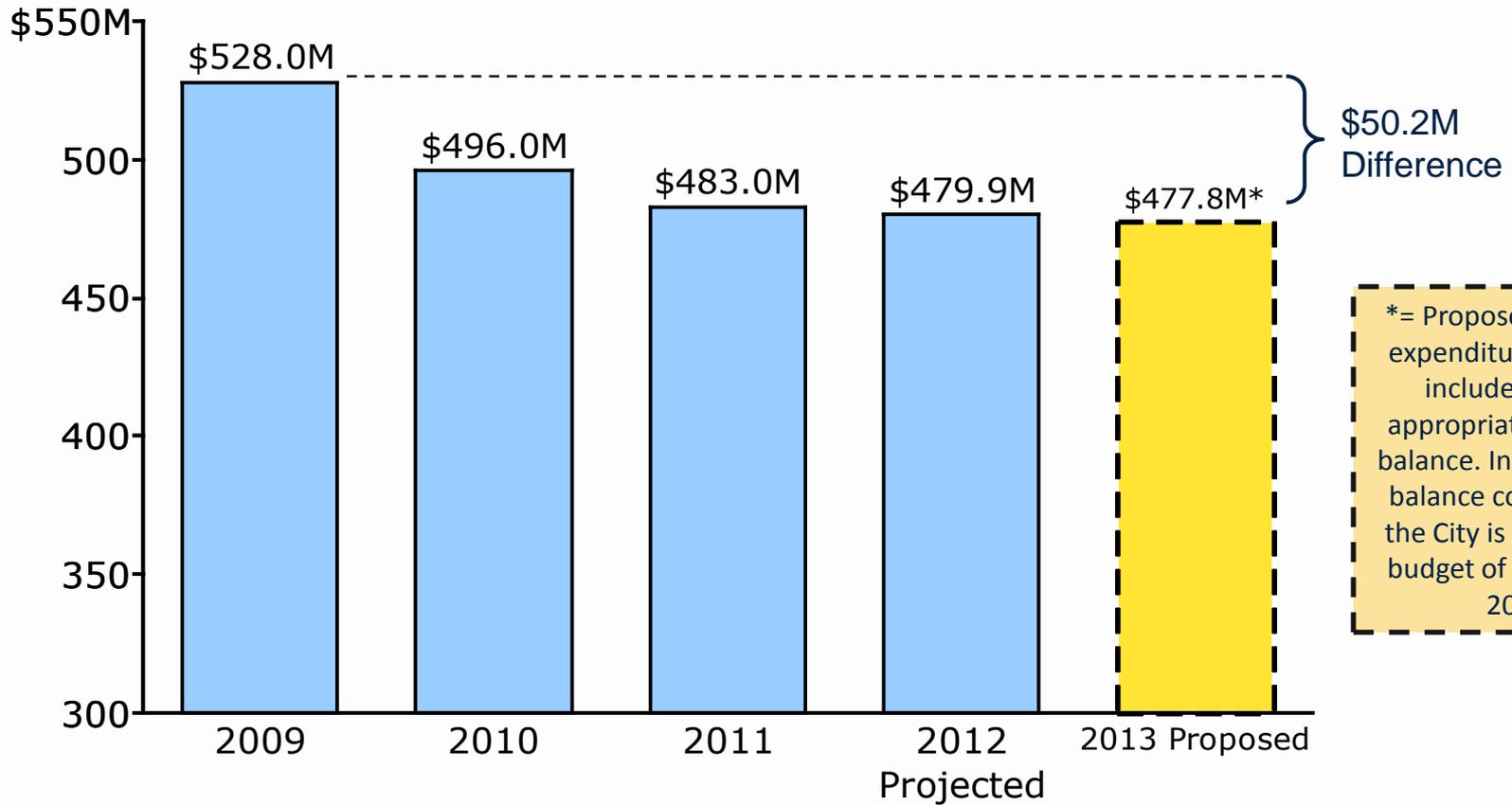


Note: One-time revenue sources not included in chart



First step to eliminating gap was to reverse the spending trend

Annual Expenses



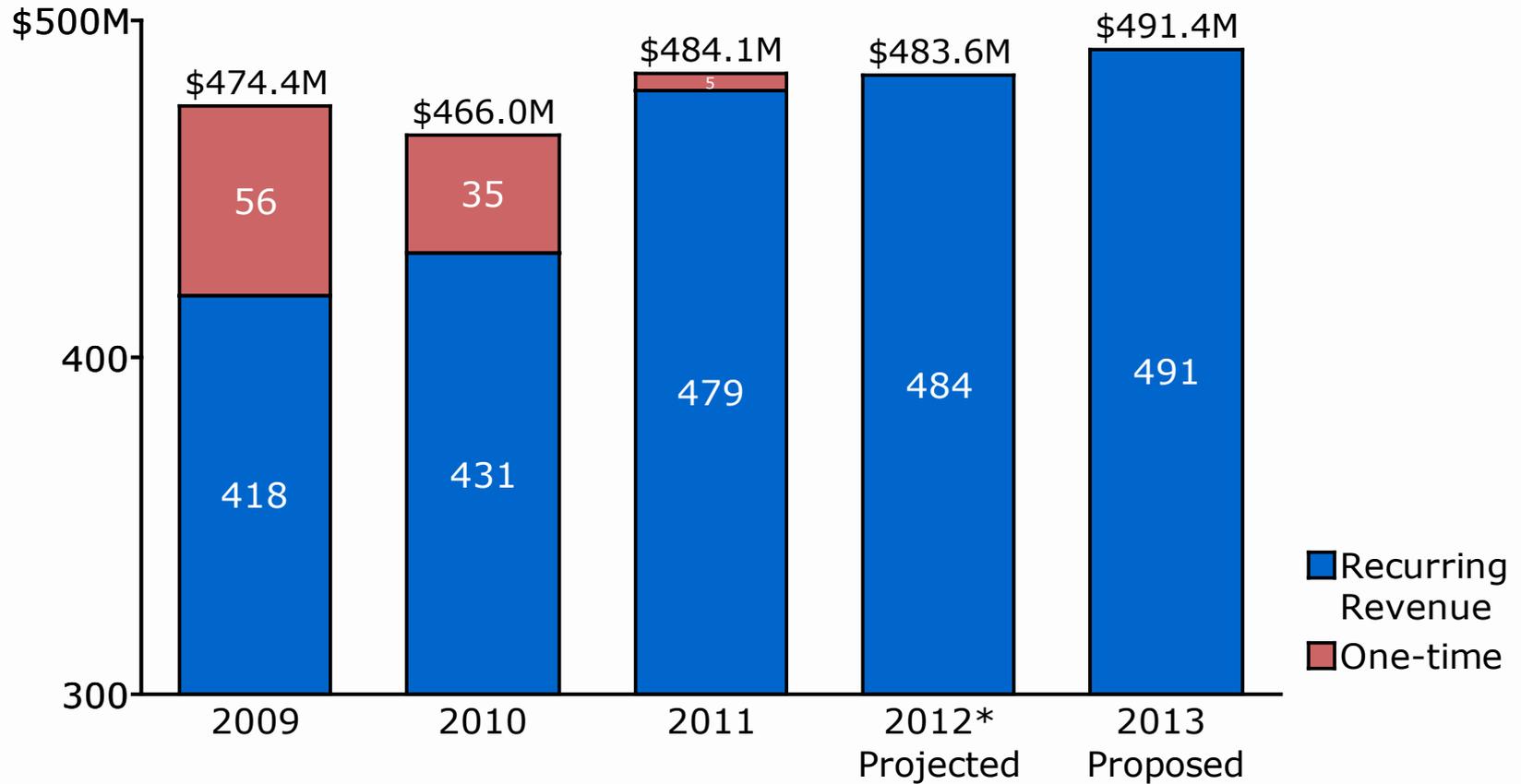
*= Proposed \$477.8M expenditure does not include \$13.4M appropriation to fund balance. Including fund balance contribution, the City is proposing a budget of \$491.4M in 2013.

Delta to previous year	2009	2010	2011	2012	2013 Proposed
	+\$28M	-\$32M	-\$13M	-\$3M	-\$2M



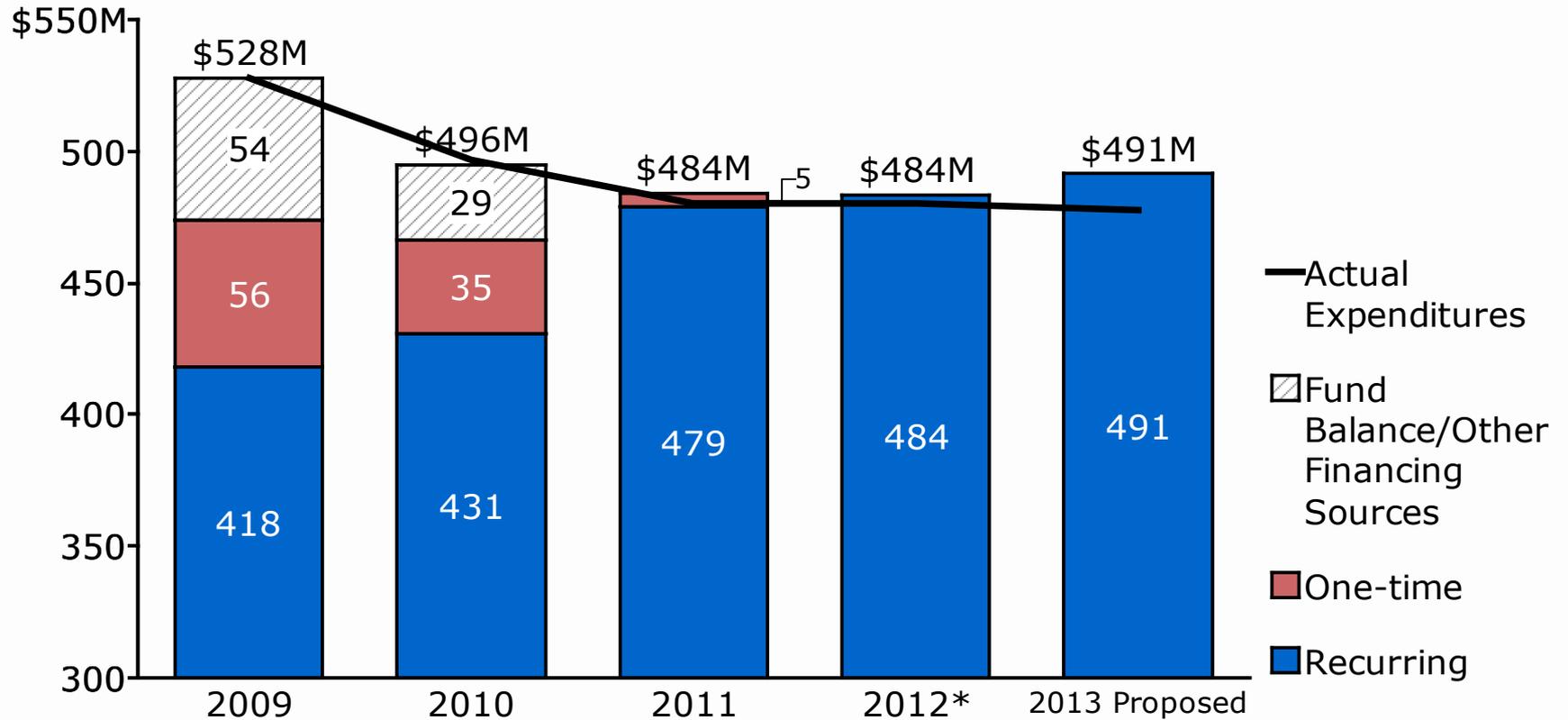
Second step was to reduce the reliance on one-time monies to balance the budget

Annual Revenue



We are now living within our means

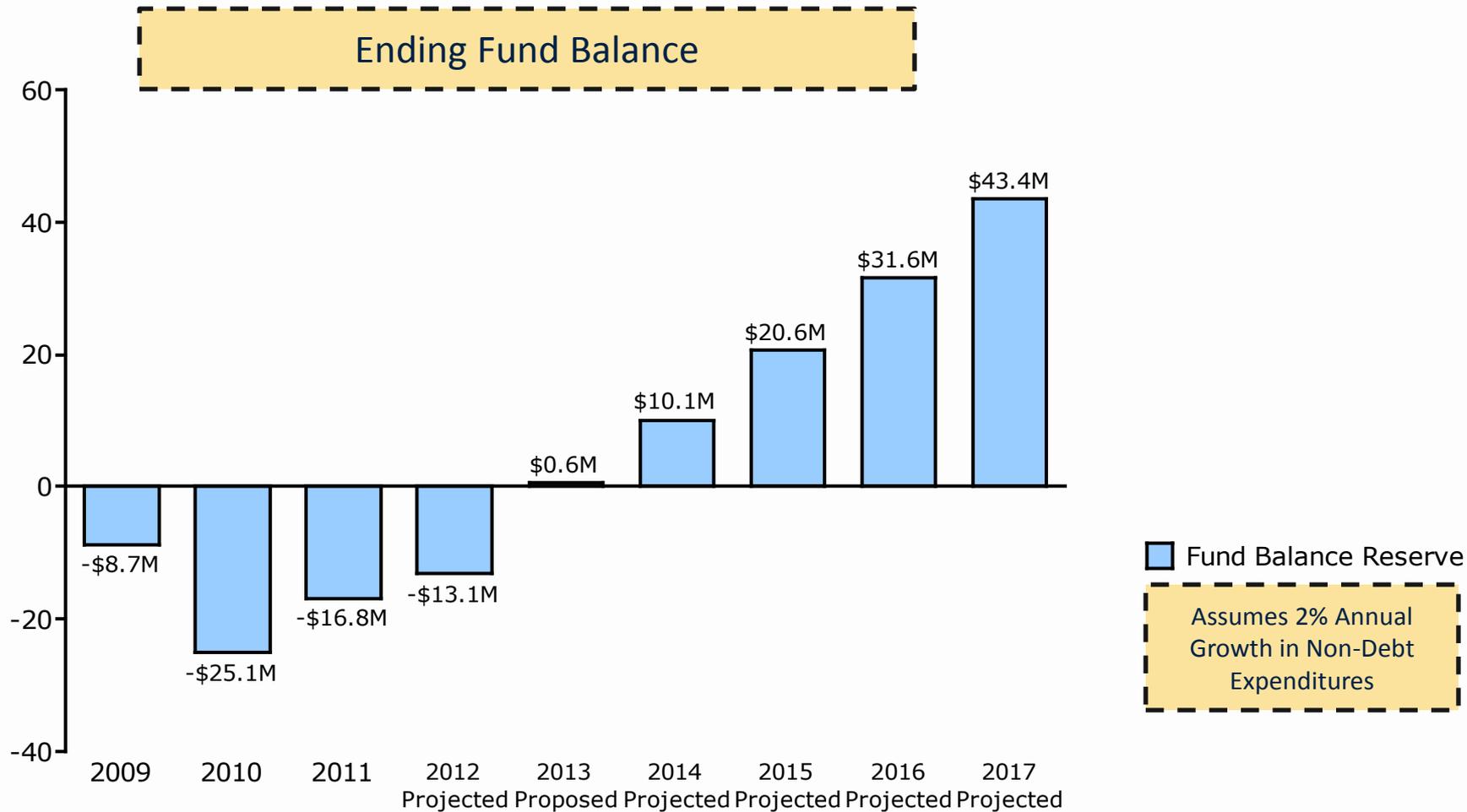
Historical Expense vs. Revenue



2013 Actual Expenditure line does not include \$13.4M appropriation to fund balance as that is not an expenditure on operations. Including fund balance contribution, City is proposing a budget of \$491.4M in 2013.



We have eliminated excess spending and have a plan to build reserves



In 2012 we used a rigorous, cross-team approach to address revenue and spending variances

- Revenue forecast declined by over \$14M in March and June RECs for 2012
 - Entergy – Lower natural gas prices reduced franchise fee and utility tax by \$6.3M
 - Traffic Safety – Policy changes reduced forecast by \$3.7M
 - Sales Tax – Lower 2011 audited revenues reduced forecast by \$3.8M, though strong performance in 2012 revenues added \$0.5M back
- Adjustments in 2012 to address revenue forecast decline
 - Debt service of \$8.3M not required due to late 2011 refunding
 - 3.8% holdback from department budgets totaled \$5.2M
 - Debt service of \$4.1M in late 2012 not required due to Oct 2012 refinancing



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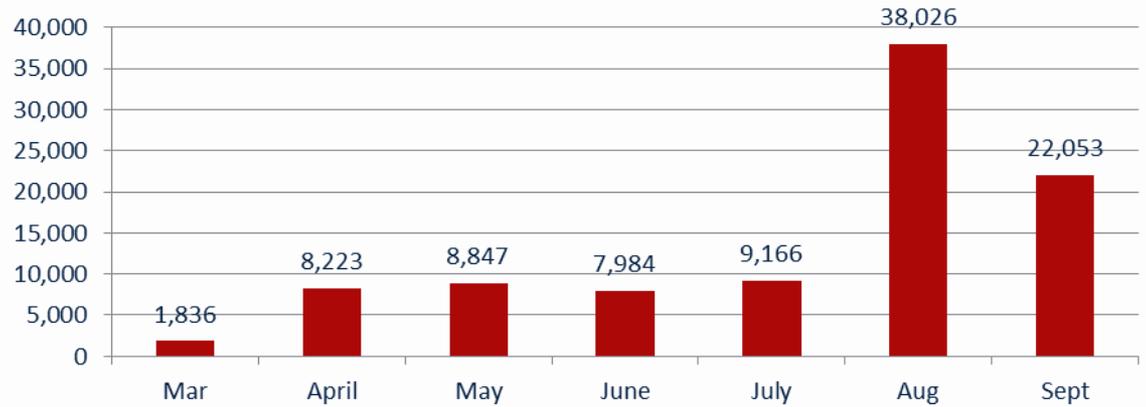


We have focused on reducing spending and improving productivity/delivery of services in many areas: NOLA 311

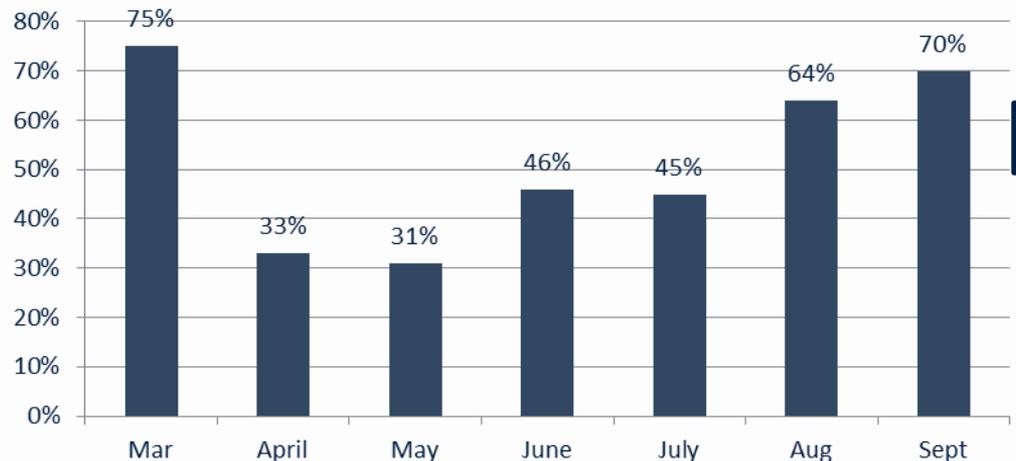
NOLA 311 re-launched on March 26, 2012 and has successfully onboarded the following departments: Citizen Assisted Evacuation, Code Enforcement, Constituency Services, DPW – Maintenance, DPW – Parking, DPW – Traffic, and Sanitation

Call volume spiked by nearly 30,000 due to Hurricane Isaac

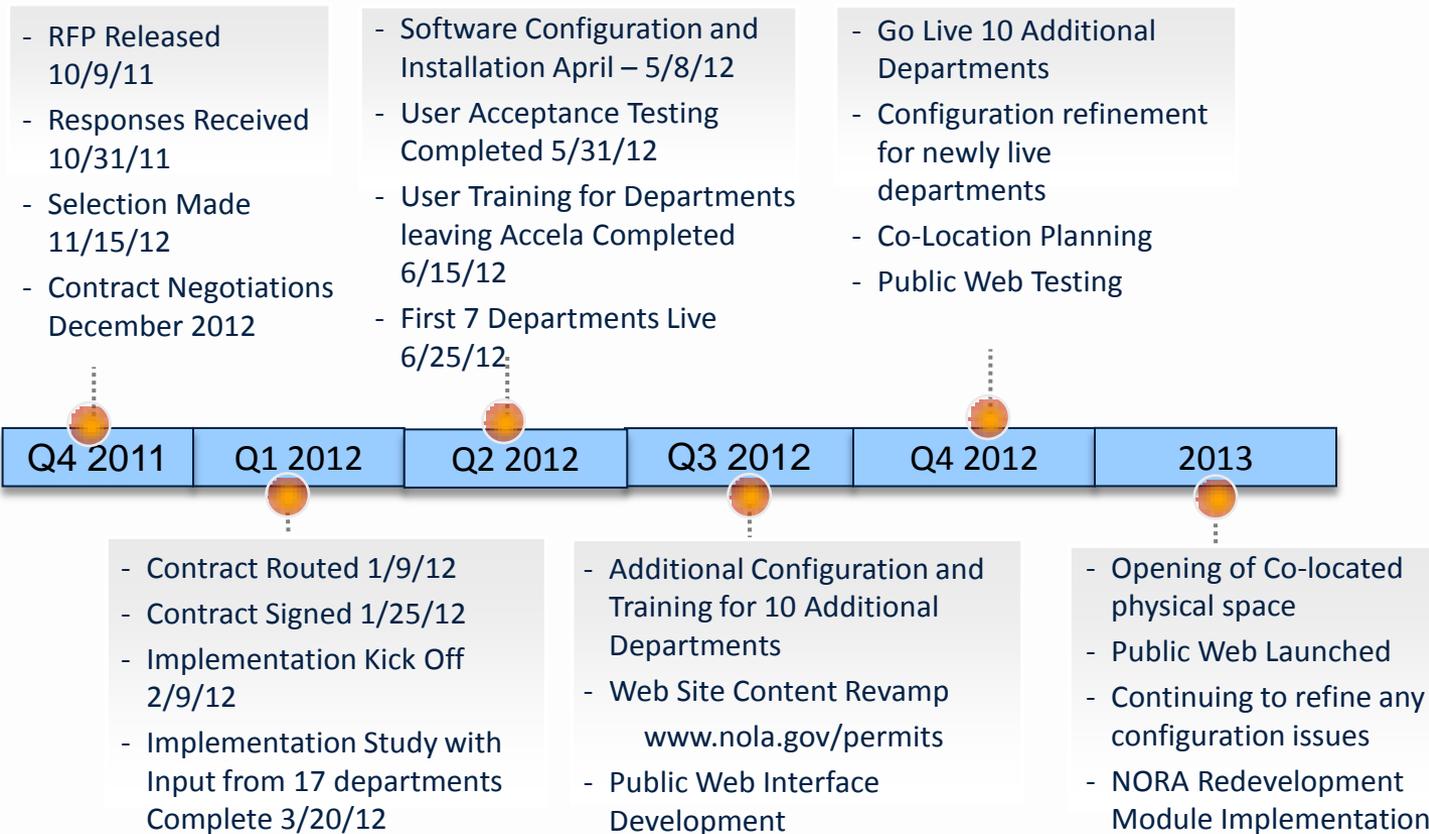
TOTAL CALLS



FIRST CALL RESOLUTION



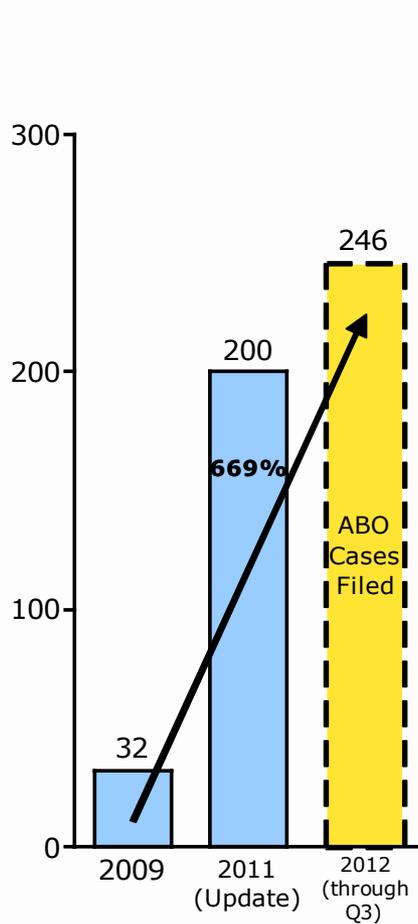
We have focused on reducing spending and improving productivity/delivery of services in many areas: One Stop Shop



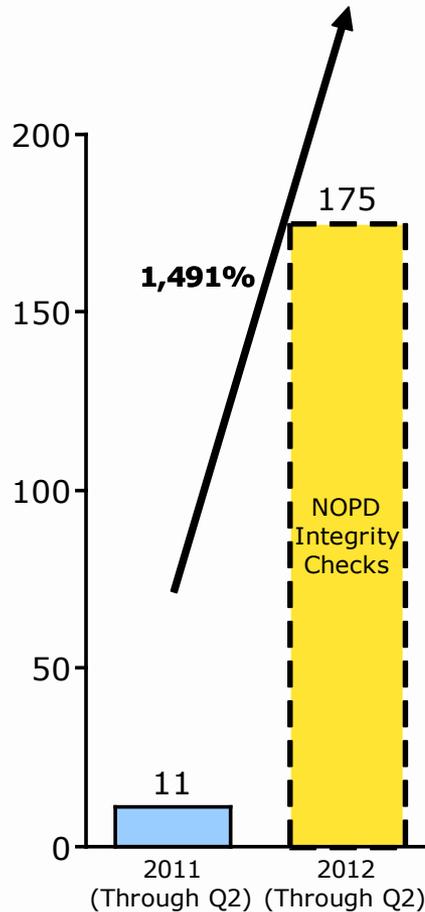
- Internal Go Live Complete with:
 - Safety and Permits (6/25/12)
 - CPC (6/25/12)
 - HDLC (6/25/12)
 - VCC (6/25/12)
 - Code Enforcement (6/25/12)
 - Taxi and For Hire Vehicles Bureau (6/25/12)
 - New Orleans Fire Department (8/3/12)
- Departments Going Live Fall/Winter 2012:
 - Parks and Parkways
 - Public Works
 - Bureau of Revenue
 - NOPD Parades
 - NORDC Facilities Booking
 - Sanitation
 - Property Management
 - Law ABO internal case tracking
 - Health Noise Permits
 - Coastal and Environment Affairs
- First Quarter 2013
 - NORA Redevelopment Module
- Website Features
 - Transparency:
 - Citizen-Oriented Permit and License Content in a Single Portal with Standard Format
 - Restoring Permit Search
 - Enabling Code Enforcement and CPC Case Searching
 - Permit/Code Enforcement Case Viewing on Interactive Map
 - Ease of Access:
 - Online Permit Applications
 - Online Reporting of Code Enforcement Incidents
 - E-mail updates on Permit/License Status
 - Online Payment for Permits



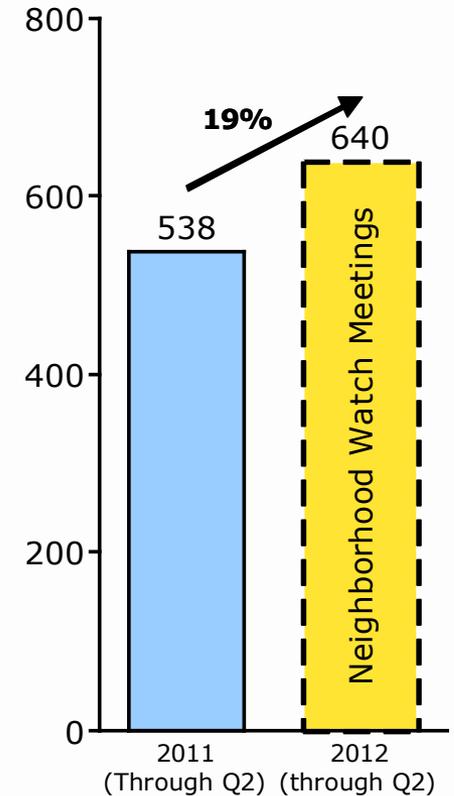
We have focused on reducing spending and improving productivity/delivery of services in many areas: Public Safety



ABO Cases Filed



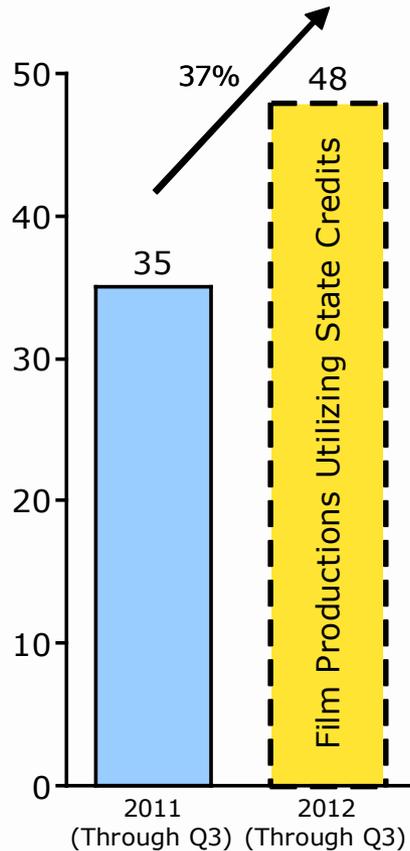
NOPD Integrity Checks



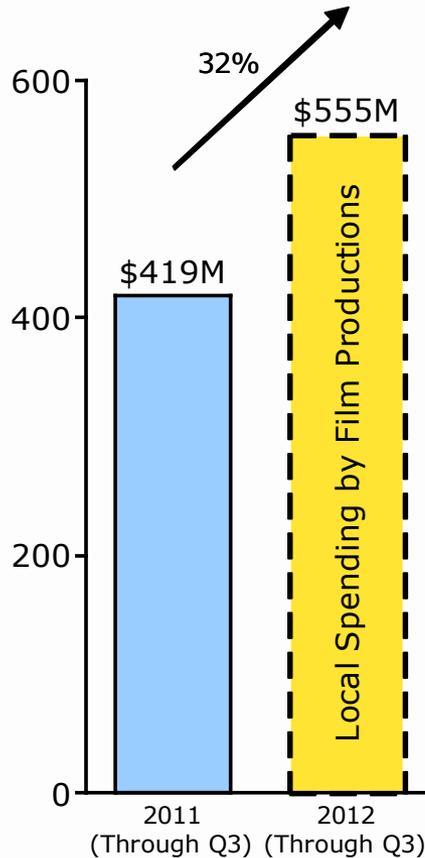
Neighborhood Watch Meetings



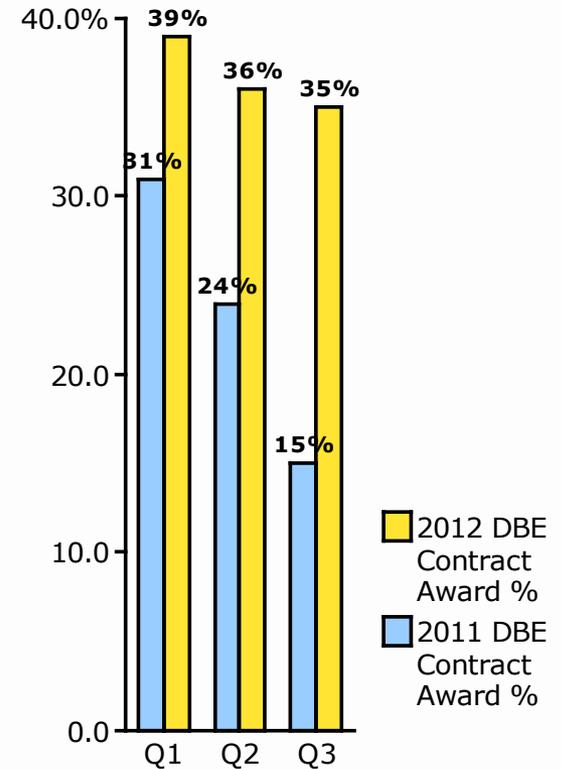
We have focused on reducing spending and improving productivity/delivery of services in many areas: Jobs



Films Using State Credits



Local Spending by Film Productions

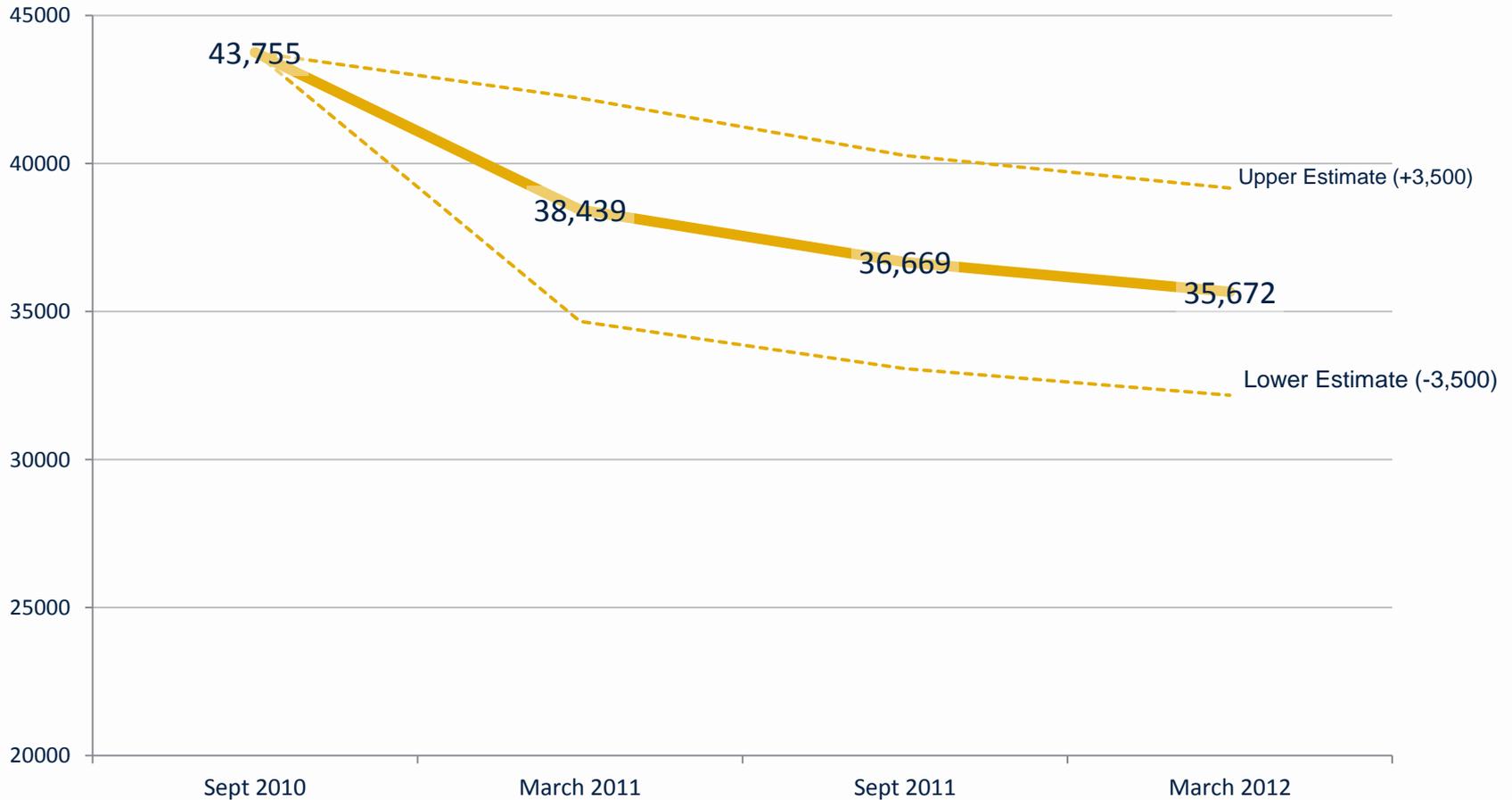


City Contract Value Awarded to DBEs



We have focused on reducing spending and improving productivity/delivery of services in many areas: Fighting Blight

Blighted residential addresses or vacant lots

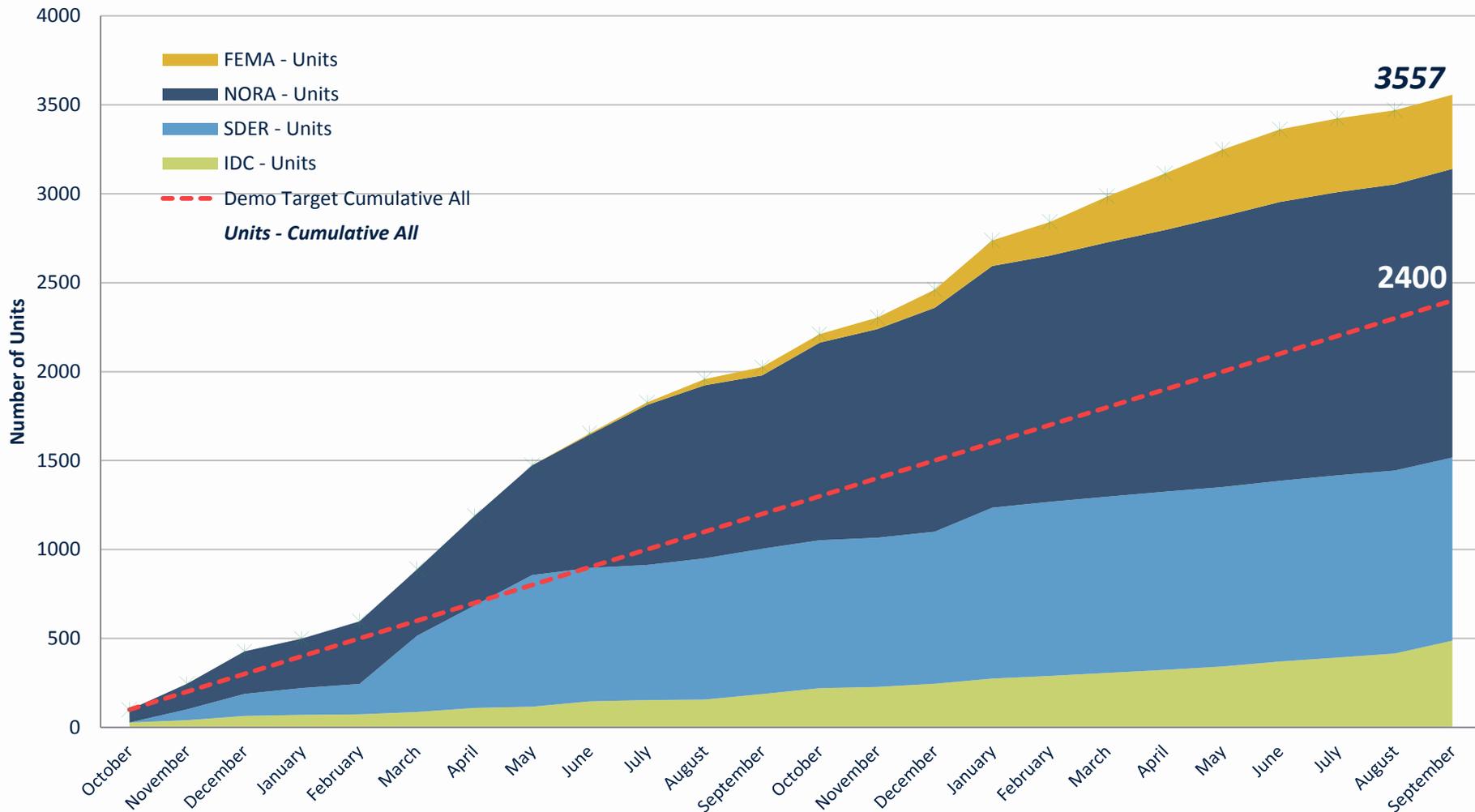


Source: HUD Aggregated USPS Administrative Data on Address Vacancies, GNOCDC 2012



2013 Budget Proposal

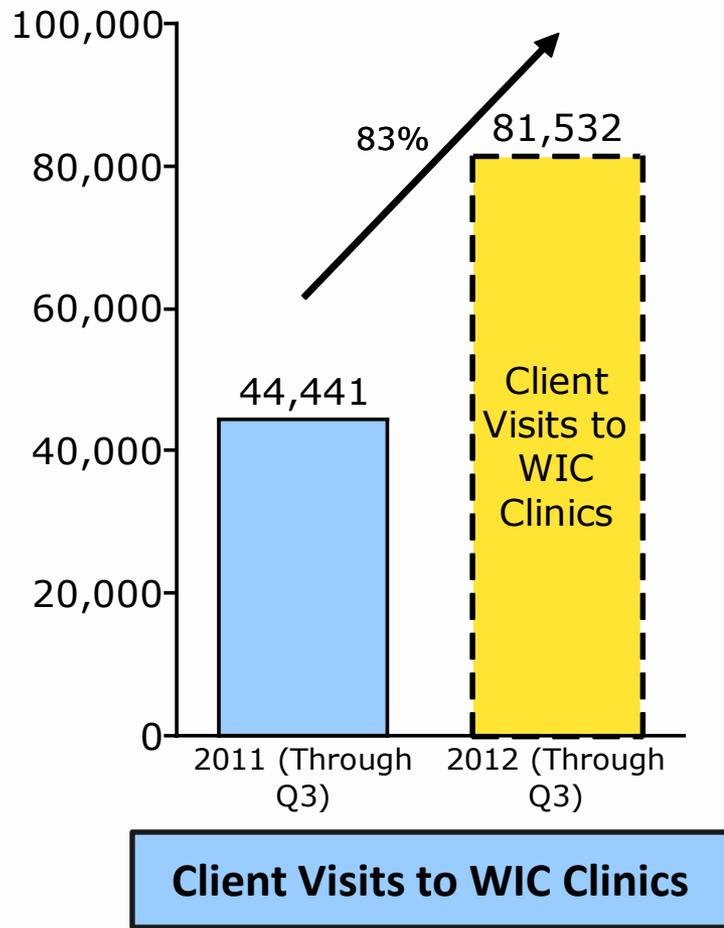
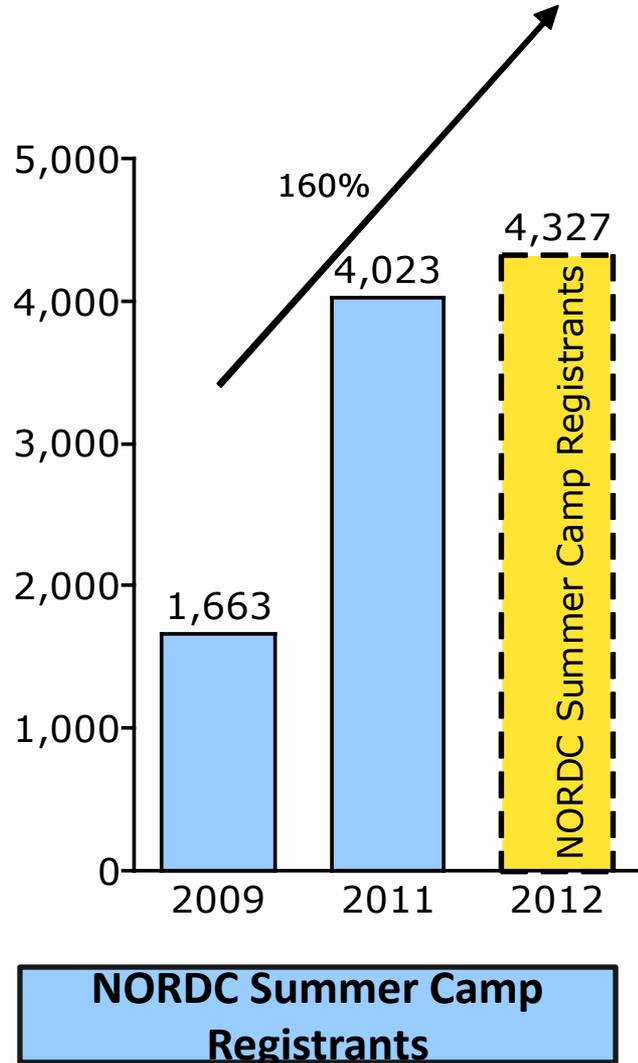
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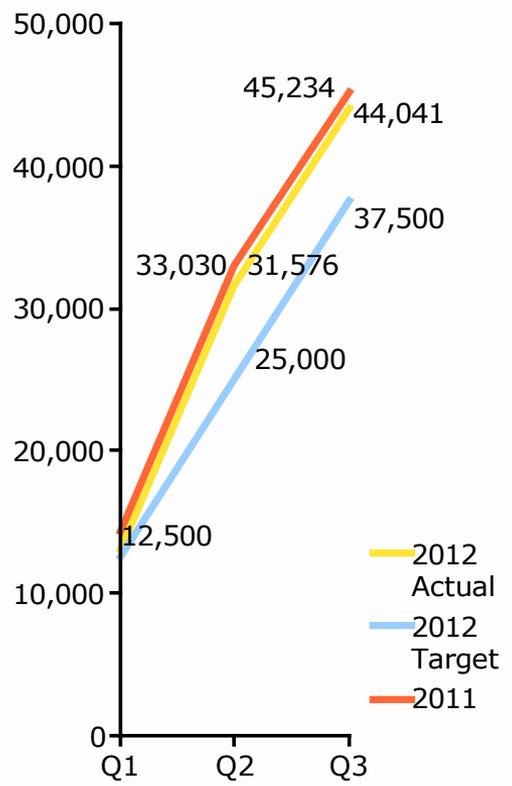
Source: Demolitions reported by Program (Contractor):
 FEMA (SAIC), SDER (DRC), NORA (BBEC/CDM), IDC (Durr),



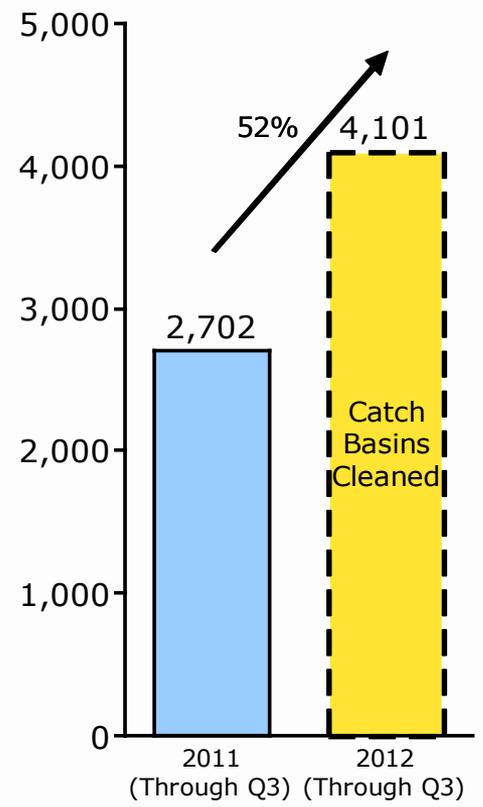
We have focused on reducing spending and improving productivity/delivery of services in many areas: Recreation & Health



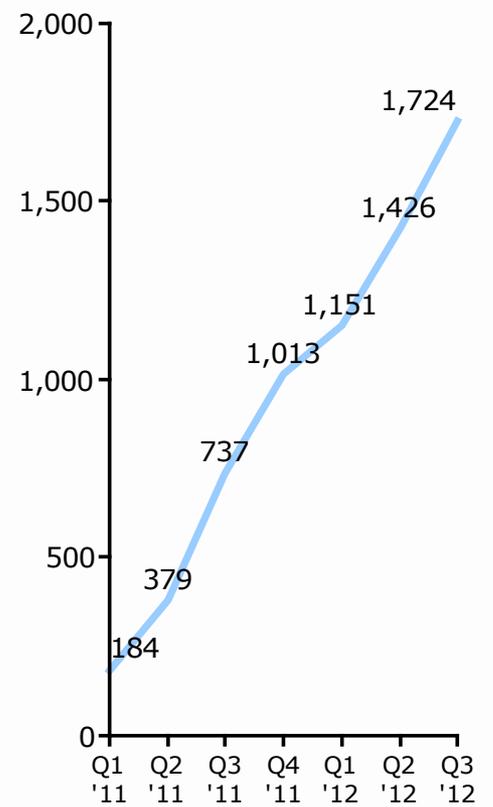
While we have focused on reducing spend, we have also improved productivity/delivery of services in many areas: Transportation & Sustainability



Potholes Filled (Cumulative)



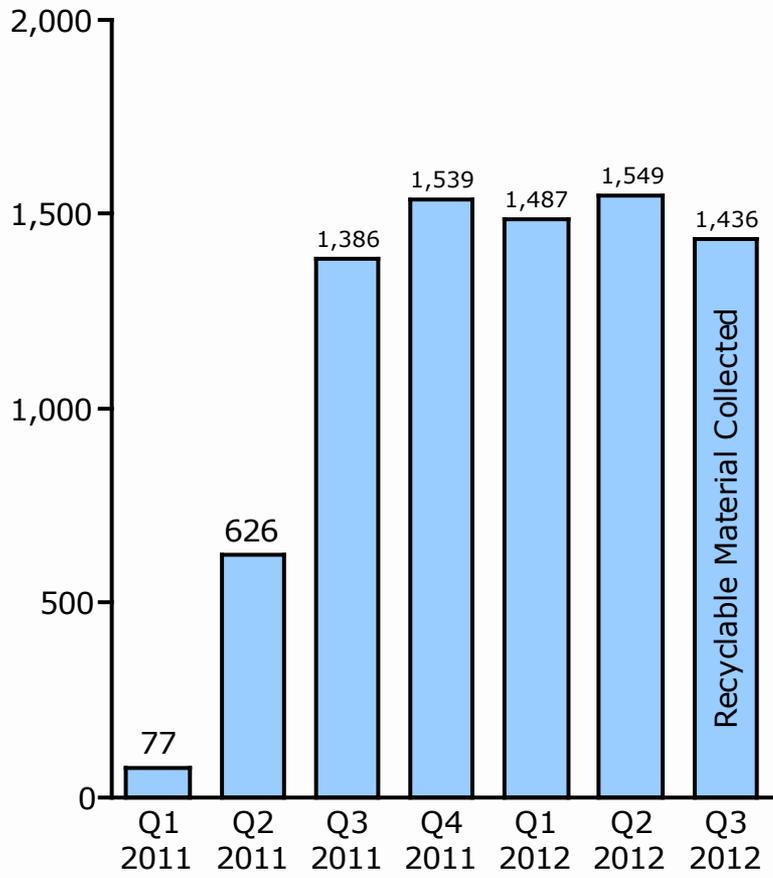
Catch Basins Cleaned



Illegal Dumping Sites Cleared (Cumulative)



We have focused on reducing spending and improving productivity/delivery of services in many areas: Transportation & Sustainability

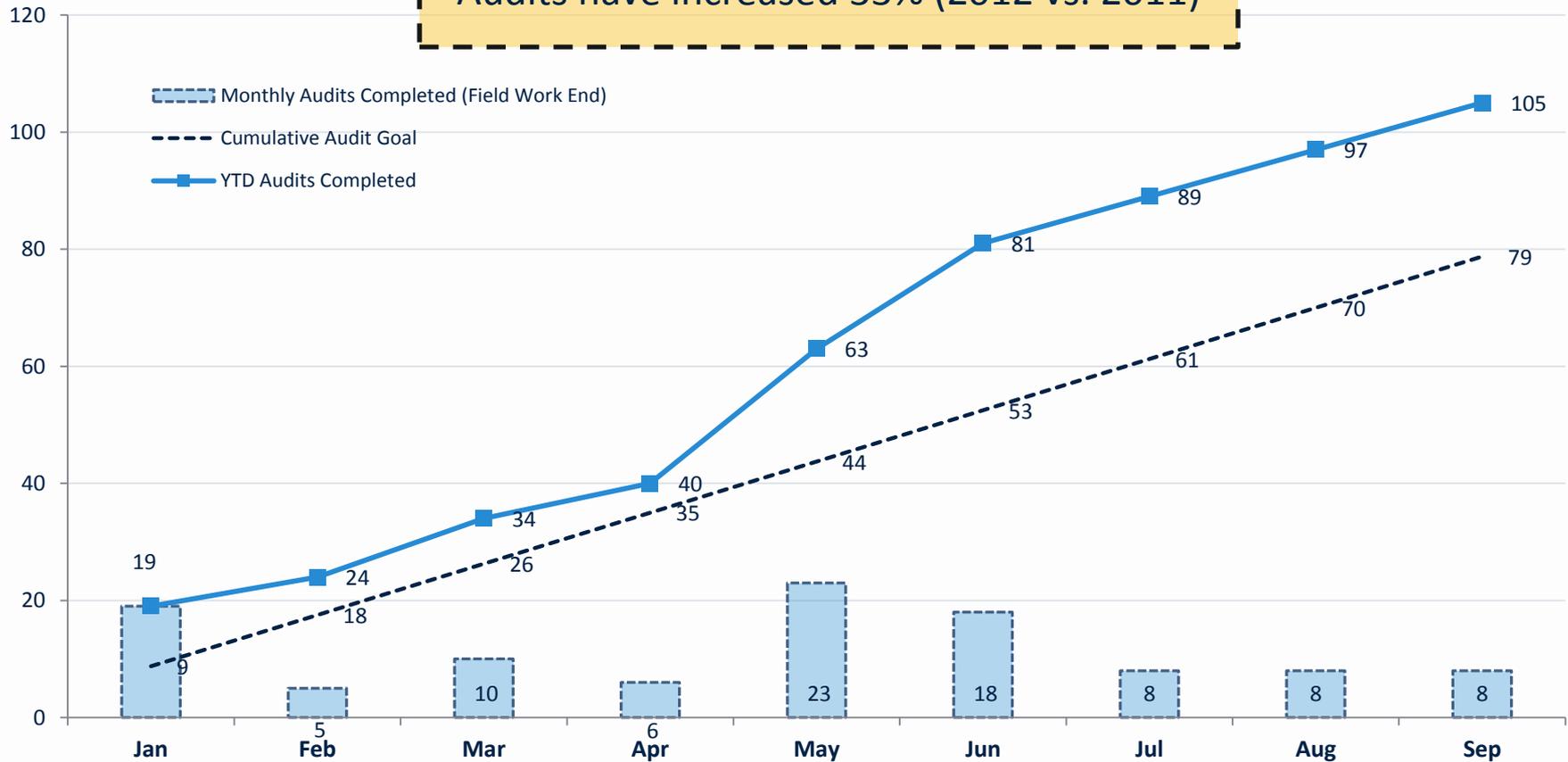


Recyclable Material Collected (Tons)

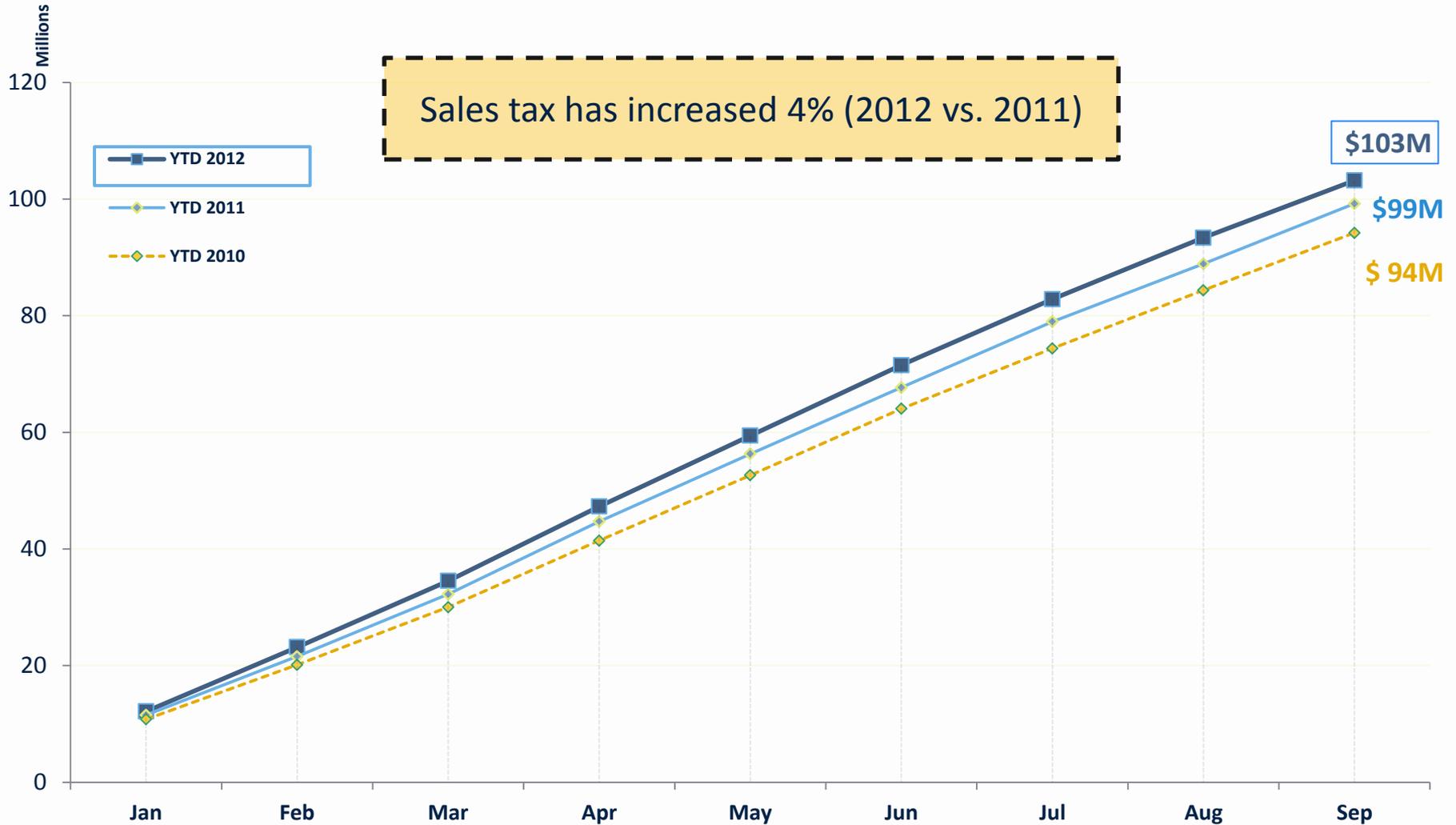


We have focused on reducing spending and improving productivity/delivery of services in many areas: Collections

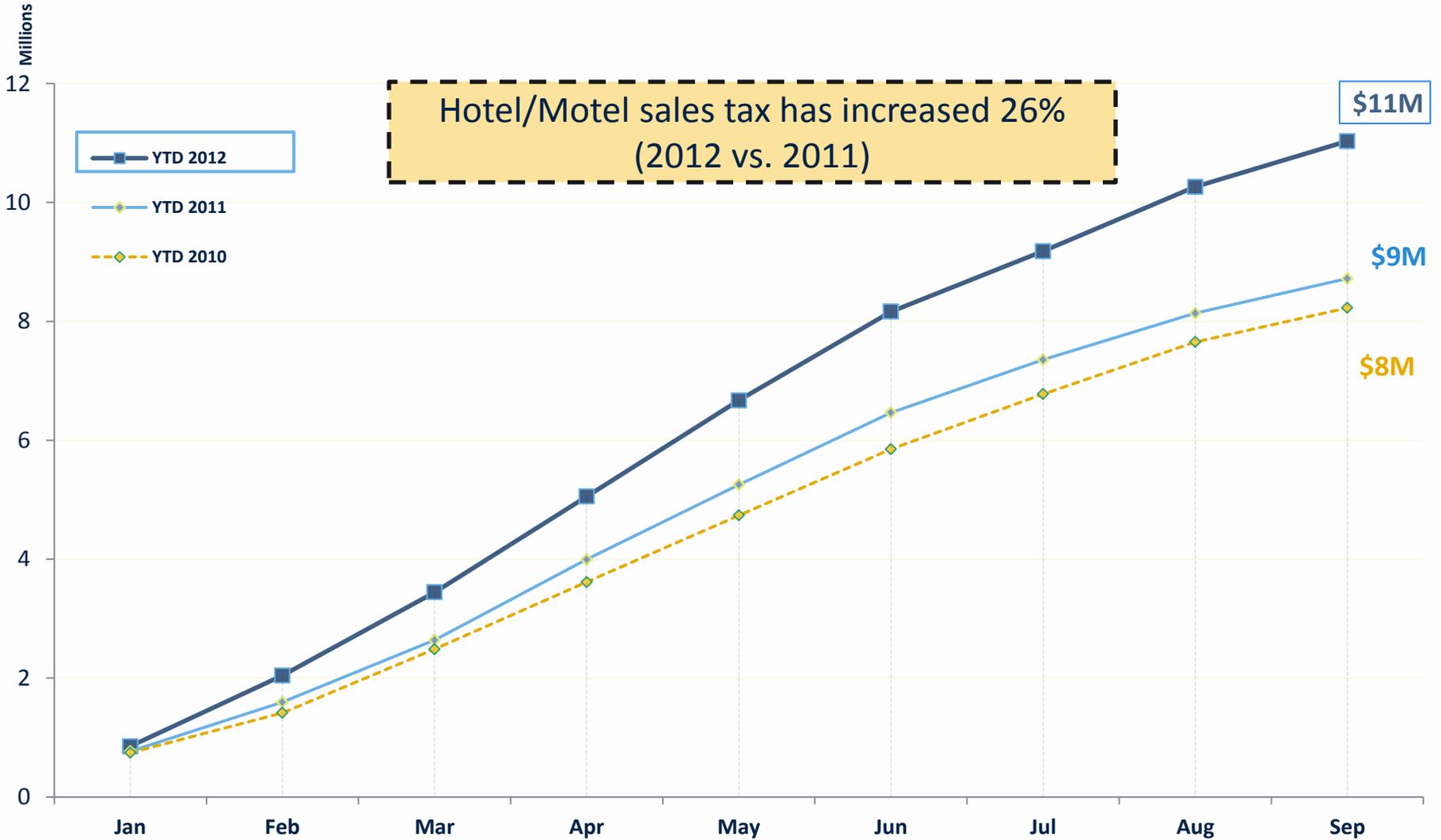
Audits have increased 33% (2012 vs. 2011)



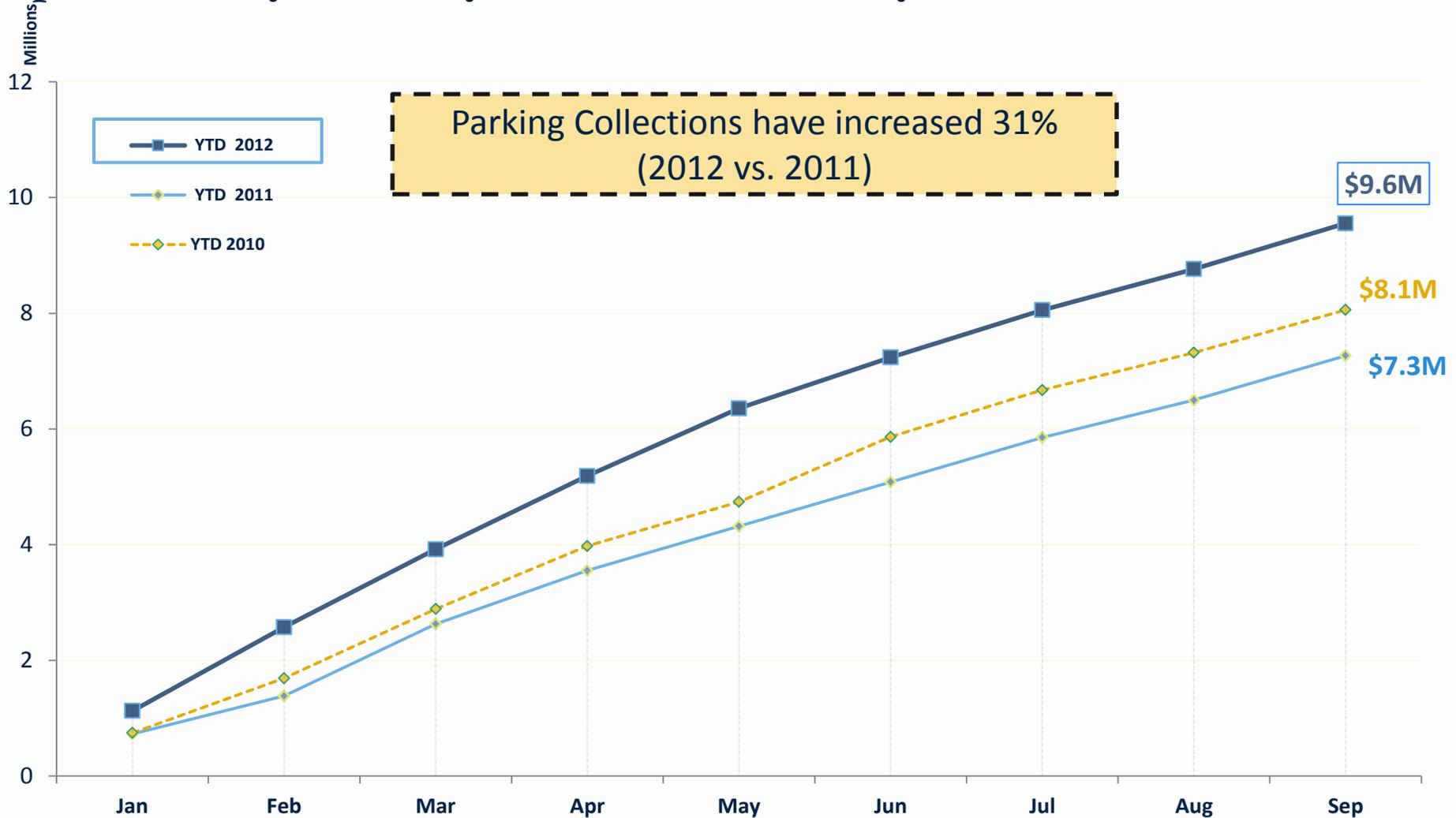
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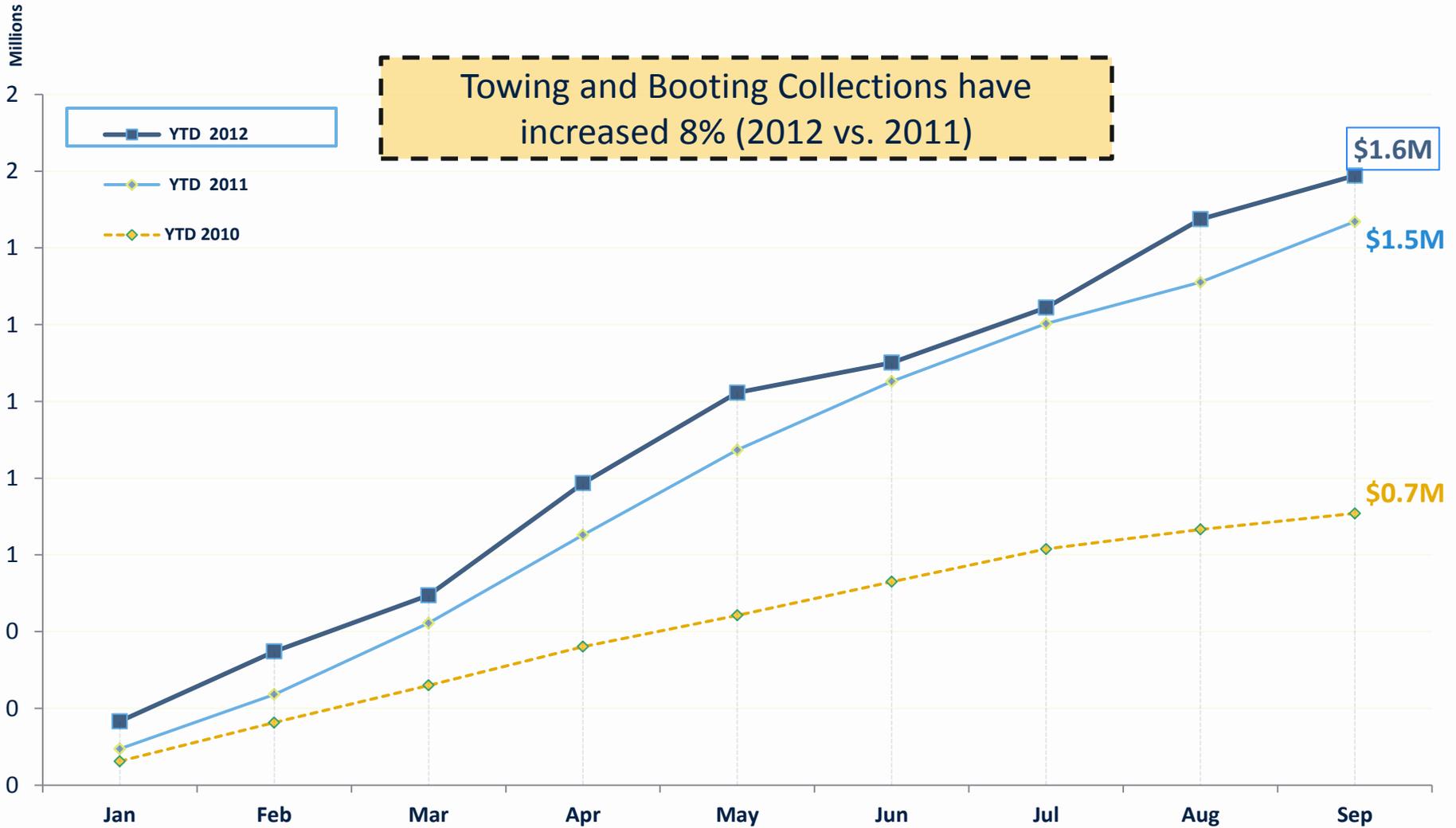
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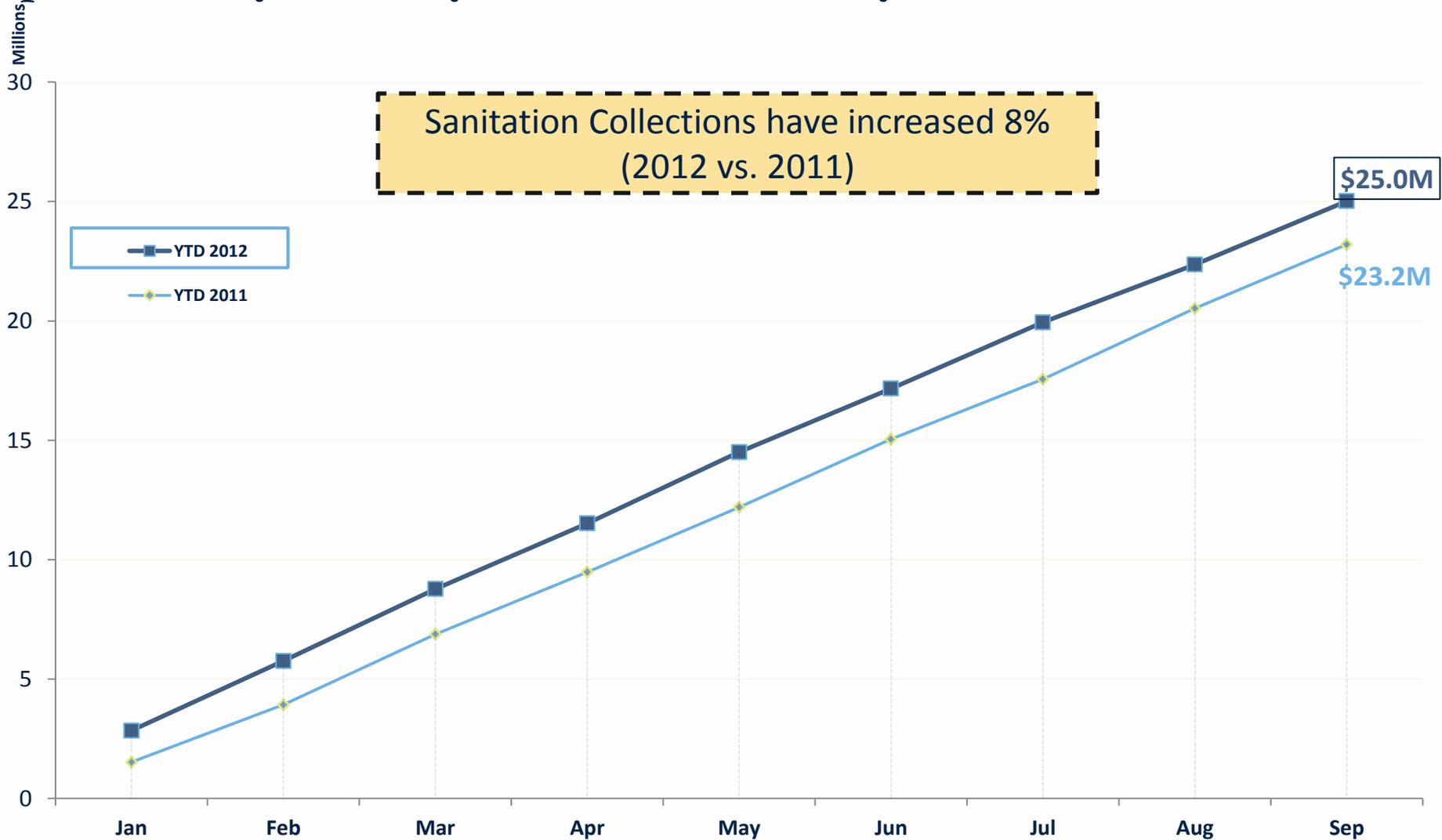
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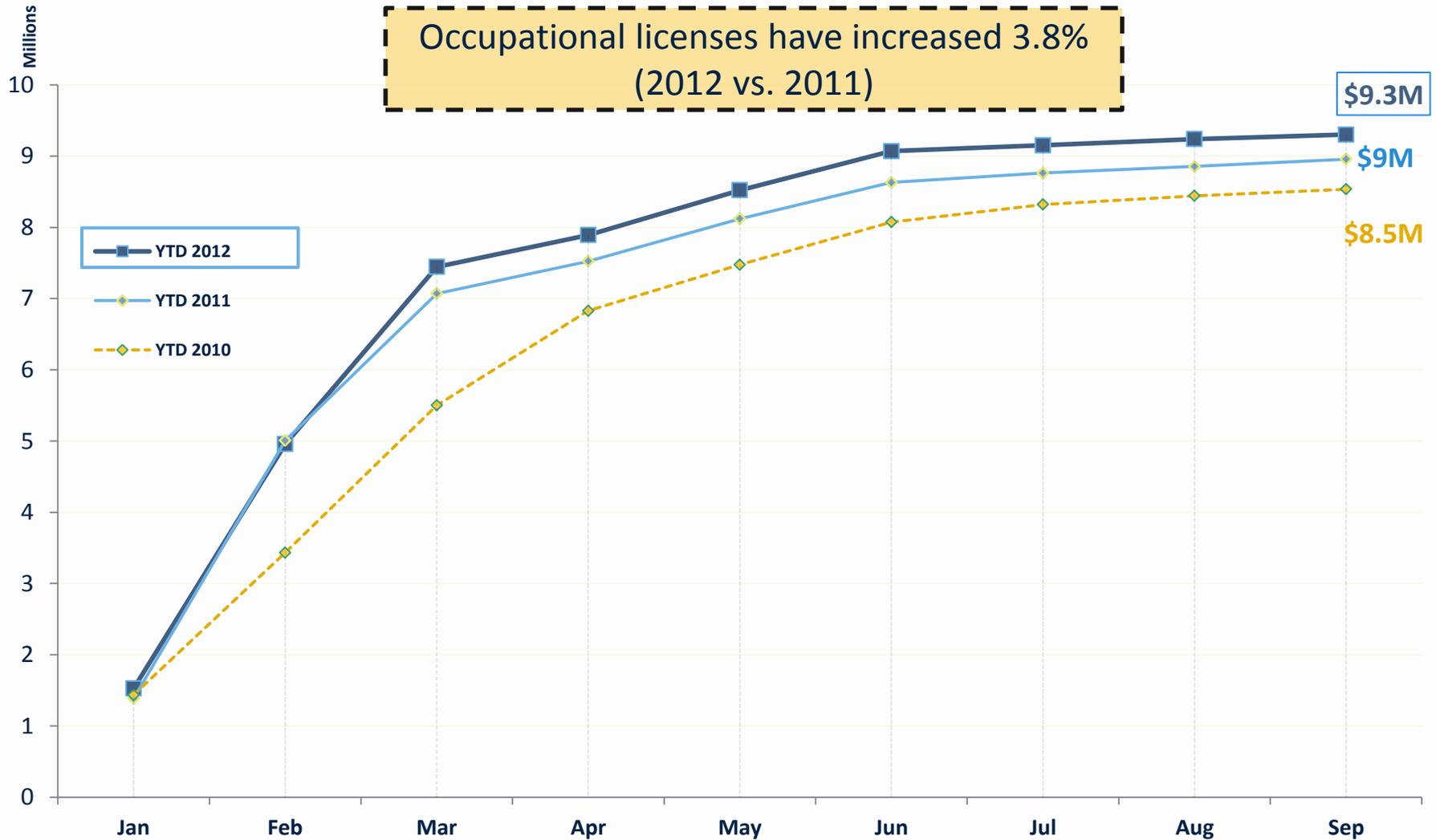
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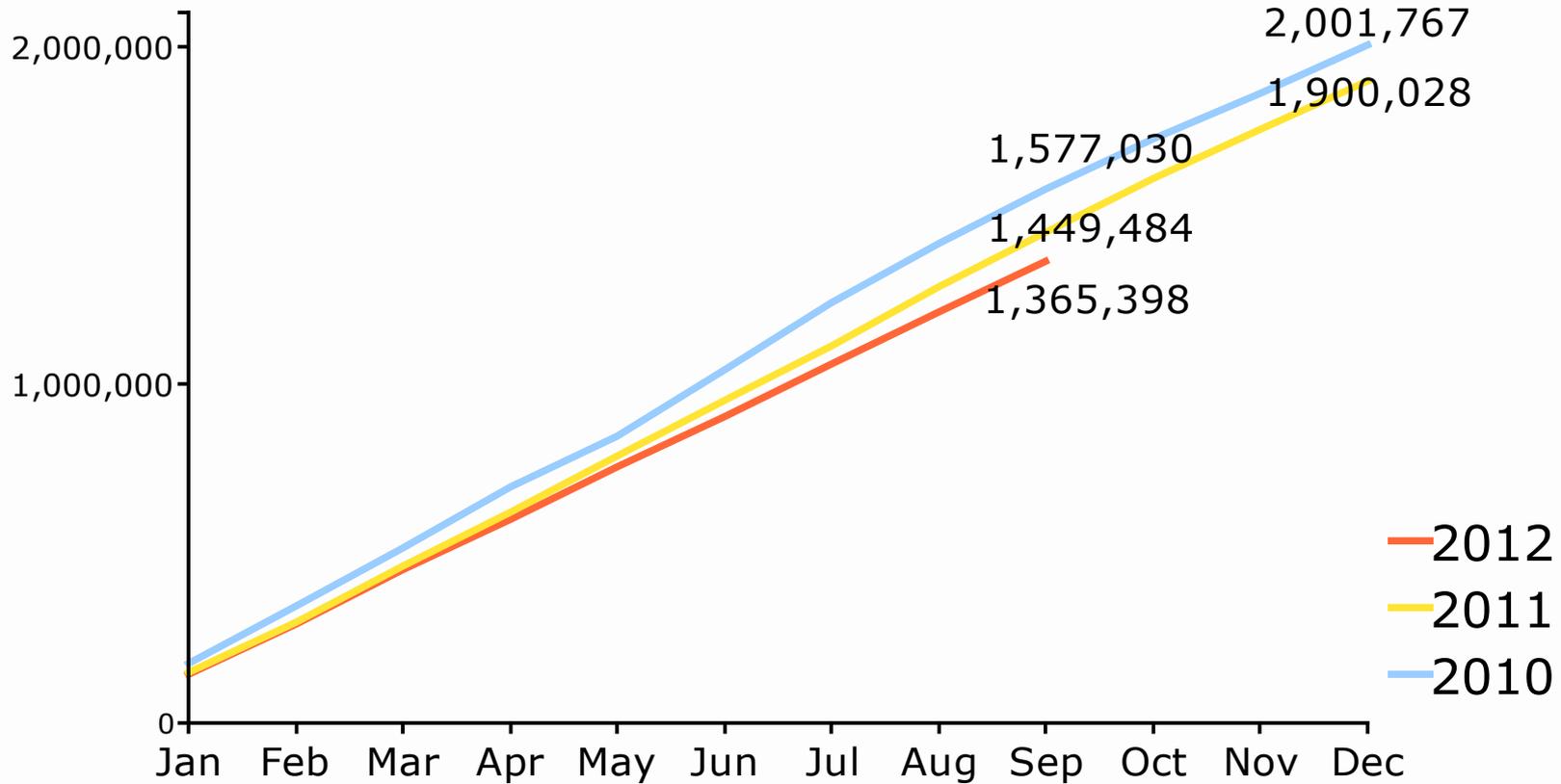
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Fuel Consumption has dropped 13.4% (2010 vs. 2012)



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We are staying true to our strategy of cutting smart, reorganizing and investing – UPDATE

Cut Smart

- Citywide we continue to **reduce the reliance on contractors** for daily operations
- Replaced three quarters of general fund for Capital Projects division with FEMA/CDBG funding
- Transitioned delivery of Dental Care to private sector
- Reduced fuel expenditures
- Reduced debt service
- Eliminate city contribution to LSU Ag Center
- Cut Human Service Department

Reorganize

- Transform Customer Service by implementing **311 and One-Stop-Shop Permitting**
- Address retirement costs for by increasing city and employee contributions and making plan changes (NOMERS and Police)
- Launch new blight fighting initiative with NHIF funds
- Proposing a sustainable streetlight funding solution
- Revise policies to improve sanitation fee collections

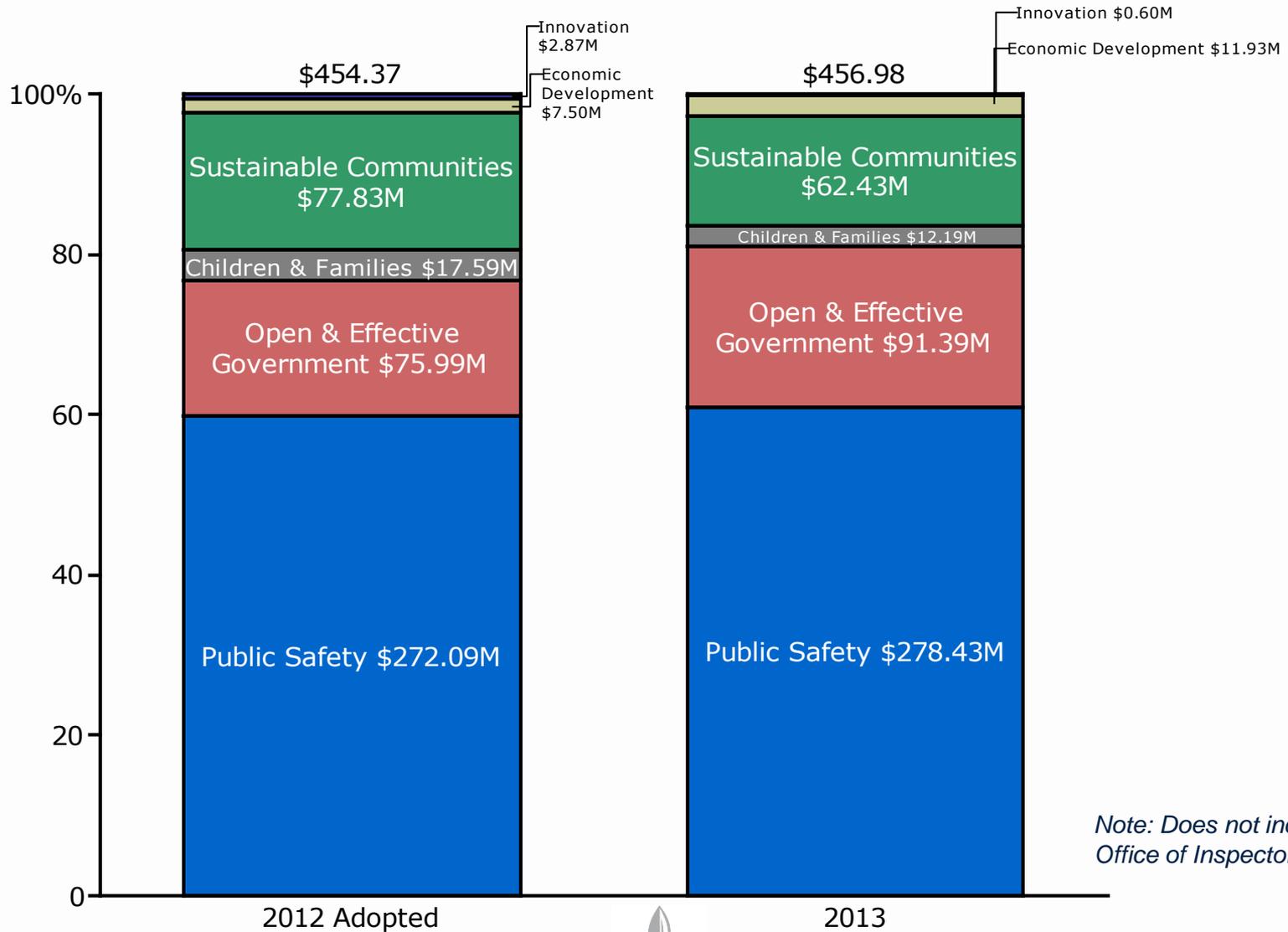
Invest

- Increased appropriations for **Public Safety** depts.
- Investment in **NOPD Consent Decree** (\$7M)
- Invest in new **Police Cars** (\$5M) with FEMA funds
- Continue investments in **performance management and improvement**
- Fully fund **Supplier Diversity** initiative

2013 budget continues many of the investments we initiated in 2012



Proposed budget by Mayoral Priorities



Note: Does not include debt or Office of Inspector General



Proposed budget detail

	2012 Adopted	2013 Proposed	2012 Alloc
City Council	\$9,920,916	\$9,920,916	100.0%
Mayor			
Core	\$9,163,951	\$6,891,293	75.2%
Criminal Justice Coordination	\$395,570	\$324,058	81.9%
Homeland Security	\$1,545,982	\$2,233,237	144.5%
Community Development	\$142,544	\$161,701	113.4%
Chief Administrative Office	\$46,278,021	\$44,510,183	96.2%
Law	\$11,494,633	\$6,368,616	55.4%
Fire	\$83,111,139	\$84,915,565	102.2%
Safety & Permits	\$5,027,675	\$4,714,226	93.8%
Police	\$118,989,231	\$125,684,895	105.6%
Sanitation	\$37,406,673	\$37,209,066	99.5%
Health	\$1,862,741	\$1,629,305	87.5%
EMS	\$10,729,252	\$11,764,158	109.6%
Human Services	\$2,867,122	\$2,379,078	83.0%
Finance	\$11,840,392	\$12,385,711	104.6%
Debt Service	\$38,624,649	\$30,769,059	79.7%
Property Management	\$6,845,297	\$6,656,822	97.2%
Civil Service	\$1,622,784	\$1,469,642	90.6%
Public Works	\$18,079,760	\$15,242,280	84.3%
Parks & Parkways	\$6,508,978	\$6,137,665	94.3%
HDLC	\$638,095	\$638,095	100.0%
VCC	\$344,831	\$344,831	100.0%
Alcoholic Beverage Control Board	\$1,500	\$1,500	100.0%
City Planning Commission	\$1,781,439	\$1,594,135	89.5%
Mosquito and Termite Control	\$2,309,627	\$2,078,511	90.0%
New Orleans Museum of Art	\$167,772	\$151,683	90.4%



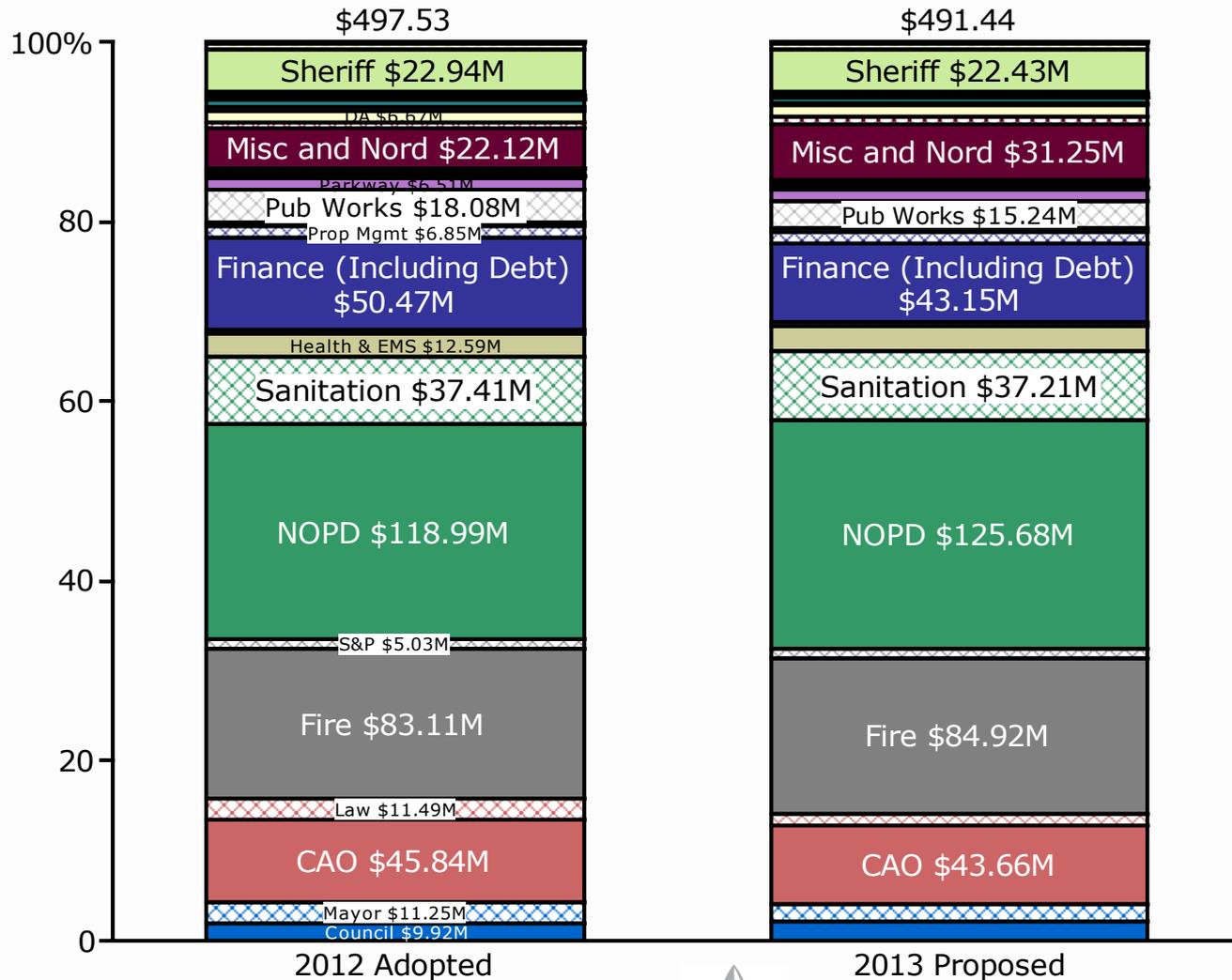
Proposed budget detail

Department	2012 Adopted	2013 Proposed	2012 Alloc
Miscellaneous			
NORDC	\$8,332,795	\$8,333,966	100.0%
Misc. Office of Administration	\$294,559	\$197,812	67.2%
Office of Performance & Accountability	\$536,096	\$469,362	87.6%
Misc. Risk Management	\$0	\$4,286,114	
Misc. Service & Innovation*	\$725,114	\$501,184	69.1%
Hospitalization Section	\$2,243,000	\$0	0.0%
Mayors Summer Youth Program	\$1,130,905	\$900,000	79.6%
Consent Decree	\$0	\$7,000,000	
Special Events	\$98,766	\$98,766	100.0%
Municipal Participation Grants	\$4,641,971	\$4,042,560	87.1%
Regional & National Partnerships	\$187,653	\$247,000	131.6%
Tax Increment Funding	\$3,494,978	\$4,329,727	123.9%
General Services	\$3,668,522	\$3,685,772	100.5%
District Attorney	\$6,666,265	\$6,271,671	94.1%
Coroner's Office	\$1,669,099	\$1,669,099	100.0%
Juvenile Court	\$3,743,800	\$2,615,282	69.9%
First City Court	\$6,000	\$6,000	100.0%
Civil Court	\$14,400	\$14,400	100.0%
Municipal Court	\$2,566,323	\$1,867,343	72.8%
Traffic Court	\$354,356	\$389,640	110.0%
Criminal District Court	\$2,214,832	\$1,526,596	68.9%
Sheriff	\$22,944,000	\$22,434,338	97.8%
Clerk of Criminal District Court	\$3,726,329	\$3,726,329	100.0%
Registrar of Voters	\$407,890	\$383,416	94.0%
Judicial Retirement Fund	\$162,477	\$263,238	162.0%
TOTAL	\$497,530,704	\$491,435,850	98.8%

2012 budget of \$1.15M for S&I inadvertently included ITI personnel. Actual S&I budget for 2012 was \$725,114



In 2013 we propose continuing our investments from 2012



Budget Highlights – Public Safety

- Provide 7M in funding to implement NOPD consent decree

Consent Decree	2013
NOPD Personnel (Consent Decree Administrator, Curriculum Director, HR Manager, Technology Project Manager, Technology Architecture)	\$877,832
Lexipol Policy Development	\$97,950
AVL and Mobile Data Terminal	\$1,297,098
In Car Camera System	\$1,410,000
2 Year Data Storage	\$383,200
Electronic Control Weapons	\$601,220
Digital Audio Recorders	\$32,700
Training Supplies	\$50,000
Police Monitor	\$2,000,000
Citizen Satisfaction Survey	\$250,000
General Fund Total	\$7,000,000

- Secondary Employment Office will be established as an enterprise fund and will be self funded.



Budget Highlights – Public Safety

- Maintain strength of NOPD with 1260 officers, fund promotions for both patrol and management officers, and purchase 100 new police vehicles
- Launch Group Violence Reduction Strategy
- Avoid layoffs at NOFD despite the SAFER grant ending and pension, health care and worker's comp costs rising
- Maintain EMS at full strength due to UPL funding and lease new ambulances
- Place all OEP employees in single budget code in the Mayor's office



Budget Highlights – Public Safety

- Increase total funding for Municipal Court, relying in part on their fund balances and self generated funds
- Reduce funding for Criminal and Juvenile Courts in view of Supreme Court review of workload
- Equal sized reductions in funding for DA and Public Defender
- Modest reduction in funding for the Sheriff based on fewer city inmates; ready to eliminate per diem funding with agreement from Sheriff
- Continued city support for pre-trial services; need for ongoing support from DOJ and external partners
- Maintain strong support for Tulane Towers GED program



Budget Highlights – Open Gov't

- Decrease appropriations to Mayor's office by 25%
- Continue to expand 311 with mobile phone app
- Build on implementation of integrated software platform with the launch of the One Stop Shop for Permitting
- Improve financial stability by outsourcing payroll services
- Improve financial stability by implementing a new IT system for sales tax collection
- Risk Management transferred from Law to CAO
- Investments in management training for all city management employees
- Investments in improving city employee evaluation system



Budget Highlights – Children/Families

- Maintain \$9.5M in total funding for NORD
- Maintain strong funding for Councils on Aging
- Continued transformation of the New Orleans Health Department with population based programs like Fit Nola to address widespread issues like obesity, healthcare access, and violence reduction.
- Construction to begin on New Orleans East Hospital



Budget Highlights – Sust. Communities

- Neighborhood Housing Initiative to fight blight, including the purchase of five new street sweepers
- Code Enforcement fully funded from CDBG
- \$10M from D-CDBG funds invested for Streetlight repairs, or alternative plan to find a permanent source of funding for them
- \$40M bond sale for roads, parks, and city building repairs



Budget Highlights – Econ Dev't

- Implementation of the Costco Reimbursement
- Full funding for NOLA Business Alliance from EDF
- Full funding for Supplier Diversity from EDF
- \$900,000 in general funds for summer jobs, plus a new summer job initiative to get young people involved with our new NHIF blight fighting initiative
- Continued strong commitment to Arts Council and New Orleans Museum of Art
- HDLC and VCC are fully funded
- Nearly \$300,000 secured from D CDBG to more than offset GF reduction to City Planning Commission; leaving them with more resources in 2013 than 2012

