



Mayor Mitchell J. Landrieu Remarks on the 2014 Budget

October 15, 2013

****Prepared Remarks****

Good Morning.

Today, I am happy to present to the City Council and the people of New Orleans my administration's proposed 2014 budget.

Budgeting is not for the faint of heart. Across America, cities of all types and sizes are struggling to balance their books. New Orleans is no exception. But in the last three and a half years we've made the tough decisions/and are headed in the right direction on a more sound financial footing.

Our budget philosophy is grounded in the bedrock belief that government—at all levels—must be lean, fast, efficient, effective, and listen to the people's priorities.

Our strategy is actually pretty simple- cut smart with a scalpel not a hatchet, reorganize how government works so people can get the services they deserve and invest the savings in what matters most.

Our work was cut out for us when in 2010 we inherited a City Hall that was living far, far beyond its means. The city was spending \$5 for every \$4 we took in, or nearly \$100 million more per year than what we could actually afford. Our savings account was emptied and almost \$300 million in loans, spent.

If that wasn't bad enough, poor financial decisions made over the last decade meant that the city was paying a huge amount of interest on its pension bonds. Plus, by early 2013, a lump sum of \$160 million for those bonds was coming due and we simply did not have the money.

In short- the city was nearly insolvent.

Over the last 1,264 days, with grit, determination, a lot of hard work and in close partnership with City Council we have backed away from the precipice and now rest on a much more sure footing.

Starting in 2010, we took the initiative and have made the tough decisions to ensure the future of our city. We cut, cut, cut, and everyone felt the pain- we furloughed every city employees for 11 days, effectively cutting pay across the board by about 10%.

We cut overtime, cut take home cars, cut millions in contracts, froze hiring, shifted retirees from city-funded health insurance to Medicare, and practically eliminated the use of city credit cards.

We closed a \$100 million funding gap. On top of that, each year we've also cut overall spending by \$40 million.

Throughout the last 3 ½ years I've said that we are on the right track and that we need to stay the course. And that is exactly what we have done.

Mayor Mitchell J. Landrieu
Remarks on the 2014 Budget

Going into the 2014 budget here is the bottom line- we cannot spend more than what we have.

We will live within our means, we will balance the budget and invest in our top priorities, but 2014, like 2013, and frankly like 2012 and 2011, is going to be a challenge.

But we've been here before and we know what to do.

First we come to you, the citizens of New Orleans, to hear budget priorities for the coming year. This year you said - more for public safety, more job creation, more recreation, more blight reduction.

We hear you. Today I want to highlight a few of this year's important investments.

Stabilizing and better managing the budget has let us focus resources on our top priority- public safety, fighting crime.

Last year, nationally murder and violent crime was on the rise, but in New Orleans overall crime was down.

Compared to this time last year murder is down 24 percent. We can't let up now.

In this proposed budget, we have protected public safety. Police, Fire, EMS will actually see an increase in their budgets. The District Attorney and the Criminal District Court are fully funded at their 2013 level.

We heard from the community that we need more police officers on the beat. Last year we funded two new recruit classes. This year we go further, fully funding 5 new recruit classes, which will train 150 new officers.

To meet our ramped up NOPD hiring needs, two new positions at the Civil Service Commission will be created to focus on recruitment and finding the best and brightest for the NOPD. Plus, we will invest another \$300,000 in this all-important recruitment effort.

I want to thank The New Orleans Police and Justice Foundation and local public relations firm The Trumpet Group for working pro-bono to help get the word out.

In the fight against crime, the two most powerful weapons we have are strong families and tough, honest police officers.

So, this is my call to those who want to make a difference.

This is my call to our best and our brightest- our bravest.

This is my call to those who want a rewarding career where you can protect and serve the community we love so dearly.

Join the New Orleans Police Department today.

We're giving our officers what they need to be successful. As I've said before, we're not waiting on anyone or anything to reform the NOPD.

100 new police cars will hit the streets before the end of the year, and this budget funds another 100 new cars that will start rolling in 2014.

We funded long overdue promotions for hundreds of good officers working hard, fighting the good fight against crime.

Better training - we've raised the bar - going from 596 hours to over 925 hours of training for each new officer.

More transparency- we are focused on good policing and made it a priority to fund hundreds of body cameras, which in the coming months will start to be worn by police officers in the streets. No more 'he said, she said'. All the facts will be right there, on video.

But the NOPD can't do it alone- so we are ramping up NOLA FOR LIFE- our comprehensive murder reduction strategy which focuses on prevention and helping our young people succeed.

We launched the innovative Ceasefire New Orleans to help mediate conflicts and stop the cycle of violence in Central City. Now, we're going a step further so when someone gets shot and is taken to University Hospital, the new Ceasefire Hospital Crisis Intervention Team is there to work with the victim's family and friends to stop the cycle of violence.

We know this model works.

The Ceasefire target area is the toughest part of Central City. Compared to this time last year, murder in this area is down 43 percent- 200 days and counting- no murders in the target area. Ceasefire is making a big difference. It is saving lives.

NOLA FOR Life is also about enforcement. We have to stop the shooting first. So, we've focused on those wreaking havoc in our streets- we beefed up the homicide unit, gotten smart with more precise hot-spot policing, and took the fight to the gangs, establishing a new Multi-Agency Gang Unit with local, state and federal law enforcement.

We have sent a message through both word and deed.

To those terrorizing our neighborhoods - stop the shooting, put down your gun or else we are coming for you...and all the people you hang with.

NOLA FOR LIFE is about jobs and opportunity. In 2014 we're launching our reentry pilot program, which will mean jobs for at least 100 adult ex-offenders so they can have a chance to earn an honest wage for an honest day's work and stay out of trouble.

We heard - we need jobs.

So this budget prioritizes improving New Orleans' business climate.

To create jobs we're fully funding our economic development efforts including the NOLA Business Alliance and the Office of Supplier Diversity.

The One Stop Shop for permitting is making a big difference- cutting permit wait times in half.

No more running all over City Hall to get paper work in order. It really is only ONE stop.

The result- New Orleans is on a roll. 4,500 new jobs with new private investments from GE Capital, Nike, Gameloft, Goldman Sachs and Bloomberg Philanthropies.

We're the fastest growing major city in America and are in the midst of a retail building boom- Costco, Wal-Marts in the East and Gentilly, Mid-City Market, Fresh Market Uptown, a new Whole Foods on Broad Street, Algiers Plaza, outstanding new stores at Riverwalk including Neiman Marcus, and the historic Circle Food Store will soon again be open for business.

This means you can spend your money right here- in your city.

All of this is possible because we made the tough decisions, got our fiscal house in order, set goals and executed.

We heard you say- we want more recreation for our kids, so in 2011 we doubled NORD's budget. This year we have prioritized NORD again, adding nearly another \$1 million on top of their 2013 budget.

Next year our parks and playgrounds will be booming with activity.

We've already cut the ribbon on scores of NORD projects from Joe Brown Park in the East to Lyons Center in the Irish Channel, Comiskey Park in Mid City to Norwood Thompson Park in Gert Town.

This year's budget will continue our progress with millions more for work on 23 NORD facilities including Norman Playground on the West Bank, Gernon Brown Gym at City Park, Brechtel Memorial Park, Gert Town Community Pool, and the Sanchez Center in lower nine, just to name a few.

We heard from you- fight the blight.

In 2011, I asked 'when was the time to get tough on blight' and I heard resoundingly 'now.'

We've invested millions to reduce blight. We are fixing up or tearing down blight faster here than anywhere else in the country.

We will hit our goal of remediating 10,000 blighted properties by the end of this year.

But we need to keep it up and expand the fight against blight. So this budget invests nearly half million dollars for new inspectors and title research staff so we can fight blight even better.

We cannot rest. The strength of New Orleans is measured by the strength of our neighborhoods, block by block. To keep our neighborhoods strong we must win the fight against blight.

We heard- focus on the basics, fix the roads, fix my streetlights.

In the last 4 years we've met with FEMA 597 times. As a result of those face-to-face negotiations we have secured nearly \$1 billion dollars more to help rebuild our city.

This year, we fixed over 17,000 streetlights and spent over \$250 million dollars to repair 108 miles of streets.

Look around and see the scores of new parks, playgrounds, community centers and libraries coming out of the ground.

Here are just a few highlights of projects finished or getting under way in the last 3 ½ years.

- The 7th District Police Station on Dwyer Road
- New Orleans East Library
- The new fire station in Venetian Isles
- The new fire station in Lower Nine
- Wesley Barrow Stadium in Pontchartrain Park
- Algiers Regional Library on Holiday Drive
- Cita Hubbell Library in old Algiers
- Rosa Keller Library in Broadmoor
- Norman Mayer Library in Gentilly
- Robert E Smith Library in Lakeview
- The new Coroner's Complex, EMS Headquarters and Rosenwald Center in BW Cooper

- St. Roch Market on St. Claude Ave, and St. Roch Park.
- The 5th District NOPD station in St. Claude.
- The incredible Saenger Theatre on Canal Street.
- The UMC Hospital in Mid City.
- The new hospital in New Orleans East
- The beautiful new Loyola Ave Streetcar line is already open and the Rampart Street extension is on the way.

And there is more on the way.

In 2014 another \$65 million in General Obligations Bonds will be sold to fund long promised interior street repairs and park repairs across the city.

Plus, this year's Capital Budget will begin a five year, \$247 million building blitz that will remake the airport and touch every corner of the city.

This is what progress looks like. We are on the right path-- better results, smarter spending, leaner government. We can't turn back now.

But here's the truth- over a dozen departments or entities funded by the city will see cuts.

For nearly four years we've made tough choices and we are always working to do more with less, but in many instances, we will have to do less with less. This is the truth, but it is the reality of what we face.

Everyone needs to understand that although we have come a long way since 2010, we're not nearly out of the woods yet. We can't let down our guard or lose our fiscal discipline.

To understand the perils we must continue to avoid, look no further than our brothers and sisters in Detroit.

Early this year Detroit went bankrupt. This event is unprecedented in our nation's history- and we in New Orleans would do well to learn the hard lessons from Detroit's experience.

In a long postmortem of Detroit's road to financial ruin the Detroit Free Press put their finger on the problem when they said "Detroit is broke, but it didn't have to be... there were ample opportunities when decisive action by city leaders might have fended off bankruptcy."

The good news is that we are not Detroit. New Orleans is in fact on the right path. Together we have been making the tough decisions and sacrifices.

But remember, our success is certainly not a fait accompli.

It took 50 years for Detroit to go bankrupt. 50 years of kicking the can down the road. Our message today- we must continue to take on the hard fights.

Our recent Fitch Agency rating report summed it up best. “Efforts by current management to regain structural budgetary balance have shown gains, but new challenges in the form of jail and police mandated spending and fire pension contributions place additional pressure on operations.”

Pretty simple.

If we are ordered to pay a \$17.5 million judgment to the Fire Pension Board, it will have devastating consequences for our budget. That’s why we need to get serious about reforming the Fire Fighters Pension Board.

In the coming years, to fix the jail and reform the NOPD we must carefully balance funding two consent decrees and citizen priorities – like reducing murder, hiring more police officers, creating jobs, fixing streets, and recreation for our kids, and fighting blight.

For the first time since 2009, this budget results in a positive account balance. But to give more money to the Sheriff, this proposed \$4.25 million savings account would go back down to zero. Anything more would mean even further cuts to our city agencies.

Like me, you all understand that our city’s budget is delicately balanced along the thinnest of margins, and it is a zero sum game. Every dollar spent on firefighter pensions is a dollar we can’t spend to fight the blight. Every dollar that goes to the Sheriff for more prison guards means a dollar less for more police officers to keep our city safe.

If we do not rise to the challenge today and make the tough decisions, generations to come will have to pay the price and face bigger problems.

We need to make hard decisions now, but there is also low hanging fruit. We must act.

Funding more judges or courts than we need robs precious funding for NORD programming.

We need to act on streamlining the criminal justice system.

We must hold the line on tougher enforcement on sanitation fees and tax collection.

We need to face head on our significant infrastructure needs.

None of this is easy or pleasant. But this hard path will lead us to a brighter future.

I want to thank my partners in City Council. While a few misguided members of the House of Representatives have literally brought our federal government to a halt in the last 3 ½ years we have come together to make things happen in this city. This government works.

Hand in hand we have run towards the fire. These are difficult challenges and like we have done so many times before- we will find a way or make one.

We should all hold our heads high for the work we have done. And as we move ever closer to that milestone, our city's 300th Anniversary in 2018, I can say that the future is bright, but we must continue on the road we are on and make the tough decisions to ensure that like us our children will be able to live and thrive in this wonderful city we call home.

Thank you.