



Mayor Mitchell J. Landrieu Remarks on the 2012 Budget

October 17, 2011

*****Prepared Remarks*****

Good Morning.

Since coming into office 534 days ago, I have spoken often of our hopes for New Orleans and our desire to build the city we want to become.

We want to be a safe city, where every resident can get a good-paying job and where every child has access to an excellent public education; and a city whose government is open, honest, and effective.

Now, we're making good progress on all of these fronts. We're on the right track. But to accomplish these goals, we must stay the course.

Across the nation and here in your city, we are in the midst of a fundamental shift in how we do business. Government—at all levels—must get smaller and more efficient but still deliver high-quality services.

Across the country, in nearly every city - big or small, budgets are being slashed and government is being forced to adjust to this new reality – business as usual is simply fiscally unsustainable.

According to the National League of Cities, in the wake of the recession, 90 percent of all cities have significantly slashed spending and services.

In Milwaukee and New York City, teachers are being laid off. In Camden, New Jersey, over 200 police officers and fire fighters may lose their jobs. Dallas is cutting its city workforce by 500 employees.

And every American city including New Orleans is struggling to deal with health care costs and huge unfunded pension obligations that continue to grow every day.

But what added to our budget pressure in New Orleans is that since Katrina, the City has habitually spent more than it took in.

As you know, the budget we inherited, included a \$100 million budget gap. The savings account held zero dollars. Zero. And hundreds of millions in one-time money and federal funding had been spent. Gone.

So in our first six months in office we were called upon to stop the bleeding.

Plug the hole. And we did it. We didn't panic.

We took a steady, balanced approach. We began by cutting aggressively, but smartly-- with a scalpel, not a hatchet.

We succeeded.

We dramatically cut spending by renegotiating contracts – from the largest garbage contracts to the Xerox copy room in the basement of City Hall.

We furloughed all city employees including myself.

We sharply reduced take-home cars and reorganized departments from Health to Code Enforcement.

And at the same time, in my first full fiscal year, we presented a balanced budget.

We worked hard to deliver high quality services based on the priorities the citizens shared with us at community meetings across the city.

We heard the people of this city say, “Rebuild NORD to give our kids more recreational and job opportunities.”

So we doubled funding for NORD and JOB1.

As a result, we had a record-breaking summer with over 4000 kids registering for summer camp; shattering the 2009 numbers by 140 percent, meaning that nearly 2500 more kids were off the streets, doing something productive with their free time.

For the first time ever, we had 7 teen camps available. Plus, throughout the summer and fall everyone had a great time at our new Movies in Parks events being held throughout the city.

Those are great results.

Last year, we heard, “We need more and better jobs” so we started a public private partnership – the NOLA Business Alliance.

Since taking office, we have helped generate **over 2,000 new jobs**, including Blade Dynamics, Folgers, the Hyatt, TCI, and a new pedicab industry.

We’re attracting retail from Costco on South Carrollton to Fresh Market on St. Charles to Wal-Mart in Gentilly.

And we also launched a robust Office of Supplier Diversity so that the people of New Orleans are the ones rebuilding New Orleans and so that our traditionally disadvantaged businesses are at the table for the billions of investments going on right now.

Last year, we heard, “fix our streets.” So, citywide we’ve filled over 46,000 potholes, repaired over 10,000 streetlights, and cleaned over 1000 catch basins.

Last year, when I asked, ‘when is the day to get aggressive about blight,’ you told us “now!” So we invested an unprecedented \$16 million in the fight against blight.

Our efforts have paid off. In 2009, the City demolished 107 properties. In 2011, we have demolished over 1600 blighted units and we're moving over 1000 properties into sheriff sale auctions.

People across the city said get serious about enforcement, particularly establishments that serve alcohol.

So we got on it. In 2009, the City only prosecuted 32 cases for ABO violations. This year, we are initiating over 200 cases.

In 2011, in addition to reducing the cost of our sanitation contracts, we also added recycling because that's what the people asked for.

And today, nearly 30,000 households are going green.

We're taking on tax cheats and are making sure everyone is paying their share. We hired more auditors and collectors in 2011.

As a result, we are up in sale tax collections, hotel/motel collections and in fees for occupational licenses.

Overall, we are focused on quality of life and doing the little things right.

This is why we have launched an aggressive anti-bandit sign initiative to clear up the illegal signs dotting streets, sidewalks and neutral ground.

Over 15,623 of these eye sores have been removed.

Since January we trimmed 3000 trees, removed 12,300 tires from abandoned lots, and cleared 745 illegal dumping sites.

We did good work this past year and got on the right track.

And now that we are on the right track.

Now that we have a structurally sound budget that invests in citizen priorities.

Now that we are moving in the right direction - we have to stay the course.

There is a lot of very hard work for all of us to do.

Using a common-sense approach of cutting smart, reorganizing, and investing in the future, we are once again proposing a balanced budget that funds the same priorities we all share.

Our commitment to public safety remains strong.

Our focus on job creation is steady.

Our efforts to rid the city of blight continue.

Our commitment to NORD stays robust. And the work to fix the basics- our streets and street lights - goes on.

We are staying the course.

Within the framework of this budget, we will continue to give the taxpayers of this city a better value for their hard earned money.

For too long, the people of this city paid too much and got too little.

What does valued-added mean? What does it look like?

Let's look at blight again. We heard from the people of this city that blight was a priority. So we set an ambitious goal of eliminating 10,000 blighted properties in three years.

We established a way to manage our performance called BlightStat.

Every two weeks, all of the managers and city workers that have anything to do with blight get in the same room and work together.

We look at our data. We ask questions. We talk through the issues. And we listen to neighbors.

In 2010, when we came in, city blight inspectors conducted only 200 inspections every two weeks.

Now with our new system, BlightStat, we conducted about 1000 inspections every two weeks.

Same people. Same inspectors. Working smarter and faster, producing 5 times more inspections and getting better results.

All because we made it a priority, set a goal and asked the right questions.

That's called getting a better value.
And we're doing it across departments and priorities.

But we still have work to do.

Once again, over the past few months we held seven public budget meetings in every council district and asked the citizens to tell us what they want.

The turnout was great.

We spent hours listening to your concerns and suggestions. And once again, we heard you New Orleans.

That's why this year's budget makes strategic cuts and invests in your priorities to make government better. In times like these, it is so important to invest in what really matters. We will invest in the public's priorities.

Public safety is tops among them. We must invest in public safety because without safety there is no freedom.

So we have increased the percentage of our budget dedicated to public safety because that is our number one priority.

In this budget, Police is funded at a robust force of 1353 sworn officers, which means that we will have more officers per capita than many other cities.

This means that while many other departments across the country are having to layoff police, this budget includes no layoffs for NOPD.

And this budget funds a new class of 30 recruits that will start their training in January, including using our \$2.7 million COPS grant which allows us to increase the number of homicide detectives we have in the force.

The District Attorney's proposed allocation is maintained.

We're budgeting more for the coroner. We're adding funding for a pretrial services program.

And we will once again use general fund dollars to supplement the work of the public defender so that our criminal justice system is able to continue to operate at full speed.

The public once again said that recreation is a priority.

We must invest in our kids or else this City has no future. So NORDC will once again get \$10 million to provide meaningful opportunities for our kids.

And we are doubling down on our efforts to fight blight. Thanks to our work with FEMA, they have dedicated \$23 million more for demolitions and deconstruction of dangerous blight that was flooded in Katrina.

We'll continue to expand our lot maintenance pilot program, which is employing 12 local residents in the Lower 9th Ward to cut overgrown lots.

And there's funding to keep up our aggressive use of code lien foreclosures, where we are seeing great results.

In total, we have more than ever to fight blight in 2012. This will keep us on pace to reduce blight by 10,000 properties by 2014.

But it's not all good news; we have major long term outstanding liabilities. Consider this - for every dollar in the city budget, we spend over a quarter on pension, healthcare and debt payments.

And these cost pressures continue to rise each year.

Because of skyrocketing healthcare costs and growing pension obligations—particularly the firefighters pension fund, many departments will be budgeted with less in our proposal.

What does that mean?

We will reduce spending for nearly every other agency and department. Everyone will feel the pinch including the Mayor's office.

We will do this strategically and believe we can do so without massive layoffs or furloughs.

In keeping with our balanced approach, we will continue to reorganize government to make it leaner and more effective.

This past year, our health department saved resources by transitioning out of the direct primary healthcare business. Instead, our partners who run the network of community clinics now provide accessible, quality, and affordable care. In 2012, we will continue the transition by phasing out dental care.

In the last two years, we've been able to cut the Health Department's budget nearly in half, while at the same time transforming the department into a best practice that can tackle the pressing public health problems of the day, from childhood obesity to mental health and to violence.

Additionally, we will co-locate the staffs of two very similar commissions who share a commitment to the preservation of city's great character – the Historic District Landmark Commission and the Vieux Carre Commission.

They'll be located with the City Planning Commission.

Having the staffs in the same place—administration, architects, urban planners, zoning specialists, and inspectors—will help streamline similar operations and provide the taxpayers with a far greater value.

But in 2012 we will go even further reorganizing the city's cumbersome permit process to institute one-stop-shop permitting. It's a simple concept.

If you need any permit, there is no confusion.

Just one office, one person, one set of rules, one stop.
It hasn't cost a lot of money to implement, but will do wonders.

We'll launch it in early 2012.

Our balanced approach calls for us to cut, to reorganize, and to invest.

So while we've cut and reorganized, we've also been aggressive in competing for and winning an unprecedented \$67 million in federal and philanthropic funds.

With our strategic match fund in 2012, we hope to bring in even more.

We also have to invest in roads and infrastructure, so also today we will present to the council a capital budget with over \$286 million to be used for rebuilding this great city in 2012.

Because of our work with FEMA, in the last year, we have increased federal funding for projects and streets by over \$200 million.

In 2012 we are budgeted to move forward on dozens of public facilities like Allie Mae Williams Multi Service Center in Central City; over \$6 million for playgrounds across the city, Fire Engines in New Orleans East, Gentilly and the 7th Ward, and the multiple police stations will get improvements. This is on top of our already large number of on-going improvement projects like Harrell Center in Hollygrove, Robert Smith Library in Lakeview, Rosenwald Center in Central City, St. Roch Market, Stallings St. Claude Center, the Milne Boys Home in Gentilly, Westley Barrow Stadium, Joe W. Brown Memorial Park, New Orleans East Regional Library, the Sanchez Center in Lower 9, and Algiers Regional Library and streets across the city.

Now, this year, like cities all over the country, we face new, even more daunting challenges, but we will continue our momentum and we will stay the course.

Thank you.