

2017 Budget Proposal

City of New Orleans

October 17, 2016



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I. Background

Landrieu Administration Budget History

Fiscally responsible budgeting each year to restore City's finances and build a fund balance

- Focused on eliminating \$97M structural deficit and closely monitoring the budget
- Grew revenue over the past 6 years due to increasing property values, attracting more retail, and improving collections
- Invested in the priorities of New Orleanians:
 - Public safety
 - Economic opportunity and job creation
 - Infrastructure – streets, streetlights, sewer and water construction
 - Opportunities for our kids
 - Affordable housing and quality of life
- Built a stable fund balance with revenues over the past 6 years
- Liabilities remain: OPSO consent decree demands

Fiscal responsibility has resulted in the City's highest-ever credit rating and new confidence in the City



2017 Budget Approach

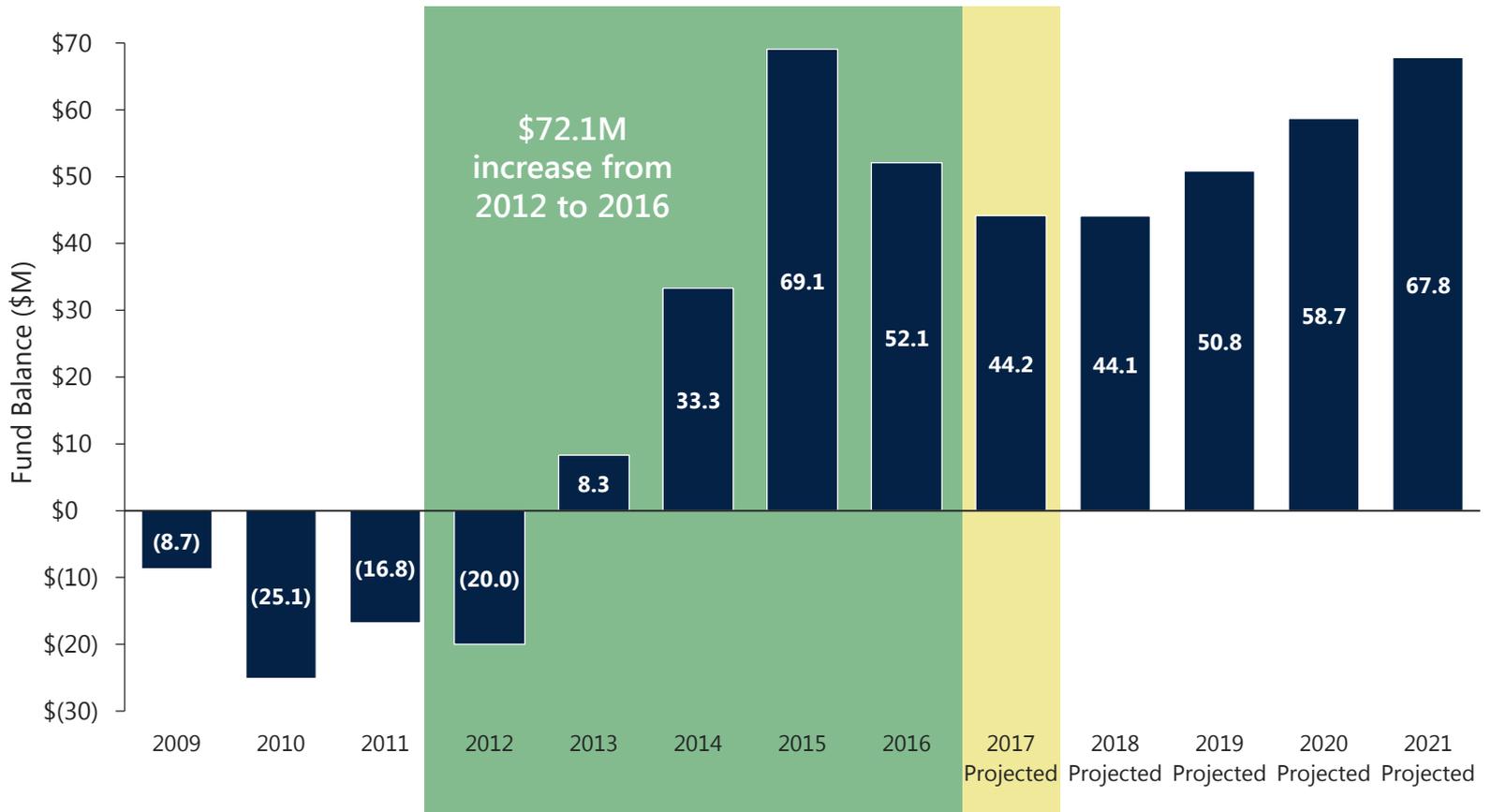
Prioritize basic services and quality of life

- Spend on priorities:
 - Public Safety
 - Infrastructure
 - Quality of Life
 - Job Creation
 - Affordable Housing
- Given always present looming liabilities, this budget cuts administrative departments by 3-5%:
 - Mayor’s Office
 - CAO’s Office
 - Law Department
- Resources will be used on operational departments including:
 - Department of Public Works
 - Police Department
 - Fire Department
 - Emergency Medical Services
 - Parks & Parkways
 - Property Management
 - Department of Sanitation
 - Office of Community Development
- Limiting use of the fund balance in order to maintain excellent credit rating



2017 Fund Balance

City eliminated the fund deficit in 2013 and continues to develop a strong reserve



Major Obligations Expected in 2017

2017 presents new budgetary challenges requiring additional funding

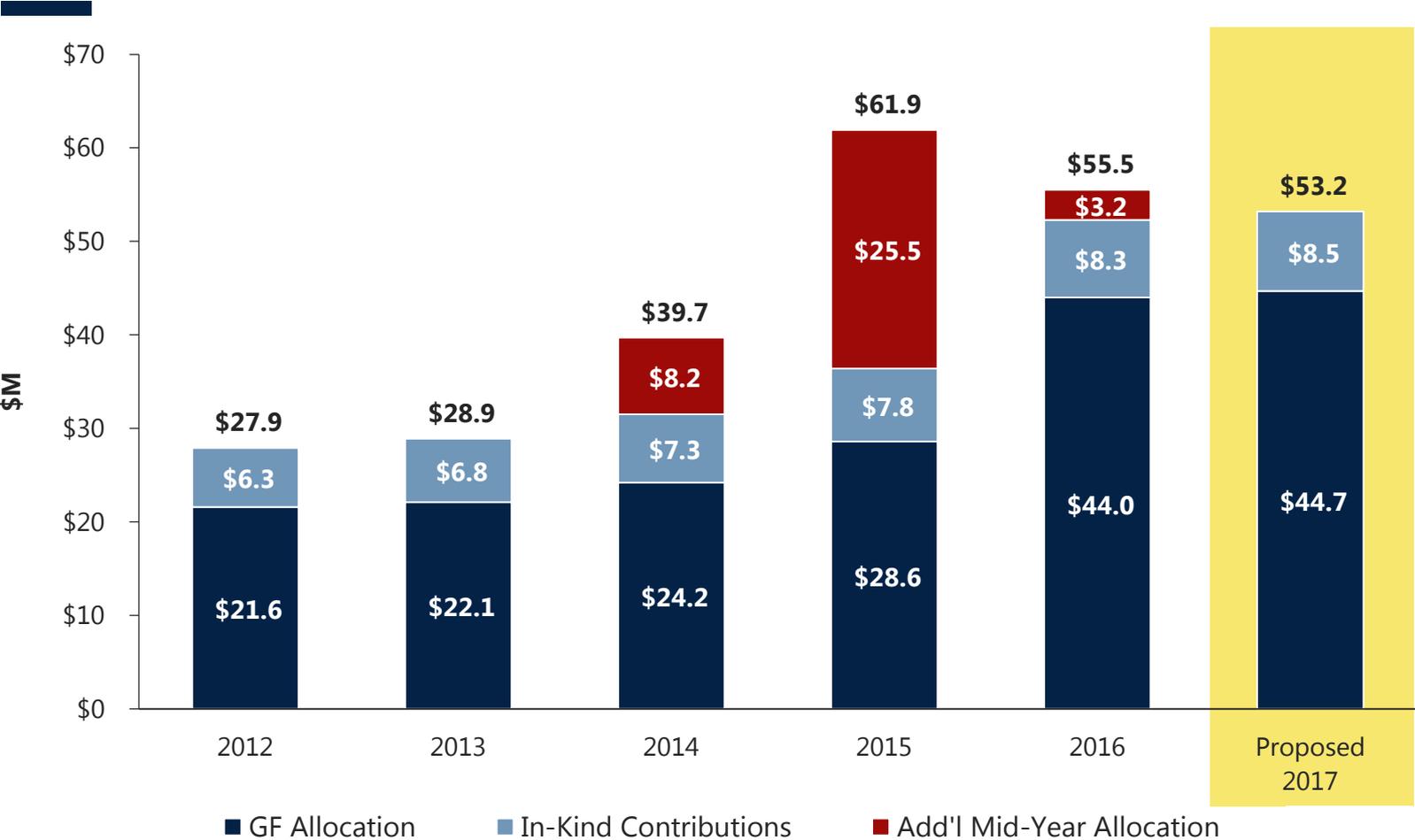
Despite additional revenues anticipated for 2017, demands on the City's funds are constraining the ability to fully fund everything the City needs

- **OPSO** consent decree requirements
- Increased funding to continue to grow **NOPD**, fulfill consent decree, and steady funding for NOLA for Life
- **NOFD** pension
- **Courts** funded by City general fund
- **Criminal Court** due to state cuts for City obligations
- **Public Defender, DA, and other Courts** due to state budget cuts
- Continued cuts to **federal grants** (HOME & CDBG)
- Recurring funding for **street maintenance and streetlights**
- Operational costs of new **NORDC facilities**
- **Judgments**



Orleans Parish Sheriff's Office

OPSO's 2017 funding holds steady at \$44.7M with an additional \$8.5M in in-kind contributions



Orleans Parish Sheriff's Office (cont'd)

City expects newly appointed OPSO Compliance Director to achieve cost savings

Court Mandated Timeline

After 60 days	Finalize a capital plan that addresses housing for mental health inmates and youthful offenders and docks
After 90 days	Finalize a compliance plan that achieves consent decree requirements
After 120 days	Develop a new budget for fiscally responsible jail operations



II. 2017 Revenue Growth

2016 to 2017 Projected Revenue Changes

\$5.1M projected general fund revenue increase in 2017

Revenue Source	2017 Projected	Change from 2016	Value (\$)
Fines & Forfeitures	\$46.1M	↑	+ \$7.8M
Sales Tax	\$214.2M	↑	+\$6.5M
Property Tax	\$133.5M	↑	+4.2M
Licenses & Permits	\$62.0M	↑	+\$288K
Non-Recurring Revenues	\$12.4M	↓	\$(17.9)M
Other GF Revenues	\$25.3M	↑	+\$4.2M
Total			+5.1M



New Revenue in 2017

Pursuing new recurring and non-recurring revenue to replace 2016 one-time sources

Recurring New Revenue in 2017

- \$8.0M from Expansion of Traffic Safety Enforcement Program
- \$1.0M from Superdome Sales Tax
- \$1.5M High Alcoholic Content License Tax

Non-Recurring New Revenue in 2017

- \$4.9M Fund Balance for OPSO & NOPD consent decree costs
- \$3.0M BP for DPW to replace 2016 Urban Development Action Grants (UDAG)



III. 2017 Budget Proposal

Proposed General Fund Budget Detail

Department	2016 Current Adopted	2017 Proposed
City Council	\$ 10,234,610	\$ 9,722,880
Mayor	12,290,512	12,851,986
<i>Core</i>	6,998,537	6,839,973
<i>Criminal Justice Coordination</i>	2,378,106	2,514,201
<i>Homeland Security</i>	2,625,192	3,223,670
<i>Office of Community Development</i>	176,115	167,309
<i>Office of Resilience & Sustainability</i>	112,562	106,933
Chief Administrative Office	42,059,412	40,183,562
Law	6,168,711	5,985,275
Fire	100,713,732	110,687,212
Safety & Permits	5,624,553	6,024,553
Police	141,222,752	149,443,448
Sanitation	41,545,329	37,705,638



Proposed General Fund Budget Detail (cont'd)

Department	2016 Current Adopted	2017 Proposed
Health	\$ 15,900,839	\$ 16,600,839
Human Services	2,767,396	3,267,396
Finance (ex. Debt Service)	17,363,800	16,070,041
<i>Debt Service</i>	28,766,035	32,053,904
Property Management	7,462,351	7,892,351
Civil Service	2,172,353	2,400,000
Public Works	28,144,363	32,543,485
Parks and Parkways	8,403,613	8,892,114
HDLC	884,755	944,755
Vieux Carre Commission (VCC)	420,131	420,131
Alcoholic Beverage Control Board	1,500	1,500
City Planning Commission	1,996,348	1,996,348
Mosquito and Termite Control *	2,578,507	2,328,407
New Orleans Museum of Art	128,931	128,931
Miscellaneous	37,737,713	38,984,296

* 2016 Current Adopted reflects \$500,000 one-time emergency funding for Zika.



Proposed General Fund Budget Detail (cont'd)

Department	2016 Current Adopted	2017 Proposed
Office of Inspector General ****	\$ 4,841,414	\$ 4,928,809
District Attorney	6,678,029	6,678,029
Coroner's Office	2,379,370	2,379,370
Juvenile Court	2,644,642	2,740,642
First City Court	6,000	6,000
Civil Court	14,400	14,400
Municipal Court	3,404,151	3,404,151
Traffic Court	4,451,897	4,451,897
Criminal District Court	2,621,180	3,090,121
Sheriff	47,196,398	44,702,778
Clerk of Criminal District Court	3,726,330	3,726,330
Registrar of Voters	371,945	371,945
Judicial Retirement Fund	354,000	364,000
Subtotal	\$ 593,278,002	\$ 613,987,524
Fire Settelement from Law	15,000,000	
Total	\$ 608,278,002	



Result Area: Public Safety & Emergency Preparedness



- Additional \$8M in 2017 for hiring and overtime
- Aggressively recruiting new, qualified candidates with the recruitment campaign
- Additional funding for crime analysts, recruitment staff, and crime scene technicians



Result Area: Public Safety & Emergency Preparedness (cont'd)



Steady funding for NOLA for Life Murder Reduction Strategy



Result Area: Public Safety & Emergency Preparedness (cont'd)

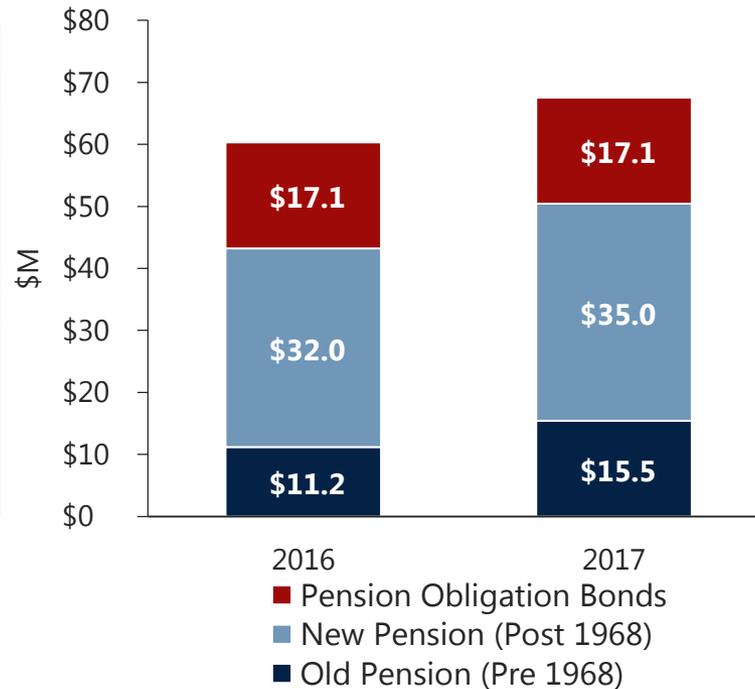
NOPD Consent Decree

Purpose	Amount
NOPD/ITI Personnel	\$1,128,539
NOPD Recruitment	\$500,000
Early Warning System (Maintenance)	\$848,006
Early Warning System technical support, compliance & audit, application mgmt.	\$1,400,000
Policy Development	\$67,950
AVL/Mobile Data Terminal (In car Computer System)	\$68,000
In Car Camera System	\$32,000
On-Body Cameras	\$456,582
2 Year Data Storage	\$115,000
Electronic Control Weapons (replacement/repair)	\$703,245
Digital Audio Recorders	\$1,200
Training/Supplies	\$8,700
Police Monitor	\$2,125,000
Citizen Satisfaction Survey	\$100,000
Total	\$7,554,222



Result Area: Public Safety & Emergency Preparedness (cont'd)

New Orleans Fire Department (NOFD)



New Orleans Fire Department's budget increased to fulfill landmark pension settlement



Result Area: Public Safety & Emergency Preparedness (cont'd)



Emergency Medical Services funding increase to improve response time



Result Area: Economic Development & Opportunity



- Economic Opportunity Strategy and Workforce Development
- Promoting cultural economy
- Office of Supplier Diversity fully funded to meet and exceed DBE goals
- Continuing to support the NOLA Business Alliance with \$1.5M to attract jobs and retail



Result Area: Sustainable & Resilient Communities

- Fixing Our Streets by:
 - \$3M to fill 50,000 potholes and clean 4,500 catch basins
 - \$3M in one-time funding to address the backlog of drainage point repairs to reduce street flooding
 - \$3M for ensuring streetlights are well maintained
- Enhancing Public Spaces by:
 - Additional funding for Parks and Parkways and Sanitation Services
 - New funding to manage and operate the Lafitte Greenway
- Reducing Blight by:
 - Stabilizing Code Enforcement budget through the Neighborhood Revitalization Fund
 - Funding Lot Maintenance Program to clean, cut, and clear blighted properties
- Office of Resilience and Sustainability
 - Provide policy leadership around climate action, urban water management, coastal zone management, environmental quality, and urban mobility
 - Coordinate the implementation of Resilient New Orleans Strategy



Result Area: Sustainable & Resilient Communities (cont'd)

Affordable housing initiatives for 2017

Affordable Housing Funding

- Programs total nearly \$17M in investments in affordable housing in order to:
 - Support low income renters and existing and new homeowners
 - Provide low barrier shelter and additional support for the homeless
 - Maintain elderly, persons with disabilities, and persons living with HIV/AIDS renters and homeowners

Neighborhood Housing Improvement Fund (NHIF)

- Working to improve housing conditions and neighborhood stability by:
 - Eliminating blight via remediation and rehabilitation
 - Providing financing and other assistance for homeownership opportunities for families and individuals in existing structures

NHIF Proposed Uses for 2017

Code Enforcement

Advocacy Center

Special Needs Home Repair Program

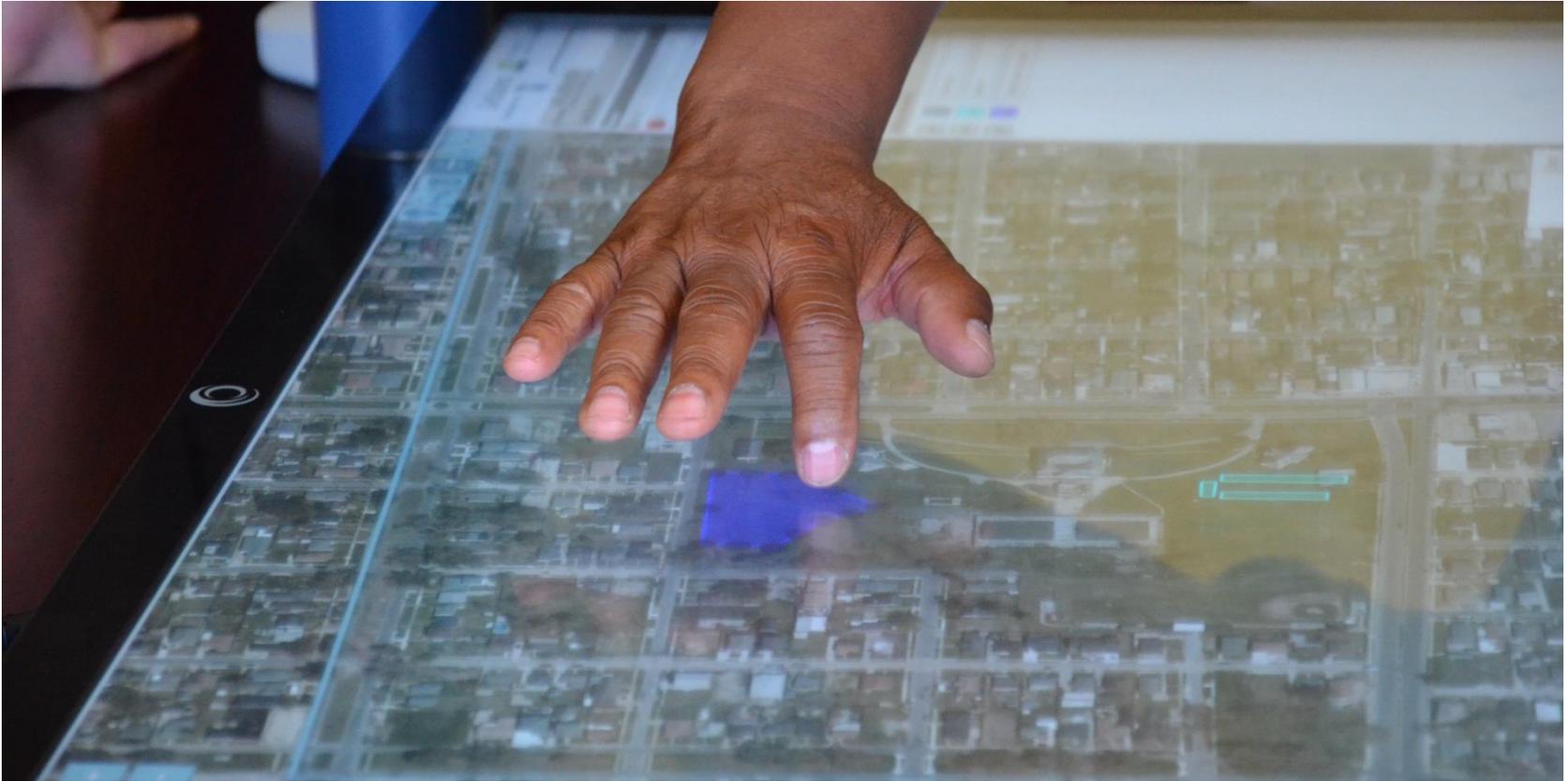
HOME Funding Match

Loan Loss Reserve & Homeless Services

Aging in Place Program



Result Area: Open, Effective, & Innovative Government



- Additional funding for One Stop Shop land-use and permitting agencies
- Funding for Civil Service to hire another 5 employees to speed hiring and improve departmental operations
- Supporting 311 services
- Launched DataDriven, the City's open data initiative and RoadWorks



2017 Expected City Judgment Payouts

- \$10M in Certificates of Indebtedness issued in 2016 to pay down certain liabilities and unpaid judgment list
- The City expects to use a total of \$20M through the end of 2017 to satisfy certain liabilities and to pay down outstanding judgments



2017 Proposed City Budget

Investing in basic services important to New Orleanians

