

2018 Budget Proposal

City of New Orleans

July 31, 2017



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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 7 years due to increasing property values, attracting more retail, and improving collections
- Invested in the priorities of New Orleanians:
 - Public safety
 - Infrastructure – streets, streetlights, sewer and water construction
 - Economic opportunity and job creation
 - Opportunities for our kids
 - Affordable housing and quality of life
- Built a stable fund balance with smart budgeting and increased revenues over the past 7 years
- Stabilized long-term risks: firefighters' pension, OPSO budget

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



2018 Budget Approach

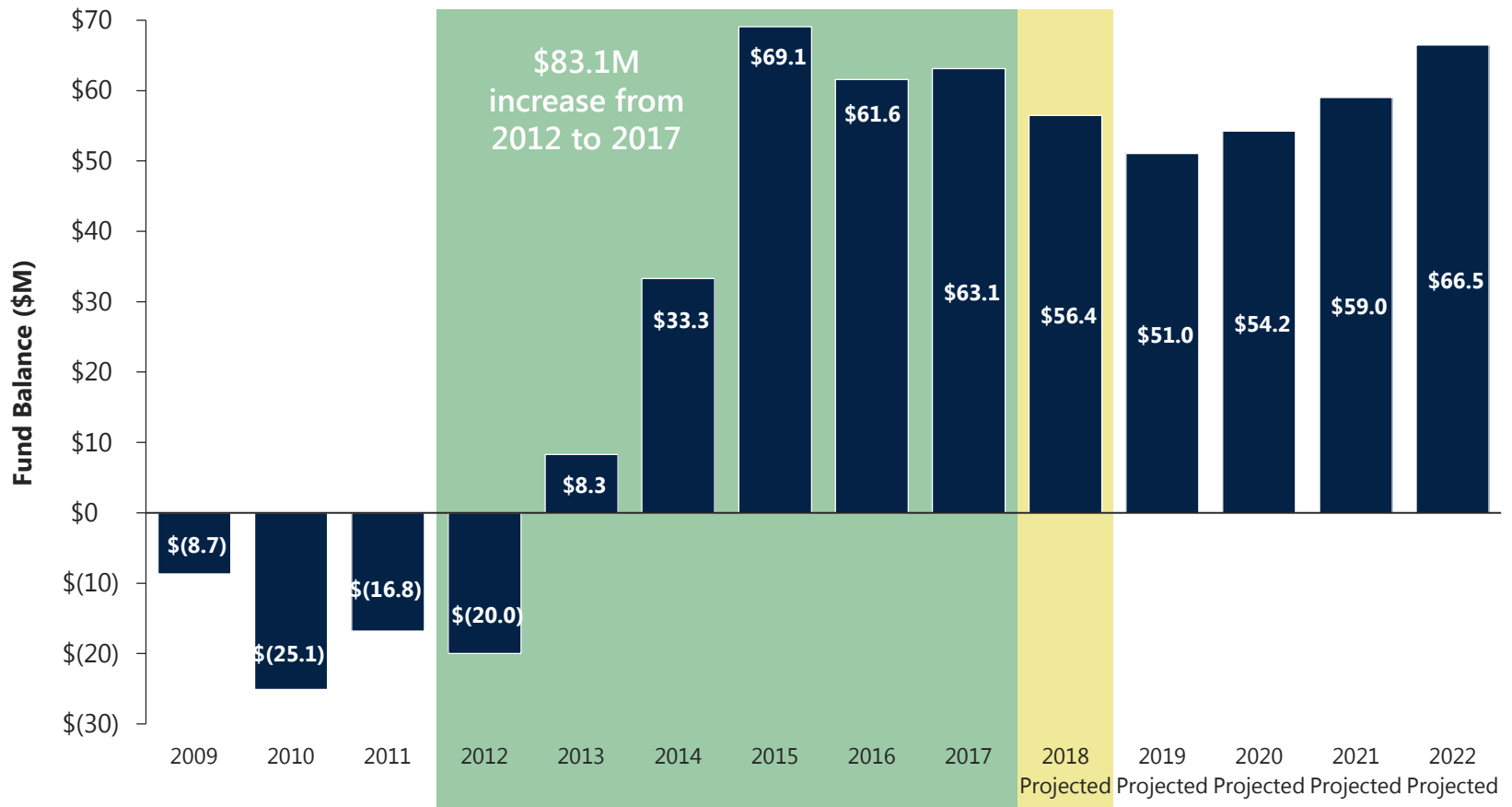
Laying a strong foundation for the future

- Continue to spend on priorities:
 - Public Safety
 - Infrastructure
 - Quality of Life
 - Job Creation
 - Affordable Housing
- Budget development focused on Equity and Resilience in city government
- 'Continuing Resolution': many departments will carry forward 2017 budget
- Increases in priority / foundation areas:
 - Public Safety (NOPD, NOFD, EMS, YSC)
 - Homeland Security
 - Affordable Housing (Low Barrier Shelter)
 - New Facilities (VA, LBS, NORDC)
 - DPW Infrastructure
 - Aging IT Infrastructure & Disaster Prep
 - Fleet Maintenance and Replacement
 - Grant replacement
- Limiting use of the fund balance to maintain excellent credit rating



2018 Fund Balance

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



New Obligations in 2018

2018 presents challenges requiring additional funding

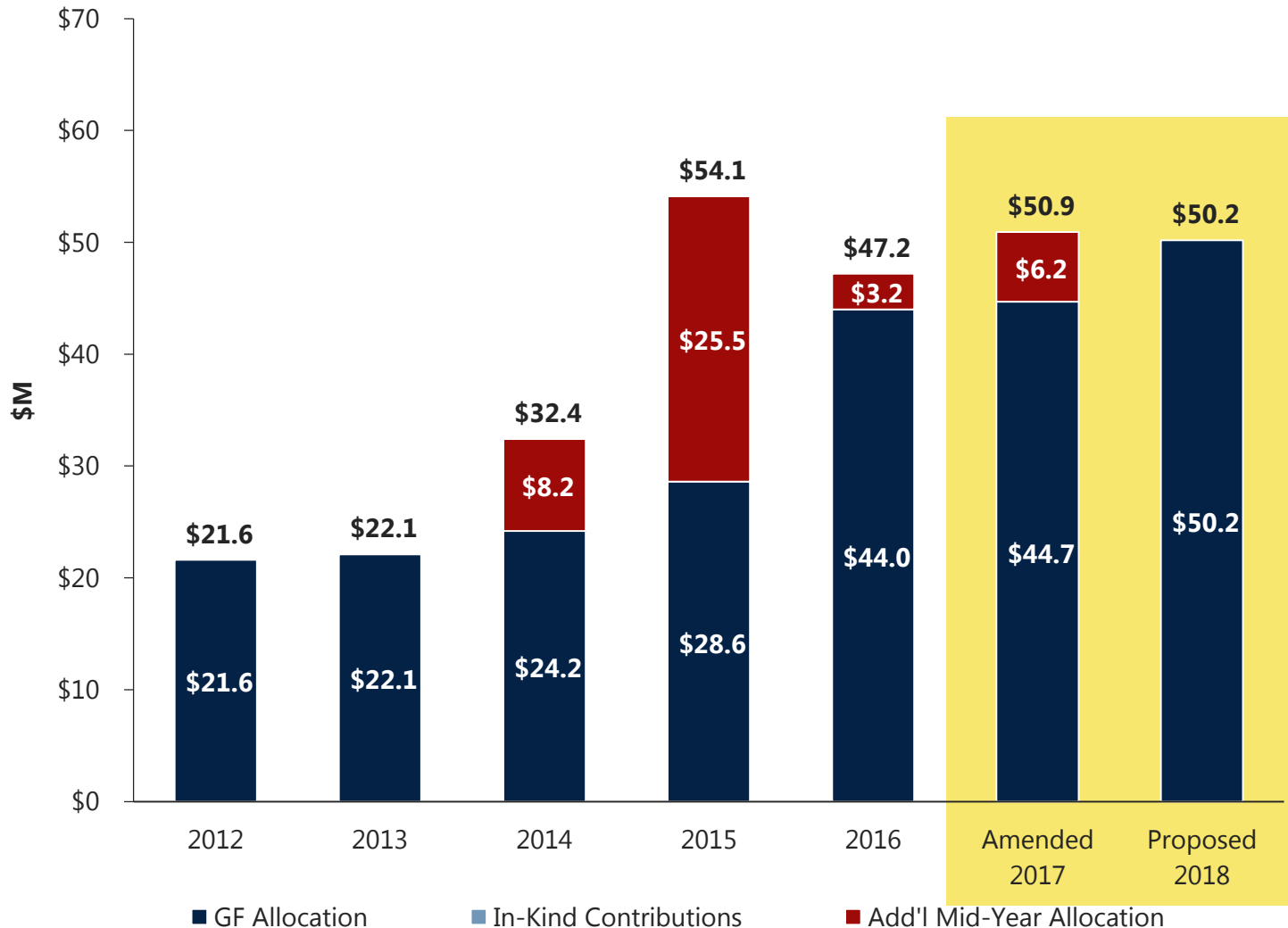
Despite additional revenues anticipated for 2018, demands on the City's funds are constraining the ability to fully fund everything the City needs

- Increased investment in NOFD pension settlement
- Increased investments in security challenges
- Investment in additional EMS personnel due to opioid crisis
- Investment in fleet maintenance and replacement for public safety & city services
- Investment in continued stability of the Youth Study Center
- Transfer of ownership of Veterans Administration complex to City of New Orleans
- Investment in replacing aging IT infrastructure and disaster preparedness for basic city functions
- Operational costs of new NORDC facilities and low barrier shelter
- Additional funding for pedestrian safety



Orleans Parish Sheriff's Office

OPSO's 2018 funding decreases \$700K to \$50.2M in 2018



II. 2018 Revenue

2018 Projected Revenue

\$2.2M projected general fund revenue increase in 2018

Revenue Source	2018 Projected	Change from 2017	Value (\$)
Fines & Forfeitures	\$45.1M	↑	+\$2.1M
Sales Tax	\$242M	↑	+\$4.7M
Property Tax	\$141.9M	↑	+\$1.4M
Licenses & Permits	\$66.4M	↓	(\$0.2M)
Intergovernmental Revenue	\$21.4M	↑	+\$1.3M
Service Charges	\$92.4M	↑	+\$1.5M
Other Revenues and Financing	\$31.5M	↓	(\$8.5M)
Total	\$640.7M		+2.2M



III. 2018 Budget Proposal

Proposed General Fund Budget Detail

Department	2017	2018
	Amended	Proposed
Council	\$9,722,880	\$9,722,880
Mayor	14,097,986	\$15,217,090
CAO	40,375,562	\$43,799,561
Law	6,110,275	\$6,075,275
Fire	110,687,212	\$115,687,212
Safety & Permits	6,751,553	\$6,921,553
Police	149,443,448	\$151,294,723
Sanitation	38,105,638	\$37,250,000
Health	16,760,839	\$18,060,839
Human Services	3,267,396	\$5,062,906
Finance	48,314,545	\$55,629,245



Proposed General Fund Budget Detail (Cont'd)

Department	2017	2018
	Amended	Proposed
Property Management	7,932,351	\$9,099,026
Civil Service	2,415,000	\$2,800,500
Public Works	32,543,485	\$33,243,485
Parks & Parkways	8,892,114	\$8,892,114
HDLC	944,755	\$944,755
VCC	420,131	\$420,131
Alcoholic Bvg Ctrl. Bd.	1,500	\$1,500
City Planning Comm.	2,081,348	\$2,081,348
Mosquito Control Bd.	2,328,407	\$2,823,407
Museum of Art	128,931	\$128,931
Miscellaneous	38,208,571	\$40,181,272



Proposed General Fund Budget Detail (Cont'd)

Department	2017	2018
	Amended	Proposed
General Services	3,626,380	\$3,886,969
Ethics Review Board	327,966	\$258,954
Office of Ind. Police Mon.	983,863	\$1,035,817
District Attorney	6,078,029	\$6,078,029
Coroner's Office	2,429,370	\$2,429,370
Juvenile Court	2,740,642	\$2,740,642
First City Court	6,000	\$6,000
Civil Court	14,400	\$14,400
Municipal Court	3,404,151	\$7,856,048
Traffic Court	4,451,897	\$-
Criminal District Court	3,090,121	\$3,090,121



Proposed General Fund Budget Detail (Cont'd)

Department	2017	2018
	Amended	Proposed
Criminal Sheriff	50,902,778	\$50,188,976
Clrk of Crim. Dist. Crt	3,726,330	\$3,726,330
Registrar of Voters	371,945	\$371,945
Judicial Retirement	364,000	\$364,000
Total	\$622,051,799	\$647,385,354



Public Safety & Emergency Preparedness



- 2018, about \$6.5 million will be allocated to fund the consent decree between the City and the U.S. Department of Justice to completely transform the New Orleans Police Department.
- The NOPD will receive increased funding again in 2018 in order to hire another 150 police officers and will implement targeted pay increases to improve retention efforts.
- Increased funds will also support the Fraternal Order of Police settlement as well as civilian social workers and civilian investigators for sexual assault cases.



Public Safety & Emergency Preparedness (cont'd)

NOPD Consent Decree

Purpose	Amount
Consent Decree Monitors	\$2,125,000
ITI Contract Support for Insight (EWS)	\$1,202,000
Annual Maintenance for Insight (EWS)	\$848,006
Electronic Control Weapons	\$703,245
Body Worn Cameras	\$506,582
NOPD Recruitment	\$500,000
2-Year Data Storage	\$115,000
Electronic Reporting System	\$80,000
Castnet	\$72,000
Power DMS	\$68,000
Cloud Gavel	\$41,000
Training & Supplies	\$15,000
IAPro & Telerik	\$8,000
Total	\$6,482,822



Public Safety & Emergency Preparedness (cont'd)



Steady funding for NOLA for Life Murder Reduction Strategy



Public Safety & Emergency Preparedness (cont'd)

New Orleans Fire Department (NOFD)



In 2018, increased funding for the Fire Department adjusts for the additional millage passed in 2016.



Public Safety & Emergency Preparedness (cont'd)



Additional funding for Emergency Medical Services will provide additional, critical paramedics and EMTs to improve response time and address opioid epidemic



Public Safety & Emergency Preparedness



- Additional Funds in the Equipment Maintenance Division of the Chief Administrative Office supports critical staffing and maintenance needs to reduce down-time of public safety vehicles.
- In the Office of Homeland Security and Emergency Preparedness, additional funding will support increased security at public facilities and the newly established command center.
- Increased funding for the Mosquito and Termite Control Board will support additional staff and materials to combat Zika.



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 to attract jobs and retail
- Aligning incentives to policy priorities through Incentive Alignment and Review project
- Funding for the Mayor's Office will support Youth Force NOLA



Sustainable & Resilient Communities

- Additional funding for the Department of Safety & Permits support a state-mandated coastal zone manager position and two critical stormwater inspectors.
- Additional funding for the Office of Resilience and Sustainability replaces grant funds that support the core budget of the office.
- Additional funds for the Department of Public Works supports additional pedestrian safety interventions.
- Increased funding for the Department of Property Management supports the operating costs of the newly transferred former VA Hospital complex.



Sustainable & Resilient Communities (cont'd)

Affordable housing initiatives for 2018

Affordable Housing Funding

- Programs total more than \$20M in new and rollover investments in 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
 - Provide financing and other assistance for safe, affordable rental housing

NHIF Proposed Uses for 2018

Code Enforcement

Advocacy Center

Special Needs Home Repair Program

HOME Funding Match

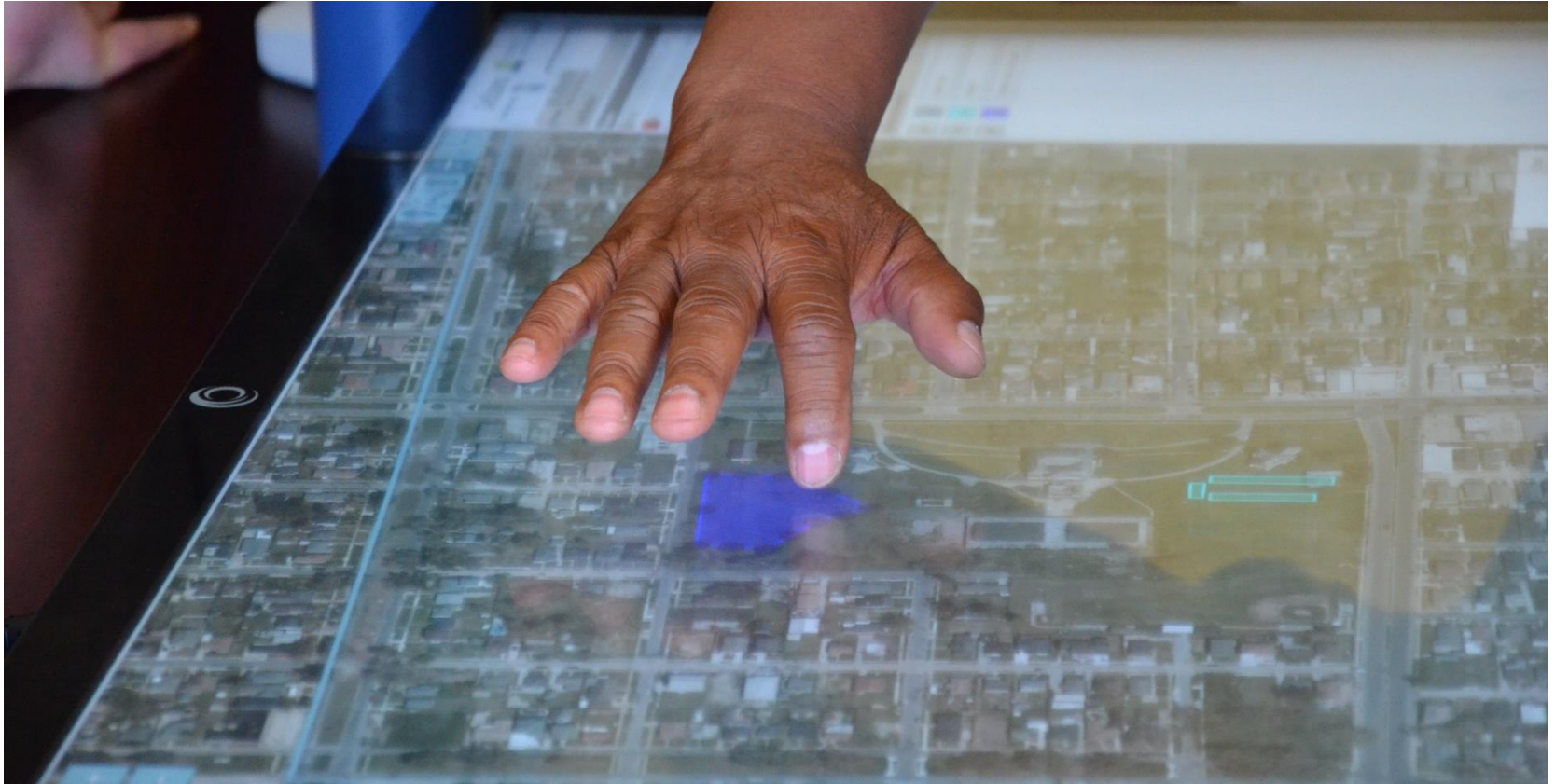
Soft Second Mortgage Program

Affordable Housing Development

Aging in Place Program



Open, Effective, & Innovative Government



- Additional funds for the Law Department will support a document management system and an attorney fee reserve that will make the department more efficient and effective
- Reduced costs from the Department of Sanitation's curbside collection contracts re-bid in 2016 will provide additional savings to the budget in 2018
- The Orleans Parish Sheriff's Office budget will have reduced costs, producing savings from budget stabilization



Children and Families



- In the Office of Community Development, additional funding will support the operations of the Low-barrier Homeless Shelter
- Additional funds for the Health Department will support the Children & Youth Planning Board
- Additional funds for the Youth Study Center to support critical staff and operational needs
- Additional funding for NORDC will support the operations of additional facilities opening in 2018



2018 Expected City Judgment Payouts

- The City will request that the City Council appropriate \$5M to the City Attorney's office to pay negotiated settlements, judgments, and outstanding legal liabilities



2018 Proposed City Budget

Laying a strong foundation for the future.

