



**Mayor Mitchell J. Landrieu
City of New Orleans**

Mayor Landrieu's 2018 Budget Speech

**City Council Chambers
Monday, July 31, 2017**

****Remarks as prepared for delivery****
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First, I want to thank you- my partners on City Council.

Together, we are making progress for our people. Together, we are moving our city forward. Together, we are laying a stronger foundation for the future.

I look forward to working with you over the next months to pass our 8th balanced budget that delivers on the people's priorities.

Seven years ago we came into office in the midst of the BP Oil Spill only to find an equally severe financial crisis of our own. While there was great excitement about the Saints Super Bowl win and the optimism of a new government, before we could begin to implement any promising ideas, we had to close a \$97 million budget deficit that threatened to put our city into bankruptcy.

You all know the story very well.

Our police department was broke and in complete dysfunction. The recovery and economy were stalled and so many of our schools, hospitals, community centers, parks, playgrounds, and public housing were not yet back. We led the nation in blighted property. There was a cloud of corruption over City Hall.

It was a mess of epic proportions. We had our work cut out for us. We had to stop the city from going off of a cliff.

But the people of New Orleans stepped up and with one voice they demanded unity, action, reform, results - one team, one fight, one voice, one city, one step at a time.

With you, the City Council's help, we had to cut 22% of our budget in just six months. In order to prevent mass layoffs, we had to furlough non-emergency city employees and make dramatic cuts to most departments. This was painful and on the backs of the public servants in this building, but we kept going.

Every single step away from the cliff was a step toward serious financial health and a safer, healthier, more prosperous New Orleans.

Together, we brought sound fiscal management, balanced budgets and ethical contracting to City Hall, leading to the City's highest-ever credit rating and new confidence in doing business with the City.

Our budget approach has been pretty simple – 1.) cut smart, 2.) reorganize, 3.) invest and 4.) grow.

In that time, we started with cutting and reorganizing.

Together, we cut contracts and staff and reduced Boards and Commissions. We have reduced costs in our garbage contracts and are reducing costs in the Sheriff's office in 2018. Together, we also reformed NORDC, the Sewerage and Water Board, the Aviation Board and the Public Belt Railroad. We reached the Firefighter Pension Settlement, and the NOPD Consent Decree. We've begun paying off judgments. Perhaps most importantly, in 7 years, we led the fight against waste and corruption, opening the doors of opportunity for everyone by completely reforming our city's contracting process.

In seven years, we have righted the ship of government, going from a budget deficit to a budget surplus. Today, our financial house is strong and we have gone from deficit to a fund balance, meaning we have more than we spend. But one thing we have always lacked is a source of funding in times of emergency. So to that end, we're proposing that those funds be used to establish the first ever rainy day fund - this would seek to set aside the equivalent of 5% of the general fund in the fund balance for cases of emergency, so we're ready if, God forbid, disaster strikes. It will require us to amend the City Charter and we hope it will be on the ballot in November. This measure will cement our major progress on maintaining our fiscal health that we have built up together, and hope our city will approve it this fall.

Together, we also increased revenue by adding Revenue Staff to go after unpaid tax collection. Together, we invested in the NOLA Business Alliance to jumpstart business attraction, new retail and grow our revenues. We increased DBE Investments and Performance. We revamped workforce development efforts and we also added the One Stop shop for permitting. The private sector responded by investing nearly 8 billion dollars in new business construction in the areas of housing, finance, digital, retail and more. We have helped cultivate an environment that created over 20,000 new jobs and have an unemployment rate that went from 9.8 percent to 5.4 percent today-- that's close to a 50% reduction.

In summation, we rebuilt a broken city. We established strong ethics and fiscal responsibility. We invested in resilience, in equity, and over \$2.65 billion to fight crime and improve public safety.

This work and these principles are important.

We also had to stay focused on the future - making tough decisions today, so that the next Mayor and City Council can have the benefit of choosing between good, better and best; and not between bad and worse.

So, in this, our final year in office and in our final budget, we will cement the strong foundation we have built for the future, while also staying focused on the challenges that continue to hold us back.

That's why for this 2018 budget, we are staying the course—largely maintaining priorities from 2017. We're proposing it earlier than normal to ensure a smooth transition to next mayoral administration. We are a continuous government, and as such, this is a budget that focuses on that continuation. I promised to ensure that when we left, the next administration would be in a much better position than we came here – this budget proposal does just that. Promises made. Promises kept.

In order to make sure we left no stone unturned, we conducted telephone town halls to ensure alignment – engaging over 3000 citizens, the most in any year - and we confirmed that our priorities are consistent: public safety, jobs, infrastructure; quality of life, affordable housing. Knowing this, here is what we are proposing going forward.

This year our proposed operating budget is \$647 million and our proposed capital budget is \$691 million. We worked hard to develop this budget based on what we heard from you, New Orleans.

Of course, our top priority is public safety. As we reformed the NOPD, we have also invested. Since 2010, funding for NOPD is up by over \$30 million per year, which is about a 25% increase. In 7 years we've spent over \$2.25 billion on public safety and preparedness. In 2017, to increase effectiveness, improve performance and visibility and to improve morale, we purchased 300 new take home police cars and the fire department will be receiving 21 new firetrucks. . Our officers will also receive 300 new long guns so we can be fully prepared for a terrorist attack or an active shooter, God forbid. Plus new technology is helping NOPD, too; that means – more crime cameras, more license plate readers to catch wanted criminals, enhanced lighting, and enhanced analytics to improve deployment, which improves response times. The bottom line is: now the whole department is better paid; better trained; better managed, and far better equipped. And we will continue to invest.

This work of reform has been painful, it has been tedious, it has been expensive, but we are going to have a better department and a safer city in the long run because of it. And people are noticing the improvement. Public satisfaction with NOPD is way up: from 33% in 2009 to 64%, which is an all-time high. Morale inside NOPD is up too.

But at the same time, the people of New Orleans know that NOPD alone cannot solve all our problems — in particular shootings and murder. We need to think about that holistically. We need to get at the root cause of these crimes. So that's why, in 2012, we launched NOLA FOR LIFE, a truly comprehensive murder reduction strategy. With the very aggressive, smart enforcement policies being carried out by our Multi-Agency Gang Unit we have gotten 134 indictments from 15 different violent gangs and groups. One of the most dangerous, the Young Melph Mafia, were just convicted and will go to jail for a long time. 10 of the 39ers were just convicted on charges of murder, drug distribution and racketeering – they too will be put away for a long time. Our investments have begun to pay off, and they will continue to do so if we continue to invest in these interventions.

In 2018, we are proposing a third pay raise for NOPD through a new pay plan- that will boost recruitment and retention of officers. We are adding additional funding will support increased security at public facilities and the newly established command center for NOPD and the Office of Homeland Security and Emergency Preparedness. And additional funds in the Equipment Maintenance Division of the Chief Administrative Office would support critical staffing and maintenance needed to reduce the downtime of public safety vehicles—so that we can put more police in cars, more EMS in ambulances and reduce response times further. And we're adding funds for NOPD to hire civilian social workers and civilian investigators for sexual assault cases.

But we know the fight against crime goes beyond police.

Our work around Economic Development and Opportunity spurs the growth of a diverse economy that creates good-paying jobs and provides equal access to economic prosperity. That's why we're increasing funding for the Mayor's Office to support Youth Force NOLA. And that's why we're proposing institutionalizing our massive work around workforce training like STRIVE, small business growth and reducing black male unemployment at New Orleans Business Alliance. That way, there continues to be a connection between employers with jobs and our people who need the skills, opportunities and connections to be put to work.

We must also invest in the children and families of New Orleans. So we're allocating additional funds for the Health Department to support the Children & Youth Planning Board and the Youth Study Center to support critical staff and operational needs. We've also revamped NORD by nearly tripling funding for recreation programs and we're in the process of investing over \$150 million to rebuild community centers, pools, gyms and playgrounds. Because we've done so well in 2017, for the first time NORD is on track to become nationally accredited - that will be a big milestone. This year, we're asking for additional funding for NORDC to support the operations of new facilities opening in 2018.

When we came together 7 years ago, there were no cranes in the sky—so our teams got to work. Together, we have rebuilt this city with a new airport, a new riverfront, new schools, three new hospitals, new parks, playgrounds, pools, libraries, recreation centers, health clinics, housing, streetcar lines and more.

We have fixed 133 miles of streets. Filled 400,884 potholes. That's more by far than any previous administration in our history.

We will spend \$400 million every year for the next five years to continue to fix streets, sewers and drains. That's eight times the normal amount—giving the next Mayor and City Council time to find funding for the rest of the work that needs to be done.

We got a lot accomplished together, and we need to stay the course in building for the future.

In both our operating and capital budgets, we want to fund support for sustainable communities that integrate quality housing, transportation, schools, commercial development, energy efficiency, parks and green space, flood protection, and cultural assets. That's why we're adding additional funding for the Office of Resilience and Sustainability to replace grant funds that support the core budget of the office and for the Department of Public Works to increase pedestrian safety interventions. Finally, we are including operational funding to support the operating costs of the newly transferred former VA Hospital complex. (That will include the new low barrier shelter to help continue our work on homelessness.)

And by 2018, because we've had a relentless focus on housing; because we did the hard work bringing the housing authority out of federal receivership; over the last 7 years, nearly 7,800 homes will have been completed or are in progress - because every child is entitled to a safe place to sleep at night. In 2018, because we launched our Housing for a Resilient New Orleans plan, we will continue our allocation of nearly \$20 million in new or rollover funding for affordable housing. We must focus on equity and investments in affordable housing to preserve the soul and authenticity of New Orleans – we fought so hard to ensure everyone could return home after Hurricane Katrina. Our new task is to work even harder to make sure that as we grow and become a stronger city that all New Orleanians can continue to work and earn a decent living in New Orleans.

Finally, we will never be the city of our dreams if people are left behind. And that's why our focus on equity in government is so important. As part of our 2018 budget, we are continuing the great work we are doing on equity so that our departments and leaders

have the resources they need to ensure the equity is a part of the DNA of our city into the future.

I want to close today with a message to New Orleanians on the need for a strong continued, principled and fiscal leadership from the Mayor and the City Council. We need this leadership to ensure public confidence in the stewardship of taxpayer dollars. To ensure that the public trusts government to do what is right and to increase investments from businesses.

There must be fiscal responsibility, predictability and absolutely no corruption. We cannot return to the days where businesses feel they need to pay to play. We need to continue efforts to increase business attraction, to grow our economy and create jobs. New Orleans doesn't move forward unless we grow our economy in new and different ways. We jump-started a stalled recovery and really got cranes in the sky. We've also welcomed major philanthropic investments to leverage our dollars and our work. These investments and all others over the past 7 years have helped us provide a solid foundation for the future, one in which the city and the citizens are working together to help New Orleans thrive.

Together, we rebuilt a broken city. Together, we have established strong ethics and restored fiscal responsibility.

We are America's best comeback story.

Let's continue to move our city forward and continue to improve on the foundation we have built.

I assure you that I will continue to give you everything I have for the next 280 days so that our next mayor and Council are best positioned to ensure we continue to grow and recover. We will leave it all on the field and finish strong.

As we arrive at 300th Anniversary of our beloved city, know that we have worked hard to deliver to you a budget that seeks to help secure our success for the future.

Thank you and God bless.