

**BGR**

We report to you.

# Questions for a New Mayor

NEW ORLEANS

Candidates' Views  
on Important Issues  
Facing City Hall

CANDIDATE

Q&A

BGR

ELECTION SERIES

PART 1 OF 7  
OCTOBER 14, 2017 ELECTION

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## 2017 CANDIDATE Q&A

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### BGR Project Staff

Amy L. Glovinsky, President & CEO  
Stephen Stuart, Vice President & Research Director  
Amanda Kaiser, Communications and Development Manager  
Jamie Cortez Parker, Research Analyst  
Selva Riemann, Office Manager  
Paul Rioux, Research Analyst

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The Bureau of Governmental Research is a private, non-profit, independent research organization dedicated to informed public policy making and the effective use of public resources for the improvement of government in the New Orleans metropolitan area.

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#### BUREAU OF GOVERNMENTAL RESEARCH

1055 St. Charles Ave., Suite 200  
New Orleans, LA 70130  
Phone 504-525-4152  
Fax 504-525-4153  
[www.bgr.org](http://www.bgr.org)

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This fall, voters will select the leadership of the City of New Orleans (City) government for the next four years. They will choose a new mayor and seven City Council members in the October

14 primary election followed by the November 18 runoff.

As voters weigh their decisions, they should ask how the candidates will confront the challenges the City faces today. Some of the most important ones include: addressing manpower and other needs of the New Orleans Police Department; retooling City employee pensions to manage risk and attract a high-quality work force; and fixing and maintaining street and drainage infrastructure. In particular, the drainage system failures during the August 5 rainfall provided a harsh reminder for residents and business owners of the City's persistent infrastructure problems.

Voters should further ask how the candidates will operate City Hall efficiently and effectively. This includes, among other things, how candidates will address professional services contracting, the civil service system and economic development subsidies. Voters should require the candidates to propose specific ideas for how they would make City Hall work better for the citizens it serves.

Finally, voters must ask how the candidates will work within – or try to change – two major constraints on the City's finances: Only 25% of local tax dollars are undedicated and available for broad municipal purposes, and approximately 60% of New Orleans real property is tax exempt.

To assist voters in this endeavor, the Bureau of Governmental Research (BGR) prepared its Candidate Q&A Election Series to frame a dialogue for the 2017 City elections. BGR developed the questions from its body of research. It distributed a set of 18 questions to all mayoral candidates, and a similar set of 15 questions to all City Council candidates. The questionnaires included a summary of each topic based on BGR's research. BGR asked the candidates to submit their answers in writing.

Voters should note that BGR sent its questionnaires in late July, prior to the August 5 flooding. Therefore, BGR's questions do not specifically address that event or its aftermath. Many of the candidates, however, do address the flooding because they submitted their responses after August 5.

**This report is the first of a seven-part series. It provides the responses of the mayoral candidates. BGR will release six subsequent reports that publish the responses from the City Council candidates. All reports will be available on BGR's website, [www.bgr.org](http://www.bgr.org).**

Each report organizes the Candidate Q&A by topic, providing topic summaries, the questions each candidate received, and candidate responses. For each question, BGR presents the candidates' answers in the order in which the candidates will appear on the October 14 ballot. BGR publishes the answers as they were submitted, with two exceptions. First, BGR corrected non-substantive, typographical errors where necessary for readability. Second, BGR excerpted responses that significantly exceeded the 200-word limit stated in our questionnaire. In choosing what to excerpt, BGR used its best efforts to preserve the substance of the candidate's answer to the question. Any deletion is marked by an ellipsis ("..."); if no ellipsis appears, then the answer is the candidate's entire response. Candidates were aware of the 200-word limit and the consequence of exceeding it.

BGR did not reject any candidate's submission. Nine of the 18 mayoral candidates responded: Michael Bagneris, "Man-n-y Chevrolet" Bruno, LaToya Cantrell, Desiree Charbonnet, Troy Henry, Matthew Hill, Frank Scurlock, Johnese Smith and Tommie A. Vassel. The other nine did not respond: Thomas Albert, Jr.; Charles O. Anderson; Ed Bruski; Byron Stephan Cole; Edward Collins, Sr.; Brandon Dorrington; Derrick Martin; Patrick Van Hoorebeek; and Hashim Walters.

BGR is a private, non-profit, independent research organization dedicated to informed public policy making and the effective use of public resources for the improvement of government in the New Orleans metropolitan area. BGR is nonpartisan and does not endorse candidates for public office.

## BACKGROUND

In 2016, the City Council and the administration asked voters to approve a new 5-mill property tax to increase funding for recruiting, hiring, equipping and paying officers of the New Orleans Police Department (NOPD). BGR supported the proposition, observing that the additional funding would help NOPD to rebuild its depleted ranks, reduce incident response times and provide better public safety outcomes.\* BGR also called on the City Council and the administration to hold the NOPD accountable for achieving departmental goals and to carefully calibrate funding to the NOPD's true needs.

Despite widespread concern about NOPD's capacity to respond to crime problems, voters rejected the millage proposition. Its defeat raises questions about the City's ability to address the future funding needs of NOPD.



\* BGR, *On the Ballot: New Orleans*, April 9, 2016, p. 11, available at <http://www.bgr.org/reports/bgr-reviews-tax-propositions-for-streets-public-safety/>.

### ON PUBLIC SAFETY, BGR ASKED THE CANDIDATES:

- 1. Would you seek an increase in funding for NOPD? Why or why not?**
- 2. What funding strategies would you support to pay for the future needs of NOPD?**
- 3. How would you hold the NOPD accountable for achieving its departmental goals?**

1.

Would you seek an increase in funding for NOPD? Why or why not?

**Michael Bagneris**

Yes. I plan to give every police officer a \$10,000 pay raise. The way I see it, we ought to pay police like our lives depend on it. Because it does. It's a hard, tough job that requires courage, confidence, and pride. They're dedicated public servants who are sworn to protect us. They need all the help and respect that they can get. Additionally, the pay raise will be a massive morale boost to attack the attrition rate at NOPD as well as a powerful incentive to get early retirees back into active duty.

Additional investments must be made to modernize our policing capabilities as well. Technology is a force multiplier. It makes us smarter. It puts us ahead of the curve. We will invest in license plate readers, shot spotters, crime cameras, building a Crime Analytics Unit dedicated to intelligence operations and data-driven enforcement. All have been shown to work.

**"Manny Chevrolet"  
Bruno**

No. It would just go to the wrong pockets.

**LaToya Cantrell**

I would consider increasing funding for the NOPD in order to fund the Chief's retention plan and also to fully fund our crime lab and homicide division. However, prior to pursuing additional revenue, I would ensure that all unallocated revenue within the department is being properly spent.

**Desiree M. Charbonnet**

Yes. I have extensive details in my comprehensive "crime plan" available at [www.desireecharbonnet.com/crime](http://www.desireecharbonnet.com/crime).

**Troy Henry**

During the transition prior to taking office, we will functionally analyze all elements of the law enforcement process, including: Calls for service response time, Manpower deployment, Recruiting, Retention and Customer Service (courtesy, proficiency and efficiency). Upon completion of the analysis, we will compare and map best practices to our current tools, processes and personnel; and then we will be able to make the most informed decision regarding the Department's budget.

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**1.**  
CONTINUED

**Would you seek an increase in funding for NOPD? Why or why not?**

**Matthew Hill**

I want to introduce the New Orleans' City Government to a radically different approach to City Management; Lean Six Sigma. Lean Six Sigma is a process management system that when implemented drastically reduces the cost of everyday operations, improves quality of services, lowers budgets, and reduces response times. ...

I will increase funding for the NOPD as well as Lean-Out the entire New Orleans Police Department to improve response times, reduce paperwork, upgrade equipment, and pay our officers properly. An audit will be performed and we will find out exactly how the money is being spent. The funding increase will be focused in equipment and proper pay increases for our officers. I am interested in investing in equipment that helps our officers have the right tools for the job. I will cultivate a robust community policing program which will include beat-cops walking the beat in every neighborhood. Consider the climate in New Orleans during the summertime; officers walking the beat will require lighter uniforms and equipment as well as different shoes. If we want our officers to perform at their top level we need to support our officers by providing them the proper equipment, and that costs money.

**Frank Scurlock**

Yes, I would seek an increase in funding for NOPD. The NOPD at its current manpower struggles to meet basic needs of citizens in terms of 1) call response times; 2) crime prevention; and 3) major investigations. Increased funding will allow the NOPD to increase efforts at recruiting and allow the NOPD to provide these services to the citizens of New Orleans.

**Johnese Smith**

As it stands, Public Safety & Preparedness was allocated in the 2017 Adopted Budget Proposal, received a major 63% of the general fund expenditures; the Honorable Mayor and the New Orleans City Council allocated to the NOPD, funding agreed upon in the Consent Decree (\$7.5 million), which also included funding for an Early Warning System. In the above mentioned budget, the current Administration had proposed an increase for the NOPD in 2017, and hired an additional 150 police officers. We as citizens of this great Black & Gold Nation must all await to see what will be the outcome proposed in the City's budget for 2018, which must be finalized by December 2017. The Budget now under review by the City Council Members, has set aside \$7.4 million for the NOPD in 2018, a \$100K reduction. Nonetheless, the foreseen candidates most certainly will be left with those responsibilities of protecting its people for the years of 2019 thru 2021. Unfortunately, the reduction in funding for the NOPD maybe out of reach for now.

Post-response: New Orleans Flooding 8/5/2017: In light of the revelation that happened on Saturday, August 5, 2017, this Administration will review all recommendations on a case by case base. At this time, our true threat to public safety is deteriorating infrastructure, drainage pumps and emergency evacuation planning.

**Tommie A. Vassel**

I would not initially seek an increase in funding until I can analytically review just how we are spending the funds budgeted for the NOPD. I want to assure the citizens that we are getting the best bang for our dollars.

## 2. What funding strategies would you support to pay for the future needs of NOPD?

**Michael Bagneris**

Right after entering office I'd conduct an audit of the City's sales taxing process and revenues, with a special focus on "cash-only" businesses. I've had numerous conversations with folks in and outside of City Hall and there is an overwhelming suspicion that there is money on the table that simply has not been collected. If we can do just five percent better on the collection side, that's over \$12 million right there. Additionally, new businesses coming on the tax rolls in the next few years are expected to generate significant tax revenues. The Four Seasons hotel, slated to open at the old World Trade Center, is expected to generate some \$3.5 million alone!

The 2018 budget has \$11.8 million additional dollars for the Mayor, CAO, and Finance Department combined. I'd much rather see that money go to NOPD. The City is in a pretty good place financially. It's just a matter of priorities. A safe, livable city is my priority.

**"Manny Chevrolet" Bruno**

Cash bonuses for cops who produce arrests.

**LaToya Cantrell**

The NOPD does not need a massive allocation of additional resources. Much of the future needs of the department can be funded through the natural growth of the general fund.

**Desiree M. Charbonnet**

A variety of funding strategies, detailed at [www.desireecharbonnet.com/crime](http://www.desireecharbonnet.com/crime).

**Troy Henry**

The question presumes that funding future needs of the Department would require "funding strategies" outside of the current city revenues, and I would not start with that assumption. In addition to the Departmental analysis that I mentioned in the response to Question 1, as Mayor I will also implement a Strategic Portfolio Management approach to city budgeting to allocate funding based on priorities, service levels, and impact. I will also work on putting a solution in place for Paid Details that works for the officers and for the administration so we can retain our officers and stop the erosion of our police force due to financial reasons.

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**2.**  
CONTINUED

**What funding strategies would you support to pay for the future needs of NOPD?**

**Matthew Hill**

When we Lean-Out NOPD we will reduce operating costs by 12% to 33% of current spending levels. This will be accompanied by an increase in efficiency. On top of that I will increase the funding because policing districts will be split, and we will move from eight Police Districts to eleven potentially twelve, separate districts (e.g. 3rd District will be split at City Park boundaries so the 3rd will continue to police Lakeview and Hollygrove, while our new 9th District will focus only on Gentilly). To pay for this New Orleans will decriminalize Online Gambling, Land Based Sports Betting, and Online Sports Betting. The new funds from gambling will help fund our new policing districts.

**Frank Scurlock**

Solid funding for the NOPD, and all City Departments and services, starts with a strong business tax-base. The City needs to create more businesses and more jobs to create more revenue. Property owners alone cannot be counted upon to continuously foot the bill. Streamlining City services to minimize barriers to starting business entities and ventures within New Orleans will be one of my top priorities as Mayor. Increases in jobs and business transactions will lead to increases in revenue that will help support the future needs of NOPD.

**Johnese Smith**

The Operating Budget is under review, the Fiscal Year (FY) 2018, the proposed balance budget appropriation for General Fund is \$647.4 million, excluding transfers of \$100 million (a.k.a., private investors, line of credit through signature loans, and bank loans). This brings the total *operating expenses* to \$647.4 million, not including \$691.4 million in *capital expenditures*. There are two funds: 2018 Proposed General Fund Revenue (\$647.4 million) & 2018 Proposed Non-General Fund Revenue (\$459.5 million). I would first review what is actually in these funds during audit, if transparency is available, I most likely see what is available in the 2018 Proposed Non-General Fund Revenue. I would make certain that the self-generated, special revenue, trust funds: housing, urban development and Wisner Fund is operating and functioning at its capacity. I would review other generating, self-sufficient avenue to build capital for this area.

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**Tommie A. Vassel**

I am not convinced that we need to put more dollars into the NOPD budget. I want to examine alternative ways of reducing crime to complement the efforts of the NOPD. Increasing the NOPD budget also impacts the other agencies of the criminal justice system.

### 3. How would you hold the NOPD accountable for achieving its departmental goals?

**Michael Bagneris**

The ultimate measure will be the crime rate. But until NOPD is reasonably staffed, it's unfair to expect significant improvement on the crime front. 1100 people cannot do a 1600 person job. So rather than hard and fast quotas or percentages, I'd measure NOPD in terms of constant improvement. We need to start moving the needle in the right direction, and that begins with:

- Reducing the violent crime rate
- Reducing response times
- Increasing the conviction rate of felony arrests
- Increase time officers spend on patrol on the beat
- Increase NOPD participation in neighborhood meetings
- Reinstate the "Officer Friendly" program

**"Manny Chevrolet" Bruno**

I would make house arrest.

**LaToya Cantrell**

Accountability starts at the top, with the appointment of a police chief provided the autonomy to do the job. However, with that autonomy comes accountability, and that strategy would shape the rest of the department.

I would also want to ensure that we are leveraging our analytic capabilities to the fullest to measure the metrics that most directly correlate to crime and violence reduction. We have a robust budget dedicated toward information technology, and performance and accountability, so we have the capacity to do this.

Finally I would encourage public interaction with the NOPD so that police are attuned to the feelings of the public in relation to their goals.

**Desiree M. Charbonnet**

I will work with my Superintendent and CAO to institute policies and procedures to achieve justice, effectiveness, and accountability in police work.

**Troy Henry**

After completing the analysis of the Department and developing an implementation plan, I will select a Leadership Team best suited to implement the best practices. Besides choosing the best leadership team, other methods I will use to hold the Department (and city government as a whole accountable) are through my Smart Digital City initiative where we will make it easier for residents to interact with government and share their feedback on how we are performing. My administration's focus will be on Performance and Public Service Excellence, and this will include implementing performance management goals throughout the entire department, from rookie officers to the Chief. As Mayor, I will also require NOPD to provide quarterly and annual performance reports for the public.

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**3.**  
CONTINUED

**How would you hold the NOPD accountable for achieving its departmental goals?**

**Matthew Hill**

Lean Six Sigma will analyze every department process and measure against respective goals. We will use Value-Stream mapping to find out how effective *each* process and procedure is and how they impact the final goal. The system will continually undergo stress testing to ensure that the overall response time drastically improves and first responders are provided with the proper tools for the job. LSS creates an environment of constant improvement which will cause our officers to buy back into the system, will reduce attrition, and will improve performance; all while comparing to benchmarks and incentivizing the improvement.

**Frank Scurlock**

The NOPD has to begin completing at three academies each year to try and fill its ranks with the recommended number of officers by 2020. ...

As more recruits are turned into police men and women the lower ranks can be filled to perform the basic functions of the NOPD. ...

New technologies should be pursued to increase NOPD effectiveness. When citizens order an Uber they know exactly how long it will take for their car to arrive. ... [B]y using technology we could ensure that citizens know their call has been received, their issue is in the queue, and how long it will be until someone can attend to their issue.

Introducing new technologies are the key to creating accountability for the NOPD to the citizens of New Orleans. The Department of Justice (DOJ) consent decree has introduced body cameras and mandated their use. This is one step in the right direction. As Mayor, I would investigate the use of newer and better technologies to help triage complaint calls to reduce response times; work with homeowners and alarm companies to reduce the number of false alarms generated; and use civilian staff to conduct non-police business to leave our commissioned officers the time they need to perform their sworn duties.

**Johnese Smith**

If I am elected, I plan to retire the NOPD, and rebuild a more solid, honorable and trustworthy protection for our great Nation. I would rebuild the police academy near Lake Pontchartrain and resurrect as warriors; special-elect training, along with social intelligence: The Gladiator! This Mayor, would embrace true men and women who will be dedicated to bring us from a Nation to a Kingdom!

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**Tommie A. Vassel**

I want to hire a Police Chief and establish goals and deliverables with them. The Chief will be allowed to work independently. I will not micromanage the Chief. I along with the community will hold them accountable for achieving their goals and deliverables. I plan to evaluate the Chief on a regular basis to determine if progress is being achieved.

### BACKGROUND

The mission of the Bureau of Governmental Research is to provide independent research to support informed public policy making and the effective use of public resources. BGR recognizes that each candidate enters the race with a vision for improving City government and delivering more effective services to citizens.



### ON EFFECTIVE GOVERNMENT, BGR ASKED THE CANDIDATES:

- 4. Please give three examples of how the City should improve its use of existing public resources to achieve more effective City government.**

## 4.

Please give three examples of how the City should improve its use of existing public resources to achieve more effective City government.

**Michael  
Bagneris**

1. Perform audit of tax collection process to identify additional sources of due revenue.
2. Tie program funding to clear, measurable outcomes. If there are multiple City services dedicated to promoting identical, or nearly identical, outcomes it is necessary to determine the cost effectiveness of each. If one works and the other doesn't, fund one and eliminate the other.
3. Allow for online submissions, tracking, and reporting for the NOLA 311 program. This would save time and money for the City, and make it easier for residents to submit issues in real time without having to make a phone call.

**“Manny  
Chevrolet”  
Bruno**

I can't think of one.

**LaToya  
Cantrell**

All three of these examples deal with how the City interacts with other governmental entities.

The City should negotiate with the state and with local public entities to receive a larger percentage of future hotel occupancy and sales tax revenue, which could be directed towards an infrastructure and maintenance fund.

Real estate tax abatements and IDB PILOTs (Industrial Development Board's Payment in Lieu of Tax arrangements) could be more transparent and consistent with faster application times, thus providing a better development climate which would increase property tax revenue, and could go toward paying for public priorities. The City could work with the state and with the IDB to reform this system.

The City should work with New Orleans Redevelopment Authority (NORA) to get more of its lots into the hands of low to moderate income homeowners and affordable housing developers. This would both address the city's housing shortage, and put properties on the tax rolls, allowing the City to increase revenue for priorities.

**Desiree M.  
Charbonnet**

We now understand that there are severe problems within the S&WB. I will, as a first order of business, need to determine if similar or worse problems exist in other agencies. During transition and the first months of my administration, I along with the CAO and our department heads will review each operation of city government, gathering facts toward analyzing the operation's strengths and weaknesses as well as the need for continuing it. For operations not eliminated, I will devise strategies for reinforcing their strengths and mitigating their weaknesses with the advice of transition team members and outside experts in public administration. This review will involve analysis of the 2018 budget and its amendment where funding is needed to correct operational problems including funding street maintenance.

**Troy  
Henry**

1. Refocus traffic camera fines to public safety or street repair/maintenance.
2. Implement automated meter reading (at S&WB) so workers, our most valuable public resource, can be assigned to more productive roles.
3. Every NOPD officer, including the Chief, should be required to work at least one Community Policing patrol.

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## 4.

CONTINUED

Please give three examples of how the City should improve its use of existing public resources to achieve more effective City government.

**Matthew Hill**

- a. ... New Orleans will immediately begin implementing Lean Six Sigma training across **every** department including the Sewerage & Water Board, NOPD, City Hall, Sheriff's Department, and the Municipal Court System to reduce waste, including paperwork, decrease cycle-times, eliminate redundancies, and alleviate operational bottle-necks. This training will be structured so that every employee will begin to learn and understand its application. Employees buy in because the process is employee centric and aims at improving workloads, reducing paperwork, and gives the worker ownership of their job. ...
- b. Lean Six Sigma will overhaul and upgrade every city service offered to citizens. The leaning-out process will encompass every process of every service and alter them to recognize end-users and customers so that the value to the citizen is improved. When applied to our licensing processes we can reduce fees and paperwork movement so that we can promote a more business friendly environment, while also opening avenues to new industrial markets to diversify our economy.
- c. Aside from Lean Six Sigma, we should focus our efforts on creating a better education system from early childhood education to adult vocational training, complete with 24 hour childcare centers. ...

**Frank Scurlock**

- 1) Stop the practice of deferred maintenance on infrastructure. This is a long-standing practice of kicking the can down the road. The can is rusted and broken. We MUST include proper and regular maintenance in every departmental budget.
- 2) Use dedicated millages for the purposes for which they are actually intended instead of diverting them to pet projects for political gain.
- 3) Appoint competent people who are professionals in their fields to oversee boards, commissions and departments within their areas of expertise, instead of appointing people to repay political favors.

**Johnese Smith**

Great question! The City should definitely improve the Office of Economic Development, how it celebrates Mardi Gras and how we entertain our tourist. Currently, the City of New Orleans is reviewing the proposed Operating Budget for 2018. The Office of Economic Development is budgeted for 2016 was \$3.2 million, for 2017 \$3.7 million, and for 2018, this department is budgeted for \$2.95 million, which is a total reduction of about \$700,000.00. The City of New Orleans is a hospitality industry, our commodity is friendliness, great food, out-door fishing, just plain ole' easy living (as much of it as we can). There should never be a reduction in this area of our city's budget. It lacks potential to keeping our city and its people fed.

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**Tommie A. Vassel**

- (1) I think we can eliminate the Deputy Mayors and use some of those savings for other departments.
- (2) Provide regular training for all City workers. As a CPA I am required to earn 40 hours of training every year.
- (3) Increase the salaries of City workers.

### BACKGROUND

BGR has extensively studied the employee pension plans in which local governments participate.\* It found that, from 2009 to 2016, employer costs increased dramatically for the plans serving City police, firefighters and other municipal employees, as well as the Sewerage & Water Board's (S&WB) plan.

Employer costs depend heavily on the performance of plan investments. If investment earnings, combined with employee contributions, are insufficient to pay for the promised benefit, the employer must make up the difference. Ultimately, this risk falls on City taxpayers and S&WB ratepayers. In many cases, they must help to pay for public sector retirement benefits that are far more generous and secure than their own.

BGR's latest pension report analyzed several options for changing the plans to reduce their costs and risks.\*\* It recommended that policymakers consider alternative plan designs that would shift some, if not all, risk away from public employers. While employees take on additional risk, they also would enjoy greater plan portability. These plan designs may also better reflect the evolving expectations and career patterns of the work force. At a minimum, policymakers should pursue reforms to the existing defined benefit offerings to bring them into alignment with national benchmarks. That implies lowering multipliers to at least the national public sector median, raising the minimum retirement age, eliminating perks such as lump sum payment programs,

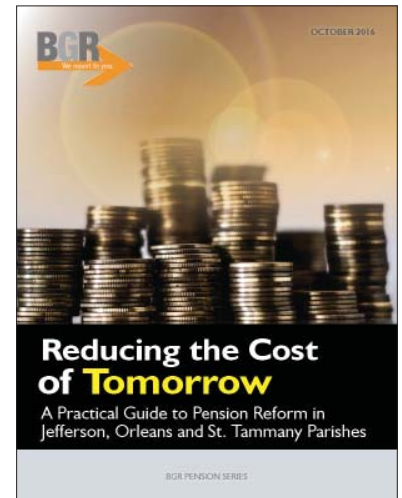
limiting pre-retirement income replacement to a need-based level and leaving it to employees to self-fund cost of living adjustments.

In pursuing pension reform, the City and the S&WB should analyze the sufficiency of their total compensation packages to attract and retain high-quality employees. It may be necessary to make offsetting adjustments in salary and other benefits.\*\*\* Policymakers should ensure that any changes and their costs are fair to taxpayers.

\* BGR's collection of pension studies is available at <http://www.bgr.org/reports/category/pensions/>.

\*\* BGR, *Reducing the Cost of Tomorrow: A Practical Guide to Pension Reform in Jefferson, Orleans and St. Tammany Parishes*, October 2016, available at <http://www.bgr.org/reports/bgr-cuts-paths-for-pension-reform-in-the-metro-area/>.

\*\*\* Two studies are under way that could help determine appropriate salary and benefit levels for City and S&WB workers. The City's Civil Service Commission has begun a comprehensive compensation and classification study. The S&WB is also conducting a compensation study of its work force.



### ON EMPLOYEE COMPENSATION AND PENSIONS, BGR ASKED THE CANDIDATES:

- 5. To what extent would you consider reforming City and S&WB pension plans to better manage their risks and costs? Please be specific about the changes you would pursue.**
- 6. How would your administration rethink the total compensation package (salary and benefits) offered to new and existing employees?**

5.

To what extent would you consider reforming City and S&WB pension plans to better manage their risks and costs? Please be specific about the changes you would pursue.

**Michael Bagneris**

Questions 5 and 6 must be answered together because whatever reforms made to the pension plan would depend on the total compensation package offered to employees. The City and the S&WB have basically opted to give a very generous pension plan to compensate for low wages.

I believe this is the wrong approach.

We should pay our City employees like the professionals they are. We need a total compensation program that not only retains our career civil servants but also attracts the best talent coming out of college, professional schools and even away from the private sector. To do this, salaries at all classifications must be competitive with the private market. That's in addition to a healthy pension system that employees can trust will be solvent when they retire.

After reaching the goal of a total compensation package and a healthy pension plan, we should bring our employees in line with the national average for plans supplemented by Social Security. We also must increase the funded ratio of accumulated assets of the pension system from 72% to 100%. I favor a cost of living increase but understand that this position must be supported by a plan funded at a minimum of 85%.

**“Manny Chevrolet” Bruno**

I would clean house + fire everyone.

**LaToya Cantrell**

Given the relative health of the New Orleans Municipal Employees' Retirement System (NOMERS) comparable to other municipal systems, the fact that city employees have not received an across the board pay raise in nine years, and that they voted to substantially increase their own contribution to the system by 50 percent a few years ago, I do not believe it is appropriate to call for a large scale benefit reduction until pay raises are also considered.

Having said that, I would consider potential changes that the NOMERS board has already suggested, such as the increase in the retirement age for new hires and the expansion of time before a retirement plan is vested from 5 years to 10 years.

**Desiree M. Charbonnet**

During the transition, I will review BGR's pension information as well as other “best practices” for public employee pensions. I will consult with pension actuaries and attorneys, the pension boards, and employees who would be affected to bring about appropriate pension reform.

**Troy Henry**

My position is that the City, Firefighters, and S&WB pension plans should all be managed for the lowest cost and risk to the city's taxpayers, the lowest risk to the pension plan contributors and beneficiaries, and reasonable costs to the pension plan contributors. I am open to any adjustments that may be needed to any of the pension plan frameworks, but that would have to be a larger discussion with the City Council, our state legislators, and public employees and/or their representatives.

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**5.**  
CONTINUED

**To what extent would you consider reforming City and S&WB pension plans to better manage their risks and costs? Please be specific about the changes you would pursue.**

**Matthew Hill**

I like your plans. I was unaware of imbalance of risk, structure, and funding mechanisms. These adjustments take the burden off of the citizen and put it on asset management. A good leader knows when they are not the most knowledgeable individual on a particular matter, and is open to hearing the suggestions of others. While I have not, at the present time, researched the methods in BGR's report, I would review the studies completed and will be amenable to allowing subject matter experts the opportunity to present their proposals, and will, with a knowledgeable team, assist in any way possible in the implementation of improvements in these areas.

**Frank Scurlock**

... Those individuals that choose a life of public sector service need to be fairly and adequately compensated for that choice; however, it cannot come at an increased cost to the taxpayer. ... As Mayor I would work to balance the benefits provided to future retirees so that the amount presented a fair, livable retirement wage while not overburdening taxpayers.

Before any reduction in benefits would even be considered, the City and S&WB investments would need to be reviewed to determine the soundness of the investments. ... Any existing rules around how investments are made would be reviewed and updated as necessary to ensure that all taxpayer monies put to this use are going to the highest and best use.

A retirement age should be implemented (similar to Social Security and other retirement plans within the state) so that pension plan members could only receive benefits upon attaining the age of 65. This is more in line with the current actuarial life tables. Additionally, the Rule of 80 and DROP elements of the plans should be eliminated. To the extent any plans supervised by the City of New Orleans did not utilize a five-year Final Average Compensation then that would need to be corrected.

Finally, employees must bear their fair share of the funding for their own retirements.

**Johnese Smith**

... Before, I can comment, it must be certain that the information you received is not subject to disclosure. If you should need more information regarding my leadership changes, I must be pertinent to the above City and S&WB pension plans, the offset paid by employees 200 employees who are receiving the pay raise through the City of New Orleans "Great Place to Work Initiative," that went into effect along with the Civil Service Commission approving a series of reforms that will move the "City of New Orleans into the twenty-first century." Otherwise, I believe that all other information would require a FOIA to review protected and private information.

Post-response: New Orleans Flooding 8/5/2017: In light of the revelation that happened on Saturday, August 5, 2017, this Administration will review all recommendations on a case by case base. At this time, our true threat to public safety is deteriorating infrastructure, drainage pumps and emergency evacuation planning.

In addition: All pensions, and retirement plans will be reviewed with the strictest of scrutiny, especially, if there were no forewarnings to the current administrations' as to the failure of the 14 pumping stations.

**Tommie A. Vassel**

I chaired the Pension Committee of the S&WB and at that time our plan was one of the best funded in the entire State. I believe that hiring the right money management team and evaluating the actuarial reports is a great starting point. While at the S&WB we shifted some of the cost of the plan to the employees to maintain a stable plan.

## 6. How would your administration rethink the total compensation package (salary and benefits) offered to new and existing employees?

**Michael  
Bagneris**

[Candidate responded in his previous answer.]

**“Manny  
Chevrolet”  
Bruno**

No compensation for anyone.

**LaToya  
Cantrell**

The Civil Service Commission is currently undergoing a large scale pay study that I believe will be helpful in providing context for how New Orleans pays its employees relative to other cities. This study will be helpful in determining best practices in other cities, and I would look to those best practices as we consider any changes to compensation packages.

**Desiree M.  
Charbonnet**

Through a comprehensive research and analysis process.

**Troy  
Henry**

Firstly, my administration’s focus will be on Performance and Public Service Excellence! Secondly, my position is that no full-time employee (whether public or private sector) should be bringing home a poverty-level paycheck. Thirdly, as Mayor my plan is to implement performance management requirements for every job (because I do believe in paying for performance). Any decision that my administration makes regarding hiring and compensation will be made within that context.

**Matthew  
Hill**

Lean Government will introduce new opportunities for gain-sharing, win-sharing, and new pay opportunities across the board. Compensation packages have protocols to being altered, but when it comes to providing a better work environment, compensation packages are always part of the conversation. When a department saves the city money, I want a portion of that money to go back to the employees who reduced the overall city costs. The employees will be able to make their own decisions regarding the money. Compensation packages will be on the negotiation table, and, as I will not micromanage the packages but I do want to see our employees get the compensation they deserve. City Human Resources will be redesigning their systems right along with the rest of the city, and I am confident they can find ways to improve package options without increasing the public burden.

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**6.**  
CONTINUED

**How would your administration rethink the total compensation package (salary and benefits) offered to new and existing employees?**

**Frank Scurlock**

The City of New Orleans has already begun some of this work with the Great Place to Work initiative, which focused on hiring techniques, career paths, pay, processes, and training. The next Mayor should build upon these initiatives to ensure an active and engaged civil service.

The City should do a labor market survey of Southern region states to ensure that City employees are being compensated fairly and adequately compared to their counterparts in other states. To the extent that they have not been, job descriptions should be updated to modern standards. All City employees need to be adequately trained and cross-trained including on proper customer service techniques. The idea that a City employee's work begins and ends at the edge of his or her desk needs to end. City services need to be considered as a whole rather than part and parcel to each independent unit. The City has begun this process of cultural change with the One Stop Shop, but needs to extend it to other areas to increase efficiency and effectiveness.

**Johnese Smith**

Your introduction to the total compensation package that includes both salary and benefits, which is based on higher salary government employees, not employees who are being paid still at poverty levels (U.S. Bureau of Labor Statistics reports in its Economic at a Glance (New Orleans-Metairie, Kenner, LA.

Press Release: [www.nola.gov/greatplacetowork](http://www.nola.gov/greatplacetowork)  
Mayor of New Orleans Mitch Landrieu,  
Date: 8/24/2014

The City of New Orleans Civil Service Commission approved a package of reforms to modernize the City of New Orleans' personnel system as part of Mayor Mitch Landrieu's "Great Place to Work Initiative" and voted to increase City employee minimum wage to \$10.10. Among the reforms approved are several Civil Service rule changes to improve the hiring process, implement performance evaluations that are tied to regular merit pay increases, improve managers' ability to keep up with the market for highly qualified employees, and increase training opportunities. The increase in minimum wage for City employees will impact over 200 employees and will increase personnel expenditures by about \$600,000 annually.

Post-response: New Orleans Flooding 8/5/2017: In light of the revelation that happened on Saturday, August 5, 2017, this Administration will review all recommendations on a case by case base. At this time, our true threat to public safety is deteriorating infrastructure, drainage pumps and emergency evacuation planning.

**Tommie A. Vassel**

Some of the employees of the City are at or below the poverty level. Governments have traditionally paid less than corporations/private sector, but the benefits provided by Government have sometimes been better than the private sector. My administration would conduct a salary study to determine the cost of bringing City employees out of poverty.

## BACKGROUND

In 2004, BGR released a comprehensive study of the City's civil service system.\* The report found that, while the system was effective in preventing favoritism and politically motivated personnel decisions, it did a poor job of promoting merit-based advancement and a culture of professional excellence. The report made an array of recommendations aimed at building a higher performing City work force. Among other things, BGR called for significantly increasing managerial discretion in hiring and promotions. It also recommended creating mechanisms to accurately evaluate performance – and reward or correct it, as the case may be.

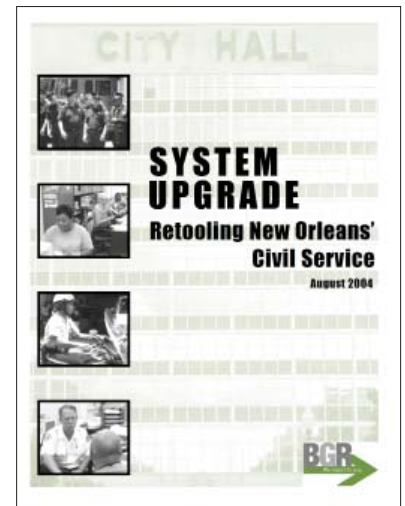
In 2014, the Civil Service Commission approved a set of civil service rule changes proposed by the City administration to address those and other recommendations.\*\* The rule changes gave managers more discretion in the hiring and promotion processes, while protecting the core principles of merit selection and freedom from political pressure in City employment. In addition, the Commission approved a more thorough system of em-

ployee performance evaluation. The Commission, with subsequent City Council approval, amended the classified pay plan to give managers greater flexibility in awarding merit-based pay increases and retaining highly qualified employees. The rule changes also require

managers to develop plans to improve poor performance by individual employees.

\* BGR, *System Upgrade: Retooling New Orleans' Civil Service*, August 2004, available at <http://www.bgr.org/reports/system-upgrade-retooling-new-orleans-civil-service/>.

\*\* For the mayor's summary of the changes, see: <https://www.nola.gov/mayor/press-releases/2014/20140824-great-place-to-work-initiative-approved/>.



## ON CIVIL SERVICE, BGR ASKED THE CANDIDATES:

- 7. Do you support continued implementation of the 2014 civil service rule changes? Why or why not?**
- 8. Are you contemplating any changes to the civil service system? If so, please explain what the changes would consist of and why you think they are necessary.**

7.

**Do you support continued implementation of the 2014 civil service rule changes? Why or why not?**

**Michael Bagneris**

I would support recommendations to undertake and publish an analysis of the rule implementation to date, compare performance with desired outcomes and address outstanding items. I need to learn more about how the 2014 civil service rule change worked and the results of the changes since their implementation.

Fundamentally speaking, I understand that some of the changes provided more flexibility with hiring and starting salaries and provided positive results. I further understand that under the current civil service rating system over 85% of municipal employees are operating ABOVE satisfactory. If true, that would be great. But no one believes that. Instead, I believe this demonstrates there is a management problem that needs to be addressed so that we foster good customer service, teamwork, innovation and promote personnel creativity. I hesitate to summarily provide full support to the 2014 rule changes until I fully understand all of the changes and their impact. I can say I support the ones I know.

**“Manny Chevrolet” Bruno**

I don't know what this means.

**LaToya Cantrell**

I do support the continued implementation of the rule changes, because the public sector needs flexibility to make hiring decisions in the modern era. As it is, we have vital City departments, such as the Sewerage and Water Board, that are continuously delayed in making necessary hires due to the complications of the public service system process. We need to continue to provide flexibility to City government so that it can efficiently hire the personnel needed to do City work.

**Desiree M. Charbonnet**

My approach is to seek and analyze facts and support changes as needed. Where the system is broken and ineffective, I will fix it. Where it is not, I will support it. I, myself, know many fine classified employees who have dedicated their careers to the city. I will always support what is best for the city while recognizing the needs of these employees.

**Troy Henry**

The rule changes were meant to move the city towards a system based on performance, which I generally agree with. As Mayor, my plan is to also implement performance management requirements for every job, especially for managers. Often times, when an employee is not performing to expectations you will find that a poor manager is somewhere nearby.

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**7.**  
CONTINUED

**Do you support continued implementation of the 2014 civil service rule changes? Why or why not?**

**Matthew Hill**

I do agree with the changes however I want to take it to the next level. These changes look good however I did not see anything about communication models. All of these initiatives are great but without a multidirectional communication model the morale will plateau. Organizational behavior patterns and morale not linked to compensation packages as strongly as they are linked to communication models. Despite the implementation of higher wage and a more organized system you can still walk down to 1300 Perdido Room 1W15 and ask employees if their needs are being met on the operational level and they will roll their eyes. Our front-line employees are making requests and suggestions that are either not being heard, or being ignored by upper levels of bureaucracy within City Hall. The top-down model of communication still exists within New Orleans City Hall and it needs to be reconfigured.

**Frank Scurlock**

Yes, I support the continued implementation of the 2014 civil service rule changes. As the City of New Orleans approaches her 300th birthday next year the next Mayor needs to make sure that every effort is made to modernize City hiring practices. The Civil Service Commission itself was a great innovation against the “spoils system” that allowed the City to be run through political patronage. However, even new innovations become less innovative over time, and need updating. There were many critics of this rule change, and as Mayor I would take the opportunity to work with them regarding their concerns so that the City can continue to be protected from political spoils, but that the taxpayers have an efficient and motivated population of civil servants to meet their needs.

**Johnese Smith**

The support has already been implemented by the current Administration. I cannot comment on if the 2014 civil service rule needs changes or not. However, the current administrators (city leaders) are reviewing the 2018 Proposed Budget and 2018 Capital Budget that will forecast the future plans of this great city. Now is the time for BGR to reach out to the current administration and revisit those recommendations outlined in your reports.

Post-response: New Orleans Flooding 8/5/2017: In light of the revelation that happened on Saturday, August 5, 2017, this Administration will review all recommendations on a case by case base. At this time, our true threat to public safety is deteriorating infrastructure, drainage pumps and emergency evacuation planning.

**Tommie A. Vassel**

I would continue the implementation of the 2014 civil service changes. The changes allowed the City to operate more like the private businesses.

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## CIVIL SERVICE

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8.

**Are you contemplating any changes to the civil service system? If so, please explain what the changes would consist of and why you think they are necessary.**

**Michael  
Bagneris**

First it is important to note that any major change to the civil service system would require a Charter change. However, if one was to have a conversation with the supervisor of employees and advised them that it's highly unlikely that 85% are above "satisfactory" and consequences would follow to those supervisors who were not doing their jobs, more accurate ratings would ensue. I know this approach works. I did it when I was Executive Counsel to Mayor Dutch Morial.

**"Manny  
Chevrolet"  
Bruno**

Yes I am contemplating.

**LaToya  
Cantrell**

I want to provide more training to Civil Service Commission staff and to human resource staff throughout City government. Our people need to be trained on how to implement best practices in the changing public sector environment. Again, this will help to ensure that we are hiring people quickly for needed positions.

**Desiree M.  
Charbonnet**

As in Question 7, this will depend on the results of thorough and thoughtful analysis.

**Troy  
Henry**

As a senior executive that has managed large organizations and thousands of employees, I know that performing an assessment is always the first step so when a decision is made it will be a fully informed one. My executive experience is that large organizations always need constant refining to ensure satisfaction within the organization (city workers) and outside from the end users (in this case, residents and other stakeholders); and this will be how I approach a review of the civil service system.

**Matthew  
Hill**

One of the secrets that keeps companies like Google, Apple, Amazon, Disney, Pixar, and other super-innovators have is a positive work environment, more specifically a learning environment. What I mean by learning environment is, in short, a work place culture and structure that allows for the personal growth of each worker. ... This kind of environment must be cultivated and it comes down to a combination of several factors including relationships with co-workers, easy communication with supervisors, proper benefits packages, proper recognition, and training & development that results in a highly engaged workforce. One of my pivotal strategies is to engage the entire civil workforce with training & development in regards to Lean Six Sigma. We will have to train our front-line workers to recognize waste so that at least every employee is at a Yellow Belt level of understanding of process management. The more we invest in our workforce, the more satisfied they will be with their job and thus they will pass that on to the customer/citizen. There will be other programs that we will train our civil servants in, so that we add value to each and every one of our hard working civil servants. We should not want our workforce to retire, we want them to graduate, to go on and become more with the skills that they learned under our wing.

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## CIVIL SERVICE

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**8.**  
CONTINUED

**Are you contemplating any changes to the civil service system? If so, please explain what the changes would consist of and why you think they are necessary.**

**Frank Scurlock**

Currently, I am not contemplating any changes in the civil service system. I would take the opportunity to assess the recent changes made to the civil service system, and make changes based on input received from interested parties.

**Johnese Smith**

With all due respect, I cannot truly answer the question without being allowed to review information that may be considered private, especially, since pay raises, promotions, tenure, health insurances, FMLA, contracts and so forth are involved. I believe an honest answer would require me to have access to these private and disclosed documents.

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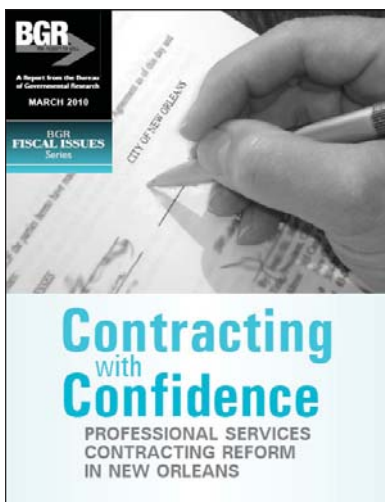
**Tommie A. Vassel**

As I understand it, the process for testing and hiring is still a very slow process. I think there is more stream lining that can be done. Some potential employees find other jobs waiting on the testing process to be completed.



**BACKGROUND**

In 2010, BGR presented a new model for professional services contracting.\* Mayors had long exercised significant discretion in choosing contractors in New Orleans, and BGR’s research of best practices found little evidence to support this arrangement. Instead, best practices revealed that the City should award contracts to the firms that perform best on evaluation committees’ objective and transparent scoring of proposals.



In 2010, Mayor Landrieu signed an executive order creating a procurement process that incorporated all of the key elements of BGR’s model. He created a centralized procurement office and hired a professional procurement officer to head it.

In 2014, New Orleans voters amended the City’s home rule charter to protect some, but not all, of the key components of the 2010 professional services contracting reform.\*\* The amendment codified requirements for contractor selection by committees of City employees with relevant subject matter expertise. The amendment also required committee meetings and records to be public, and it prohibited the mayor from being a member of any selection committee.

However, the amendment did not codify three other key components of the 2010 reform: 1) the centralized procurement office, 2) the numerical system of grading proposals based on detailed, weighted criteria, and 3) the requirement that the mayor execute a contract with the selected respondent or terminate the procurement. As a result of these omissions, a future mayor might seek greater control of the selection process.

\* BGR, *Contracting with Confidence: Professional Services Contracting Reform in New Orleans*, March 2010, available at <http://www.bgr.org/reports/Contracting-Reform-in-New-Orleans/>.

\*\* BGR, *On the Ballot: November 2, 2014*, pp. 1-3, available at <http://www.bgr.org/reports/bgr-reviews-contracting-reform-sheriffs-tax-other-propositions1/>.

**ON PROFESSIONAL SERVICES CONTRACTING, BGR ASKED THE CANDIDATES:**

- 9. As mayor, would you retain the executive order that currently governs the professional services contracting process? Why or why not?**
- 10. Are you contemplating any revisions to the existing professional services contracting process? If so, please explain what they would consist of and why you think they are necessary.**

9.

**As mayor, would you retain the executive order that currently governs the professional services contracting process? Why or why not?**

**Michael Bagneris**

Yes. Simply put, I believe the contracting process should be transparent and apolitical.

**“Manny Chevrolet” Bruno**

[Candidate did not answer this question.]

**LaToya Cantrell**

Definitely. The executive order was crucial to providing additional transparency to the procurement process and it paved the way for improved Disadvantaged Business Enterprise (DBE) participation. I would keep the executive order, although I would be willing to consider future improvements.

**Desiree M. Charbonnet**

I will review all extant executive orders including this one. Obviously, I will abide the home rule charter until the voters amend it. After review of BGR’s procurement model and other best practices, I will issue a revised executive order as appropriate.

**Troy Henry**

As mayor, I would issue a new executive order that makes changes to the Selection Committee membership to ensure that each member is sufficiently qualified and experienced to properly evaluate a professional services proposal.

**Matthew Hill**

Everything in your proposal sounds good on paper, but a proper value-stream model analysis will find out whether it is being implemented correctly. What I did not see in your proposal, was the right for the mayor to terminate any contract during the execution of the contract. The Mayor does not need to be intimate in the procurement process other than some basic input and the final rubber stamp; however, the Mayor should retain the right to CANCEL *any* contracts at *any* time without seeking approval of the Inspector General or the procurement office. Terminated contracts would be followed up with a report containing the reasoning. The mayor needs to be able to have leverage during the EXECUTION phase of a contract due to poor performance. I am well aware that the utter debacle and money pit that has consumed Louisiana and Napoleon projects. It is absolutely unacceptable for any street or thoroughfare to be torn up for more than a YEAR. The construction has been the demise of several small businesses and there are no repercussions for ruining people’s livelihood. The performance of multiple contracts throughout the city has been pathetic and the contractors need to know that the current standards are NOT acceptable, their contracts may get cancelled.

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**9.**  
CONTINUED

**As mayor, would you retain the executive order that currently governs the professional services contracting process? Why or why not?**

**Frank Scurlock**

Analysis of all executive orders will be done on a case-by-case basis to ascertain the purpose and any continuing need for the orders. As a businessman, I prefer a model of government contracting that awards contracts to firms that perform highly on the scoresheet of an evaluation committee. That evaluation committee should have an objective and transparent method of scoring proposals to ensure that taxpayers get the most from the professional services contracts awarded; and, to further ensure that contracts are not awarded for political preferences.

As Mayor, I believe that all City purchases should be done through a centralized procurement office. In this way, the City can coordinate its purchases and will be in the best position to leverage its significant purchasing power. Taxpayers can be assured that all purchasing decisions are done in a rational and transparent manner that validates the use of City funds.

**Johnese Smith**

... If, I am elected mayor, I would review all executive orders authored by the Honorable Landrieu, and his appointments. I would definitely take into consideration, the people who will elect me to serve them. The People's opinion should matter, right? I don't see where any models used the citizen of New Orleans as their primary reasoning for making these decisions.

Question: Was there any planning around the contractors who did bid on city contracts and for years never received a city contract, ever?

Comment: I was a small business owner and tried on several occasions to receive a city contract through janitorial services-catering and event designs. I never understood how someone who bids on a contract is awarded that contract, although, that company or business was the highest bidder?

This candidate doesn't see transparency, even with the suggested models.

Post-response: New Orleans Flooding 8/5/2017: In light of the revelation that happened on Saturday, August 5, 2017, this Administration will review all recommendations on a case by case base. At this time, our true threat to public safety is deteriorating infrastructure, drainage pumps and emergency evacuation planning.

**Tommie A. Vassel**

I would retain the current executive order.

**10.** Are you contemplating any revisions to the existing professional services contracting process? If so, please explain what they would consist of and why you think they are necessary.

**Michael Bagneris**

No.

**“Manny Chevrolet” Bruno**

[Candidate did not answer this question.]

**LaToya Cantrell**

I want to review our DBE and local hire requirements to make sure that they are working as envisioned when they were put in place. This is necessary because many of our citizens feel left out of government processes, and many of our businesses feel that they are unfairly ignored when it comes to government contracts. We have to make sure we are truly leveling the playing field for DBE's and local contractors.

**Desiree M. Charbonnet**

It is possible, pending thoughtful review of what's working and what's not.

**Troy Henry**

Yes, (Same response as to Question 9).

**Matthew Hill**

I was under the impression that if too many things change during a job the contract may need to be rebid. I was also under the impression that the current Bourbon Street renovations' environment is changing every day and that it may be at the point of having to be rebid. This sounds to me as if the contract was not written well and that there was no real understanding of what obstacles the terrain under Bourbon Street had to offer. These kinds of contracts are rushed, lack oversight, lack proper planning, and lack proper management. I am going to make an assumption that the bulk of the poor planning was on the city's end but I am sure there is plenty of blame to go around. I would like to know how the Bourbon Street Contract unfolded according to BGR's standards as well as the City's standards. If this is a result of the current procurement system then there are serious management issues that must be addressed within that department.

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**10.**  
CONTINUED

**Are you contemplating any revisions to the existing professional services contracting process? If so, please explain what they would consist of and why you think they are necessary.**

**Frank Scurlock**

While I am not immediately contemplating any changes to the existing professional services contracting process, I believe that should changes be needed that they should be in the best interest of the taxpayer and respect the checks and balances guaranteed by the City Charter. Contracts should not be awarded based on political cronyism. They should be made as the result of a committee of government employees with subject matter expertise through a competitive process that is rigorous, public, and transparent.

**Johnese Smith**

Absolutely!

I would like to discuss this process, but it would make sense to put those plans to action, if I am elected.

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**Tommie A. Vassel**

I would certainly like to explore ways that locals can benefit more from professional contracts. I think it is important that the locals that have a vested interest in the City have an advantage on the services that we are seeking.

### BACKGROUND

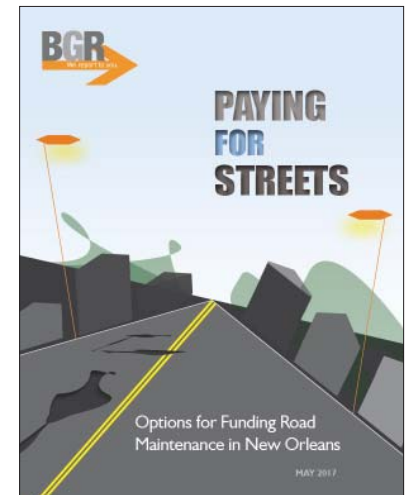
Earlier this year, BGR published a detailed analysis of the City's current funding sources dedicated to streets.\* It then evaluated options for increasing funding for the most pressing need, street maintenance. The City estimates it needs \$30 million to \$35 million annually for preventive maintenance. However, BGR found that the City has spent an average of just \$3.8 million a year since 2011. Failure to find an adequate, recurring source of revenue for preventive maintenance risks squandering the enormous capital investment the City is about to make to repair streets damaged after Hurricane Katrina.

While there is no question that the City needs more money for streets, this does not necessarily mean it needs more money from the public. BGR found that the City receives more than \$50 million in net revenue from 10 sources with a strong connection to streets, such as traffic camera tickets, parking tickets and vehicle sales taxes. But the City invests none of this money back into the street network. And for many years, streets have taken a back seat to other local priorities in the competition for local tax dollars. BGR recommended that the City should look to redirect existing revenue streams or rededicate existing local taxes before seeking new funding sources.

If the City needs new funding sources, BGR urged the City to consider alternatives to property taxes. Property taxes, the primary source of local funding for streets, generally have a weak connection to street use. Also, exemptions shield many properties from taxation, even though some of them impose significant burdens on the street network.



Other options exhibit a stronger connection to street use and a broader base of payers. One is a Transportation Utility Fee, in which property occupants pay street charges based upon estimates of how many vehicle trips that property generates. Another is a local fuel tax, either through a local option or a state dedication.



\* BGR, *Paying for Streets: Options for Funding Road Maintenance in New Orleans*, May 2017, available at <http://www.bgr.org/reports/paying-for-street-maintenance-in-new-orleans/>.

### ON STREET MAINTENANCE, BGR ASKED THE CANDIDATES:

**11. What level of funding will you pursue for street maintenance?**

**12. How do you intend to achieve this level of funding?**

# 11. What level of funding will you pursue for street maintenance?

**Michael Bagneris**

Approximately \$24 million.

**“Manny Chevrolet” Bruno**

None. The crooks took it all.

**LaToya Cantrell**

\$30 to \$35 million dollars.

**Desiree M. Charbonnet**

I agree that many of our streets are in deplorable condition and I intend to fix them taking into account the FEMA settlement and other available funds. See my answer to question #4 as my initial approach to street maintenance. After that, I will consider other sources of funding for street maintenance, if necessary.

**Troy Henry**

The funding level for street maintenance will be determined during the implementation of my Strategic Portfolio Management approach to city budgeting. We cannot be a first-class city with Third World infrastructure, so streets and other infrastructure will be one of my top priorities as Mayor. I plan to incorporate Smart Digital City technologies into all aspects of city government, including our streets and infrastructure, establish a “dig once” policy so that while we are rebuilding streets and sewers we can also bury power and telecom lines as well and beautify our neighborhoods, and explore many other ways we can think bigger and plan smarter for our long-term future.

**Matthew Hill**

The entire bidding, maintenance, budgeting, and execution of our roads will be thoroughly overhauled. The processes behind road maintenance will be leaned-out and upgraded so we can expect the immediate cost of operations to go down. However, the current quality of maintenance on the streets is absolutely unacceptable. The entire maintenance system will be gutted and replaced. Currently the city is just resurfacing our streets down 6 to 12 inches and this is insufficient. Our city continually finds sink holes under the streets and our public works department does not know where all of the sink holes are, thus, the entire street system needs to be replaced, not resurfaced. The structural integrity of our streets are uncertain at best. Also concrete and asphalt have proven to be sub-par materials for our road system. ... I am proposing that the immediate surface of our streets is made of permeable recycled plastic and under that lies layers of aggregate all contained within a concrete canal structure allowing water to drain through our streets. What I am proposing is turning our entire street grid into a drivable canal system. This will collect and drain ALL runoff water and corral it to pumping stations. ...

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**11.**  
CONTINUED

**What level of funding will you pursue for street maintenance?**

**Frank Scurlock**

Good streets are the foundation of strong commerce. In order for businesses to thrive in our city goods need to be safely carried on our streets. Residents deserve to have smooth, paved streets to drive along. When elected, I would strive to get street repair funding up to \$25 million in the first year of my administration.

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**Johnese Smith**

Post-response: New Orleans Flooding 8/5/2017: In light of the revelation that happened on Saturday, August 5, 2017, this Administration will review all recommendations on a case by case base. At this time, our true threat to public safety is deteriorating infrastructure, drainage pumps and emergency evacuation planning.

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**Tommie A. Vassel**

As the only CPA in the race for Mayor, I plan to convene some of my peers to evaluate the entire budget. I firmly believe that we can reallocate the resources in a manner that will be more beneficial for our citizens. I am not able to determine a level of funding at this time.

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# 12. How do you intend to achieve this level of funding?

**Michael Bagneris**

Every year, all revenue from traffic and red light cameras will be dedicated to street repairs.

**“Manny Chevrolet” Bruno**

I don't.

**LaToya Cantrell**

I want to redirect hotel occupancy and sales tax revenue and devote City lease revenue from large scale projects, such as the World Trade Center, towards an infrastructure fund. I also want to use new property tax revenue from real estate property tax abatement projects with abatements that are soon to expire.

Finally, I want to create an incentive program that partners with the public sector to redevelop vacant property in exchange for PILOTS and encourages nonprofits to sell unwanted and unneeded property to get it back on the property tax rolls.

**Desiree M. Charbonnet**

Answered above.

**Troy Henry**

I intend to achieve appropriate levels of funding within the Strategic Portfolio Management and current city revenue-sources framework. Any discussion of funding levels outside that framework would occur in a larger discussion with the City Council, and city residents and stakeholders.

**Matthew Hill**

To pay for the proper overhaul of the streets we will use some of the revenue from the online gambling-initiative, which will be discussed in more detail soon. Additionally, we will be able to redirect money we save in other areas of the budget and we will be garnering cash-flow from new markets such as our new Information Technology sector that I will aggressively pursue. According to the New Orleans Inspector General one linear mile of road construction in the City of New Orleans should cost \$7 million, which includes uprooting the existing structure and replacing it. With 1500 miles of street that should be roughly \$10.5 billion over 15 years. Not only can that cost be brought down, we can also generate funds from other sources. With the legalization of recreational cannabis Oregon reported \$6.8 million of tax revenue in less than 5 months in the start of 2016 and are expecting \$31 million in marijuana revenues for 2017. ... I stand by the legalization of recreational cannabis and the tax revenue it will bring; we can take the burden off of the citizen to foot the bill.

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**12.**  
CONTINUED

**How do you intend to achieve this level of funding?**

**Frank Scurlock**

It is unconscionable that in a one-billion-dollar operating budget that the City can only find \$3.8 million for street repairs. If elected, I would take 5% from every Department except the NOPD to pay for street repairs. Excess funds raised from parking enforcement and other activities that have a direct nexus to street activities would be dedicated at 15% of all funds received in my operating budget.

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**Johnese Smith**

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**Tommie A. Vassel**

I plan to scrub the budget and reallocate funds.

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### BACKGROUND

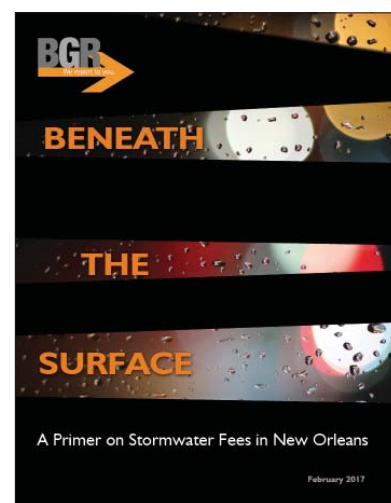
In February 2017, BGR issued a report describing the operating and capital needs of New Orleans' complex network of drainage pipes, canals and pumping stations.\* Most of the funding needs take the form of local matches for federal projects or new maintenance costs generated by those projects. In addition, both the Sewerage & Water Board and the City have significant unmet maintenance needs for their portions of the pre-existing drainage system. The S&WB is responsible for the pumping stations, canals and major underground pipes, while the City manages an extensive network of smaller pipes, culverts and catch basins that channel stormwater into the S&WB's system. As of February 2017, the S&WB projected it will cost about \$55 million more per year to meet impending obligations and to properly maintain the Board's and the City's stormwater management systems. This would nearly double local spending on the systems.

With these large new cost burdens in mind, the S&WB and City are considering whether to pursue stormwater fees, rather than increasing property taxes, as a means of raising the additional revenue. BGR's report delved into stormwater fees to provide the public with a clear understanding of how they work and to begin the discussion of their potential to bridge the funding gap.

BGR found that stormwater fees are rapidly growing in usage across the country. If properly structured, a stormwater fee has numerous advantages over a property tax, including a broader payer base. A properly structured fee also creates a strong nexus between the demands a property places on the drainage system and the amount of the fee.



The report does not attempt to verify the estimates of the new drainage funding needs. However, it is clear that some level of new funding will be necessary. Given the advantages of a stormwater fee over a new property tax, BGR recommends that the S&WB and City consider a stormwater fee as a potential source for drainage system funding. Its report makes several recommendations for fairly structuring a stormwater fee. Moreover, the August 5 flood event, which occurred after BGR's report, has brought the funding concern to the forefront.



\* BGR, *Beneath the Surface: A Primer on Stormwater Fees in New Orleans*, February 2017, available at <http://www.bgr.org/reports/do-stormwater-fees-make-sense-for-new-orleans/>.

### ON THE DRAINAGE SYSTEM, BGR ASKED THE CANDIDATES:\*

**13. Should the City and S&WB continue to develop a proposal for a stormwater fee? If yes, how should they structure the fee? If no, how do you propose they address the drainage system's financial needs?**

\* BGR sent its questionnaires in late July, prior to the August 5 flooding. Therefore, BGR's question does not specifically address that event or its aftermath. Many of the candidates, however, do address the flooding in their responses.

# 13. Should the City and S&WB continue to develop a proposal for a stormwater fee? If yes, how should they structure the fee? If no, how do you propose they address the drainage system's financial needs?

**Michael Bagneris**

If we are going to say we are fully open for business after the 2005 levee failures, we must end these images of our homes and businesses flooding every time there is a heavy rainstorm. Clearly, there will always be some level of street flooding in NOLA, but we must do everything in our power to stop this. I do believe that there are uncollected water usage fees to be collected as well as significant unaccounted for water loss. A report by the Water Company of America said these totaled around \$10 million. A thorough financial and operational audit of all entities in the new "public works" division needs to be conducted so we can try to address our drainage needs as efficiently as possible. Until I know this, I can't advocate for tax or fee increases.

**"Manny Chevrolet" Bruno**

The S&WB had their chance. No more money for them.

**LaToya Cantrell**

I think the city should continue the development of any and all proposals that could address our needs, although I am not prepared to commit to any specific proposal at any specific rate as of yet. All options should be on the table, including parcel fees and fees that are based on individual impact on the stormwater system.

We should also work to get unneeded and unwanted nonprofit and government-owned land onto the property tax rolls, so that we can expand our tax base.

Finally, I also think we should look at the potential for public-private partnerships that could tap into future cost reductions because of lower insurance and maintenance costs or future revenue growth based off increased property values.

**Desiree M. Charbonnet**

The S&WB, at present, is a failure at its drainage mission and problems that might exist with sewage treatment and water purification are as yet unknown. The present board structure and its membership need full review. Until a comprehensive review of the S&WB and its overall problems is complete, it would not make sense to discuss specific funding sources.

**Troy Henry**

There are many ways to try to address stormwater and drainage issues without adding costs for residents and ratepayers. For example, in Pontchartrain Park, we designed homes that had rain bladders in the conditioned crawl spaces that collected the first inch or so of rain. Stormwater management systems can also be incorporated into the landscape as parks, buildings, sidewalks, etc. are designed and built. If we are doing things progressively on a citywide scale, we could keep much of the water out of the system in the first place.

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**13.**  
CONTINUED

**Should the City and S&WB continue to develop a proposal for a stormwater fee? If yes, how should they structure the fee? If no, how do you propose they address the drainage system's financial needs?**

**Matthew Hill**

NO, as Mayor I will not allow an increase in fee, tax, or millage to pay for the years of mismanagement our City has suffered. The citizens with whom I have spoken all have S&WB horror stories and I will not continue to balance the over-inflated budget on the backs of the citizens. New fees are off the table. We will free up internal money and deal with the problem. We will streamline the process, take that money and reinvest it back into infrastructure maintenance. The cost of maintenance does not go up, it always stays the same. How much money we waste on doing the job inefficiently or inaccurately is what changes and these operating costs are what drive up the budgetary costs. This city has plenty money, it just needs to manage its spending better.

**Frank Scurlock**

Given that the City's matching requirement for the federally funded SELA program are set to increase, and the needs of an aging system present serious financial hurdles, as Mayor I would support a stormwater fee. This fee would need to be commensurate with the amount of rainwater runoff and drainage that each property used. Property taxes are based on a property's worth, so it is only fair that the stormwater fee should be based on how much stormwater a property put into the drainage system.

However, recent events give rise to the competence, honesty, and transparency of the S&WB's management. If taxpayers are going to be required to pay a stormwater fee then they will need to have assurances that they money will be put to good use by the S&WB.

The need for drainage in New Orleans is apparent after the flooding associated with recent rainfall events. However, taxpayers need to be assured that their investments are being used wisely. And, that when they are depending on the drainage system it WILL WORK properly to disperse rainfall.

**Johnese Smith**

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**Tommie A. Vassel**

I do think the City and the SWB should continue to develop a proposal for a stormwater fee. I would start with an evaluation of the estimated cost for the City and the SWB. I would like to believe that with all of the construction in our City that the estimated revenue from ad valorem taxes are increasing as well.

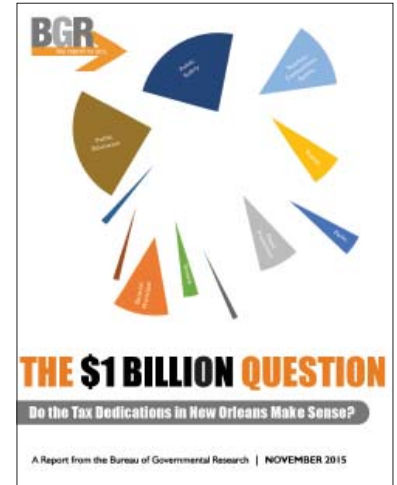
### BACKGROUND

A 2015 BGR report found that only one-fourth of local tax revenue is available to City government for broad municipal purposes.\* The remainder is dedicated to specific municipal purposes or to other entities. These dedications limit the City government's ability to provide basic services and infrastructure and meet pressing obligations.

The tax dedications were approved in piecemeal fashion, often at the state level, over the course of many years with little planning and accountability. The allocation of resources that evolved from this ad hoc process has not been re-evaluated in the context of changing conditions and current needs.

BGR's report called for a review of current taxes in New Orleans to identify those that are ripe for rededication to basic municipal needs. BGR specifically called on the mayor to take the lead in pursuing all appropriate changes to local tax dedications. The City should conduct a comprehensive re-evaluation of tax dedications

and develop a broad plan to address community priorities. All taxes, except those for the most basic infrastructure and services, should be placed on the table for possible rededication. The City should evaluate all such taxes, not in terms of each taxing body's ambitions, but in the larger context of the community's priorities. Ultimately, the mayor should present a program for funding and executing the plan.



\* BGR, *The \$1 Billion Question: Do the Tax Dedications in New Orleans Make Sense?*, November 2015, available at <http://www.bgr.org/reports/rethinking-tax-dedications-in-new-orleans/>.

### ON LOCAL TAX DEDICATIONS, BGR ASKED THE CANDIDATES:

**14. As mayor, what changes to local tax dedications would you pursue? Please be specific.**

**14.** As mayor, what changes to local tax dedications would you pursue? Please be specific.

**Michael Bagneris**

I would be willing to allow the people to decide if the millages for the Neighborhood Housing Improvement fund and the Economic Development fund should be repurposed to help pay for public safety.

**“Manny Chevrolet” Bruno**

Changes. There will be changes.

**LaToya Cantrell**

I believe we have to look at some of the dedications from the hotel occupancy tax and the sales tax. For instance, we want to consider rededicating the funding from the Morial Convention Center, or to explore directing future revenue growth to a separate infrastructure and maintenance. The same could potentially be said for hotel sales tax revenue dedicated for the New Orleans CVB and New Orleans Tourism and Marketing Corporation (NOTMC). However, any changes to tax dedications should be discussed and negotiated with the entities that currently benefit from these tax dedications. The city might have more money in its general fund right now if it had been better at collaborating with other governmental entities.

I have not decided whether these funds should be rededicated to the infrastructure and maintenance or directed to the general fund, and then reallocated to the new infrastructure and maintenance fund through normal budgetary processes.

**Desiree M. Charbonnet**

I agree with your above statement: “The city should conduct a comprehensive re-evaluation of tax dedications and develop a broad plan to address community priorities.” As I work through my analysis of all of the city’s issues, I will schedule a re-evaluation in my administration’s work program.

**Troy Henry**

I agree with BGR’s position that “the mayor and the local legislative delegation should initiate a comprehensive reassessment of existing local tax dedications,” to determine if and where improvements can be made.

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## LOCAL TAX DEDICATIONS

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**14.**  
CONTINUED

**As mayor, what changes to local tax dedications would you pursue? Please be specific.**

**Matthew Hill**

Actually I plan on lowering every tax that we have. We will endeavor on a city wide assessment and audit of every department and their subsequent operational budgets. We will overhaul the taxation and fee structure all over the city government. The added tax for the convention center will either be reallocated or eliminated, with the latter being the preference. The permit fees to open up a business in New Orleans add up to \$240. This \$240 must then be matched by \$250 to open a business bank account. The reason why this costs so much is because the money raised has to pay for overinflated administrative costs mixed in with redundant paperwork. We want to get the permits under \$50 so that citizens can start business with as little startup costs as possible. Our city does not have a cash flow problem; our city has an operational cost problem. Bringing down the cost of operations and administration across our city government will allow us to either reduce or eliminate taxes, fees, and voluntary fees.

**Frank Scurlock**

I would use dedicated taxes for the purposes for which they are actually dedicated, instead of diverting them to fill other budget holes or for pet projects. Chief of which is the new fire and police millage that was intended for public safety, but has been diverted to fill in budget holes and long-term debts.

**Johnese Smith**

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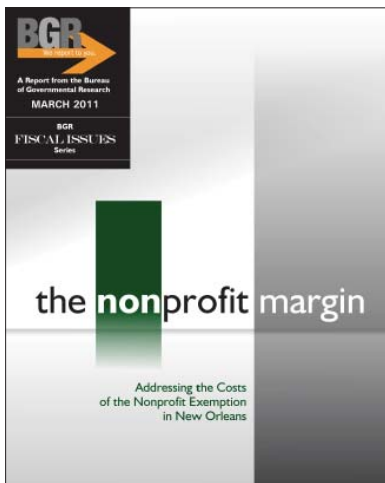
**Tommie A. Vassel**

The most talked about tax dedication is the taxes that are being collected by the convention center. They appear to be collecting revenue with no real plan for the funds. Under my administration all dedicated funds will be reevaluated to align the dedications to the current needs of the city.



BACKGROUND

BGR has published numerous reports exploring the costs of ad valorem property tax exemptions. In 2011, BGR estimated that 60% of property value is off the tax roll.\* Of the exempt property, slightly more than half is owned by governments and one-third is owned by nonprofit organizations. The balance is mostly homestead-exempt property, with a small amount of tax-exempt industrial property.



Exemptions deprive local government of revenue and drive up the taxes on non-exempt residences and businesses. In 2011, BGR prepared illustrative scenarios of those impacts. One scenario indicated that, as a result of the nonprofit exemption, tax-recipient bodies in Orleans Parish had to forego more than \$125 million in annual revenue. In a revenue-neutral scenario, the mill-

age rate could be cut by 44 mills, or nearly one-third of the total rate levied at that time.

Louisiana’s constitution exempts an unusually wide range of nonprofit-owned properties. In its 2011 report and again in March 2016, BGR pointed out that Louisiana is significantly out of step with national norms.\*\* Its exemption provisions are overly broad, not necessarily tied to public benefits, and do not require that nonprofit property actually be used for an exempt purpose. In March 2017, BGR prepared a template for constitutional revisions to address these concerns and provided it to state legislators.\*\*\*

\* BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, available at <http://www.bgr.org/reports/addressing-the-high-cost-of-nonprofit-exemptions/>.

\*\* BGR, *It’s Time for Common Sense on Nonprofit Exemptions*, March 1, 2016, available at <http://www.bgr.org/reports/fixing-louisianas-costly-and-unusual-nonprofit-exemptions/>.

\*\*\* Letter from BGR to the Louisiana State Legislature, March 7, 2017, available at <http://www.bgr.org/reports/aligning-louisianas-nonprofit-property-tax-exemption-with-national-norms/>.

ON TAX EXEMPTIONS AND THE TAX BASE, BGR ASKED THE CANDIDATES:

**15. Do you support the BGR template for reform of the nonprofit exemption in the state constitution? If there are points with which you disagree, please state what they are and explain the approach you would take.**

**16. What measures would you propose to protect and expand the tax base?**

**15.** Do you support the BGR template for reform of the nonprofit exemption in the state constitution? If there are points with which you disagree, please state what they are and explain the approach you would take.

**Michael Bagneris**

I disagree with taxing property that is used exclusively for health and welfare and owned by a nonprofit corporation or association. These activities benefit New Orleans and the state.

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**“Manny Chevrolet” Bruno**

Yes.

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**LaToya Cantrell**

I agree with BGR’s template for nonprofit exemptions within the state constitution, but I also believe additional changes should be made to the state constitution to provide additional local power to determine its own criteria for property tax exemptions and abatements. The state should not be in charge of dictating how municipalities administer their local property tax systems.

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**Desiree M. Charbonnet**

I will review the BGR template and support changes with an eye toward local conditions and the impact of the elimination of such exemptions on the institutions that receive them. I have to keep in mind fairness and equity as well as the jobs involved with such institutions.

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**Troy Henry**

As Mayor, my priority is to first focus on the City of New Orleans and the issues over which the Mayor has direct control.

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**Matthew Hill**

I agree with the overall assessment that you have put forth. I do agree that parcels should not be held by non-profits as an untaxed investment. I have seen this in my own neighborhood where a church is illegally using a residential plot of land for a grass parking lot. The church needs to become compliant with the law or face fines and fees. The adjacent property was “lost in paperwork” until the blighted property reached over \$300,000. At which point the city found the proper paperwork and it was sold at an over-inflated price. Trade, Labor, and Commerce Organizations should also be taxed. I would be willing to aggressively pursue legislation that has usage requirements.

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**Frank Scurlock**

Yes. I support it.

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**15.**  
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**Do you support the BGR template for reform of the nonprofit exemption in the state constitution? If there are points with which you disagree, please state what they are and explain the approach you would take.**

**Johnese Smith**

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**Tommie A. Vassel**

I would support the template for reform of the nonprofit exemption. Everyone uses the City services, but everyone does not pay for those services. We must consider the impact on some nonprofits that are providing services to the community that are normally paid for by City government.

# 16. What measures would you propose to protect and expand the tax base?

**Michael Bagneris**

I support BGR's position on this issue and would very happily work with the Assessor to do what can be done in this respect. His hands are largely tied in this respect. I'll go to the legislature to fight this fight because I believe it's the right thing to do. We desperately need the money. Those organizations are using the services paid for by ad valorem taxes but not contributing to them in anyway. Whether an organization meaningfully contributes in some capacity is not a precondition of exempt status- only having particularly worded bylaws and filling out certain paperwork. There is massive inertia against movement on this front as it would require a constitutional amendment. I will gladly support BGR and the Assessor in this, but I would first want to determine a path to victory. Hopefully we can hash out those details after I'm elected!

**"Manny Chevrolet" Bruno**

No more taxes.

**LaToya Cantrell**

I believe we need to work with our delegation at the state level to put forward changes to the constitution that will provide cities with more discretion and flexibility regarding property taxes. I want to incentivize the public sector to sell unwanted or needed property to private entities that will pay property taxes on such property. I also want to incentivize non profit entities to pay PILOTS in exchange for working with them to redevelop their underutilized properties. This kind of partnership is a win-win that expands the tax base and puts property back into productive use.

**Desiree M. Charbonnet**

Answered above.

**Troy Henry**

As Mayor, my goal is for New Orleans to become known as a Global Jobs City, which I plan to do aggressive recruiting of Fortune 1000 companies (by incentivizing companies to relocate to New Orleans, aggressively recruit companies to come to New Orleans via a customized value proposition), supporting the growth of our Healthcare Economy and Small Businesses, and tapping the Research and Technology potential of our local Universities. My vision is also for New Orleans to leapfrog other cities in the U.S. technologically to become a Smart Digital City like Barcelona, Spain (which has enabled them to create entirely new industries around the development of smart city technologies).

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**16.**  
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**What measures would you propose to protect and expand the tax base?**

**Matthew Hill**

I want to bring down property taxes and the Louisiana Constitution has the city in a bind. However, proper enforcement of usage and zoning statutes can prove to either change behaviors or garner cash-flow. I fully intend to lower taxes and fees across the board. I will expand the tax base by increasing our population, diversifying our industrial markets, and stimulating economic growth. We must stimulate a light manufacturing industry that relies on manpower rather than machine manufacturing. Having a business friendly environment begins with City Hall lowering costs, and by offering incentives for tenure. But in the end stimulating a thriving business environment always comes down to lowering costs of conducting business.

**Frank Scurlock**

Increasing job creation is the key to increasing the tax base. Our citizens are suffering under an oppressive amount of taxes and if we have a better economy with more jobs, the burden of taxation can be spread more equitably throughout the citizenry.

**Johnese Smith**

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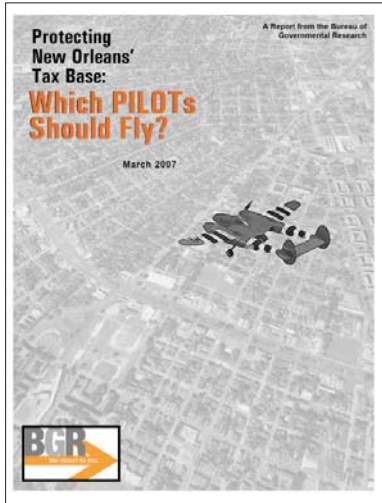
**Tommie A. Vassel**

My administration will consider restricting portions of the tax base for specific needs of the community until the mission is completed in hopes of gaining the confidence of the citizens. We must make sure that we aggressively collect all taxes that are due to the City. We must begin to level the playing field when it comes to our tax base as well as making sure that the expenditures are fair in relation to those paying.

**BACKGROUND**

In analyzing economic development tax subsidies, BGR adopts the premise that property taxes are a cost of doing business and property ownership. They should be levied in a fair manner. Having said that, BGR recognizes that there may be instances in which tax subsidies are both necessary and beneficial.

BGR has called for the City and other economic development entities to take a rigorous approach to reviewing subsidy requests. It is not enough for a project to show it will enhance tax revenues or create jobs. The City should consider a tax subsidy only if it can demonstrate that the subsidy is strategic, necessary, efficient, effective and fair. As more fully discussed in BGR reports on payments in lieu of taxes (PILOT)\* and tax increment financing (TIF),\*\* this means:



- The project receiving the subsidy advances the priorities set forth in New Orleans' economic development strategic plan.
- Independent market studies and financial analysis demonstrate that the market will not produce a desirable outcome for the site, therefore making a public subsidy necessary.
- Efficient subsidies provide only the minimum needed for the project to proceed. In addition, they should not compensate for basic financial weaknesses in a developer or a transaction (e.g., inadequate equity investment) or a lack of demand for a service or product.
- Effective subsidies produce a significant positive ratio of benefits to costs, as supported by a rigorous cost-benefit analysis.
- Subsidies should not create unfair impacts on local competitors or the surrounding neighborhood.

\* BGR, *Protecting New Orleans' Tax Base: Which PILOTs Should Fly?* March 2007, available at <http://www.bgr.org/reports/protecting-new-orleans-tax-base/>.

\*\* BGR, *Tax Increment Financing in New Orleans*, April 2003, available at <http://www.bgr.org/reports/tax-increment-financing-in-new-orleans/>.

**ON ECONOMIC DEVELOPMENT TAX SUBSIDIES, BGR ASKED THE CANDIDATES:**

**17. Do you agree with the basic principles for economic development tax subsidies identified by BGR? If there are points with which you disagree, please state what they are and explain the approach you would take.**

**18. As mayor, how would you prevent unnecessary subsidies?**

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## ECONOMIC DEVELOPMENT TAX SUBSIDIES

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# 17. Do you agree with the basic principles for economic development tax subsidies identified by BGR? If there are points with which you disagree, please state what they are and explain the approach you would take.

**Michael  
Bagneris**

Yes, I agree.

**“Manny  
Chevrolet”  
Bruno**

I don't know what this means.

**LaToya  
Cantrell**

I do agree with most of BGR's basic principles for economic development tax subsidies, particularly the need for a proactive system, versus a developer-driven case by case system driven by individual developments. However, I believe that the cost benefit analysis should be focused on the efficacy of overall incentive programs at the program level rather than on individual projects. Our incentives should be based on consistent, clear criteria with some front-end understanding by developers of what the incentive package will look like rather than evaluating each project on an individual basis which can lead to a complicated, political and inconsistent process. This will create a more stable development environment and allow the City to target certain neighborhoods and certain types of development (affordable housing) with specific development packages, rather than just chasing individual projects.

**Desiree M.  
Charbonnet**

The use of taxpayers' money to subsidize private businesses needs review and rules for granting them likely need to be revised. Certainly, the rules should require that “but for” the city's subsidy, the project would not go forward and there should be a healthy ratio of other dollars to the city's subsidy. Also, the cost of subsequent city services to the project should be evaluated. I will review your proposed rules for adoption or amendment.

**Troy  
Henry**

Yes, as long as there is an equal or greater (long-term or short-term) benefit to the City.

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**17.**  
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**Do you agree with the basic principles for economic development tax subsidies identified by BGR? If there are points with which you disagree, please state what they are and explain the approach you would take.**

**Matthew Hill**

... When subsidies are used as bargaining chips that is when they become political favors and thus corruption. Subsidies should do more than just impact the bottom line of a company; they need to promote a diversified industry with multiple players and competitors. There should be no burden of any kind thrust upon individuals, competitors, markets, or taxpayers. I will let you know that I am not a huge fan of multiple “independent” market studies based on cost. I refuse to allow this city to fall victim to extended time-tables and operational bottle-necks based on waiting for studies to be carried out. Studies must be conducted purposefully and without political agendas attached to them. As Mayor I will carry a mandate of proper management and reduction of redundancy and waste in processes. I would hate to have to categorize burdensome studies as waste, but time and redundancy is part of the bureaucratic red tape that must be removed. I will stand by any study that does not add value to the end product. Studies come down to the questions that are asked and I expect that all studies are based on bringing the best value and scope of access to our citizens.

**Frank Scurlock**

Yes, I agree.

**Johnese Smith**

Post-response: New Orleans Flooding 8/5/2017: In light of the revelation that happened on Saturday, August 5, 2017, this Administration will review all recommendations on a case by case base. At this time, our true threat to public safety is deteriorating infrastructure, drainage pumps and emergency evacuation planning.

**Tommie A. Vassel**

I agree with the basic principles. As former Chair of Louisiana Economic Development Corporation Board, I was faced with this dilemma often. Under my leadership we utilize many of the same criteria to determine if a subsidy was good for the State.



# 18. As mayor, how would you prevent unnecessary subsidies?

**Michael Bagneris**

With respect to TIF's I'd use my veto power when necessary. With the IDB, I think it's important to develop a stronger working relationship and clearer, shared vision. The IDB has great potential to help our City get over that final hump from recovery to prosperity. We just need to make sure that this is done only when necessary and in a manner that does not unfairly stack the deck against other potential developers/businesses, or negatively impact property tax collections. My guiding motto: fair and transparent.

**"Manny Chevrolet" Bruno**

[Candidate did not answer this question.]

**LaToya Cantrell**

All of our subsidy programs should be backed by empirical research that they provide a true public good. Given the substantial investment that the city has made in its analytical capability, we should be applying a data-backed approach to all subsidy programs to determine their effectiveness.

**Desiree M. Charbonnet**

Answered above.

**Troy Henry**

I would simply not support what I consider to be an unnecessary subsidy.

**Matthew Hill**

... As Mayor of New Orleans my tenure will mark the end of the old patronage system and thus the subsidization of competitive advantage as well as monopolies. I will break up Entergy's monopoly of the power grid and bring in a new competitor to bring down all the power lines in the city and bury them in the ground. As a citizen you will be able to choose which electrical provider suits you best. This will in turn bring down energy costs to the customers ... . Other monopolies that will remain nameless will also be subject to new competition. I will fuel our economic engine by cultivating new markets that will not only bring in outside companies, but also stimulate the growth of domestic companies. With Michoud largely going unused, I will lobby Congress to move more NASA operations and funding to Michoud. I will put pressure on the Port of New Orleans to seek out more unrefined materials to help boost the need for light assembly or product refinement, before we put it on to a train to somewhere else. We need to bring light manufacturing to New Orleans. Harrah's will also have to accept that there will be another land based casino in Orleans Parish.

**Frank Scurlock**

Any subsidy must come with conditions of job creation, but most importantly, those conditions must be enforced. This has been a long-standing problem for all tax credits and subsidies in every industry.

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**18.**  
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**As mayor, how would you prevent unnecessary subsidies?**

**Johnese Smith**

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**Tommie A. Vassel**

As mayor, I would develop minimum criteria that each project must meet before granting a subsidy. I would establish an appeals committee that would review any subsidy that was denied.



**BUREAU OF GOVERNMENTAL RESEARCH**

1055 St. Charles Ave., Suite 200  
New Orleans, LA 70130  
Phone 504-525-4152  
Fax 504-525-4153  
[www.bgr.org](http://www.bgr.org)

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