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In 2010, when the Landrieu administration took office in New Orleans, we inherited a financial situation that the mayor compared to the massive oil spill occurring at that very time in the Gulf, the worst in US history. The city was nearly bankrupt. Much of what we faced was the result of factors—Hurricanes Katrina and Rita, the subsequent failure of the federal levees, the great recession—that were far from the prior administration of Mayor Ray Nagin's control. Much was the result of a culture of ineffectiveness and inefficiency that predated his administration. But much was the result of gross mismanagement and corruption during his time in office, too.

When the public sector management expert David Osborne visited New Orleans in 2010 at our request to assess the situation, he said: "I just haven't run into this level of dysfunction before, and I've been doing this work for almost 25 years." He noted it was the most corrupt city government he had ever seen.[1]

So we faced both natural and man-made disasters—ones that wiped out our resources and nearly washed our city away. We knew that New Orleans could come back stronger than ever before, but it was hardly obvious that she would. This would be incredibly hard work, but Mayor Mitch Landrieu was an inspiring leader and, as a team, we were committed to doing whatever was required. I remember the moment Mayor Landrieu invited me to join him and his team as the first deputy mayor and chief administrative officer. I was living in Baton Rouge at the time, and he sent a text message that said simply, "Come help me rebuild a great American city." With that, he basically reached into my chest and pulled out my heart. I had previously served Governor Kathleen Blanco as the executive director of her Louisiana Recovery Authority, in charge of rebuilding the state after Hurricanes Katrina and Rita. And I knew Mitch from our work together in Baton Rouge when he was a legislator and later when he was lieutenant governor. This was unfinished business for both of us.

I had been one of many who had urged Mitch to run for mayor in 2006. He ran but lost a close election that year. So when he won in 2010, I could not say no. I was probably one of very few people even more excited by his victory than by the New Orleans Saints' winning their first Super Bowl the day after his election.

Our entire team was moved and motivated. We knew that for New Orleans to thrive again, our city finances had to turn around. Much of the joy of our city—the music, the arts, the food, the culture, the sports—could not be sustained without the unglamorous work of preventing bankruptcy and getting the city back on its feet. More important, though, lives depended on city government working, and working well. Without a rebuilding of the city's finances, critical public safety and infrastructure needs would go unmet.

We were driven by the depth of the problems at hand. Two months into office, Mayor Landrieu gave a State of the City speech titled "Eyes Wide Open." In it, he made that oil spill comparison and he charted the reality we faced. Our city was beautiful. Our city was resilient. Our

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city was also in grave financial trouble. When we came into office, he explained, we had been told of a $35 million budget gap. As we had looked at the books in detail by then, we determined it was really $67 million.[2]

"Like the spill," Mayor Landrieu said, "it's worse than we thought, and there are no quick fixes."

It only got worse after that. We found more bills to pay that former Mayor Nagin's administration had left behind. By the end of the year, we thought we had nailed down all of what was knowable to a budget gap of about $80 million—more than double what we were initially told. Unfortunately, there was still more to uncover. The team in charge of payroll projections for the city made their projections in terms of when cash was required, rather than when expenses were accrued. They were not accountants and did not recognize that payroll costs would accrue to the period when employees worked in 2010, rather than when they got paid for those hours in 2011.

These costs expanded our gap to $97 million for the year 2010,[3] most of which we closed through cuts, applying an undesignated insurance payment and increasing collections in key areas. But this last mistake we found too late to solve in 2010, which put us in a deficit posture to end the fiscal year.

Since Hurricane Katrina, the city had often submitted audits late; three out of the five comprehensive annual financial reports between 2005 and 2009 were not prepared on time.[4] The city's 2009 audit was still unfinished when we came on board.[5] Thus, we did not know right away that the city was already in negative territory in its fund balance. And because we had overdrawn our reserves, we were using next month's revenues to pay bills from months earlier. The 2010 deficit just added to the challenges. But without our determined actions, the city would have found itself insolvent and may not have had advance warning to even know the end was near.

That we had reached a negative fund balance was painful to imagine. When Katrina hit, the city had nearly $70 million in reserve and then received $240 million in FEMA loans that were forwarded to us by the state.[6] Mayor Nagin's administration had spent all of this money and then some. Though those funds were essential to begin to recover and repair our city, it was irresponsible not to track those expenditures, recognize when the money would run out, and make a plan for replacing it in the budget.

To make matters worse, we had to pay $170 million to JP Morgan Chase for bonds that had been called because of the financial crisis in 2008 and a poor financial decision the city had made to do an unnecessarily risky bond transaction eight years earlier. We needed to pay them all back by 2013, along with a substantial termination payment.[7] The city was again looking squarely in the eyes of bankruptcy. We had overspent our reserves. Our recurring revenues were still smaller than our recurring expenses. Who was going to lend us money? We had to fix it—and fix it quickly.

We continued to uncover problems; they were numerous and serious. Some departments were overspending personnel budgets by 20 percent.[8] Our general ledger system was out of date and operated on a mainframe computer system.[9] The payroll system was decades old and no longer supported by the vendor. The only person who knew how to fix it had returned home to India; we contracted with him to maintain and fix it when it broke, which was often. Every week, when payroll hit, we were on the verge of a catastrophe; there was always the chance that more than four thousand employees would go without a paycheck. Our new city attorney arrived to a backlog of two hundred contracts to approve, all of which contained some sort of error. The Police Department was scheduled to run out of money in October.[10] Their approved 2010 budget, like the city's at large, was not paid for. Estimates for what payroll and overtime would cost were inaccurate. Additionally, the Nagin administration and city council had passed a budget that included a cut of nearly one-third in the more than $50 million health insurance program for city employees without announcing it publicly or even telling even the staff running the program.[11]

The city was also facing an incredible $200 million legal judgment for back pay and interest to firefighters dating from the 1970s.[12] Simultaneously, we were facing dramatic increases in firefighter pension because of an equally incredible set of state legislative and firefighter pension fund management decisions. The fund itself was terribly managed, leaving it just 12 percent funded in 2014.[13] It was also irresponsibly invested. Significant investments had been made in speculative local real estate deals, including a failing golf course. Individual contributions were too small, and no contributions were required at all from firefighters with twenty years of service or more—the ones whose benefits were growing the most.[14]

We also faced potentially catastrophically expensive civil litigation from the United States Department of Justice regarding unconstitutional practices at the New Orleans Police Department (NOPD) and the Orleans Parish Prison. Our community had been calling for reforms here, and they were right to do so. In 2010, Mayor Landrieu had invited the Department of Justice to investigate NOPD practices and civil rights violations, and in 2011, the Department of Justice issued a written report about their concerns, and alleging unconstitutional practices.[15] Fixing these problems would require money we would be hard pressed to find, but we knew that doing so would make our city safer, more fair, and more just.

In addition to the investigation into the NOPD, a complaint had been filed against the Orleans Parish Sheriff's Office.[16] The Department of Justice followed up with an investigation and report finding grave injustice and mistreatment in the Orleans Parish Prison.[17] The Sheriff's Office filed a complaint against the City of New Orleans, calling it responsible for providing the funding they would need in order to make changes. Then, the Sheriff's Office moved for a proposed consent judgment with the plaintiffs and the United States Government.[18] Without dramatic changes in the overall size of the jail—including the sheriff's practice of holding thousands of state prisoners—this consent decree would require extraordinary amounts from the city; we had already budgeted around $20 million for the jail,[19] but the Sheriff's Office was requesting more than $60 million to comply.[20] We needed a seat at the decision-making table. As with the firefighter pension fund, the city had no control over management of the jail, but we were expected to pay for the overwhelming majority of additional financial requirements of the proposed consent judgment. For these consent decrees, we also had federal judges who could seize our bank accounts to extract payments.

For the consent decree for the NOPD, we estimated that we would need to pay $55 million over five years.[21] The Orleans Parish Prison Consent Decree could have cost at least another $40 million annually beyond the funding we already provided for the prison.[22] This was money we did not have.

Even as we became aware of these issues, we did not truly know how bad it was, because the city had not been reconciling its books every thirty days as it should have been. The finance department was almost a year behind. There was no system for forecasting expenditures, and the City's Revenue Estimating Conference had neither been meeting regularly nor scrutinizing the revenue projections with any rigor. What revenues they had budgeted were often speculative. For example, they included an anticipated $1.6 million from a proposed new program to ticket brake-tag violators,[23] but the Department of Public Works never implemented an enforcement program. It would have been impossible. Ticket writers did not have the capacity to write brake-tag tickets on the machines they had at the time. Even if they had had it, their efforts would not have generated much revenue, because there were too few ticket writers to complete the work at hand, and they were using nearly all of their available capacity on the more lucrative task of writing parking tickets.

Money was also being wasted in striking ways. The city had paid more than $50,000 to store $70,000 of furniture that was never used. They were set to pay $11,000 for an educational program for someone who was no longer a City Hall employee. Contractors were hired who failed time and time again. In Armstrong Park, simple tasks like pouring concrete had to be redone multiple times. Contractors not only did poor work but harmed the park they were fixing, damaging trees and curbs and even a statue of Louis Armstrong himself.[24]

The Osborne report had noted the need to reform civil service rules; our system was fifty years out of date. Government job classifications were muddled, and that meant it was difficult for managers to promote or give raises when appropriate. It was also difficult to fire people for poor performance, so employees stayed for years in jobs they did not do well. Hiring was also too slow, and recruitment was inefficient. The city practiced "bumping," through which someone whose job is eliminated can then take a job from someone with less tenure.[25]

The citizens of New Orleans knew things were bad; after all, they were paying almost a third of their property taxes for interest on city debt alone. In 2009, the year before we took office, 72 percent of residents felt their "city government was worse than others," and 61 percent felt there was "a lot of corruption in city government."[26]

The city's struggles were easy for them to see; basic functions of government infrastructure had failed. In May 2010, when we stepped into office, nearly a third of streetlights in New Orleans were out.[27] Pavement was riddled with potholes. Fifty-five thousand properties were blighted and 27 percent of homes were still unoccupied. City Hall itself had been without hot water for two years. Less than half of the city's crime cameras were working and there was no maintenance budget to repair them.[28] Poor finances meant poor infrastructure; New Orleans was in disrepair.

Action: Careful, Strategic, Data-Driven Change

That was the world we walked into. We knew we had to make drastic changes to get out of the hole we were in. We needed to fill a budget gap that represented 25 percent of the approved budget in just six months.[29] We did so thoughtfully, strategically, and with conviction. First, we froze hiring and nonessential spending. We conducted assessments, internally and with external support, to identify our next steps. Then, we set out guiding principles to anchor our work. We used time-tested best practices of fiscal responsibility and accountability. We used data to determine and track what would have the biggest impact. We made significant cuts in spending, and we found ways to increase short-term and long-term revenue through the work of a dedicated group of internal consultants we called the Innovation Team, led by our chief information and innovation officer, Allen Square, who put his background in business consulting to work finding efficiencies and opportunities to generate new revenues. Throughout it all, we committed to the idea that we owed it to our city to make hard decisions. That was our duty as a government—to make the smartest, most strategic choices with the sorely limited time and resources we had.

Taking Stock and Looking Forward

When we stepped into City Hall in May 2010, we knew part of our work was fully assessing the depth of the problems we faced. We would learn to our dismay that the $35 million deficit we had been told about was closer to $100 million. Beyond that, though, we had to understand the reasons behind the deficit, and the other results of mismanagement we stepped into. We needed to unearth the many granular failures behind the larger, more visible ones.

This undertaking took expertise and honesty. Norman Foster, our chief financial officer, who had held senior financial leadership positions in the Iowa and Minnesota state governments, did the necessary, thankless work of asking tough questions of teams across City Hall and demanding proof in answers. We also requested the advice of outside experts such as David Osborne of the Public Strategy Group and his team. We raised the money to pay these experts from generous local groups determined to help New Orleans get back on its feet, including Baptist Community Ministries, the Business Council of New Orleans and the River Region, Loyola University, the RosaMary Foundation, Tulane University, and the Urban League of Greater New Orleans.[30] This collaboration spoke to the urgency with which citizens and local institutions sought change; Osborne's team took their charge seriously. They interviewed city employees, residents, customers, and local civic and business leaders. They met with government leaders and analyzed background readings.

The report they produced was thorough and sobering; we used it as a guide. Osborne's team pinpointed where things had gone wrong and analyzed where and how we should start making change. The report set out a plan for improvement that included ways to cut costs, take in revenue, track performance, reform contracting, and track blight. These ideas would serve as a blueprint as we planned the ways we would turn city government around.

To do this hard work, we came together around our shared dreams. We anchored ourselves with a city vision, mission, and set of values, as well as six concrete priorities. Our vision was "With resilience, we transform challenges into instruments of progress with the belief and assurance that change is possible." Our mission was "The City of New Orleans delivers excellent services to its citizens with courage, competence and compassion." Our values declared, "We are committed to serving the citizens of New Orleans, not ourselves. We are honest and trustworthy." The need for this organizational value would later be made more obvious following the convictions of Mayor Nagin and one of his top deputies for corrupt actions they took while serving in positions of public trust. Our six priority areas were public safety, enhanced well-being of children and families, economic development, sustainable communities, open and effective government, and innovation. Within each priority area, we set outcome measures. When it came to finances, these measures included the city's bond ratings and the level of funding in our reserve accounts. We knew that if we were going to make change, we had to be grounded in the same guiding purpose and held accountable to the same results.

Making Budget Cuts and Hard Choices

Right away, much of our work involved budget cuts. We held fast to Mayor Landrieu's refrain that we "had to do the hard thing for the sake of doing what is right." It was impossible to avoid making cuts that hurt. So we stayed clear-eyed and focused, choosing the cuts that hurt the least and helped the most. We had no real choice; our only alternative was bankruptcy.

This choice meant, for example, furloughing city employees for eleven days in 2010.[31] That meant everyone from police officers to firefighters to the health department to the mayor himself would lose almost half a month's pay before the end of the year. Classified employees got those days off. Those of us in unclassified leadership positions worked through the furlough days trying to put the city back together again. These furloughs were the most difficult cuts we had to make, because the city employees being harmed were, with few exceptions, not the cause of the problems. But they prevented us from having to make massive layoffs instead. In addition, we cut overtime dramatically and virtually eliminated travel costs across government.

We also made the necessary, but deeply unpopular choice, to freeze hiring across the city except for revenue-producing positions. This hiring freeze included the police department, which represented nearly a quarter of the city's expenditures each year.[32] By June 2010, a month into our time in office, the police department had spent almost four times what they had been allocated for the entire year's overtime pay.[33] Even so, in all eight years of the Landrieu administration, we never cut police funding. Instead, we increased funding for the NOPD every year we were in office. We managed this combination of increased funding alongside the two-year hiring freeze with care. The NOPD was budgeted for only ten months of 2010, so we added money to get through our first year and budgeted increased funding every year after. That funding included massive increases in retirement spending, new vehicles, new technology, body-worn cameras, pay raises, new recruit classes, and another $55 million over five years to pay for the costs of the department's federal consent decree.[34]

We dramatically pared down and renegotiated our vendor contracts. If it was not "on fire or bleeding," we did not fund it. We ended contracts that were not about life or safety. We renegotiated every one of the city's three trash pick-up contracts and cut a better deal with the landfill for our dumping fees. We cut contracts for lawn-mowing on the city's medians, which we call neutral grounds in New Orleans.

Though it was controversial, we also started pushing back on the firefighters' backpay case and pension funds; we wanted responsible changes in their investment practices, contributions, and benefits. Because the rules for the fund were set by the state, all we had to negotiate with was our wallet. We made the decision to stop paying into the firefighter pension fund until the legislature changed the board's structure and investment practices and adjusted the firefighters' retirement contributions and benefits levels to ones more comparable with other jurisdictions. In response to this action, a New Orleans judge ordered the city to pay, but Mayor Landrieu held firm—even in the face of potential jail time over a contempt judgment from one local court.[35] We created a working group to review the problem at hand, which included members of city government, business leaders, pension fund experts, and firefighters' representatives.

We pushed aggressively to have a major role in creating change at the jail, because its size and management practices influenced not only how much New Orleans taxpayers would have to pay but the level of justice in our community. First, we knew we needed to reduce the number of nonviolent pretrial detainees in the jail and get out of the practice of housing state inmates, so we suggested reforms to move toward those outcomes. We also knew that to improve conditions it was important to invest more into the jail, even as the population was declining. Amid all this, we were well aware that any new funds could go to waste without real reforms in management and efficiency.[36]

Enacting Sound Fiscal Wisdom

Coming into a situation so out of control meant returning to basic principles of fiscal wisdom. The city would now use recurring revenues for recurring expenses, and one-time revenues for one-time expenses. These steps would lead us to create structural balance in our budget. We budgeted for outcomes rather than simply funding what had been funded before. We audited the utility and necessity of our government programs and funded the ones that worked. We maintained hiring freezes where we needed to and carefully managed choices around personnel. With over a dozen separate departments and many more boards and commissions, we needed to impose executive control. No department could make a hire or promotion or give a raise without my signature in blue ink on the civil service form. No purchase could be made without my approval.

We went through our budgets methodically, stretching where we could and analyzing constantly. We went painstakingly through payroll. We made sure we were managing overtime and avoiding the previous administration's mistake of doing their projections in cash rather than accrual. If a program was failing to perform, or if revenue was dropping, we knew we had to cut it. We consolidated government agencies, boards, and commissions where we could, eliminating overlap, saving money, and increasing effectiveness. We carefully triaged how we released checks. Every week, Norman Foster and I would sit down and plan the order in which we would pay our bills that week. If we had a sixty-day grace period on paying a vendor, we waited all sixty days.

We also reworked the systems that managed all these processes. The city's basic operations had languished; we sought order and efficiency to get city finances back on track and able to fund the important work of government. We updated systems that relied on paper records. After a request for proposals and a review, we outsourced payroll services to a leading company in the field.

As we made these cuts, we engaged our community. This effort generated valuable input and helped expand public understanding for the decisions we made. Mayor Landrieu held public budget meetings in each council district every year to get our citizens' views on how New Orleans spends money, runs city operations, and takes care of its people. These meetings included city council members, the police and fire superintendents, and all other department leaders.[37]

We enacted civil service reforms that made our city more efficient and allowed for talented city employees to make an even greater impact on New Orleans. We created sixteen commander positions at the NOPD, enabling Chief Ronal Serpas to pull high-performing officers from across the department and put them into leadership roles, such as running districts or divisions, on a temporary, at-will basis. This opportunity to get new talent to the top meant that officers could rise to leadership on the basis of their skills and exceptional past performance rather than their rank and the number of years they had served.[38]

Later on, our Innovation Team led the effort to pass the Great Place to Work initiative, which implemented reforms such as merit-based raises, flexibility on hiring and promotions, and delegation of hiring authority to departments.[39] These shifts had been recommended to us by the Bureau of Governmental Research and the Business Council of New Orleans and the River Region, among others; now, we finally put them into place.

Using Data to Track Problems and Progress

We did not have room for error. We knew that city governments and police departments nationwide were using performance measurement systems and data tracking to improve outcomes. The flagship program was the New York City Police Department's Compstat program, through which the department tracked crime statistics and met frequently to track patterns and determine plans of actions. The program was launched in 1994. Between 1993 and 1998, burglaries and robberies dropped more than 50 percent, and homicides were down 67 percent.[40] In 2000, Baltimore followed with a similar program, CitiStat, that tracked not just police but other civic concerns, eventually healthcare and education.[41]

It was clear New Orleans needed such programs, too. We created the Office of Performance and Accountability, our version of CitiStat, which we dubbed NOLAStat, and the ResultsNOLA report, which would track our progress (or lack thereof) and make it public. Oliver Wise, our relentless director of performance and accountability, focused on "what's working, what's not, and how to fix it." On an internal level, we began carefully tracking fiscal performance data, particularly revenue collections and expenditures. We called this BottomLineStat. To monitor our citywide work of responding to reports of blight and to performance manage our efforts to remediate it, we launched BlightStat. We also created QualityofLifeStat, which measured the responsiveness of departments such as Sanitation, Safety and Permits, and Public Works. QualityofLifeStat also notably included the NOPD's Quality of Life officers in the conversation, since they were often the first point of contact for citizens. When they could help solve a quality-of-life issue in their district, it bolstered trust in the NOPD and the credibility of city government. ReqtoCheck tracked the processes of contracting, from requisition to payment.

These programs would streamline processes, eliminate backlogs, unstick what had gotten stuck in bureaucracy, solve problems, fix systems that were not working, and make us more efficient. They would also help create the conditions for economic growth and increased tax revenue.[42]

Finding New Sources of Revenue

In addition to our cuts and analyses, we sought new ways to generate money for the city, inspiring Mayor Landrieu to call our strategy "cutting smart, reorganizing, and investing for growth." For example, we hired more tax auditors and collectors. Notably, in our first summer in office, we seized and auctioned a Bentley from the owner of a local bar who was not paying his sales taxes.[43] Businesses learned there were consequences when they didn't pay their sales taxes; taxpayer compliance, and in turn, revenues, increased. We also hired more parking ticket writers. We realized parking violators had not been consistently fined for illegal parking. Sometimes their cars caused a safety hazard, but often they were simply not paying for parking in metered spots—it had become citywide knowledge that people rarely faced consequences for unpaid traffic tickets. Even those tickets that had been issued previously were not being effectively collected, so we took action. We began booting vehicles that had unpaid parking or traffic camera tickets; we found that nearly half of those boots went to violators from out of town or state. We noticed that fleet companies, like FedEx and UPS, had tens of thousands dollars of unpaid tickets. Now, we followed up with them to get the money the city was owed.

We set the stage for future revenue, too. We took action to make the city more welcoming to business, trade, and tourism. We knew that by making New Orleans a better place to live, displaced residents would return, homeownership and home values would rise, and good conditions for additional investment would result. The fact that nearly a third of streetlights were out was unacceptable and would discourage people from moving to those neighborhoods and to streets that were not lit up at night. So we doubled the number of work crews on the project and assigned those crews thirteen-hour days, six days a week. We also found $8 million in federal recovery dollars to help fund the work.[44]

We invested in repairing roads, pipes, potholes, libraries, and school buildings. We reintroduced the city's 311 call center, with a new software system that would track requests and monitor customer service. We set up the "One Stop Shop" for all city permitting on the seventh floor of City Hall. Performance data from the "One Stop Shop" and 311 was monitored in QualityofLifeStat. Our close accounting enabled us to find and manage the money to do these things, and we knew it would result in more money for the city down the line.

In 2013, we set out ProsperityNOLA, a plan for building more revenue through economic growth. We focused on industries and opportunities, such as advanced manufacturing and information technology, as well as logistics around transportation and trade. We landed a major IT job expansion from GE Capital. Projects like building a brand new billion-dollar terminal for the Armstrong International Airport and leasing the World Trade Center for a Four Seasons hotel downtown would bring about new revenue later on and spur new retail development.

Hard-Won, Steady Success: A City Gets Back On Its Feet

As we took action, we saw progress. It was not overnight. For my first few years, it seemed that every time I stepped into the mayor's office, I had to announce bad news. But we were making shifts and reforms, and as we went, we saw results. By 2013, we had balanced the budget and successfully refinanced the JP Morgan bonds. It was one of the best fiscal turnarounds in the country. That year, we finished in the black for the first time since 2008, with a positive fund balance of $8.3 million. By 2015, we had gone from that $97 million budget gap and a negative fund balance of around $20 million to having nearly $70 million in reserves—meeting the best-practice standard of having 10 percent of the city's operating budget in reserves. By the time I left city government, our budget was structurally balanced and had grown by $72 million in four years, largely because of new sales and property tax revenues.[45]

Our credit rating improved to the highest in the history of the city.[46] This rating was the result of many factors, such as the expansion of commercial retail and the increased tax revenue it allowed us to collect, our city's strong financial management, and budgetary flexibility. This credit rating, in turn, allowed us more funding for city projects.

The city still had work to do by the time we left office, even with our newfound financial stability. Because of the mayor's commitment to grow the NOPD as quickly as we could, alongside the costs of the consent decrees and firefighter and police pension funds, much of our city's new revenue was spent on public safety. This left city infrastructure as the highest remaining urgent funding challenge for our successors.

Wise Choices Pay Off

We stuck to our guns and held firm, and after more than a year of mediation and lots of help from the Business Council of New Orleans and the River Region, we reached a settlement with the firefighters. It established a payment plan from the City of New Orleans to settle the firefighters' backpay issue. It also provided a structural fix for the pension fund by increasing contributions from the city, increasing contributions from the firefighters, decreasing retirement benefits, changing the board's membership, and putting a number of restrictions on the way the board managed their investments. The firefighters' pension fund and backpay litigation had been long-standing impediments to creating fiscal stability for the city; now, we could move forward. In addition to ending both legal conflicts, we estimated the settlement would save us $275 million over the next three decades.[47]

Our civil service reforms also garnered success. The two police chiefs that followed Chief Serpas—Chief Michael Harrison and Chief Shaun Ferguson—gained the experience they needed for that role through the opportunities our reforms provided. The reforms gave them the chance to serve as commanders, gaining operations management experience as well as exposure to the most significant leadership, management and policing issues facing the NOPD. This experience helped prepare them for the leadership opportunity that followed.

When it came to our disagreements with the Sheriffs' Office, we finally reached solid ground. Through the mediation of magistrate judge Michael North, we succeeded in securing a settlement that dramatically reduced the size of the jail and reserved it for local pretrial detainees, while excluding most state prisoners. This action significantly limited the worst-case scenarios of our cost projections, because they were proportional to the jail's population. The costs to taxpayers of these reforms were still significant—nearly $30 million more annually in recent years[48]—but they were kept from being much higher because of our efforts. Importantly, these shifts brought down the number of people that were held in our jail unnecessarily; we had more than six thousand people in jail in 2000, and by 2017, there were fewer than fifteen hundred.[49]

Growth in Infrastructure

Transforming finances and building efficiencies allowed for growth in infrastructure and civic satisfaction. The data tracking structures we had in place worked quickly to promote change. Our data programs, such as BlightStat, all had open, public meetings with department heads monthly. In BottomLineStat meetings, for example, we looked into how many photo citation cameras were working in school zones—these were most fundamentally a matter of safety but also an important source of city revenue. It turned out that many of these cameras were taking photos, but the lights set to blink during school entry and exit hours were broken, so we could not issue a ticket. Over a series of meetings, we figured out why and set clear plans to fix those lights.

With the city financially stable again, we could invest in critical projects that we had had to set to the side earlier. By the time Mayor Landrieu left office, we had filled more than two hundred thousand potholes, expanded bike paths to 110 miles, built a new hospital in Eastern New Orleans, built new or repaired police and fire stations in every neighborhood across the city, opened five new regional libraries, secured a federal grant to build a new Loyola Avenue streetcar line,[50] and spent more than $160 million in rebuilding our parks and playgrounds.[51] We expanded public transportation and began rebuilding our ferry terminal.[52]

These conditions for investments all paid off. Costco came to the city, creating jobs and, most important, new sales tax revenue, as did the Mid City Market, the Magnolia Marketplace in Central City, and the completely renovated Riverwalk downtown. New and renovated hotels and apartment buildings were opening one after the next in the Central Business District. New Orleans was much more sought after as a place to work, live, and visit, and we had a $6 billion building boom.[53] The shifts required to spur such investment had been paid for by responsible governmental practices, and they set the stage for even more revenue to come.

Stronger Systems Brought Strong Results

BottomLineStat had helped fix our traffic cameras, and other such programs were working, too. Our community became very involved in this process of data, input, and change; BlightStat meetings were the most popular. Citizens held us to account, letting us know about gaps in our systems and where our data did not match their experiences. When our staff reported that each new case of blight was investigated within thirty days, citizens attending the meeting interrupted us, declaring that we were wrong. We looked into the matter, and they were correct; it was taking an average of thirty days, meaning some addresses were still languishing in the queue waiting for an inspection. We responded by changing the way we tracked blight cases and doing what we had said we would do in the first place. By measuring performance, we changed behavior. Blight inspectors increased their productivity nearly fivefold,[54] and we reduced blight by over fifteen thousand units by 2017, going from the most blighted city in the United States when we took office to the city reducing blight the fastest.[55]

By using data and outcomes to drive decisions, we made better choices about how to use our money, and how we could make more. By tracking contracts, we cut the time of procurement from six months to just over one month. Our city services were more efficient, too; our 311 hold time went from roughly a minute in the fall of 2012 to four seconds in January 2015.[56] Our government became more efficient and effective while managing and making the most of our money.

Lessons Learned: Preserving Our City Required Hard Choices in Hard Times

The financial transformation we facilitated in New Orleans was not an act of magic. It was the result of clear-eyed assessment, careful planning, hard choices, and focused action. In the work I did alongside my team at City Hall, I relied on five principles, which I present here in the hope that they will be helpful to other cities and regions looking to turn their finances around.

1. When finances are out of control, a government has to exert more internal authority and control and return to basic fiscal discipline. It is important to act quickly. When something is uncomfortable but necessary, delay does not make that discomfort go away—it simply extends and amplifies it. I had to wield that blue pen, even though it meant giving my teams less agency than I may have hoped for. We also had to make clear, prudent financial choices, such as not spending nonrecurring money on recurring expenses.
2. Data and performance management matter, and they go together. City Stat programs work because they provide the clarity required for precise, effective planning, and the accountability to see those plans through. When New Orleans used data to plan for targeted, outcomes-oriented action, we made better use of our resources and set the conditions for investment, revenue, and better quality of life.
3. In times of crisis, fund only what is "on fire or bleeding." We can allow the grass to go uncut if it means our Emergency Medical Services can keep running.
4. Nobody tries to make a city go nearly bankrupt, but it happens. Well-meaning, smart people in government can be engaged in a system of dysfunctional habits that are truly corrosive to a city. They lose sight of fiscal discipline and spend money their city does not have. In government, we cannot make everyone happy; we have to say no, make cuts, live within our means, and enact change. We never spoke publicly about the threat of bankruptcy until long after it had passed. It would have spooked the bond markets and undermined our recovery. But the fear of it gave me many sleepless nights, all of which responsible management would have avoided.
5. If one follows Mayor Landrieu's advice to "do what is hard for the sake of doing what is right," change is possible. Even dire situations like the one we came into can be turned around. A set of guiding principles, like our mission, vision, and values, can help city employees stay aligned, focused, and inspired as they work together through even the toughest moments.

I am proud to be a New Orleanian. Our city is stronger each day than it was the day before. It helps that our government finances are back in order, and I am honored to share what I learned in that process—but I am also reminded of what I learned from my colleagues and former teammates at City Hall. The government employees I worked with showed me the best of their courage, dedication, drive, innovation, and public spirit. They were there for the right reasons and, inspired by Mayor Landrieu's leadership, they demonstrated the true potential of city government.

Mayor Landrieu taught me about leadership, governing without fear, making hard choices, and having an unyielding belief in our community. My neighbors remind me every day of the importance of generosity, openness, and the power of a nod hello and a little critical feedback. Our city's students model hard work and big dreams; our business owners show relentless energy and creativity. We can take lessons from civic leaders writing in journals, but in New Orleans, we learn from one another each day. As other cities and regions work to model our turnarounds and successes, they should look to engage their communities as we did. These are all of our cities, after all. In New Orleans, a popular t-shirt company prints shirts and stickers with the phrase, "Listen to your City!"—and I believe that's the most important message for all of us.

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