Offering a sneak preview of his second-term administration, New Orleans Mayor Ray Nagin said Monday that he plans to reorganize local government to better respond to the city's post-Katrina needs.

Nagin did not provide concrete details during a meeting at The Times-Picayune. But he outlined a three-pronged plan that he hopes will help his administration better manage the massive cleanup and redevelopment tasks facing the city in the next four years.

The mayor said he wants to combine housing, economic development and planning under one organizational umbrella. In addition, he said he will create an Office of Recovery to tackle tasks related specifically to the disaster, while Chief Administrative Officer Brenda Hatfield focuses on day-to-day governmental tasks.

Nagin confirmed that two top staffers, Housing Director Alberta Pate and Economic Development Director Don Hutchinson, will leave the administration. Replacements have not been named.
Hutchinson and Pate join a line of other top aides, including former City
Attorney Sherry Landry, Communications Director Sally Forman and Public
Works Director John Shires, who have left the Nagin administration since the
hurricane.

The mayor said the need for restructuring became increasingly apparent as he
and his advisers, several of whom are heading up three transition
committees, began plotting out his second term.

"I've come to the strong realization we're not set up for post-Katrina," he
said.

Financial squeeze felt

While demands on the city remain inordinately high, Nagin's reorganization
does not call for adding staff at City Hall, mostly because the city doesn't
have the money to do so. The city laid off half its workers last fall to
save money, and Nagin said the 2007 budget the administration is starting to
put together will not call for expanded staffing.

That reflects the sorry state of the city's finances, which have suffered
from sharply reduced sales and property taxes, while neighboring parishes
and the state rake in tax windfalls from Orleans Parish residents' purchases
in Jefferson Parish and elsewhere around the state.

Although the Federal Emergency Management Agency reimburses local
communities for property and infrastructure losses, it does not have a
program to pay for local government's day-to-day operating expenses.

"Everybody keeps saying there is no plan, but I have no money," Nagin said.
"And the state is flush, everybody else is flush. We just need to get the
money flowing.

"We are literally making bricks with no straw," he said.

The city also has dropped plans to hire Henry Consulting, a local contractor
that Nagin announced in January would receive a contract to provide outside
workers to augment the city's staff. City officials had hoped to use
temporary workers to supplement the departments most in demand during the
recovery, including Public Works and Safety and Permits. But in the end,
there was no money to pay for the contract, Hatfield said.

Although Nagin predicted New Orleans will experience an economic boom in the
next few years as billions of dollars in federal assistance begin to flow
into the city, he said that to date, the state has funneled just $1.3
million extra to the city to help run local government.

Although he and Gov. Kathleen Blanco are considered to have a strained relationship, Nagin said the two are not at odds over the city's needs, and he instead blamed unnamed legislators for the lack of financial assistance.

Remaining optimistic

Despite the bleak financial situation, Nagin painted a hopeful picture of the city he would like to see when his term ends in 2010.

By that point, he said, he hopes the population west of the Industrial Canal -- what he calls the "Mid-City bowl" -- will have surpassed pre-Katrina levels; that there will be "clarity" about whether and how eastern New Orleans will be redeveloped; that most public housing developments will be reconfigured; that tourism will be close to pre-Katrina levels; that a Canal Street makeover will be complete; that riverfront development will be under way; and that public schools will be showing marked improvement.