

REVENUE ESTIMATING CONFERENCE QUARTERLY ECONOMIC REVIEW



CITY OF NEW ORLEANS

REVENUE ESTIMATING CONFERENCE MEMBERS

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Presented Monday September 28th, 2015



September 2015 Revenue Estimating Conference

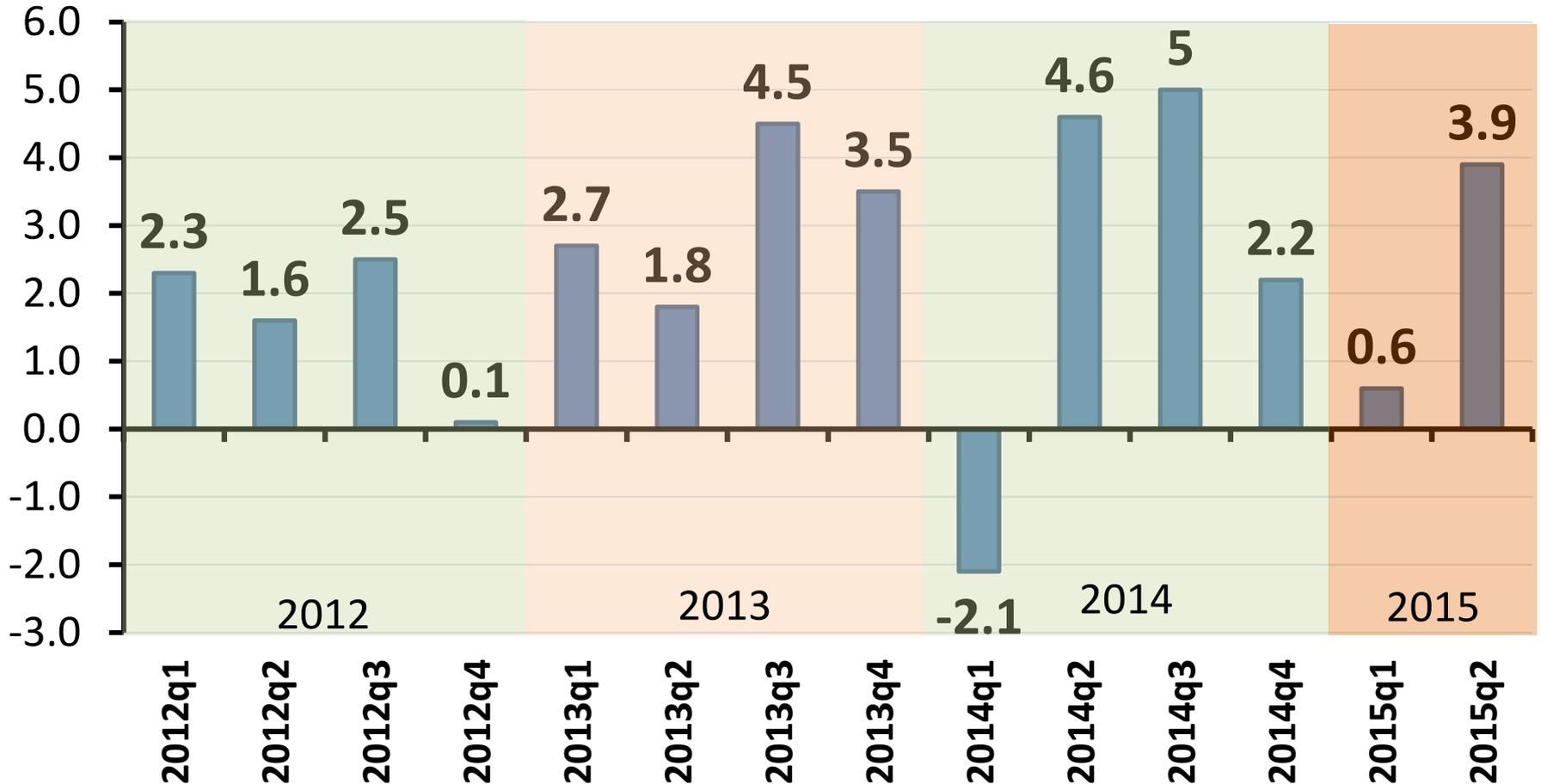
- Part 1: Brief Economic Outlook
- Part 2: 2015 Revenue Forecast Update
- Part 3: 2016 Preliminary Revenue Forecast
 - Overview of Major Revenue Changes Expected in 2016
- Part 4: 5 Year Revenue Forecast
- Part 5: Amendment of Revenue Forecast 2015
- Part 6: Appendix

Part 1:

Brief Economic Overview

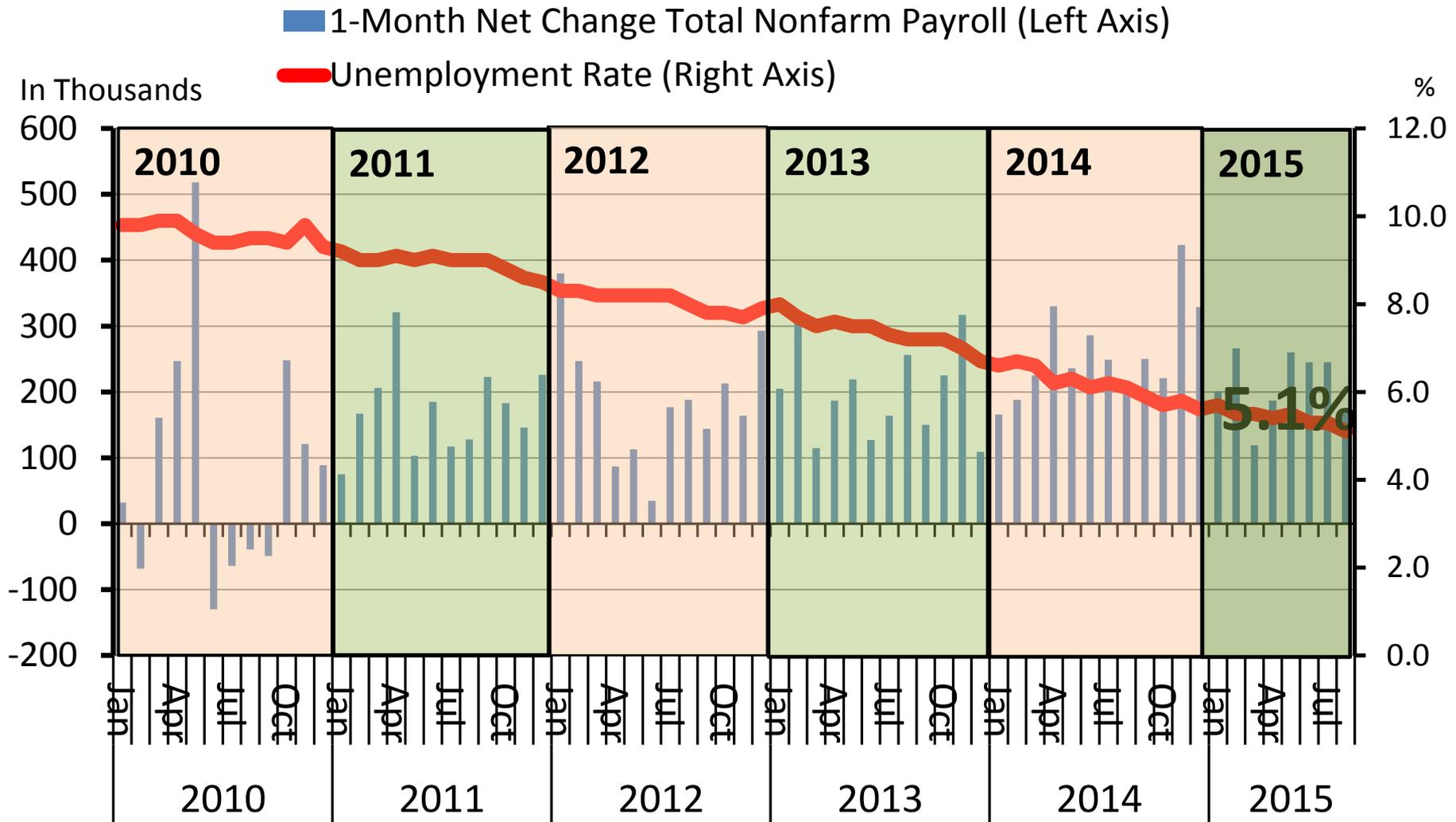
After Slump in Q1, Economy Recovers in Q2

GDP Percentage Change Previous Quarter



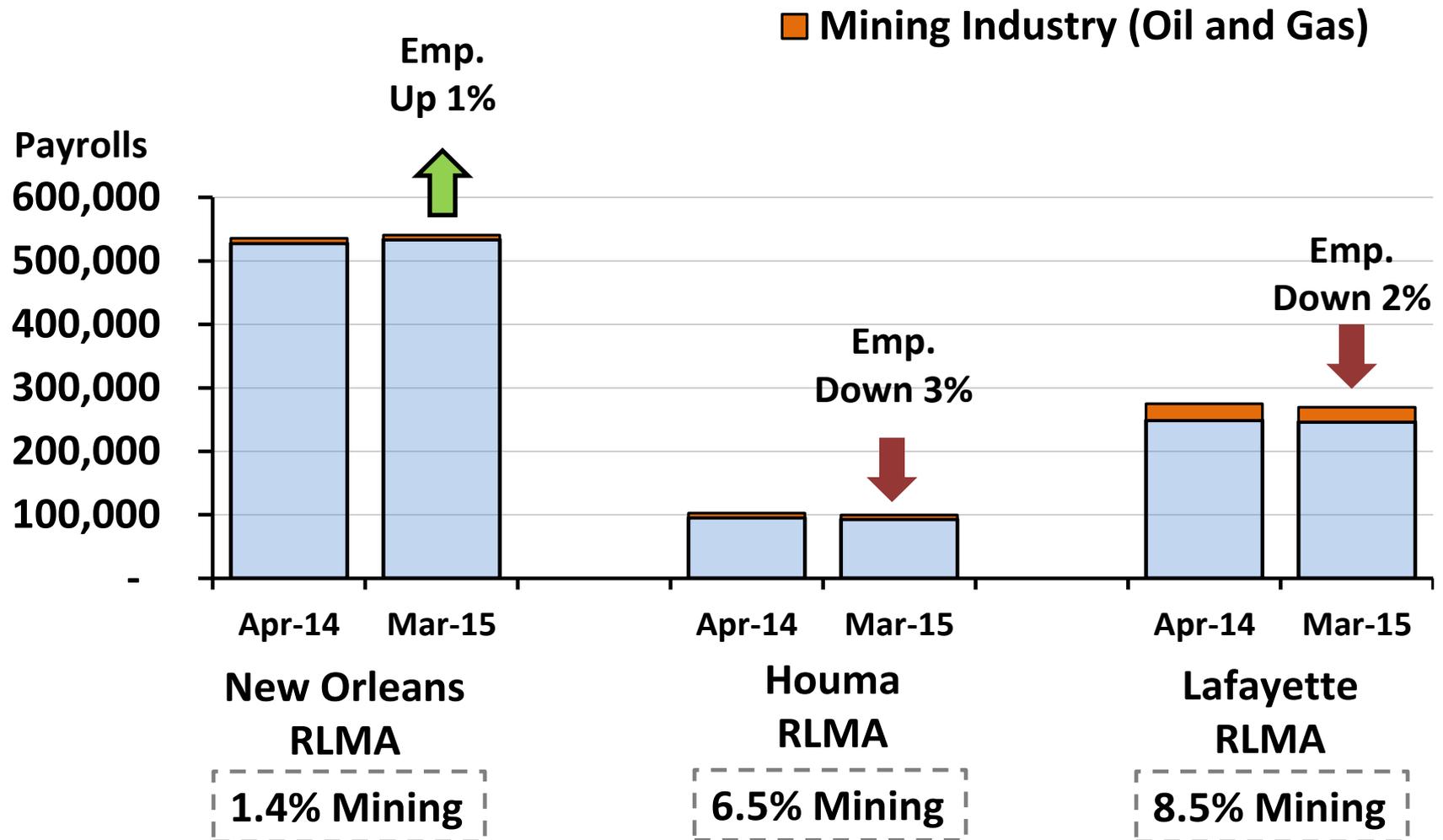
Source : BEA GDP (Q2 Third Estimate)

National Labor Market Continues to Improve



Source : BLS – August Household and Establishment Survey

Declining Energy Prices Having Lower Impact in the New Orleans Labor Market



Part 2: 2015 Revenue Forecast Update

2015 Revenue Forecast Update

(in millions)

	A	B	C	D	E	F
	2015 Adopted Budget	Change REC May vs Amd. Budget	REC 2015 May	Ordinance	Change REC Sep vs REC May	REC 2015 Sep
TAXES	\$ 331.5	\$ 5.6	\$ 337.1		\$ 4.9	\$ 342.0
LICENSES and PERMITS	57.5	1.4	58.9		(0.8)	58.2
INTERGOV. REVENUE	8.4		8.4			8.4
SERVICES and CHARGES	78.4	1.0	79.4		0.9	80.3
FINES and FORFEITS	32.0		32.0		0.4	32.4
MISCELLANEOUS REV	9.6		9.6			9.6
OTHER FINANCING SOURCES	14.3		14.3			14.3

Total GF Revenues	\$ 531.7	\$ 8.0	\$ 539.7		\$ 5.4	\$ 545.2
Non-Rec. Rev (excluded in total above)	5.0	4.3	9.3	6.5	37.3	53.1
Total	\$ 536.8	\$ 12.3	\$ 549.1	\$ 6.5	\$ 42.7	\$ 598.3



2015 Revenue Forecast Update

Selected Items

<i>(in millions)</i>	REC 2015 May	Amended	Change in Forecast	REC 2015 Sep
<u>Recurring Revenues</u>				
TAXES				
Property Tax	\$ 116.1		\$ 2.9	\$ 119.0
Motor Vehicle Sales Tax	10.5		1.3	11.9
Other Taxes	210		0.7	211.2
<i>Total Taxes</i>	\$ 337.1		\$ 4.9	\$ 342.0

2015 Revenue Forecast Update

Selected Items - Continued

<i>(in millions)</i>	REC 2015 May	Amended	Change in Forecast	REC 2015 Sep
<u>Non-recurring Revenues</u>				
INTERGOV. REVENUE				
State Aid Medicaid	1.8	1.0	1.3	4.1
MISCELLANEOUS REV				
Miscellaneous Reim.	\$ 4.3	\$ 5.0	\$ 36.0	\$ 45.3
OTHER FINANCING SOURCES				
Transfers form Other	\$ 3.3	\$ 0.5		\$ 3.7
<i>Total non-recurring revenue</i>	\$ 9.3	\$ 6.5	\$ 37.3	\$ 53.1



Includes :

- BP settlement for approximately \$36M
- Settlement from financial institution for approximately \$2.7M
- Bond funds for DPW Streets \$5M

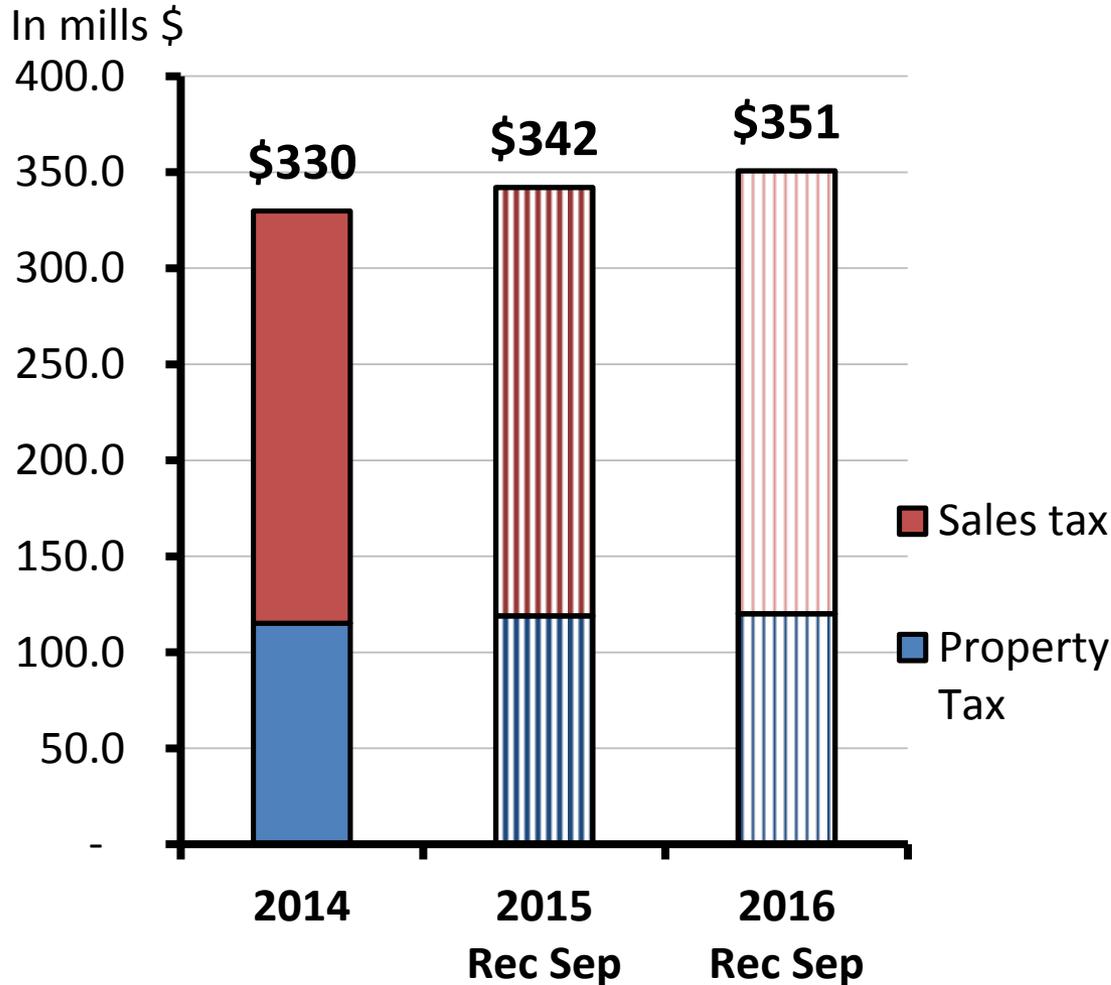
Part 3: 2016 Preliminary Revenue Forecast

2015 Preliminary Revenue Forecast

<i>(in millions)</i>	REC 2015 Sep	2016 REC Sept Preliminary	Change 2016 - 2014
TAXES	\$ 342.0	\$ 350.7	\$ 8.7
LICENSES and PERMITS	58.2	58.8	0.6
INTERGOV. REVENUE	8.4	9.2	0.8
SERVICES and CHARGES	80.3	81.2	0.9
FINES and FORFEITS	32.4	35.3	2.9
MISCELLANEOUS REV	9.6	10.1	0.5
OTHER FINANCING SOURCES	14.3	14.2	(0.1)
Recurring Revenues	\$ 545.2	\$ 559.5	\$ 14.3 
Non-Rec. Rev (excluded in total above)	53.1	6.9	(46.2)
Total	\$ 598.2	\$ 566.4	\$ (31.8)

2016 Preliminary Revenue Forecast

Taxes

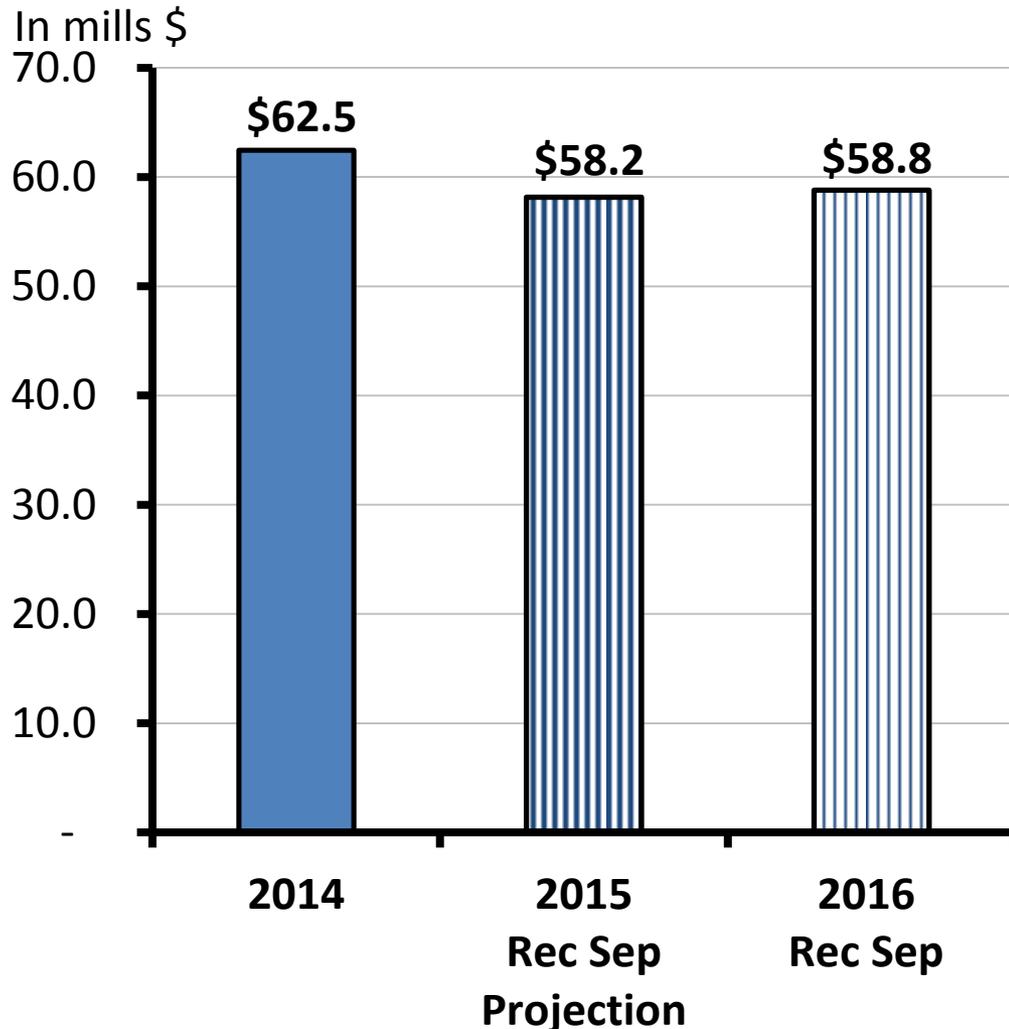


Sales tax growth expected to be more modest in 2016, after three years of robust increases driven by the City's increasing retail footprint. Projected growth for 2016 at 4%

2016 is a property reassessment year (as per Article VII, Section 18(F) of the Louisiana Constitution). If property taxes are not rolled forward, property tax revenues will only grow marginally in 2016

2016 Preliminary Revenue Forecast

Licenses and Permits



1. Entergy franchise revenue is expected to remain at the same low level as 2015

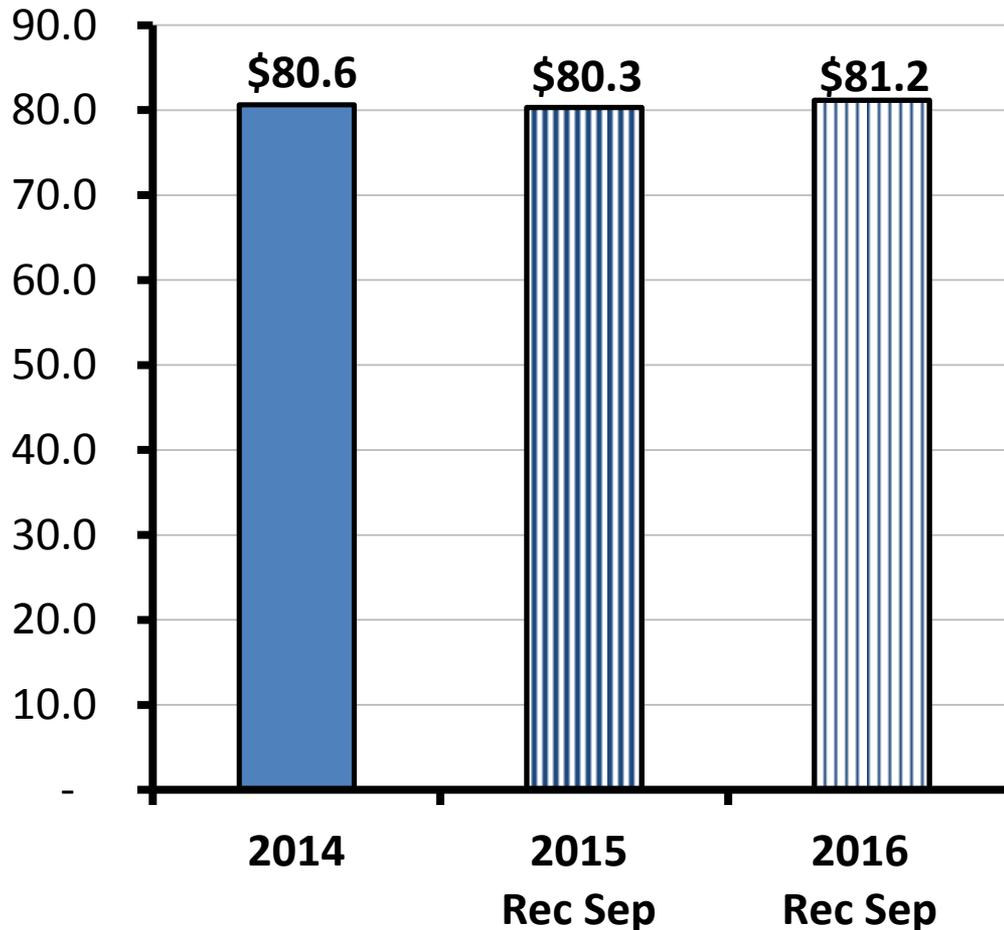
2. Telephone franchise revenue expected to remain at same level as 2015. Under a settlement agreement reached in 2014, AT&T/Bellsouth will not pay franchise fees to the City until 2017

3. Occupational license revenue expected to offset part of the decrease in franchise revenue

2016 Preliminary Revenue Forecast

Services and Charges

In mills \$



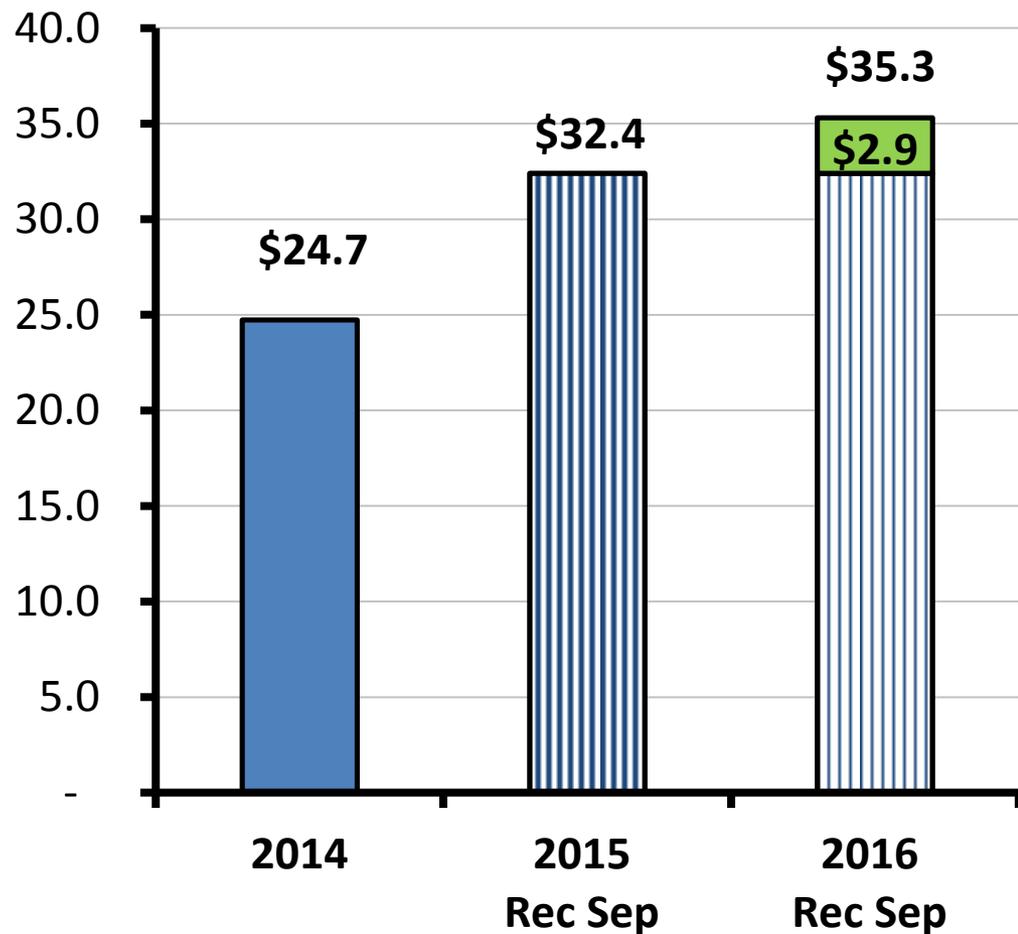
1. Street parking meters and optimization of the booting/towing program expected to contribute to services and charges revenue growth in 2016

2. Sanitation fee revenue expected to grow marginally in 2016, mostly as a result of economic activity and population change

2016 Preliminary Revenue Forecast

Fines and Forfeits

In mills \$



1. Technical change to report traffic court JEF revenues for \$2.9M

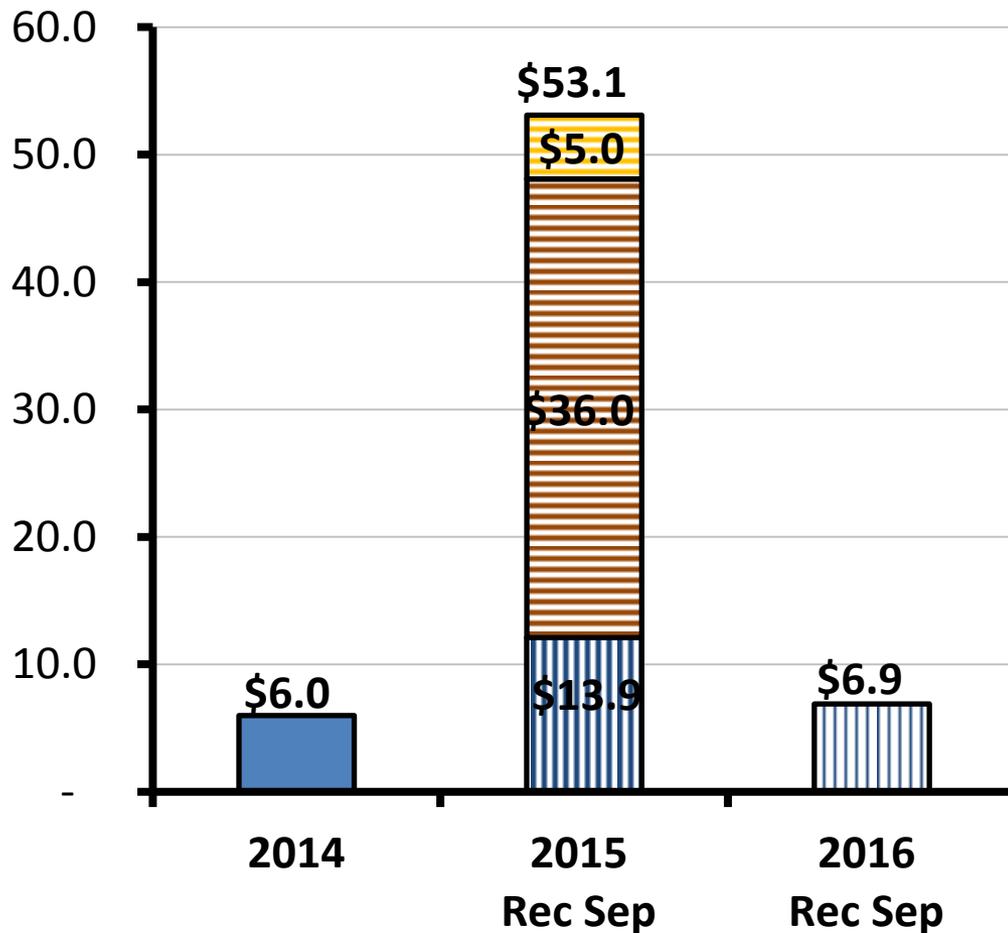
2. Parking and photo safety revenue expected to remain unchanged from 2015

■ Technical Adjustment

2016 Preliminary Revenue Forecast

Non-Recurring Revenues

In mills \$



Miscellaneous Revenues expected to decline compared to 2015.

1. 2015 BP Settlement - one time
2. 2015 Additional bond funds for streets – one time
3. Financial institution settlement – one time

BP Settlement
DPW Bond Streets

Part 4:

5 Year Revenue Forecast

5 Year Revenue Forecast

Assumptions:

- National economy continues to recover slowly with employment, wages and output numbers expected to remain on the current trend.
- Inflation expected to remain moderate.
- Sales tax growth expected to maintain levels more in line with the growth in the overall economy. New retail efforts expected to result in diminishing returns as sales displacement effects become stronger.
- Effects of property tax roll back projected to result in modest revenue growth in 2016. Higher growth expected in 2017 with more moderate growth between years 2018 and 2020. Property tax delinquency efforts similar to the ones performed in 2013 and 2014 expected to continue between 2016 and 2019.
- Population growth expected between 1 to 2%. The rate includes the impact of the Biodistrict and new hospitals.

5 Year Revenue Forecast (Continued)

	REC 2015 Sep	2016 REC Sept Preliminary	2017 Forecast REC Sep. 2015	2018 Forecast REC Sep. 2015	2019 Forecast REC Sep. 2015	2020 Forecast REC Sep. 2015
<i>(in millions)</i>						
TAXES	\$ 342.0	\$ 350.7	\$ 361.9	\$ 372.8	\$ 383.8	\$ 394.8
LICENSES and PERMITS	58.2	58.8	59.7	60.3	60.8	61.4
INTERGOV. REVENUE	8.4	9.2	9.3	9.4	9.5	9.6
SERVICES and CHARGES	80.3	81.2	82.2	83.1	84.0	84.9
FINES and FORFEITS	32.4	35.3	35.4	35.6	35.7	35.9
MISCELLANEOUS REV	9.6	10.1	10.1	10.1	10.1	10.1
OTHER FINANCING SOURCES	14.3	14.2	11.8	11.8	12.0	12.0
Recurring Revenues	\$ 545.2	\$ 559.5	\$ 570.4	\$ 583.0	\$ 595.9	\$ 608.7
Non-Rec. Rev (excluded in total above)	53.1	6.9	6.9	6.9	6.3	6.3
Total	\$ 598.2	\$ 566.4	\$ 577.3	\$ 589.9	\$ 602.2	\$ 614.9

- Growth in taxes of about 3% per year after 2016
 - Sales tax growing 4 %
 - Property tax growing between 3% and 2%
- Licenses and permits revenue to experience marginal growth of about 1% after 2016
- Service charges to grow by about 1% per year after 2016
- Fines and forfeits to grow marginally after 2016 (less than 0.5%)
- Other revenues to marginally decrease
- Total recurring revenues to increase by an annualized rate of about 2.1% per year after 2016

Part 5:

Amendment of Revenue Forecast for 2015

Revenue Forecast 2015

<i>(in millions)</i>	REC Sept Recurring Revenues 2015	REC Sep Non-Recurring Revenues 2015	REC 2015 Sep
TAXES	\$ 342,040,679	\$ -	\$ 342,040,679
LICENSES and PERMITS	58,155,135	-	58,155,135
INTERGOV. REVENUE	8,356,639	4,100,000	12,456,639
SERVICES and CHARGES	80,285,934	30,000	80,315,934
FINES and FORFEITS	32,380,000	-	32,380,000
MISCELLANEOUS REV	9,646,883	45,268,304	54,915,187
OTHER FINANCING SOURCES	14,300,562	3,688,296	17,988,858
Total GF Revenues	\$ 545,165,832	\$ 53,086,600	\$ 598,252,432

Part 6: Appendix

2015 and Preliminary 2016 Revenue Projection Detail

(in millions)	2015 Adopted Budget		REC 2015 May		REC 2015 Sep		2016 REC Sept (Preliminary)	
1A PROPERTY TAX								
1 REAL ESTATE CURRENT YEAR	\$ 89.3	\$ 0.6	\$ 89.9	\$ 2.3	\$ 92.2	\$ 0.9	\$ 93.0	
2 REAL ESTATE PRIOR YEAR	2.8	0.2	3.0	0.1	3.1	0.0	3.1	
3 PERSONAL PROPERTY CURRENT YEAR	20.6	(0.7)	19.9	0.5	20.4	0.2	20.6	
4 PERSONAL PROPERTY PRIOR YEAR	0.1	(0.0)	0.1	0.0	0.1	0.0	0.1	
5 INTEREST & PENALTIES	2.5	0.6	3.1	0.1	3.2	0.0	3.3	
1A PROPERTY TAX Total	115.3	0.8	116.1	2.9	119.0	1.1	120.1	
1B OTHER TAXES								
1 SALES TAX	169.6	3.6	173.2	-	173.2	6.9	180.1	
1.1 MOTOR VEHICLE TAX	10.5	-	10.5	1.3	11.9	0.5	12.4	
1.2 HOTEL/MOTEL TAX	15.5	1.2	16.7	-	16.7	0.2	16.8	
2 BEER & WINE TAX	0.5	-	0.5	-	0.5	0.0	0.5	
3 PARKING TAX	4.1	-	4.1	0.3	4.3	0.1	4.4	
4 DOCUMENT TRANSACTION TAX	3.6	-	3.6	0.4	4.0	-	4.0	
5 CHAIN STORE TAX	0.2	-	0.2	-	0.2	0.0	0.2	
6 OFF TRACK BETTING/RACING TAX	0.2	-	0.2	-	0.2	(0.0)	0.2	
7 UTILILITY TAX	10.6	-	10.6	-	10.6	0.0	10.6	
8 FAIRGROUND SLOT MACHINE 4% TAX	1.5	-	1.5	-	1.5	(0.0)	1.5	
1B OTHER TAXES Total	216.2	4.8	221.0	2.0	223.0	7.6	230.6	
2 LICENSES & PERMITS								
01 ALCOHOLIC BEVERAGE	2.5	0.2	2.7	-	2.7	0.0	2.7	
02 CABLE TV FRANCHISE	4.1	-	4.1	-	4.1	0.3	4.4	
03 ENTERGY FRANCHISE	28.3	-	28.3	(1.2)	27.1	-	27.1	
04 TELEPHONE FRANCHISE	0.2	-	0.2	-	0.2	(0.0)	0.2	
05 MISCELLANEOUS FRANCHISE	0.2	-	0.2	0.4	0.7	(0.3)	0.4	
06 OCCUPATIONAL LICENSES	10.4	0.2	10.6	-	10.6	0.1	10.7	
07 SAFETY/ELECTRICAL/MECHANICAL	2.5	-	2.5	-	2.5	(0.1)	2.4	
08 TAXI/TOURGUIDE LICENSES	0.9	-	0.9	-	0.9	0.3	1.2	
09 BUILDING PERMITS	4.9	1.0	5.9	-	5.9	0.1	6.0	
10 MOTOR VEHICLE PERMITS	2.3	-	2.3	-	2.3	-	2.3	
11 STREETS & CURBS	0.4	-	0.4	-	0.4	0.0	0.4	
12 MAYORALTY PERMITS	0.3	-	0.3	-	0.3	(0.0)	0.3	
13 OTHER	0.5	-	0.5	-	0.5	0.1	0.7	
2 LICENSES & PERMITS Total	57.5	1.4	58.9	(0.8)	58.2	0.6	58.8	
3 INTERGOVERNMENTAL REVENUE								
1 FEDERAL AID - MEDICARE/OTHER	-	-	-	-	-	-	0.0	
3 STATE AID - VIDEO POKER	2.6	-	2.6	-	2.6	(0.0)	2.6	
4 STATE DEPT. OF CORRECTIONS	0.1	-	0.1	-	0.1	(0.0)	0.1	
5 STATE AID-MEDICAID	1.3	-	1.3	2.3	3.6	(0.0)	3.6	
6 STATE REVENUE SHARING	1.6	-	1.6	-	1.6	0.5	2.1	
7 STATE AID OTHER	0.0	-	0.0	-	0.0	(0.0)	-	
8 PARISH TRANSP FUND: ROADS	2.1	-	2.1	-	2.1	0.2	2.3	
8 PARISH TRANSP FUND: TRANSIT	2.0	-	2.0	-	2.0	0.2	2.2	
9 ORLEANS PARISH COMMUNICATION DIST.	0.5	-	0.5	-	0.5	(0.5)	-	
3 INTERGOVERNMENTAL REVENUE Total	10.2	-	10.2	2.3	12.5	0.3	12.8	

Numbers may not add due to rounding

Non-recurring revenues are included in the respective categories

2015 and Preliminary 2016 Revenue Projection Detail (Continued)

(in millions)	2015 Adopted Budget		REC 2015 May		REC 2015 Sep		2016 REC Sept (Preliminary)
4 SERVICE CHARGES							
1 GENERAL GOVERNMENT	\$ 15.5	\$ -	\$ 15.5	\$ -	\$ 15.5	\$ (0.3)	\$ 15.2
2 PUBLIC SAFETY	18.0	1.0	19.0	0.5	19.6	0.5	20.0
3 STREETS PARKING METERS	4.8	-	4.8	-	4.8	0.3	5.1
4 STREETS OTHER	3.1	-	3.1	0.4	3.5	0.1	3.5
5 SANITATION	34.8	-	34.8	-	34.8	0.4	35.2
6 PARKS AND PARKWAY	0.1	-	0.1	-	0.1	(0.0)	0.0
7 INDIRECT COSTS	2.1	-	2.1	-	2.1	(0.1)	2.0
8 OTHER	0.0	-	0.0	-	0.0	0.0	0.0
4 SERVICE CHARGES Total	78.4	1.0	79.4	0.9	80.3	0.9	81.2
5 FINES & FORFEITS							
1 TRAFFIC FINES & VIOLATIONS	4.0	-	4.0	(0.3)	3.7	2.9	6.6
2 RED SIGNAL LIGHT/CAMERA ENFORCEMENT	16.5	-	16.5	-	16.5	-	16.5
3 PARKING TICKET COLLECTONS	11.0	-	11.0	0.7	11.7	-	11.7
4 ADMIN. ADJUDICATION FEES	0.1	-	0.1	-	0.1	0.0	0.1
5 MUNICIPAL COURT FINES & COSTS	0.4	-	0.4	(0.1)	0.3	-	0.3
6 IMPOUNDED/ABANDONED VEHICLES	0.1	-	0.1	-	0.1	-	0.1
5 FINES & FORFEITS Total	32.0	-	32.0	0.4	32.4	2.9	35.3
6 MISCELLANEOUS REVENUE							
1 INTEREST - OPERATING & CAPITAL	0.1	-	0.1	-	0.1	(0.0)	0.0
2 RENTS & ROYALTIES	1.2	-	1.2	-	1.2	(0.1)	1.2
3 CONTRIBUTIONS AND OTHER	4.3	-	4.3	-	4.3	(0.5)	3.8
4 MISCELLANEOUS REIMBURSEMENT	5.6	2.7	8.3	41.0	49.3	(43.5)	5.8
6 MISCELLANEOUS REVENUE Total	11.2	2.7	13.9	41.0	54.9	(44.1)	10.8
7 OTHER FINANCING SOURCES							
1 UDAG/HUD 108 LOAN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 TRANSFER FROM OTHER FUNDS	16.0	1.6	17.6	0.4	18.0	(1.2)	16.8
7 OTHER FINANCING SOURCES Total	16.0	1.6	17.6	0.4	18.0	(1.2)	16.8
Grand Total	\$ 536.8	\$ 12.3	\$ 549.1	\$ 49.2	\$ 598.3	\$ (33.6)	\$ 566.4

Numbers may not add due to rounding

Non-recurring revenues are included in the respective categories