

**MEETING MINUTES  
REVENUE ESTIMATING CONFERENCE  
July 12, 2013**

**PRESENT**

Peter Ricchiuti, Professor, Director of Research, Tulane University  
Andrew Kopplin, First Deputy Mayor & Chief Administrative Officer  
Norman S.J. Foster, Director of Finance/CFO

**ABSENT**

Honorable Mitchell J. Landrieu, Mayor, City of New Orleans  
Honorable Jacquelyn Clarkson, Councilmember-at-Large

**AGENDA**

1. 2013 Revenue Forecast Update, James Husserl, City Economist
2. Other Matters

**OPENING**

The meeting of the Revenue Estimating Conference (REC) is called to order by First Deputy Mayor and Chief Administrative Officer, Andrew Kopplin.

1. Chief Administrative Officer, Andrew Kopplin and the Director of Finance, Norman S.J. Foster introduced James Husserl as the New City Economist. Mr. Husserl graduated from Loyola University New Orleans and worked for the City's Office of Performance and Accountability before joining the Department of Finance in his new role.
2. National and regional economic update

The health of the US economy continued to show signs of modest growth. After an average Gross Domestic Product growth rate of 2.2% in 2012, the first quarter growth rate for 2013 reached 1.8%. Local GDP figures show a good picture for the City of New Orleans. Annualized figures from the Bureau of Economic Research from 2008 to 2011 show the New Orleans Metropolitan area growing by almost 4% a year. This places New Orleans in the top 5 Cities with the fastest metropolitan GDP growth with populations between 1M and 3M.

The national unemployment rate reached 7.6% with approximately 195,000 jobs being created during the month of June. Unemployment for the New Orleans Metro area reached 6.2% as of April.

3. 2013 Revenue Forecast Update

Overall City General Fund revenue for 2013 is projected at \$496.1M. This represents only a marginal revision from the previous forecast of \$496.2M.

While the overall revenue forecast remained practically unchanged, there were a number of important revisions within the different revenue categories.

**Taxes:** The property tax forecast, which was originally projected to grow by approximately \$9.5 M to \$115.7 M, was revised downwards to \$111.7 M. The revision was the result of a change in the base used to calculate the forecast and lower than projected receipts based on the current trend of collections. The sales tax (retail) forecast, originally projected at \$141.9 M, was revised upwards to \$144.4M mainly due to better than expected results from large special events celebrated during the

first half of the year. The sales tax (motor vehicle) forecast was adjusted upwards by \$800K to \$9.3M thanks to robust growth in vehicle sales that began in 2012 and continued during the first half of 2013.

**Licenses and Permits:** The Entergy franchise revenues forecast was revised upward by \$2.6M to \$27M. The revision was the result of an increase in the price of natural gas, which is closely tied to this revenue stream, and higher than projected year to date collections. The building permits forecast was revised upwards by \$1.7M to \$6.4M thanks to stronger than expected demand due in part to the sunset of the State's elevation program as well as large projects including several new schools, the South Market District development in the CBD and Tulane's Stadium.

**Service Charges:** The Emergency Medical Services revenue forecast was revised downward by \$1.3M to \$7.9M. The revision was mostly the result of challenges with the vendor in charge of collections.

**Fines and Forfeits:** The Red Light/Speeding Enforcement forecast was revised downward by \$1.4M to \$11.1M. The revision was the result of a number of factors including the policy change introduced in 2012 to make the program more equitable and fair, better driver compliance, and technical issues surrounding the effectiveness of cameras around school zones.

The parking ticket forecast was revised downward by \$600K to \$11.2M. The revision is the result of challenges with the booting and towing programs, which are vital to the City's ability to collect delinquent accounts.

4. Mr. Kopplin moved the approval of the April 23, 2013 of the Revenue Estimating Conference minutes. Minutes adopted by unanimous consent.

#### **Discussion**

Revenue Estimating Conference members discussed the economic trends underlying the revenue report.

First Deputy Mayor and Chief Administrative Officer, Andrew Kopplin, moved to adjourn and Mr. Ricchiuti seconded. The Revenue Estimating Conference adjourned at 11:15AM