MEETING MINUTES
REVENUE ESTIMATING CONFERENCE
October 11, 2013

PRESENT

Honorable Jacquelyn Clarkson, Councilmember-at-Large
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

AGENDA

1. Adopt Minutes from October 11, 2013 Revenue Estimating Conference
2. Economic Update
3. FY 2013 Revised Forecast
4. FY 2014 Official Forecast
5. Adoption of the 2014 Official Forecast
6. Five Year Revenue Forecast

OPENING

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

1. Mr. Kopplin moved the approval of the September 23rd, 2013 Revenue Estimating Conference minutes. Minutes adopted by unanimous consent.

DISCUSSION

2. National and regional economic update

The Federal Government partial shutdown is having implications nationwide. Hundreds of thousands of Federal employees have been furloughed or have been asked to work without pay. The City of New Orleans has also been affected by the shutdown. Local offices for a number of Federal agencies are closed or reduced their hours of operation and several local federal employees have been furloughed.

Mr. Kopplin noted that in addition to the government shutdown, an equally important conversation is taking place in the US Congress regarding a potential increase in the debt ceiling. Mr. Peter Ricchiuti explained that a potential debt default by the US government as a result of not raising the debt ceiling could convey raising interest, which would likely derail current efforts to reactivate the economy. Councilmember Clarkson highlighted that a potential US Government debt default could have damaging effects to the local economy.

3. FY 2013 Revised Estimate

General Fund revenue for 2013 was projected at $494.3 million during the REC meeting held on September 23rd. During the last week of September, the City Council passed an ordinance for an agreement between the Inspector General and the New Orleans International Airport related to

project specific work for $430 thousand. With the addition of this ordinance, the revised forecast for 2013 stands at $494.8 million.

4. FY 2014 Estimate

Preliminary General Fund revenue for 2014 was projected at 501.9 million during the REC held on September 23rd. A number of changes have been made to that preliminary projection including, two technical changes reducing the projection by $816 thousand, and an increase by $430 thousand related to the multi-year ordinance for the agreement between the Inspector General and the New Orleans International Airport. In addition, the preliminary forecast presented on September 12 was also adjusted to reflect three additional items including, $500 thousand additional revenue from the Orleans Parish Communication District related to an agreement with the City to cover the cost of dispatchers, $ 1 million additional revenue from the French Market Corporation, and $1.27 million in additional revenue expected to come from changes in the City's sanitation fee collection strategy. The total of these changes brings the 2014 forecast to $504.3 million.

5. Five Year Revenue Forecast

Mr. Kopplin requested the Conference to move to item 6 on the agenda to discuss the effects of one time monies in the 5 year forecast. He noted that while it is possible to estimate 2014 one time revenues with a good degree of certainty, that there is a high degree of uncertainty regarding one time revenues after 2014. Mr. Kopplin highlighted that the lower rate of total revenue growth projected between 2014 and 2015, if compared to the other years, is the result of no one time monies being displayed in the 2015 forecast.

Councilmember Clarkson asked if the economic development efforts focused at expanding retail are expected to generate higher property and sales tax revenue. Mr. Husserl believes these efforts will have a positive effect. However, as the City continues to grow, the overall effect of new retail development efforts is likely to have a diminishing impact in overall revenue growth. Mr. Ricchiuti asked if the retail expansion will result in Orleans Parish increasing its share in the local retail market. Mr. Husserl explained that the current investment in retail development will likely result in Orleans generating a larger share of the sales in the metro area. However, he noted that cannibalization of sales between in parish retailers is likely to occur due to an increase in retail options to Orleans consumers.

6. Adoption of the 2014 Official Forecast

Mr. Foster moved to adopt the 2014 Revenue Budget. The general fund components of the 2014 Revenue Budget are as follows; Taxes of $305,460,327, Licenses and Permits of $55,925,112, Intergovernmental Revenue of $13,311,845, Service Charges of $73,209,451, Fines and Forfeits of $28,633,547, Miscellaneous Revenue of $10,507,691, and Other Financing Sources of $17,300,562. The 2014 Official Forecast for the general fund is $504,348,535.

Non-general fund revenues total $333,168,036. The total 2014 Revenue Budget is $837,516,571.

Mr. Husserl read the list of non-recurring revenues for 2014, which includes Upper Payment Limit revenues of $4,780,000, Juvenile Court revenues of $1,000,000, donation to the Sanitation Department of $500,000, revenues from the agreement between the OIG and the Airport of $430,000, and revenues from the Orleans Parish Communication District of $500,000. Total non-recurring revenues for 2014 total $8,210,000.

CLOSING

Mr. Kopplin moved to take a vote to approve the 2014 Official Forecast. The forecast is adopted by unanimous consent.

Mr. Kopplin moved to adjourn and Mr. Ricchiuti seconded. The Revenue Estimating Conference adjourned at 11:50 AM.