

REVENUE ESTIMATING CONFERENCE QUARTERLY ECONOMIC REVIEW



CITY OF NEW ORLEANS

REVENUE ESTIMATING CONFERENCE MEMBERS

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Presented Friday September 26th, 2014



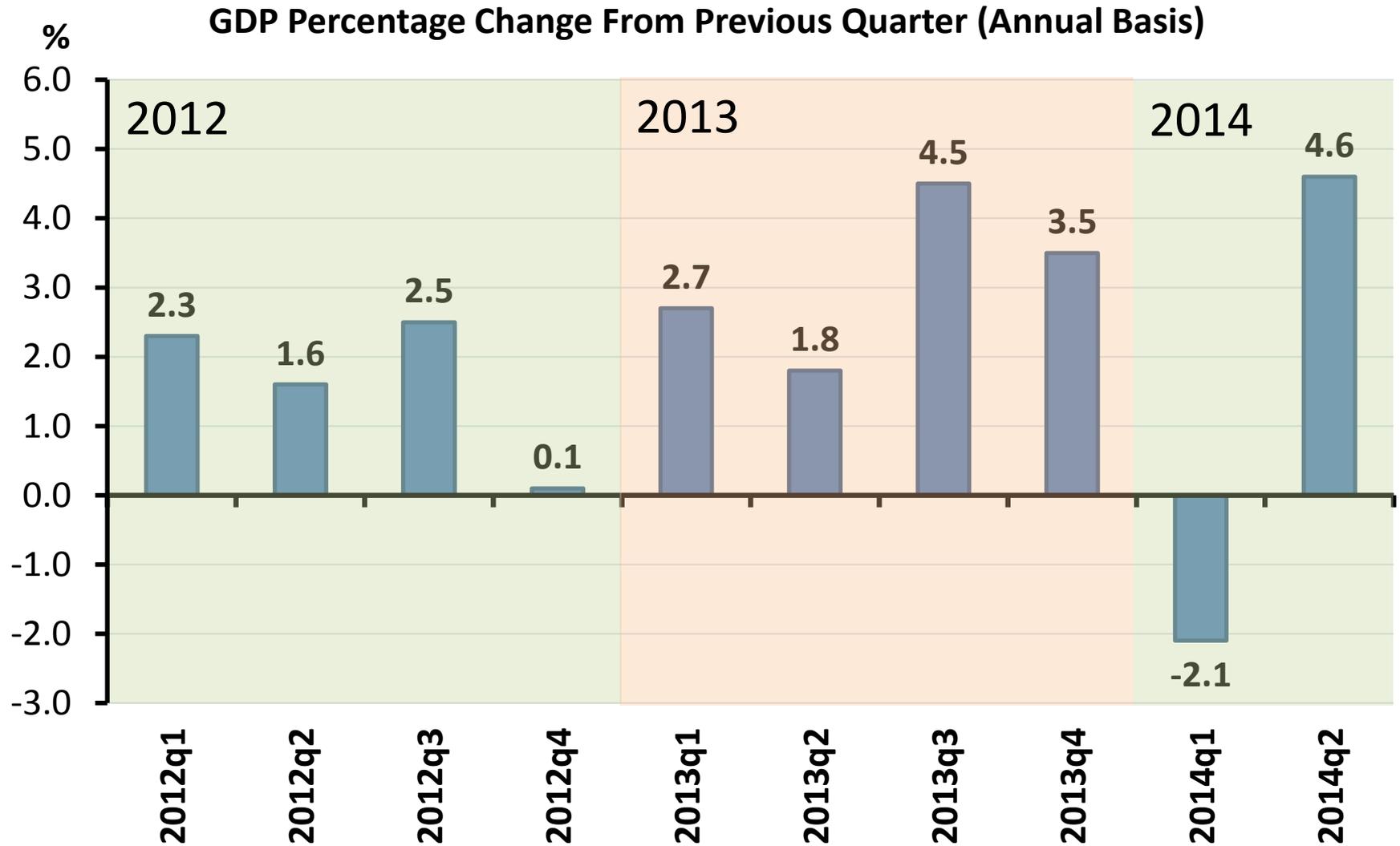
September 2014 Revenue Estimating Conference

- Part 1: Brief Economic Outlook
- Part 2: 2014 Revenue Forecast Update
- Part 3: 2015 Preliminary Revenue Forecast
 - Overview of Major Revenue Changes Expected in 2015
- Part 4: 5 Year Revenue Forecast
- Part 5: Adoption of Revenue Forecast
- Part 6: Appendix

Part 1:

Brief Economic Overview

The US Economic Recovery Remains Modest



Source: Bureau of Economic Analysis 9.26.2014

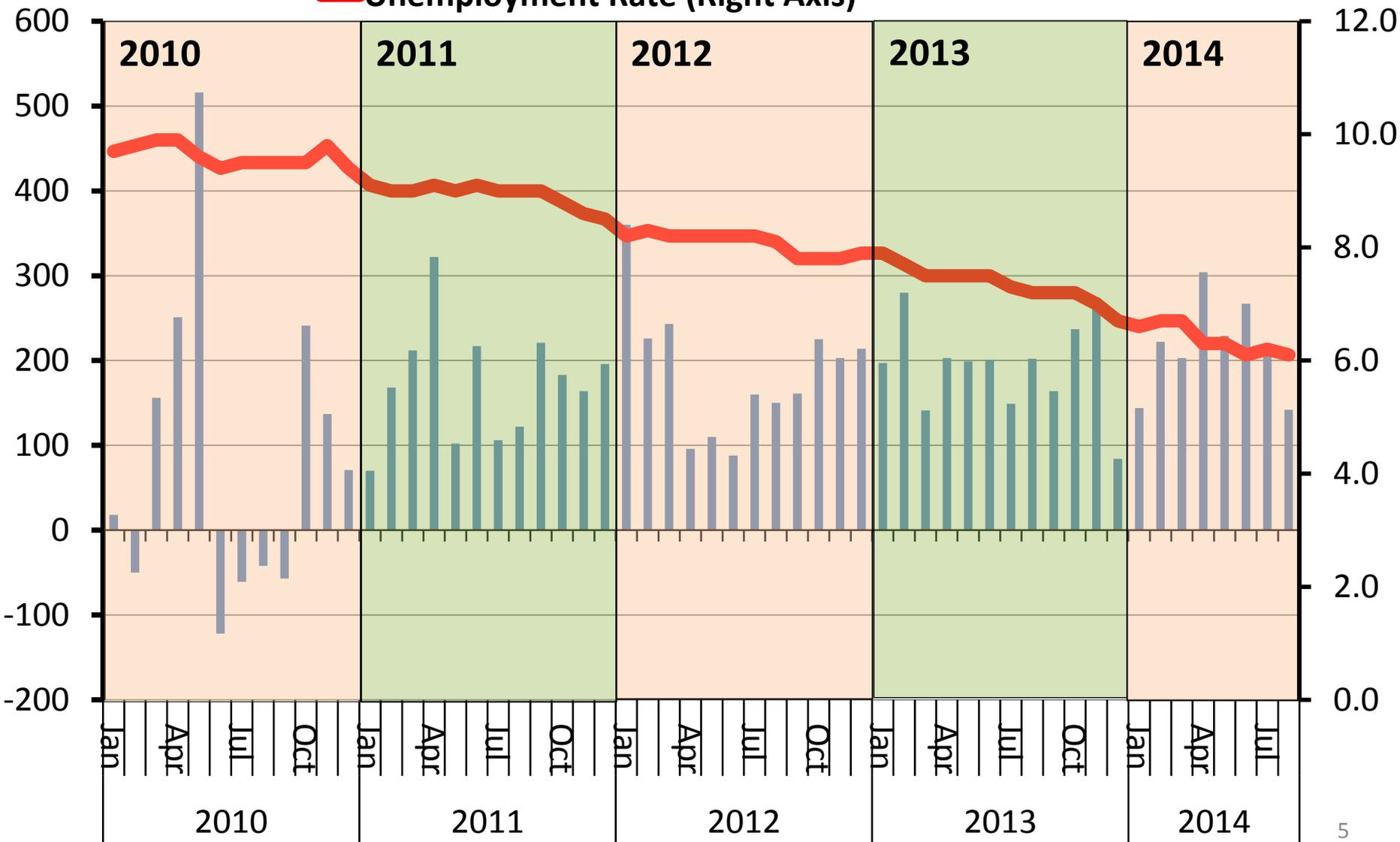
National Labor Market Continues to Improve

■ Nonfarm Payroll Employment Change (Left Axis)

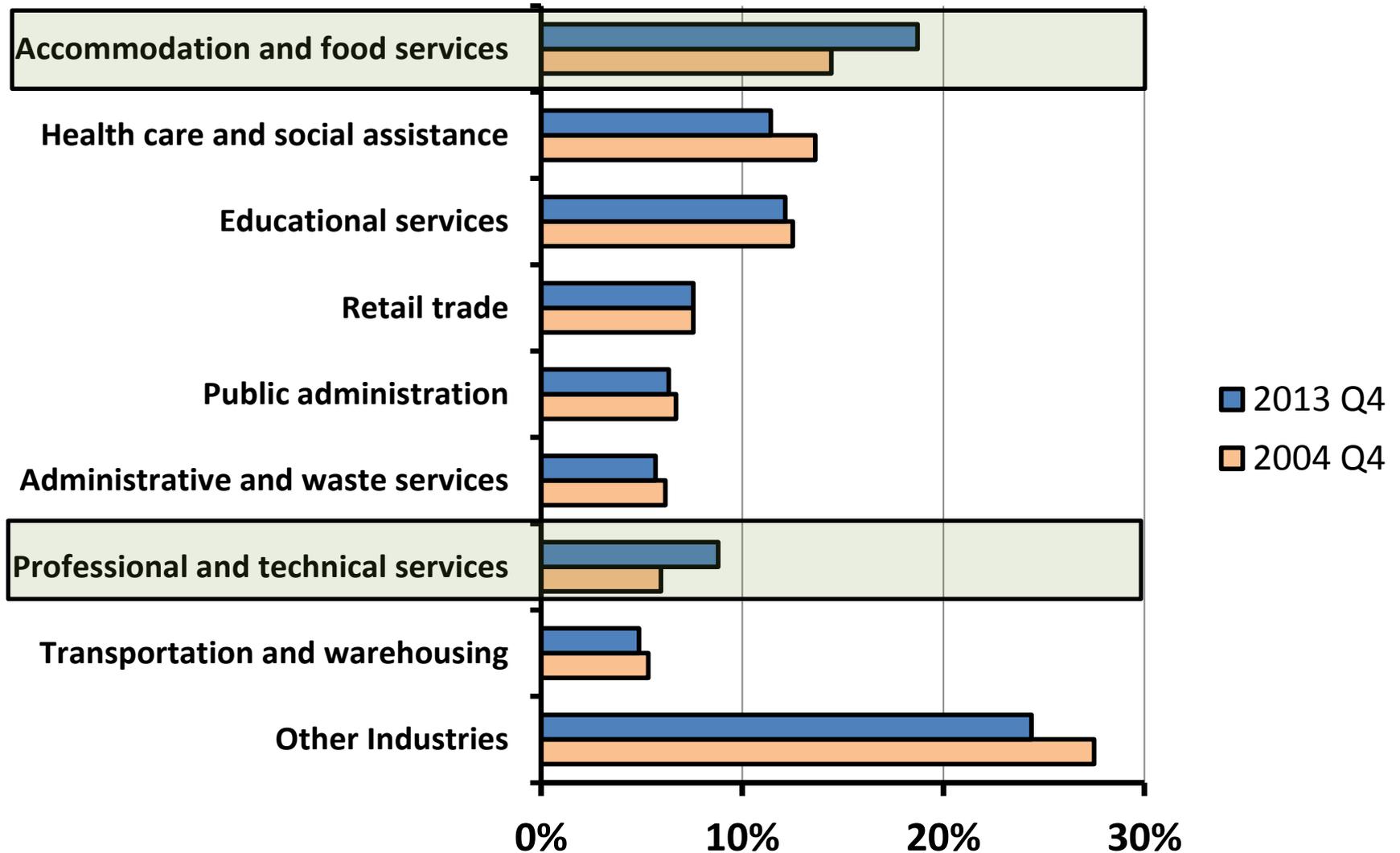
■ Unemployment Rate (Right Axis)

In Thousands

%



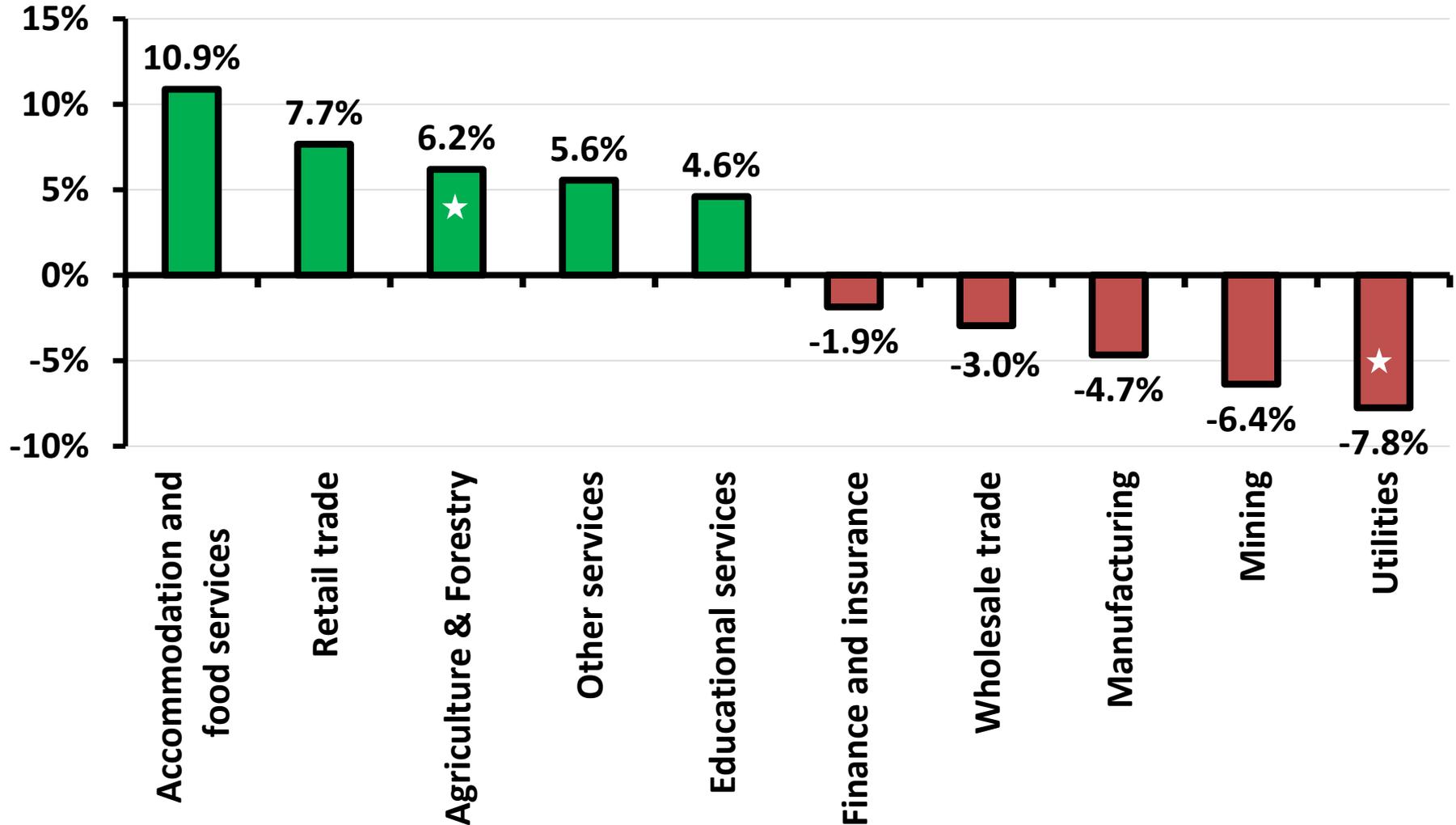
Composition by Industry of Labor Force in New Orleans



Source: Louisiana Workforce Commission 9.5.2014
 Industries with 5% or more of the workforce in 2005

Annualized Growth Rate in Orleans Parish by Industry Based on Labor Force (Dec 2005 to Dec 2013)

Selected Items (Top and Bottom 5)



★ Industries with less than 1,000 employees

Part 2: 2014 Revenue Forecast Update

2014 Revenue Forecast Update

	2014 Amended Budget	Change REC May vs. Amd. Budg.	2014 Forecast REC May	Change REC Sep. vs REC May	2014 Forecast REC Sept.
1 Taxes	\$ 305.5	\$ 8.8	\$ 314.3	\$ 5.9	\$ 320.2
2 Licenses and Permits	55.9	-	55.9	1.9	57.8
3 Intergov. Revenues	13.3	(3.2)	10.2	-	10.2
4. Services and Charges	73.2	2.0	75.2	2.2	77.5
5 Fines and Forfeits	28.6	(1.5)	27.2	(0.6)	26.6
6 Miscellaneous Rev	11.6	-	11.6	-	11.6
7 Other Fin. Sour.	17.3	-	17.3	(1.0)	16.3
Total	505.4	6.2	511.6	8.4	520.0
Non-Recurring Rev (Included Above)	9.0	(3.5)	5.5	-	5.5

2014 Revenue Forecast Update

Selected Items

	2014 Amended Budget	Change REC May vs. Amd. Budg.	2014 Forecast REC May	Change REC Sep. vs REC May	2014 Forecast REC Sept.
Taxes					
Property Taxes	\$ 115.0	\$ (3.0)	\$ 112.0	\$ -	\$ 112.0
Sales Tax Retail	147.7	10.2	157.9	3.6	161.5
Sales Tax Vehicle	9.7	-	9.7	1.4	11.1
Other Taxes	33.1	1.6	34.7	0.9	35.6
Licenses and Permits					
Entergy Franchise Rev.	\$ 27.2	-	27.2	2.0	\$ 29.2
Building Permits	5.6	-	5.6	(0.8)	4.9
Other Licenses and Permits	23.1	-	23.1	0.7	23.8

2014 Revenue Forecast Update

Selected Items (Continued)

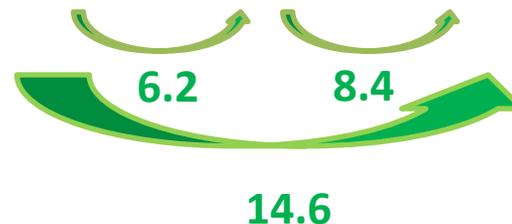
	2014 Amended Budget	Change REC May vs. Amd. Budg.	2014 Forecast REC May	Change REC Sep. vs REC May	2014 Forecast REC Sept.
Services and Charges					
General Government	\$ 14.0	1.6	15.6	-	\$ 15.6
Public Safety	13.9	-	13.9	3.5	17.4
Other Services and Charges	45.3	0.4	45.7	(1.3)	44.4
Fines and Forfeits					
Traffic Fines and Violations	\$ 5.1	\$ (0.5)	\$ 4.6	\$ (0.6)	\$ 4.0
Parking Ticket Collection	11.0	(1.0)	10.0	-	10.0
Other Fines and Forfeits	12.6	-	12.6	-	12.6



2014 Revenue Forecast Update

Summary

	2014 Amended Budget	2014 Forecast REC May	2014 Forecast REC Sept.
1 Taxes	\$ 305.5	\$ 314.3	\$ 320.2
2 Licenses and Permits	55.9	55.9	57.8
3 Intergov. Revenues	13.3	10.2	10.2
4. Services and Charges	73.2	75.2	77.5
5 Fines and Forfeits	28.6	27.2	26.6
6 Miscellaneous Rev	11.6	11.6	11.6
7 Other Fin. Sour.	17.3	17.3	16.3
Total	505.4	511.6	520.0



Part 3:

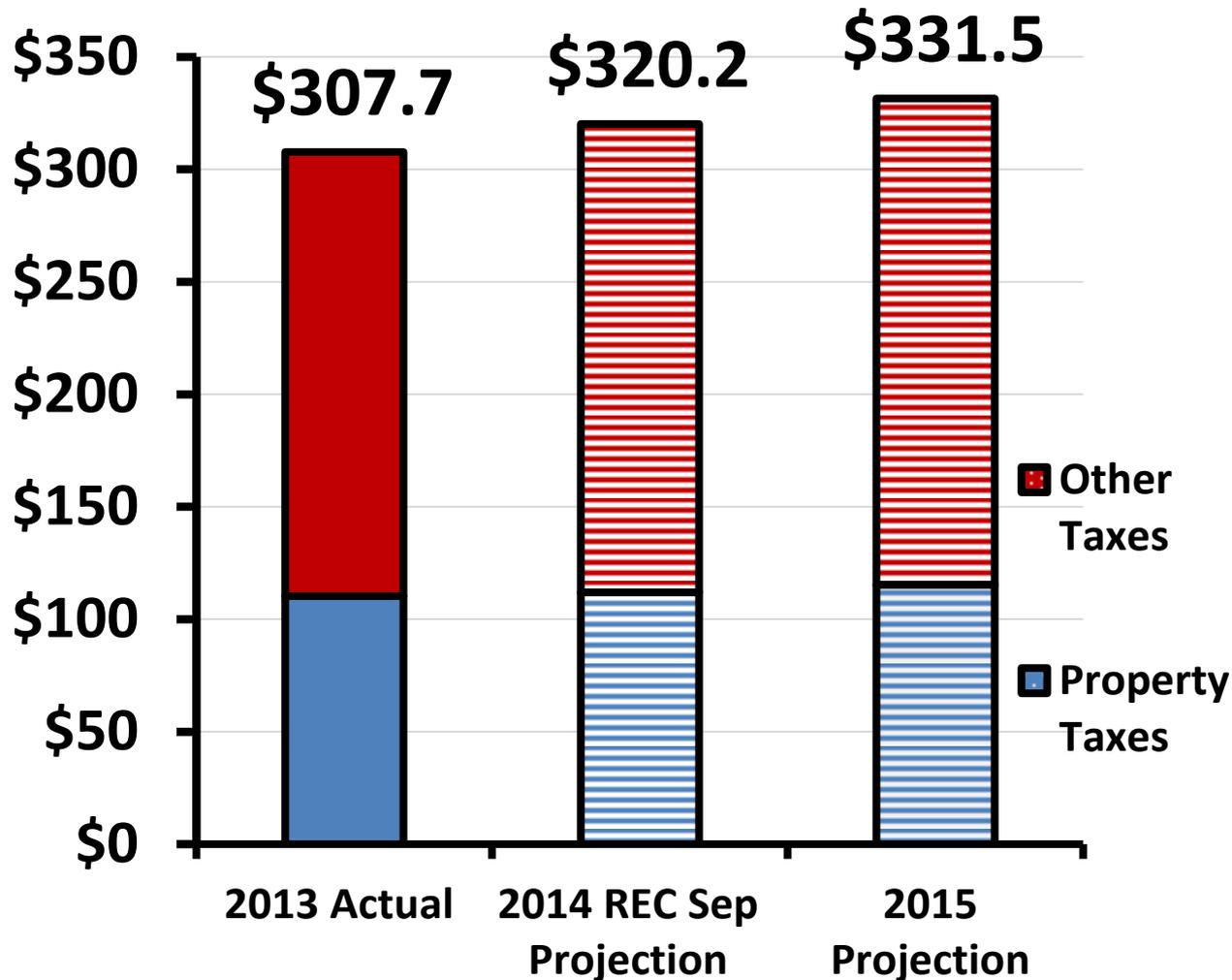
2015 Preliminary Revenue Forecast

2015 Preliminary Revenue Forecast

	2014 Forecast REC Sept.	2015 Forecast REC Sept.	Change 2015 -2014
1 Taxes	\$ 320.2	\$ 331.5	\$ 11.3
2 Licenses and Permits	57.8	57.5	(0.3)
3 Intergov. Revenues	10.2	10.2	-
4. Services and Charges	77.5	78.3	0.8
5 Fines and Forfeits	26.6	32.0	5.4
6 Miscellaneous Rev	11.6	11.4	(0.2)
7 Other Fin. Sour.	16.3	16.0	(0.3)
Total	520.0	536.9	16.9
Non-Recurring Rev (Included Above)	5.5	5.2	(0.3)

2015 Preliminary Revenue Forecast

Taxes

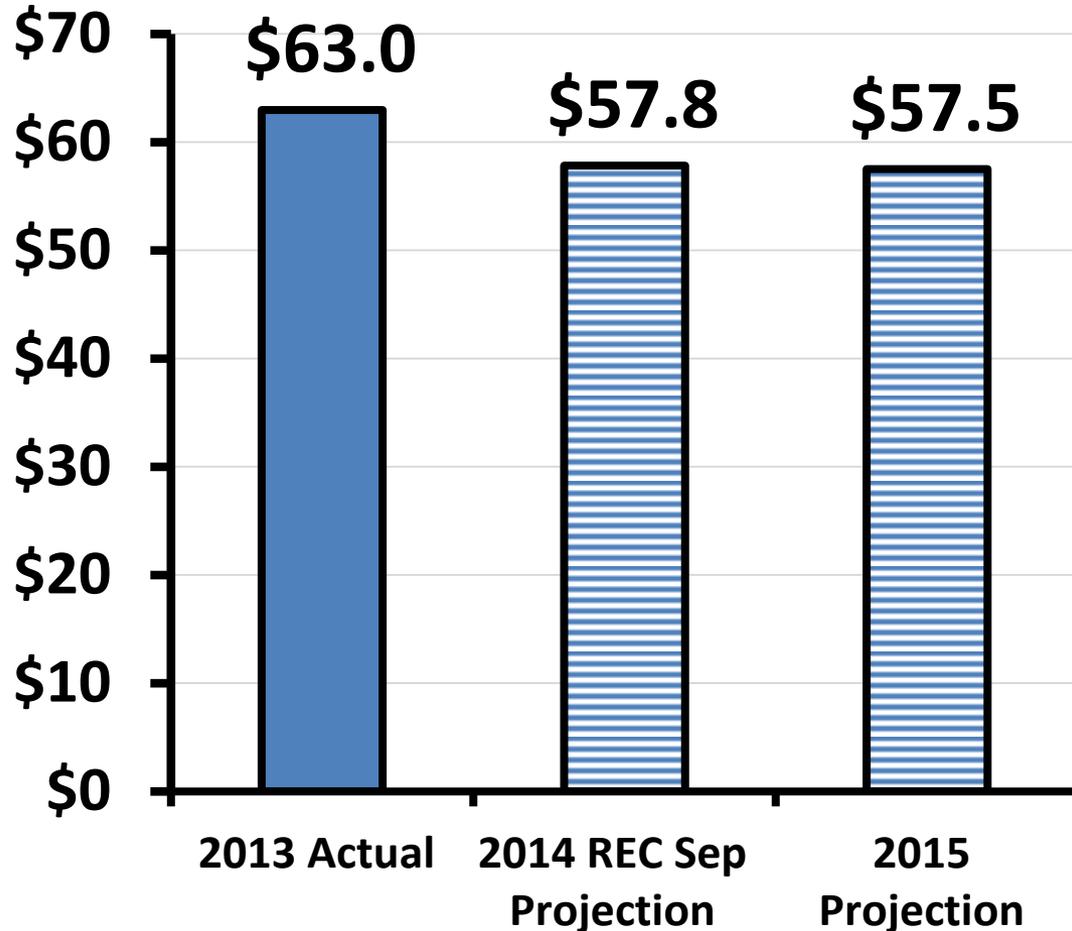


We expect growth in retail sales tax revenue of approximately 5%. On par with growth in the general economy and inflation.

We expect moderate growth in property tax revenue of approximately 3%. Appeals are expected to offset the increase in property value assessments

2015 Preliminary Revenue Forecast

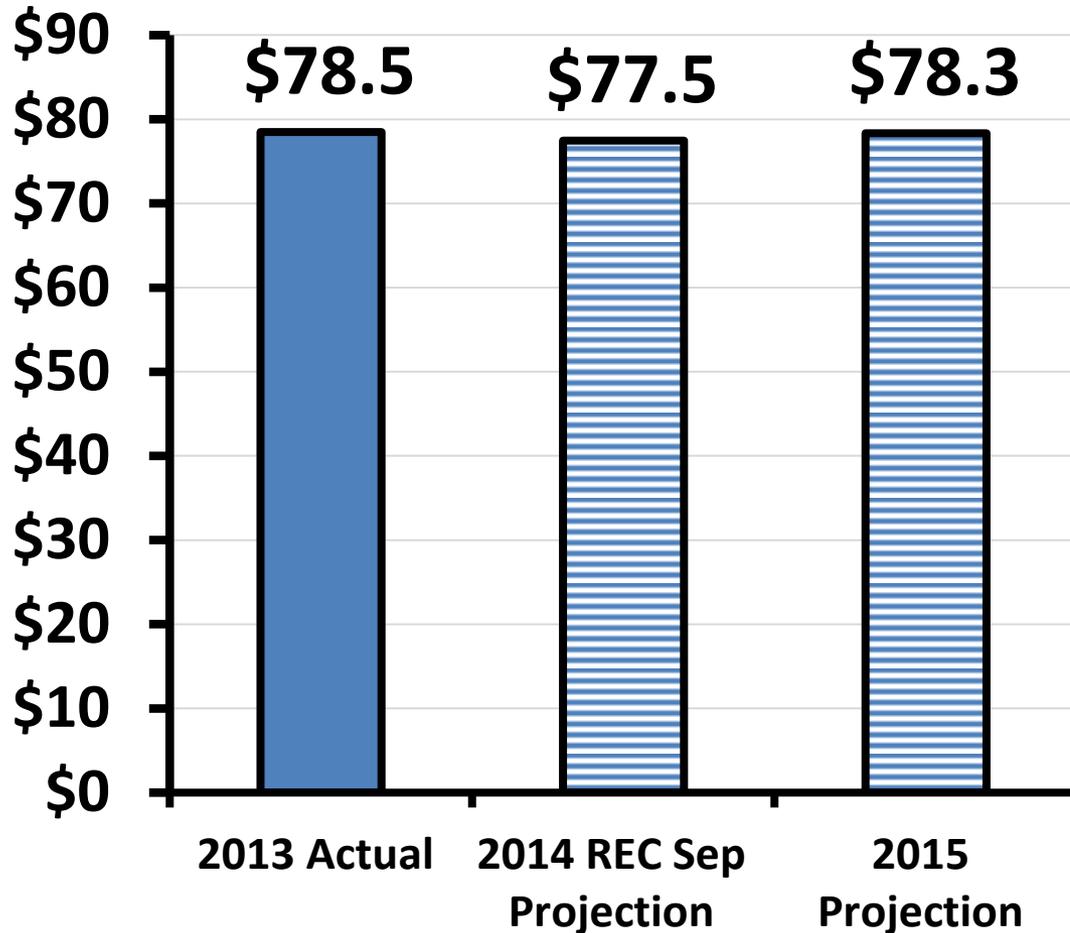
Licenses and Permits



1. Entergy franchise revenue expected to be marginally lower than the current trend in 2014.
2. Expected increase in occupational license revenue, taxi and tour guide license revenue and safety electrical and mechanical permits.
3. No phone franchise revenue from AT&T

2015 Preliminary Revenue Forecast

Services and Charges

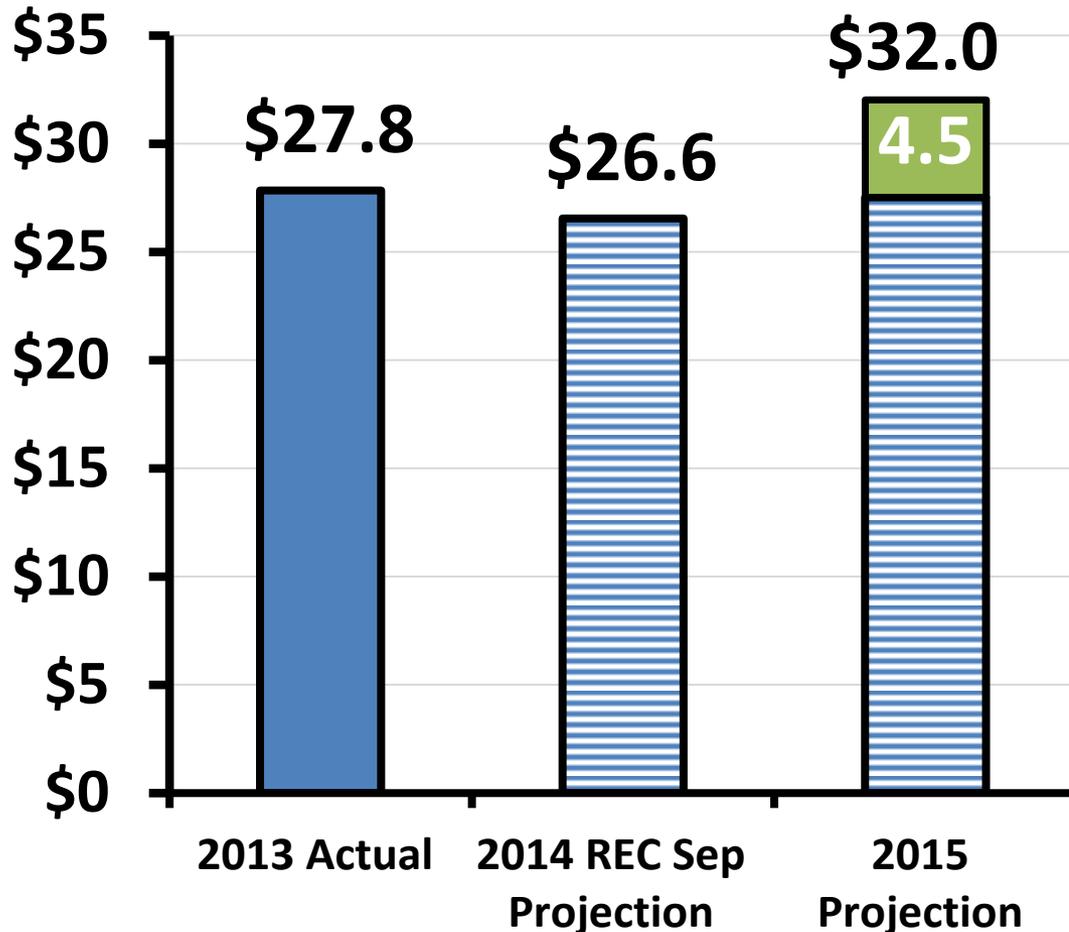


1 . Growth expected in 2015 from tax collection processing fees and EMS collections

2. Around \$3 Million in 1 time moneys in 2013.

2015 Preliminary Revenue Forecast

Fines and Forfeits



1. Technical change to report red light camera revenues for \$4.5M

2. Improvement in parking ticket issuance from the 2014 trend

■ Technical Adjustment

Part 4:

5 Year Revenue Forecast

5 Year Revenue Forecast

Assumptions:

- National economy continues to recover slowly with employment and output numbers expected to remain on the current trend.
- Retail expansion in Orleans Parish is expected to continue. However, impact is expected to be less notable as the local economy becomes larger and revenue displacement effects become stronger.
- Inflation expected to remain low.
- Property values expected to grow at a similar rate than our experience in the last 2 years, but significant number of appeals expected to continue.
- The population growth trend of the last 2 years expected to continue, including the impact of the Biodistrict and new hospitals.

5 Year Revenue Forecast (Continued)

	5 Year Projection					
	2014 Forecast REC Sept. 2014	2015 Forecast REC Sept. 2014	2016 Forecast REC Sept. 2014	2017 Forecast REC Sept. 2014	2018 Forecast REC Sept. 2014	2019 Forecast REC Sept. 2014
1 Taxes	\$ 320.2	\$ 331.5	\$ 344.3	\$ 355.8	\$ 367.1	\$ 378.6
2 Licenses and Permits	57.8	57.5	58.1	58.7	59.3	59.8
3 Intergov. Revenues	10.2	10.2	9.0	9.0	9.1	9.2
4. Services and Charges	77.5	78.3	79.3	80.2	81.1	81.9
5 Fines and Forfeits	26.6	32.0	32.2	32.3	32.4	32.6
6 Miscellaneous Rev	11.6	11.4	10.9	10.9	10.4	10.4
7 Other Fin. Sour.	16.3	16.0	16.0	15.3	15.3	15.3
Total	520.0	536.9	549.7	562.2	574.6	587.8
Non-Recurring Rev (Included Above)	5.5	5.2	1.9	1.9	1.5	1.5

- Growth in taxes of about 3.4% per year after 2015
 - Sales tax growing 4 to 5%
 - Property tax growing by around 3%
- Licenses and permits revenue to experience marginal growth after 2015
- Service charges to grow by about 1% per year after 2015
- Fines and forfeits to grow by less than 1% after 2014
- Other revenues to marginally decrease
- Total recurring revenues to increase by an annualized rate of about 2.5% per year after 2015

Part 5:

Adoption of Revenue Forecast

Part 6: Appendix

Detail -1

(In millions)

	A		B		C		D
	2014 Amended	Change	2014 REC May	Change	2014 REC Sept.	Change	2015 Rec Sept. Preliminary
1A PROPERTY TAX							
Real Estate Current Year	\$ 88.3	\$ (2.3)	\$ 86.0		\$ 86.0	\$ 2.6	\$ 88.6
Personal Property Current Year	20.0	(0.5)	19.5		19.5	0.6	20.1
Real Estate Prior Year	3.5	(0.1)	3.4		3.4	0.1	3.5
Personal Property Prior Year	0.2	(0.0)	0.2		0.2	0.0	0.2
7 INTEREST & PENALTIES	3.0	(0.1)	2.9		2.9	0.1	3.0
1A PROPERTY TAX Total	115.0	(3.0)	112.0	0.0	112.0	3.3	115.3
1B OTHER TAXES							
1 SALES TAX	147.7	10.2	157.9	3.6	161.5	8.1	169.6
1.1 MOTOR VEHICLE TAX	9.7		9.7	1.4	11.1	(0.6)	10.5
1.2 HOTEL/MOTEL TAX	13.4	1.6	15.0		15.0	0.4	15.5
2 BEER & WINE TAX	0.5		0.5		0.5		0.5
3 PARKING TAX	3.8		3.8	0.2	4.0	0.1	4.1
4 DOCUMENT TRANSACTION TAX	3.6		3.6		3.6		3.6
5 CHAIN STORE TAX	0.1		0.1		0.1	0.0	0.2
6 OFF TRACK BETTING/RACING TAX	0.3		0.3		0.3	(0.0)	0.2
7 UTILITY TAX	9.9		9.9	0.7	10.6		10.6
8 FAIRGROUND SLOT MACHINE 4% TAX	1.6		1.6		1.6	(0.0)	1.5
1B OTHER TAXES Total	190.5	11.8	202.3	5.9	208.2	8.0	216.2
2 LICENSES & PERMITS							
01 ALCOHOLIC BEVERAGE	2.5		2.5		2.5		2.5
02 CABLE TV FRANCHISE	4.1		4.1		4.1		4.1
03 ENTERGY FRANCHISE	27.2		27.2	2.0	29.2	(0.9)	28.3
04 TELEPHONE FRANCHISE	0.6		0.6		0.6	(0.4)	0.2
05 MISCELLANEOUS FRANCHISE	0.1		0.1	0.2	0.3	(0.1)	0.2
06 OCCUPATIONAL LICENSES	9.6		9.6	0.5	10.1	0.3	10.4
07 SAFETY/ELECTRICAL/MECHANICAL	2.1		2.1		2.1	0.3	2.5
08 TAXI/TOURGUIDE LICENSES	0.7		0.7		0.7	0.2	0.9
09 BUILDING PERMITS	5.6		5.6	(0.8)	4.9	0.0	4.9
10 MOTOR VEHICLE PERMITS	2.4		2.4		2.4	(0.1)	2.3
11 STREETS & CURBS	0.4		0.4		0.4	0.0	0.4
12 MAYORALTY PERMITS	0.3		0.3		0.3		0.3
13 OTHER	0.3		0.3		0.3	0.2	0.5
2 LICENSES & PERMITS Total	55.9	0.0	55.9	1.9	57.8	(0.3)	57.5
3 INTERGOVERNMENTAL REVENUE							
1 FEDERAL AID - MEDICARE/OTHER	0.0		0.0		0.0	(0.0)	0.0
3 STATE AID - VIDEO POKER	2.6		2.6		2.6		2.6
4 STATE DEPT. OF CORRECTIONS	0.1		0.1		0.1		0.1
5 STATE AID-MEDICAID	4.8	(3.5)	1.3		1.3	0.0	1.3
6 STATE REVENUE SHARING	1.2	0.3	1.6		1.6		1.6
7 STATE AID OTHER	0.0		0.0		0.0	0.1	0.1
8 PARISH TRANSP FUND: ROADS	2.1		2.1		2.1		2.1
8 PARISH TRANSP FUND: TRANSIT	2.0		2.0		2.0		2.0
91 ORLEANS PARISH COMMUNICATION DIST.	0.5		0.5		0.5		0.5
3 INTERGOVERNMENTAL REVENUE Total	13.3	(3.2)	10.2	0.0	10.2	0.0	10.2

Continue next page

Detail -2

(In millions)

	A		B		C		D
	2014 Amended	Change	2014 REC May	Change	2014 REC Sept.	Change	2015 Rec Sept. Preliminary
4 SERVICE CHARGES							
1 GENERAL GOVERNMENT	\$ 14.0	\$ 1.6	\$ 15.6		\$ 15.6	\$ (0.1)	\$ 15.5
2 PUBLIC SAFETY	13.9		13.9	3.5	17.4	0.5	18.0
3 STREETS PARKING METERS	4.8		4.8		4.8	(0.0)	4.8
4 STREETS OTHER	2.6	0.4	3.0		3.0	0.1	3.1
5 SANITATION	35.7		35.7	(1.3)	34.5	0.3	34.8
7 PARKS AND PARKWAY	0.1		0.1		0.1		0.1
8 INDIRECT COSTS	2.1		2.1		2.1		2.1
9 OTHER	0.0		0.0		0.0	0.0	0.0
4 SERVICE CHARGES Total	73.2	2.0	75.2	2.2	77.5	0.9	78.3
5 FINES & FORFEITS							
1 TRAFFIC FINES & VIOLATIONS	5.1	(0.5)	4.6	(0.6)	4.0		4.0
2 RED SIGNAL LIGHT/CAMERA ENFORCEMENT	12.0		12.0		12.0	4.5	16.5
3 PARKING TICKET COLLECTONS	11.0	(1.0)	10.0		10.0	1.0	11.0
4 ADMIN. ADJUDICATION FEES	0.0		0.0		0.0	0.0	0.1
5 MUNICIPAL COURT FINES & COSTS	0.4		0.4		0.4	(0.1)	0.4
6 IMPOUNDED/ABANDONED VEHICLES	0.1		0.1		0.1		0.1
5 FINES & FORFEITS Total	28.6	(1.5)	27.2	(0.6)	26.6	5.5	32.0
6 MISCELLANEOUS REVENUE							
1 INTEREST - OPERATING & CAPITAL	0.1		0.1		0.1		0.1
2 RENTS & ROYALTIES	1.2		1.2		1.2	0.0	1.2
3 CONTRIBUTIONS AND OTHER	4.3		4.3		4.3	(0.0)	4.3
5 MISCELLANEOUS REIMBURSEMENT	6.0		6.0		6.0	(0.2)	5.8
6 MISCELLANEOUS REVENUE Total	11.6	0.0	11.6	0.0	11.6	(0.2)	11.4
7 OTHER FINANCING SOURCES							
1 UDAG/HUD 108 LOAN	0.0		0.0		0.0		0.0
2 TRANSFER FROM OTHER FUNDS	17.3		17.3	(1.0)	16.3	(0.3)	16.0
7 OTHER FINANCING SOURCES Total	17.3	0.0	17.3	(1.0)	16.3	(0.3)	16.0
Grand Total	\$ 505.4	\$ 6.2	\$ 511.6	\$ 8.4	\$ 520.0	\$ 16.9	\$ 536.9