

**MEETING MINUTES**  
**REVENUE ESTIMATING CONFERENCE**  
**July 25, 2018**

**PRESENT**

Honorable LaToya Cantrell, Mayor, Chair  
Honorable Jared Brossett, Councilmember District "D"  
Honorable Helena Moreno, Councilmember At Large (non-voting)  
Gilbert Montaña, Chief Administrative Officer  
Norman White, Director of Finance/CFO

**ABSENT**

Peter Ricchiuti, Professor, Tulane University

**OPENING**

The meeting of the Revenue Estimating Conference (REC) was called to order by Chief Administrative Officer, Gilbert Montaña. Mayor Cantrell arrived later and assumed the Chair.

1. Mr. Brossett moved and Mr. White seconded the motion to adopt the minutes from the July 31, 2017 and December 1, 2017.
2. Economic Outlook  
Deborah Vivien, City Economist, presented the latest economic outlook underlying the forecast showing tepid growth in payroll jobs with the market absorbing an increase in the labor force since the unemployment rate is going down. Weekly earnings also showed some growth implying possible full employment.
3. Unaudited Actuals from 2017  
Ms. Vivien also presented the unaudited final numbers from the 2017 fiscal year showing a 5.6% growth in recurring revenue, mainly in response to a millage increase and agreements with online sellers to collect sales tax. Additionally, the UPL payment was about \$3.5M higher than forecast as accrual changes caused more money to be shifted into 2017. A \$2M data discrepancy in which camera tickets were counted as parking tickets was corrected. Decreases included the dedication of state sales tax related to short term rentals due to a delay in the Cooperative Endeavor Agreement execution, a delay in the first payment of the Casino Services Support Fund (\$1.8M) and a Sanitation accrual adjustment. One time revenue totaled \$50.5M. The margin of error in the forecast was 1.1%. Recurring revenue growth was \$10.1M.
4. Revised 2018 Forecast  
Ms. Vivien presented a 2018 forecast with recurring revenue growth of less than 1% due to a confluence of occurrences. Ordinances were passed that were expected to have a fiscal impact though the magnitude was not known. They included the boot ordinance whereby a car could not be booted for less than three parking tickets (prior practice was one parking ticket) and a short term rental moratorium was imposed in which new and renewal permits were suspended. These reductions offset an expected \$4M increase in camera revenue based on early collections.

The \$4M increase in camera revenue was considered one-time to be matched with one-time expenditures to prepare for a possible reduction in cameras in 2019. Other one-time revenue included a transfer from New Orleans Building Corporation from an advance on the World Trade Center lease, and \$2M of the \$6.2M expected from the state dedication of short term rental sales tax. One time revenue totaled \$68.1M. Recurring revenue growth was down \$1.1M from prior forecast but up \$5.4M from prior year.

5. Fund Balance

Ms. Vivien presented the fund balance use totaled \$24.7M in 2017 and \$12.5M in 2018. Assuming all revenue materializes and all appropriations are spent, the fund balance is project to decline by \$5.9M in 2017 and \$8.1M in 2018 to \$46.4M. After assigning \$27M to the Savings Fund, \$19.4M is expected to be available as unassigned fund balance at the end of 2018. In 2019, loss of one-time revenue requires the use of \$20.4M in fund balance reducing the total to \$26M, which is about \$2.7M less than what is required to be set aside for the Savings Fund. The imbalance continues into 2021.

6. Savings Fund Certification

Ms. Vivien presented the Savings Fund certification as required by Charter. In 2018, \$27,010,016 will be set aside and cannot be accessed without certain emergency requirements and an ordinance.

7. Motion to Adjourn

Mayor Cantrell motioned to adjourn and the Revenue Estimating Conference adjourned.