



REVENUE ESTIMATING CONFERENCE

CONFERENCE MEMBERS

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MARA BAUMGARTEN FORCE, TULANE UNIVERSITY

City of New Orleans

September 27, 2023

REVENUE ESTIMATING CONFERENCE

September 27, 2023

1. Adoption of Minutes from June 21, 2023 Revenue Estimating Conference
2. Discussion of 2022 Audited Actual General Fund Revenue
3. Discussion of Current Economic Conditions
 - a) 2023 General Fund Forecast – Proposed Upgrade
4. Savings Fund Certification
5. Preliminary 2024 General Fund Forecast

2022 Audited Actual General Fund Revenue

| 2022 Audited Actual Revenues | 2021 Actual | 2022 Actual | Annual Change | % Growth |
|-----------------------------------|--------------------|--------------------|--------------------|--------------|
| 1A Property Tax | 164,390,334 | 168,780,069 | 4,389,735 | 2.7% |
| 1B Other Taxes | 254,646,934 | 311,181,115 | 56,534,181 | 22.2% |
| 2 Licenses and Permits | 63,184,402 | 87,663,865 | 24,479,463 | 38.7% |
| 3 Intergovernmental | 32,340,863 | 43,910,900 | 11,570,037 | 35.8% |
| 4 Service Charges | 83,872,137 | 94,124,276 | 10,252,139 | 12.2% |
| 5 Fines and Forfeits | 21,806,581 | 23,039,401 | 1,232,820 | 5.7% |
| 6 Miscellaneous | 13,257,649 | 24,589,608 | 11,331,959 | 85.5% |
| 7 Other Financing Sources | 40,254 | 97,971 | 57,716 | 143.4% |
| Total General Fund Revenue | 633,539,155 | 753,387,205 | 119,848,050 | 18.9% |

New Cases in New Orleans (7-day average) – Through 9/17/2023

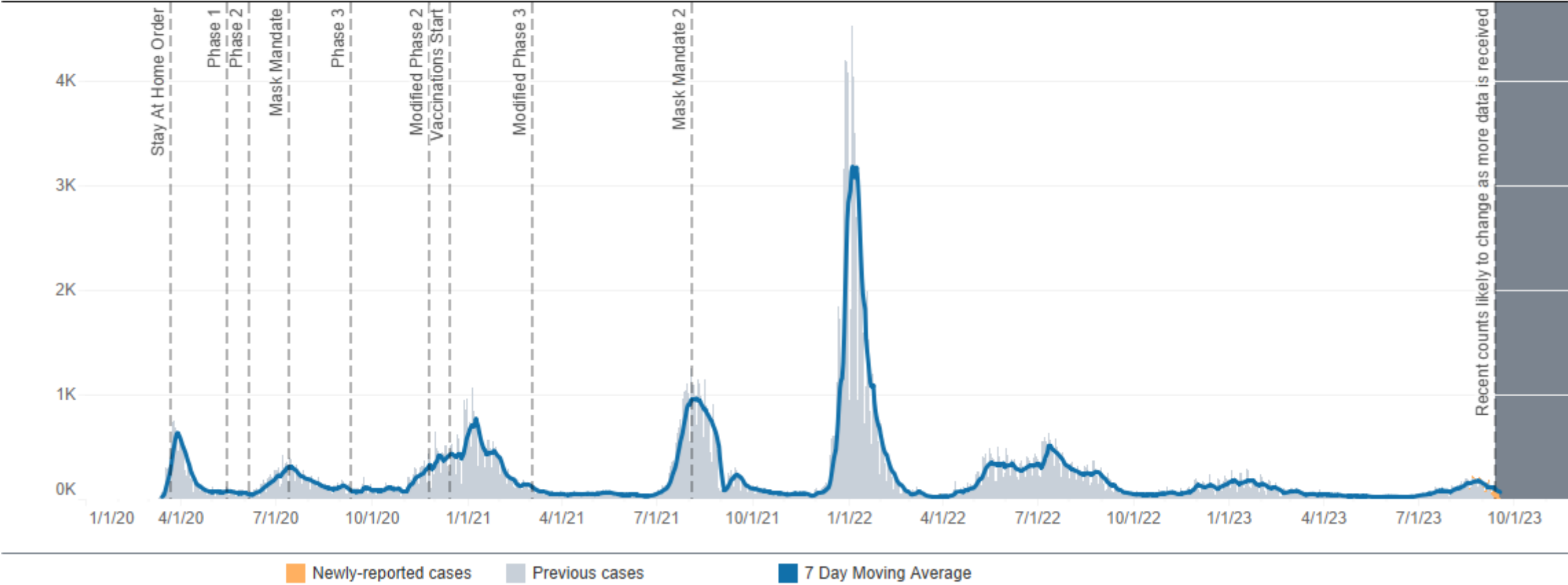
Covid-19 Cases by Test Collection Date

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Graph: New and Prev..

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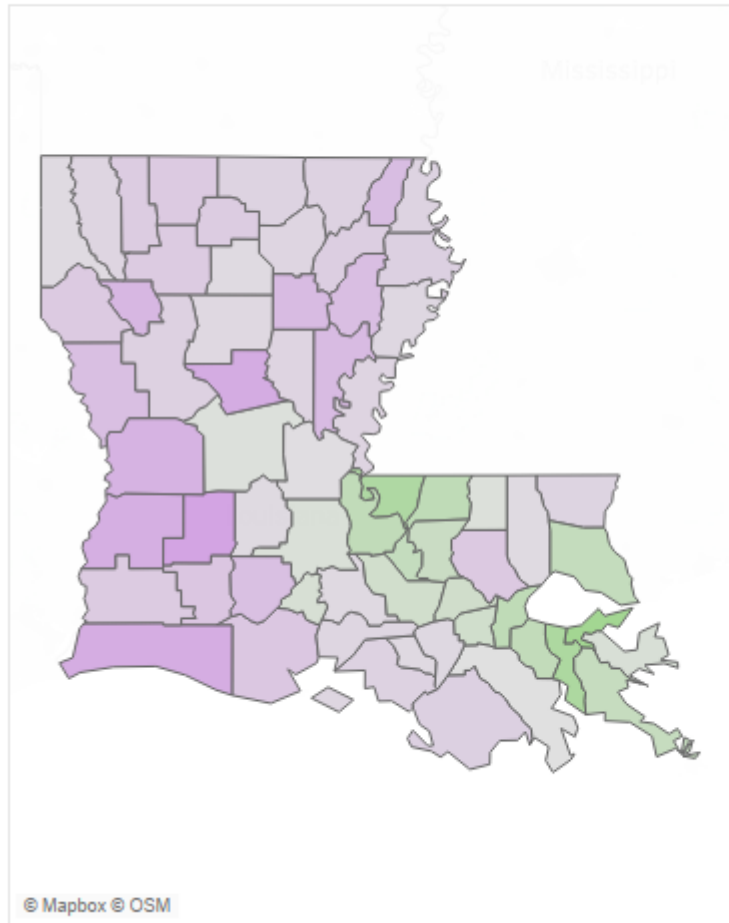
Source: Louisiana Department of Health Dashboard

New Orleans Vaccination Metrics – Percent of Vaccinated Population: 9/17/2023

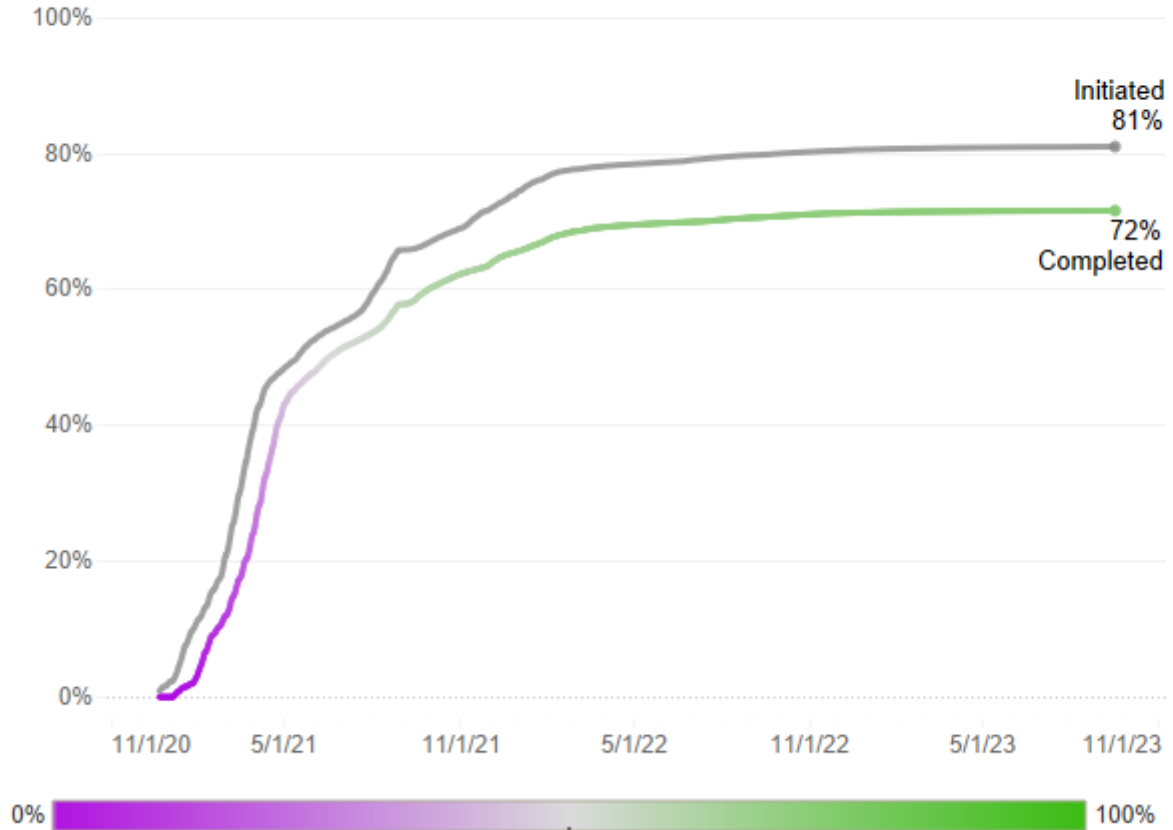
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Vaccinations by Region

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Parish: **Orleans**



State

Initiated
2,765,624

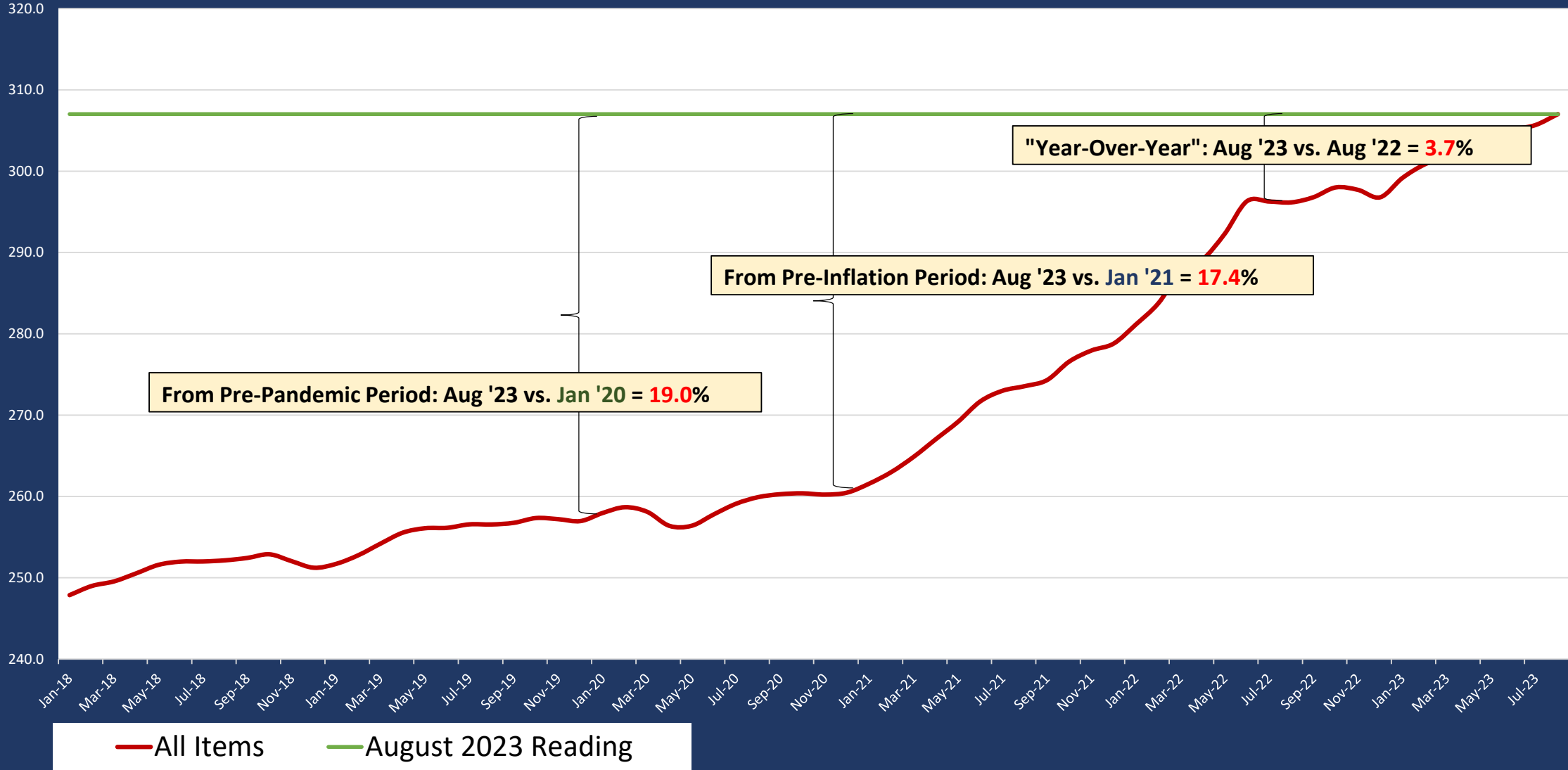
Completed
2,485,942

Initiated
59%

Completed
53%

Source: Louisiana Department of Health

Consumer Price Index Value - August 2023

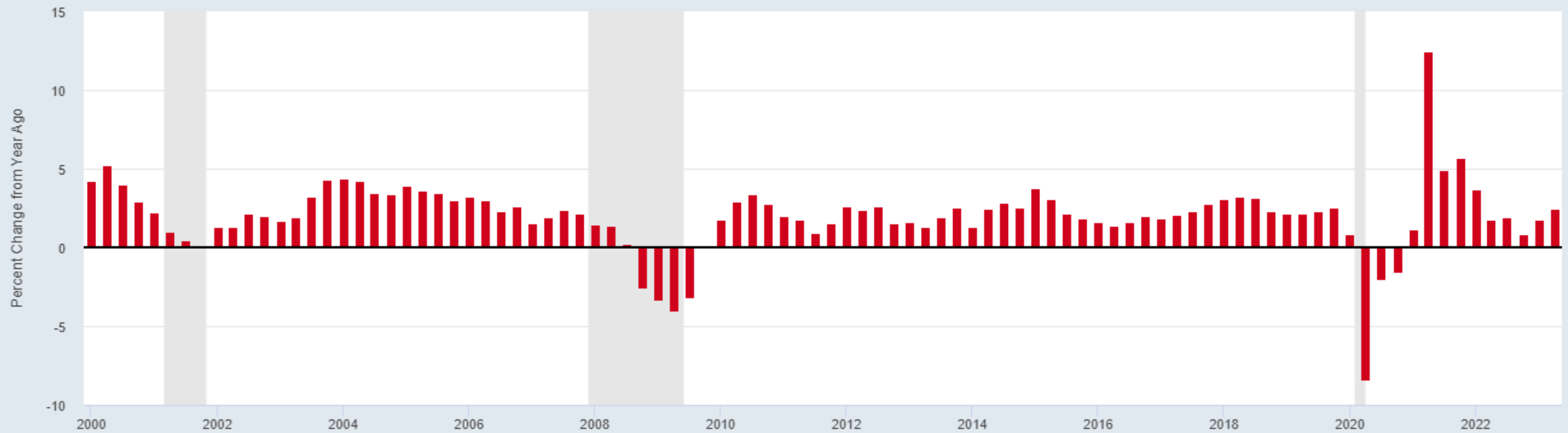


Additional Inflation Statistics

- Basic household expenses are \$202 more than Fall 2022; \$709 more than Fall 2021 – *Moody's Economy*
- Inflation-adjusted Median Household Income has fallen for three straight years (2020-2022), by 4.7% total – *U.S. Census Bureau*
 - Inflation has out-paced wage increases since pandemic
- Falling inflation-adjusted income, rising interest rates, and low supply of cars has priced half of Americans out of the market - *Experian*
 - New Vehicles – Avg. payment in 2021: \$582; 2022: \$672; 2023: \$729
 - Used Vehicles – Avg. payment in 2021: \$440; 2022: \$519; 2023: \$528



● Real Gross Domestic Product



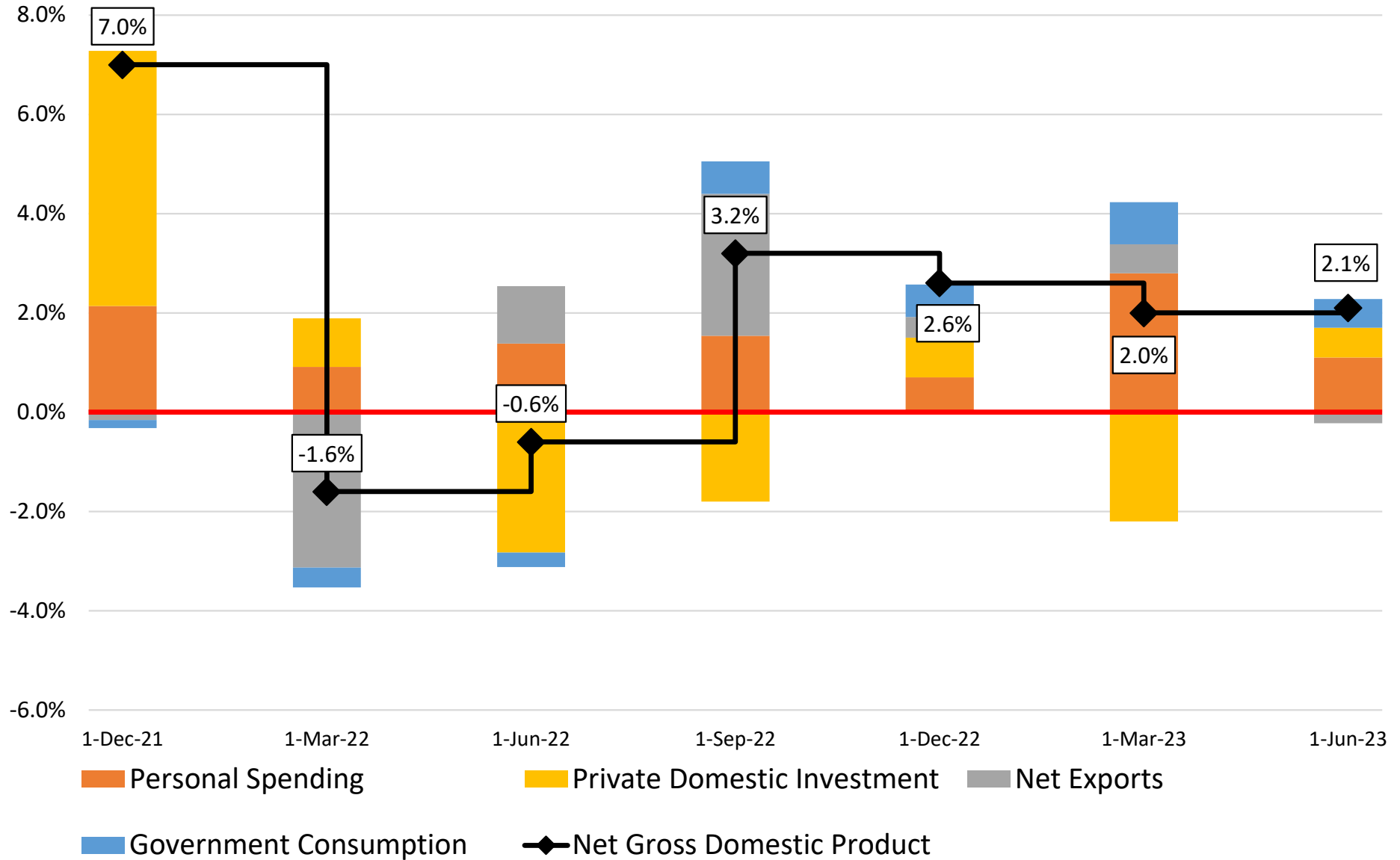
Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Economic Analysis

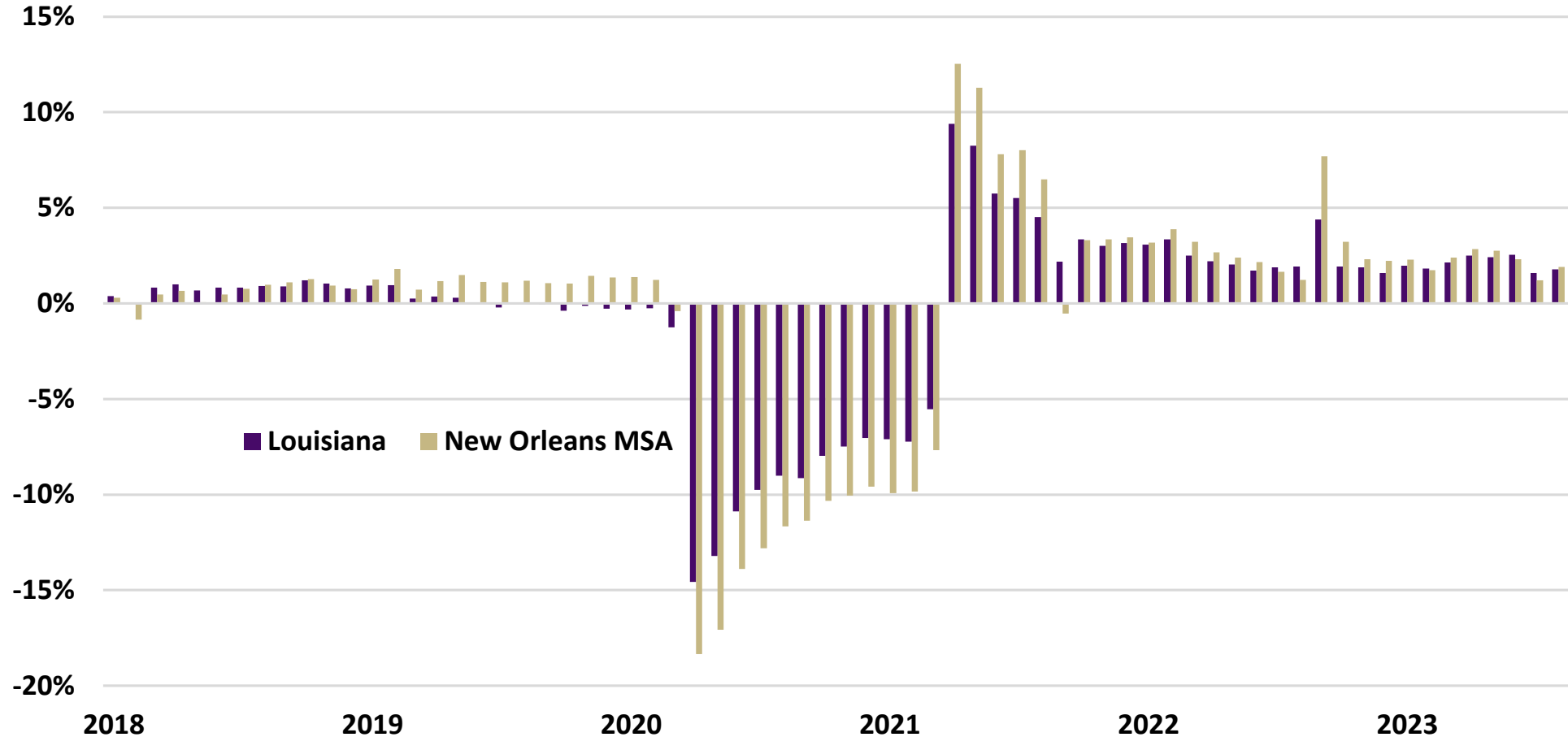
fred.stlouisfed.org



Net Contributions to Real GDP: Quarterly Change

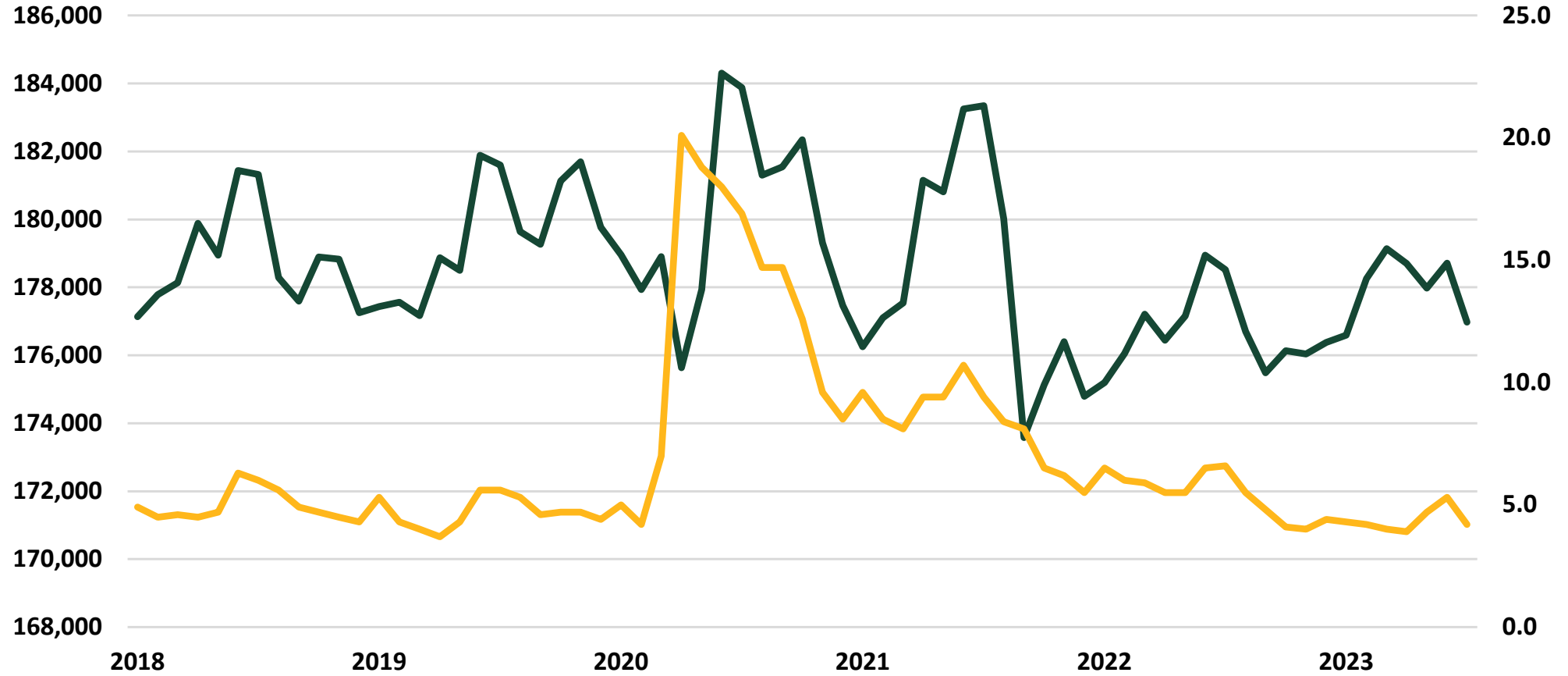


Year-Over-Year Growth: Monthly Payroll Employment - Aug. 2023



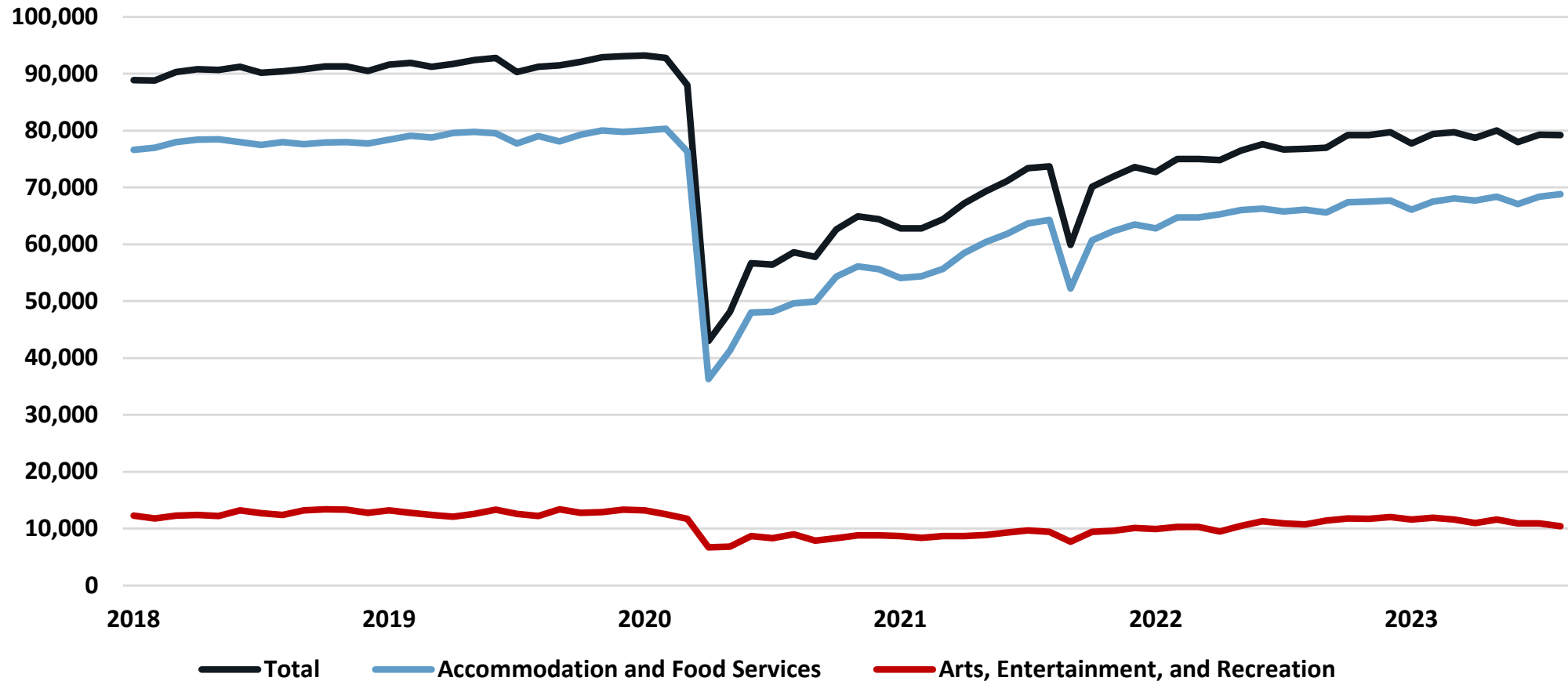
Source: Bureau of Labor Statistics
Current Employment Statistics program

New Orleans Parish Labor Force and Unemployment Rate



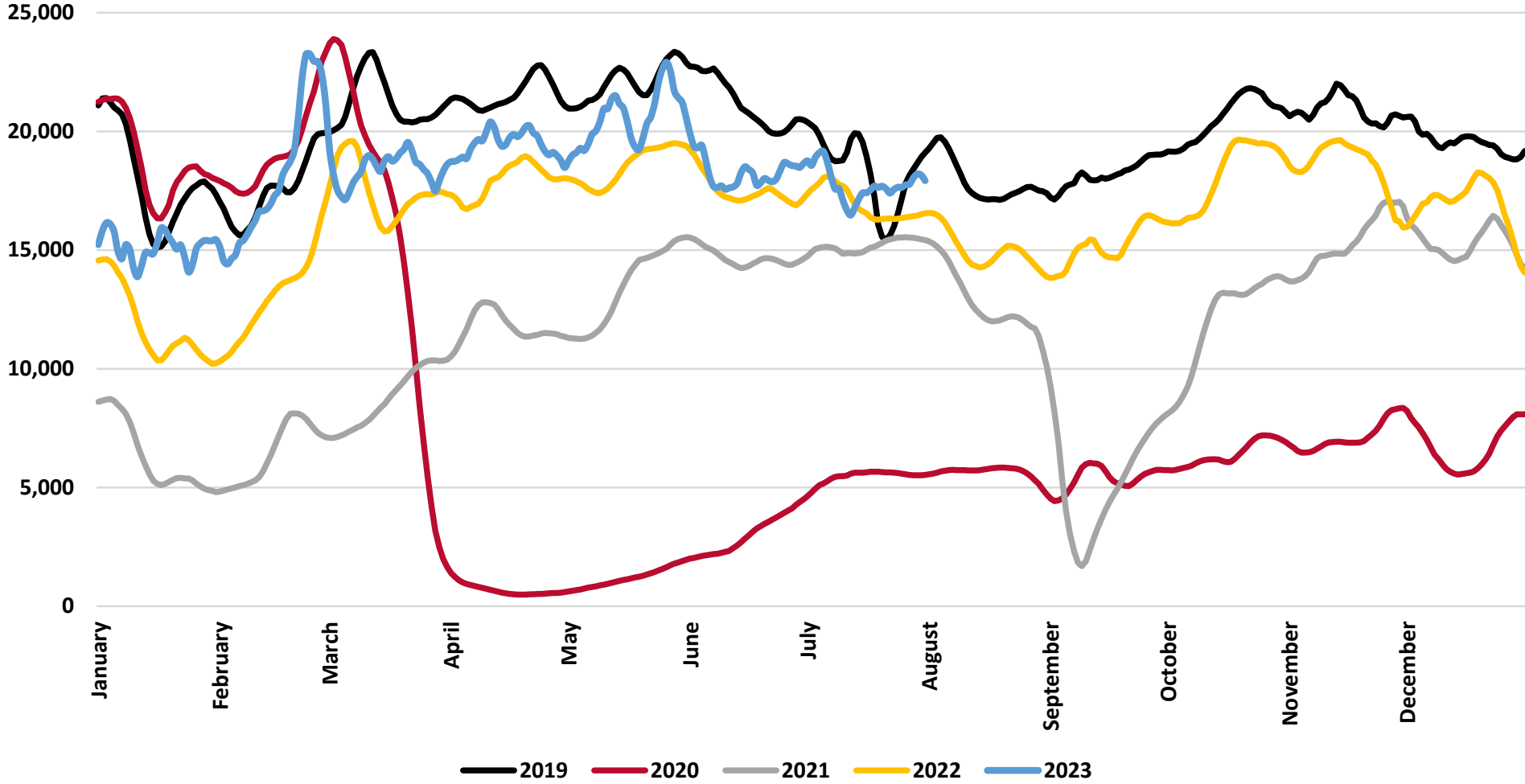
Source: Bureau of Labor Statistics
Local Area Unemployment Statistics program

New Orleans MSA - Leisure and Hospitality Sector



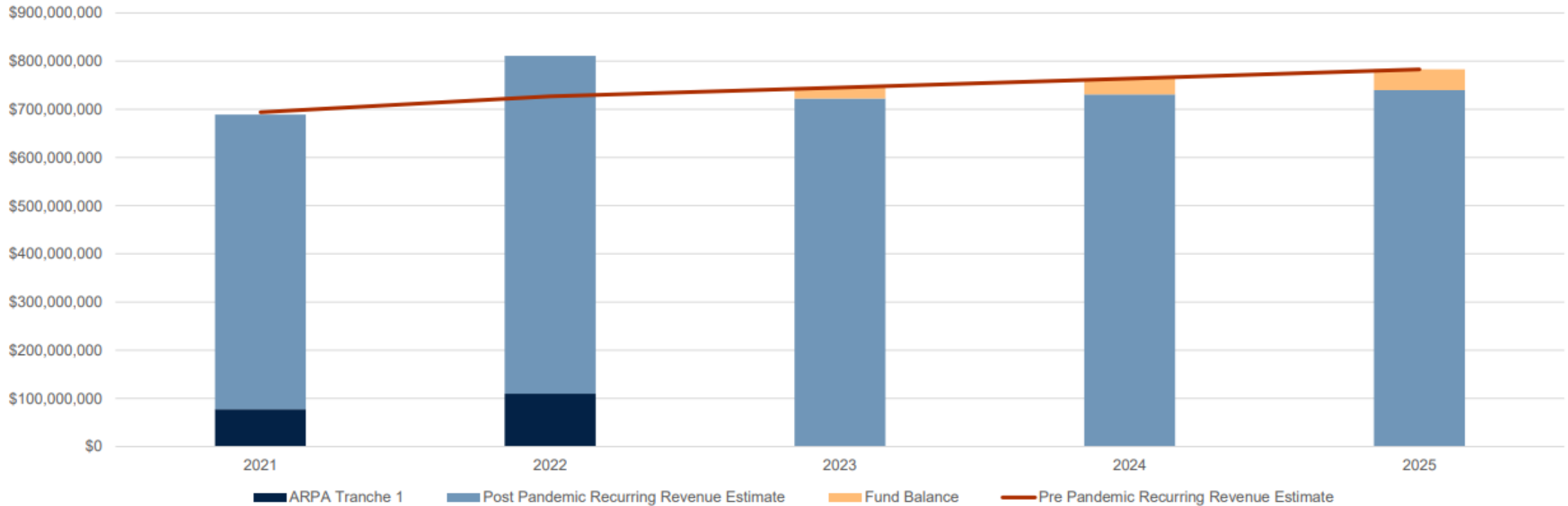
Source: Bureau of Labor Statistics
Current Employment Statistics program

Louis Armstrong New Orleans International Airport Passenger Traffic 7-Day Moving Average



Revised Recurring Revenue Outlook

The Administration continues to expect recurring revenue shortfalls through fiscal year 2025.



2023 Forecast Upgrade

| 2023 General Fund Budget | 2023 Adopted | Proposed 2023 Update | Difference |
|-----------------------------------|--------------------|----------------------|--------------------|
| 1A Property Tax | 164,439,362 | 164,439,362 | - |
| 1B Other Taxes | 329,123,642 | 329,123,642 | - |
| 2 Licenses and Permits | 68,233,777 | 68,233,777 | - |
| 3 Intergovernmental | 32,967,310 | 32,967,310 | - |
| 4 Service Charges | 86,926,187 | 86,926,187 | - |
| 5 Fines and Forfeits | 29,890,940 | 22,965,516 | (6,925,424) |
| 6 Miscellaneous | 10,781,562 | 38,896,467 | 28,114,905 |
| 7 Other Financing Sources | 60,000 | 60,000 | - |
| Total General Fund Revenue | 722,422,781 | 743,612,261 | 21,189,480 |

Factors Requiring 2023 Upgrade

- Known Revenue Events:
- Lagging revenues in Fines and Forfeits component: -\$6.9m
 - Operational processing issues with fines and penalty payments
- +\$28.1m One-Time Revenues in Miscellaneous component
 - +\$8.7m Interest received on cash held in bank
 - +\$0.5m Rents and Royalties payments
 - +\$9.1m Insurance and legal settlements in Contributions and Other
 - +\$10m payment from New Orleans Building Corporation in Miscellaneous Reimbursement

Savings Fund Certification - 2023

| Year | Actual General Fund Expenditures |
|------------------------------------|----------------------------------|
| 2018 | \$ 668,216,456.66 |
| 2019 | \$ 686,688,851.91 |
| 2020 | \$ 595,285,204.93 |
| 2021 | \$ 542,743,226.70 |
| 2022 | \$ 632,668,000.00 |
| Average | \$ 625,120,348.04 |
| 5% - Required Savings Fund Balance | \$ 31,256,017.40 |

2024 Preliminary Forecast – General Fund Revenue

| Preliminary 2024 General Fund Forecast | 2024 Recurring Revenue Forecast | 2023 Adopted | Difference from Adopted | % | Proposed Update to 2023 Forecast | Difference from Update | % |
|--|---------------------------------|--------------------|-------------------------|-------------|----------------------------------|------------------------|--------------|
| 1A Property Tax* | 158,965,154 | 164,439,362 | (5,474,208) | -3.3% | 164,439,362 | (5,474,208) | -3.3% |
| 1B Other Taxes | 330,715,240 | 329,123,642 | 1,591,599 | 0.5% | 329,123,642 | 1,591,599 | 0.5% |
| 2 Licenses and Permits | 74,004,680 | 68,233,777 | 5,770,903 | 8.5% | 68,233,777 | 5,770,903 | 8.5% |
| 3 Intergovernmental | 32,635,828 | 32,967,310 | (331,482) | -1.0% | 32,967,310 | (331,482) | -1.0% |
| 4 Service Charges | 92,051,238 | 86,926,187 | 5,125,051 | 5.9% | 86,926,187 | 5,125,051 | 5.9% |
| 5 Fines and Forfeits | 23,055,147 | 29,890,940 | (6,835,793) | -22.9% | 22,965,516 | 89,631 | 0.4% |
| 6 Miscellaneous | 20,433,458 | 10,781,562 | 9,651,896 | 89.5% | 38,896,467 | (18,463,008) | -47.5% |
| 7 Other Financing Sources | 60,000 | 60,000 | - | 0.0% | 60,000 | - | 0.0% |
| Total General Fund Revenue | 731,920,746 | 722,422,781 | 9,497,966 | 1.3% | 743,612,261 | (11,691,515) | -1.6% |
| *This accounts for removal of NORD Dedicated and Parkway Dedicated from the General Fund | | | | | | | |

Key 2024 General Fund Forecast Notes

- Nord Dedicated and Parkway Dedicated not counted as part of General Fund for 2024; equates to -\$13.7m
- Fiscal Risks:
 - Potential Elimination of Residential STR's = -\$21.8m for General Fund, Special/Dedicated Funds, and Disbursement to Non-City Agencies
 - Permitting Process issues remain unresolved and backlog continues
 - Restrains initial permitting operations and revenues; matriculates through process
- Enacted City Ordinances
 - Elimination of Alcohol & Beverage Processing Fee = -\$1.5m
- Continued Recovery; potential remains for Economic Recession
 - Real Estate, Banking, and inflation crises; nationwide job and income disruption would directly impact NOLA commercial and visitor activity

Data Appendix
