

MEETING MINUTES
REVENUE ESTIMATING CONFERENCE
October 17, 2017 8:30 am

PRESENT

Honorable Jared C. Brossett, Council Member District D (non-voting representative)
Honorable Stacy Head, Councilmember-at-Large
Jeff Hebert, First Deputy Mayor & Chief Administrative Officer
Peter Ricchiuti, Professor, Tulane University
Norman S.J. Foster, Director of Finance/CFO

ABSENT

Honorable Mitchell J. Landrieu, Mayor, City of New Orleans

OPENING

After a technical delay, the meeting of the Revenue Estimating Conference (REC) was called to order by First Deputy Mayor and Chief Administrative Officer, Jeff Hebert.

1. Mr. Hebert moved the approval of the August 29, 2016 Revenue Estimating Conference minutes. Minutes adopted by unanimous consent.
2. To accommodate a scheduling conflict, Mr. Foster requested that Mr. Mark Jernigan, Director of the Department of Public Works, be allowed to speak prior to the presentation of the 2017 revenue estimate concerning a proposed initiative involving the addition of 55 traffic cameras in the city. Mr. Jernigan presented his assumptions and calculations involving the anticipated \$8M gross revenue expected to result in 2017. Administrative costs of \$3M will be included in the 2017 budget for a net revenue gain of \$5M.
3. 2016 General Fund Revenue Forecast
Deborah Vivien, City Economist, presented the progression of the 2016 General Fund Revenue Forecast along with changes resulting from the most recent collections data. Changes included an increase of \$3M to property tax collections attributed to more efficient enforcement and an offsetting reduction of \$3M to sales tax due to a slowing economy. In addition, Vivien reported various smaller adjustments to bring the forecast more in line with actual information including an increase of \$0.9M to licenses and permits, an increase of \$0.7M in property tax collection fees, \$300,000 in interest, primarily on bond proceeds, and \$200,000 for an interagency transfer resulting from an ordinance for the shared cost of a lobbyist. Finally, the anticipated \$2M permit for 2 Canal Place was removed from 2016 and is now reported in 2017 as delays to the project have dictated. The resulting 2016 General Fund Forecast was increased by \$2.1M to \$608.9M.
4. 2017 General Fund Revenue Forecast
The presentation included adjustments to the 2017 forecast first presented in August, 2016 and included three components: base adjustments similar to the changes presented in the 2016 forecast as a result of actual collections, exogenous impacts (titled Other Changes), and new policy initiatives. The base adjustments added \$2.5M to the 2017 General Fund forecast with property tax increasing by \$3M and sales tax declining by only \$2M as a result of continued, though measured, recovery in the national economy throughout 2017. The exogenous changes included the addition of \$1M as a result of Act 13 of the Second Extraordinary Session of the Legislature, which lifted the sales tax exemption on certain events at the Mercedes Benz Superdome and Smoothie King Arena, and authorized state and local taxation on sales of tickets to all venue events sold in the secondary ticket market. The transfer of state dollars from the Casino Services Support Fund were reduced by \$500,000 to account for timing differences in state transfers (the total amount of the contract will be

paid but the payments fall within different city fiscal years). The 2 Canal Place permit of \$2M was added to the 2017 forecast as the project is expected to commence during that time. Administration initiatives include the addition of 55 new traffic cameras for expected gross revenue of \$8M (administrative costs of \$3M will be included in the 2017 budget for a net revenue gain of \$5M). Alexandria Norton was called to present her estimate of the impact of the reinstatement of an alcohol excise tax on high content alcohol. Her proposal included increased revenue of \$1.5M in 2017. The proposed budget also includes the use of \$4.9M in fund balance for certain one-time expenditures and was included as a revenue source in the 2017 forecast. It was also mentioned by Mr. Foster that \$3M in BP funds are used in the forecast, which will also impact the fund balance for 2018.

The 2017 forecast increased by \$19.4M to \$614M, though \$14.4M of that increase is due to new initiatives.

5. Discussion
Mr. Foster discussed the 5 year outlook for the fund balance. Assuming 2% growth in expenditures, the fund balance is expected to grow by roughly \$13M per year
6. Adopt Official Forecast for 2017

2017 Official Revenue Forecast
October 2016 Revenue Estimating Conference
(\$)

	Recurring Revenue	Non-recurring Revenue	Total Revenue
Taxes	371,152,294		371,152,294
Licenses & Permits	61,789,688	2,000,000	63,789,688
Intergovernmental Revenue	6,481,000	6,300,000	12,781,000
Service Charges	88,288,090	(200,000)	88,088,090
Fines & Forfeitures	46,071,000		46,071,000
Miscellaneous Revenue	10,940,202	(522,000)	10,418,202
Other Financing Sources	16,787,250	4,900,000	21,687,250
2017 GENERAL FUND REVENUE	601,509,524	12,428,000	613,987,524
2017 NON-GENERAL FUND REVENUE			423,020,542
2017 TOTAL REVENUE			1,037,008,066

CLOSING

Mr. Hebert moved to adjourn and Mr. Ricchiuti seconded. The Revenue Estimating Conference adjourned.