



REVENUE ESTIMATING CONFERENCE

CONFERENCE MEMBERS
HON. LaTOYA CANTRELL, MAYOR,
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City of New Orleans

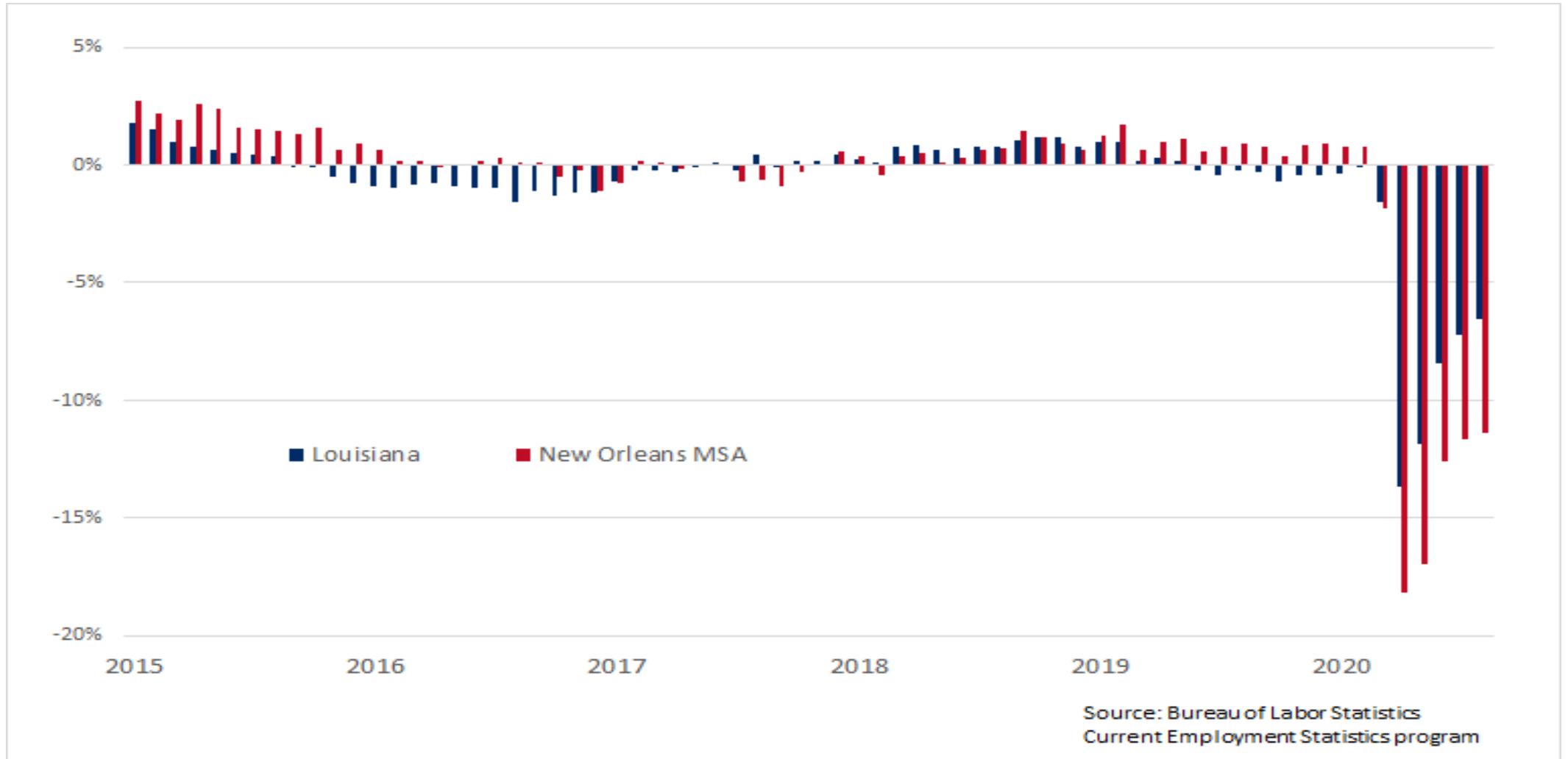
October 19, 2020

REVENUE ESTIMATING CONFERENCE

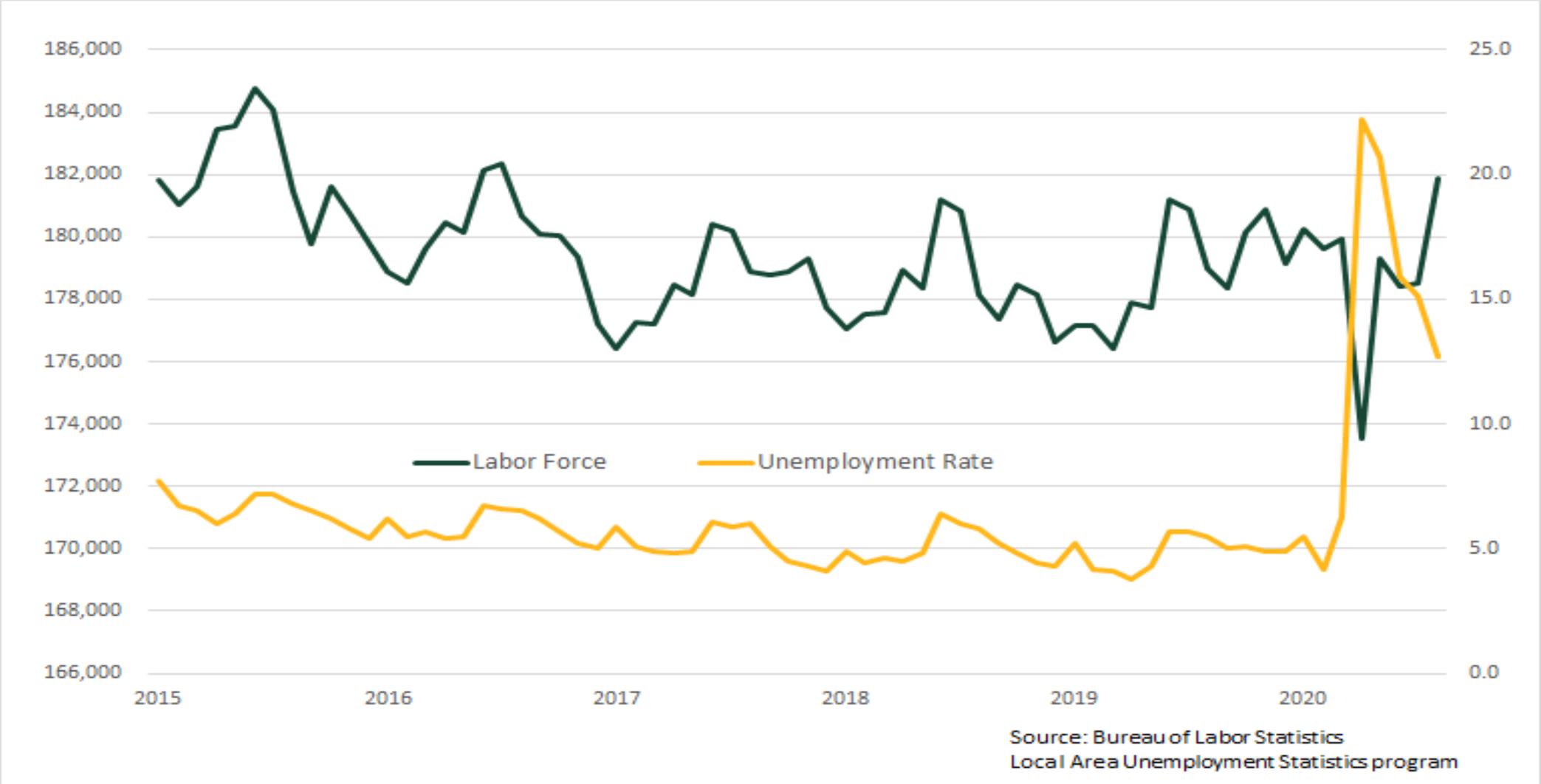
October 19, 2020

1. Economic Outlook and Assumptions
2. 2018 Unaudited Actual General Fund Revenue
3. Revised 2019 General Fund Revenue Forecast
4. Five Year Outlook – Fund Balance
5. Forecast Tables
6. Savings Fund Certification
7. Data Appendix

Prior Year Monthly Growth in Payroll Employment

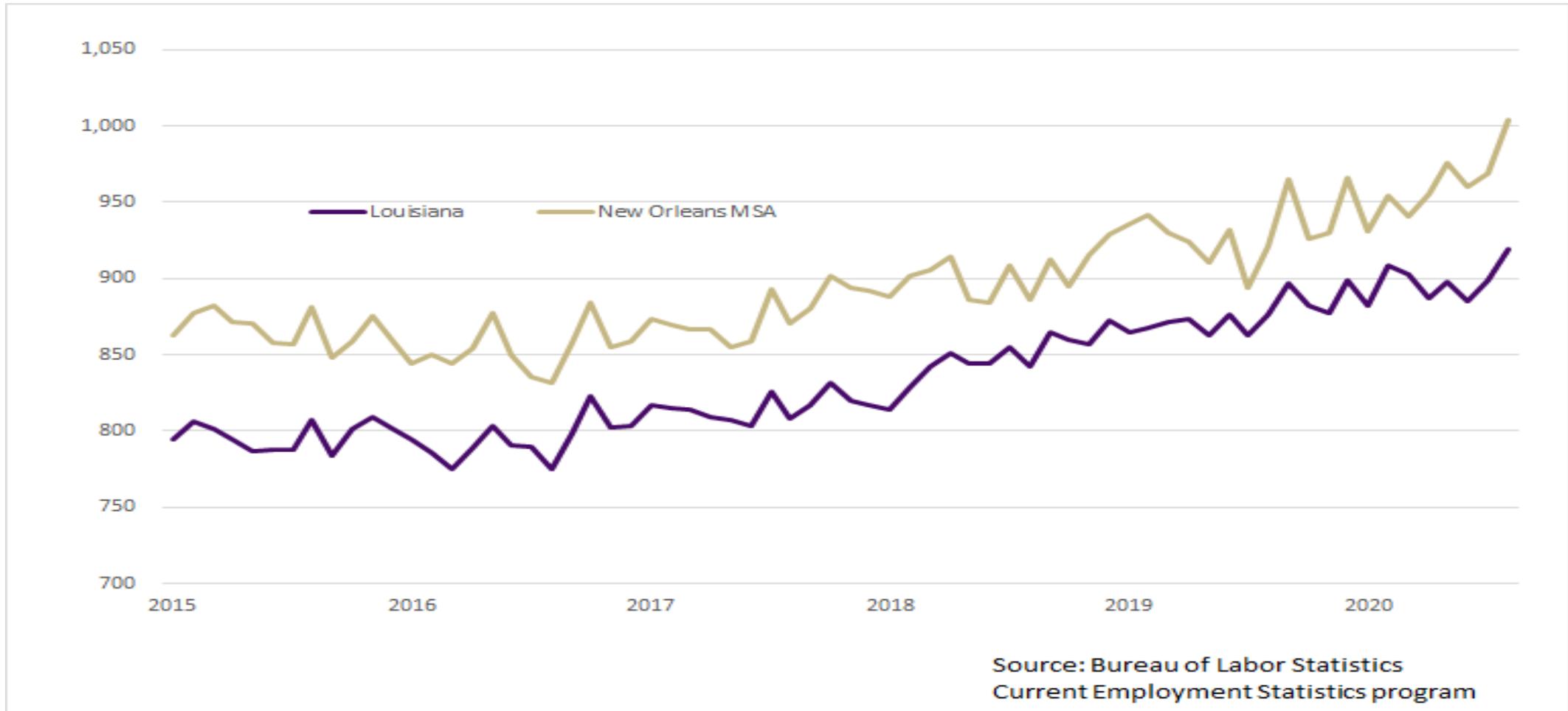


New Orleans Labor Force and Unemployment Rate

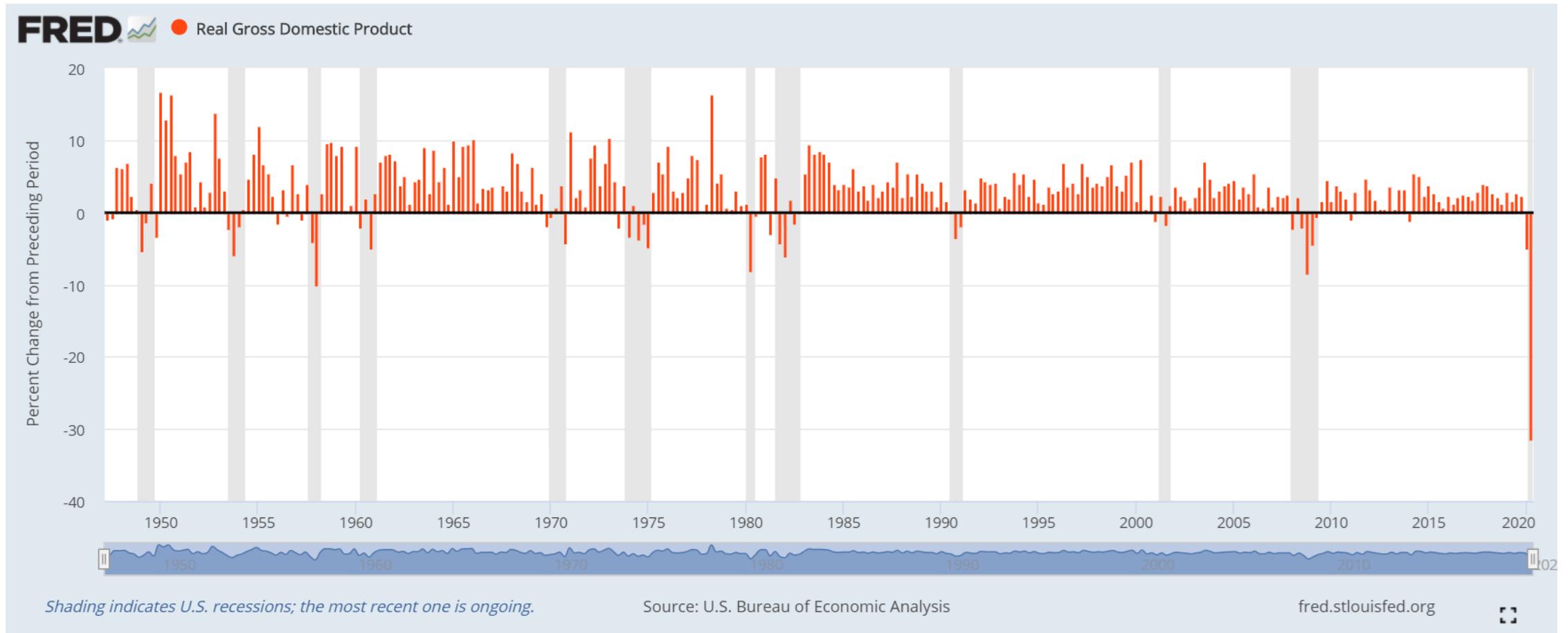


Average Weekly Earnings

Nominal Dollars, Not Seasonally Adjusted



End of Record Real GDP Expansion in the U.S.



2019 General Fund Revenue

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	2018 Actual	2019 Unaudited Actual	Annual Change	Annual Growth
1A-Property Tax	149,180,517	149,658,731	478,214	0.3%
1B-Other Taxes	253,217,497	263,507,495	10,289,998	4.1%
2-Licenses and Permits	77,050,708	75,261,416	(1,789,292)	-2.3%
3-Intergovernmental	18,628,648	33,868,649	15,240,001	81.8%
4-Service Charges	90,960,311	94,969,136	4,008,825	4.4%
5-Fines and Forfeits	37,749,070	39,194,501	1,445,431	3.8%
6-Miscellaneous	14,469,656	31,516,093	17,046,436	117.8%
7-Other Financing Sources	65,134,843	1,833,513	(63,301,330)	-97.2%
Total General Fund Revenue	706,391,252	689,809,534	(16,581,717)	-2.3%
less: One-time Revenue	(64,802,473)	(29,529,713)	35,272,760	-54.4%
Recurring General Fund Revenue	641,588,779	660,279,821	18,691,043	2.9%

2019 General Fund Revenue

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	2019 Unaudited Actual	2019 Adopted Forecast	Change from Forecast	% Change from Forecast
1A-Property Tax	149,658,731	150,297,089	(638,358)	-0.4%
1B-Other Taxes	263,507,495	259,291,586	4,215,909	1.6%
2-Licenses and Permits	75,261,416	75,983,504	(926,933)	-1.0%
3-Intergovernmental	33,868,649	31,735,000	2,133,649	6.7%
4-Service Charges	94,969,136	98,240,020	(3,270,884)	-3.3%
5-Fines and Forfeits	39,194,501	42,232,065	(3,037,564)	-7.2%
6-Miscellaneous	31,516,093	41,174,766	(9,730,797)	-23.5%
7-Other Financing Sources	1,833,513	14,060,588	(13,257,758)	-87.0%
Total General Fund Revenue	689,809,534	713,014,618	(23,205,084)	-3.3%
less: One-time Revenue	(29,099,051)	(47,623,444)	18,524,393	-38.9%
Recurring General Fund Revenue	660,710,483	665,391,174	(4,680,691)	-0.7%

2019 Unaudited Actual General Fund Revenue Changes from 2018 (\$)

Major Increases:

Growth in sales taxes	\$9M
Increase in STR state dedication	\$2.1M
EMS Collections	\$2.9M
Red Light/Camera Enforcement	\$4.1M
Interest	\$2.6M
Casino Support Services	\$3.9M
NOBC Transfer	\$10M

Major Decreases:

World Trade Center	-\$33M
Building Permits	-\$1.7M

Reclassification:

Harrah's Rent	\$13.2M
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Non-Recurring General Fund Revenue

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	2018 Actual	2019 Unaudited Actual
Fund Balance	17,647,695	1,030,683
Medicaid UPL Ambulance	10,354,778	11,106,294
World Trade Center Lease Advance	33,000,000	
2 Canal Permit	2,000,000	-
NOBC Transfer		10,000,000
Casino Support Payment	1,800,000	5,662,681
GOMESA Payment		1,299,392
Total Non-Recurring	64,802,473	29,099,051

2020 General Fund Revenue

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	2019 Unaudited Actual	2020 Adopted Forecast	2020 Proposed Forecast	Forecast Change	Annual Growth
1A-Property Tax	149,658,731	167,171,618	167,494,658	323,040	0.2%
1B-Other Taxes	263,507,495	264,292,183	194,707,845	(69,584,338)	-26.3%
2-Licenses and Permits	75,261,416	76,953,722	70,827,351	(6,126,371)	-8.0%
3-Intergovernmental	33,868,649	21,538,551	26,354,101	4,815,550	22.4%
4-Service Charges	94,969,136	98,635,620	137,969,734	39,334,114	39.9%
5-Fines and Forfeits	39,194,501	39,232,065	13,247,878	(25,984,187)	-66.2%
6-Miscellaneous	31,516,093	35,772,322	64,906,801	29,134,479	81.4%
7-Other Financing Sources	1,833,513	22,283,588	4,494,645	(17,788,943)	-79.8%
Total General Fund Revenue	689,809,534	725,879,669	680,003,013	(45,876,656)	-6.3%
less: One-time Revenue	(29,099,051)	(31,626,551)	(120,672,520)	(89,045,969)	281.6%
Recurring General Fund Revenue	660,710,483	694,253,118	559,330,493	(134,922,625)	-19.4%

2020 General Fund Revenue

Changes from Prior Forecast

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Major Increases:

CARES Act	\$58.4M
Harrah's	\$48M
Legal Agreement	\$5.5M

Major Decreases:

Other Taxes (esp. Sales Taxes: General Sales, Hotel & Motel)	-\$69.6M
License & Permit Fees	-\$6.1M
Fines & Forfeits	-\$26M
Medicaid UPL	-\$2.8M
Interest	-\$4M

Non-Recurring General Fund Revenue

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	2020 Current Forecast	2020 Proposed Forecast	2020 Change
Non-Recurring			
Fund Balance	6,800,000		(6,800,000)
Medicaid UPL Ambulance	9,403,551	6,630,615	(2,772,936)
Casino Support Payment & Harrah's Deal	6,000,000	48,000,000	42,000,000
Legal Settlement (CenturyLink)	4,000,000	5,500,000	1,500,000
Negotiated Transfers	5,423,000		(5,423,000)
GOMESA		2,141,905	
CARES Act		58,400,000	58,400,000
TOTAL Non-Recurring	31,626,551	120,672,520	86,904,064

Potential Uncertainty in 2020 & 2021 Revenue

- Public health conditions
- Macroeconomic conditions and local conditions
- Public sentiment/consumer demand with/without out available vaccine
- Travel restrictions
- Policy uncertainty depending on Congressional approval of relief funds
- Cyber attack

General Fund Balance Planning Projections

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	2019	2020	2021	2022	2023	2024
Revenue						
Recurring Revenue	660,710,483	559,330,493	604,000,000	619,100,000	634,577,500	650,441,938
Budgeted Fund Balance	6,800,000					
Non-Recurring Revenue	21,268,368	120,672,520	10,000,000	10,000,000	10,000,000	10,000,000
Total Revenue	688,778,851	680,003,013	614,000,000	629,100,000	644,577,500	660,441,938
Expenditures						
Total Expenditures	689,809,534	683,000,000	633,000,000	664,650,000	697,882,500	732,776,625
Anticipated Surplus/(Deficit) from General Fund	(1,030,683)	(2,996,987)	(19,000,000)	(35,550,000)	(53,305,000)	(72,334,688)

PLANNING PURPOSES ONLY; NOT OFFICIAL ESTIMATES

General Fund Balance Planning Projections

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	2019	2020	2021	2022	2023	2024
Beginning Balance	46,748,315	45,717,632	42,720,645	23,720,645	(11,829,355)	(65,134,355)
Anticipated Surplus/(Deficit) from General Fund	(1,030,683)	(2,996,987)	(19,000,000)	(35,550,000)	(53,305,000)	(72,334,688)
TOTAL USE OF FUND BALANCE		-	-	-	-	-
NET CHANGE TO FUND BALANCE	(1,030,683)	(2,996,987)	(19,000,000)	(35,550,000)	(53,305,000)	(72,334,688)
Adjusted Fund Balance	45,717,632	42,720,645	23,720,645	(11,829,355)	(65,134,355)	(137,469,043)
Obligated to Savings Fund	(28,932,578)	(30,826,766)	(32,378,791)	(32,884,454)	(32,987,874)	(32,941,574)
Unassigned Fund Balance	16,785,054	11,893,879	(8,658,146)	(44,713,809)	(98,122,229)	(170,410,617)
<i>Percentage of Total Expenditures</i>	6.6%	6.3%	3.7%	-1.8%	-9.3%	-18.8%
<i>Percentage of Recurring Revenue</i>	6.9%	7.6%	3.9%	-1.9%	-10.3%	-21.1%

These calculations assume all revenues and expenditures materialize. Actual performance will determine the end of the year surplus/(deficit).

Forecast Growth Rates

	2019 Actual	2020 Proposed Forecast
Total GF Revenue	689,809,534	680,003,013
	-2.3%	-6.3%
Recurring GF Revenue	660,710,483	559,330,493
	3.0%	-19.4%

Savings Fund Certification

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City Fiscal Year	Actual General Fund Expenditures	5-Year Average of Actual General Fund Expenditures	NEW FUND REQUIREMENT 5% of 5-Year Average of Actual General Fund	Existing Balance of Savings Fund (Fund Balance)	Difference between 5% of 5-Year Average and Existing Balance TO BE CERTIFIED
2015	\$ 546,041,430				
2016	\$ 577,416,073				
2017	\$ 608,006,853				
2018	\$ 661,402,686				
2019 Unaudited	\$ 689,809,534	\$ 616,535,315	\$ 30,826,766	\$ 31,020,961	-

Savings Fund Certification

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Per the Home Rule Charter:

Section 6-201(2)(b)(i)

Except as otherwise provided by this charter or applicable state law, a percentage of the City's annual general fund shall be appropriated by the City Council and deposited into the "Savings Fund of the City of New Orleans" pursuant to the following formula:

(A) When none of the conditions in Section 6-201(2)(b)(ii)(A) through (C) has been met, the percentage required to be appropriated shall be the difference between the existing balance of the Savings Fund and 5% of the average of the previous five years of actual general fund expenditures as certified by the Revenue Estimating Conference at its first meeting after the submission of the independent audit as provided in Section 6-108.

(B) When one or more of the conditions in Section 6-201(2)(b)(ii)(A) through (C) has been met, the percentage required to be appropriated shall be zero.

Section 6-201(2)(b)(ii)

Appropriations from the Savings Fund may only be made by the City Council upon an affirmative vote of two-thirds of all its members and only when one or more of the following conditions have been met:

(A) a declaration by the City Council by a two-thirds vote of all of its members of the existence of an emergency due to act of God, riot, war, or a grave emergency which threatens widespread loss of life or grievous injury to health or property;

(B) a determination by the City Council by a two-thirds vote of all of its members that a significant loss in city revenues due to an economic downturn of serious proportions has occurred or is occurring; and/or

(C) a mandate by the United States Government that has been determined by the City Attorney to be in accordance with law.

Data Appendix

General Fund Revenue Forecast

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Revenue Source	2018	2019 Unaudited Actuals	Annual Growth (18-19)	2020 Proposed Forecast	Annual Growth (19-20)	Category/Impact Includes:
1A-Property Tax	149,180,517	149,658,731	0.3%	167,494,658	11.9%	
1A-1-Real/Current Property - Curr	52,687,083	52,632,043	-0.1%	60,009,267	14.0%	
1A-2-Prior Year Property	2,018,759	1,817,104	-10.0%	2,426,172	33.5%	
1A-3-Police/Fire Dedicated Mills	73,933,548	75,103,877	1.6%	84,042,380	11.9%	millage roll forward
1A-4-Nord Dedicated 1.5 Mills	5,192,288	5,263,746	1.4%	5,383,780	2.3%	
1A-5-Parkway Dedicated 1.5 Mills	5,192,288	5,269,639	1.5%	5,453,516	3.5%	
1A-6-Streets Dedicated 1.9 Mills	6,576,961	6,675,807	1.5%	7,018,846	5.1%	
1A-7-Interest and Penalties	3,579,590	2,896,515	-19.1%	3,160,695	9.1%	
1B-Other Taxes	253,217,497	263,507,495	4.1%	194,707,845	-26.1%	
1B-1-Sales Tax	196,825,367	205,168,843	4.2%	157,664,031	-23.2%	
1B-2-Motor Vehicle Tax	12,540,745	13,297,964	6.0%	11,060,974	-16.8%	
1B-3-Hotel and Motel Tax	20,995,000	22,301,958	6.2%	7,350,666	-67.0%	major impacts of
1B-4-Beer Wine and Liquor Tax	470,930	500,707	6.3%	420,567	-16.0%	lost tourism
1B-5-Parking Tax	4,949,920	5,277,874	6.6%	2,709,170	-48.7%	
1B-6-Document Transaction Tax	3,868,376	4,084,014	5.6%	4,711,850	15.4%	
1B-7-Chain Store Tax	158,112	168,311	6.5%	165,055	-1.9%	
1B-8-Off Track Betting/Racing Tax	160,378	141,559	-11.7%	115,372	-18.5%	
1B-9-Utility Tax	11,827,918	11,084,796	-6.3%	9,594,703	-13.4%	
1B-10-FG Slot Machine 4% Tax	1,420,751	1,481,469	4.3%	915,457	-38.2%	
2-Licenses and Permits	77,050,708	75,261,416	-2.3%	70,827,351	-5.9%	
2-1-Alcoholic Beverage	2,995,054	2,665,992	-11.0%	1,884,150	-29.3%	
2-2-Cable Tv Franchise	5,025,462	4,789,086	-4.7%	4,494,742	-6.1%	
2-3-Entergy Franchise	31,946,052	30,262,605	-5.3%	29,043,796	-4.0%	
2-4-Telephone Franchise	903,483	527,047	-41.7%	376,665	-28.5%	
2-6-Miscellaneous Franchise	1,289,736	393,412	-69.5%	6,428,129	1533.9%	CenturyLink
2-7-Occupational Licenses	11,397,855	11,690,911	2.6%	10,952,374	-6.3%	
2-8-Safety Electrical Mechanical	2,363,455	2,240,303	-5.2%	1,265,879	-43.5%	
2-9-Taxi Tourguide Licenses	6,108,749	7,231,028	18.4%	1,892,204	-73.8%	rideshare fees
2-10-Building Permits	7,438,329	5,776,907	-22.3%	5,547,612	-4.0%	
2-11-Motor Vehicle Permits	2,599,640	2,183,463	-16.0%	1,529,229	-30.0%	
2-12-Streets and Curbs	856,385	1,099,214	28.4%	385,558	-64.9%	
2-13-Mayoralty Permits	425,717	459,276	7.9%	214,118	-53.4%	
2-14-Other	3,700,789	5,942,173	60.6%	6,812,896	14.7%	

General Fund Revenue Forecast

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3-Intergovernmental	18,628,648	33,868,649	81.8%	26,354,101	-22.2%	
3-1-State Aid - Video Poker	1,814,846	1,588,578	-12.5%	945,303	-40.5%	
3-2-State Dept Of Corrections	46,783	-		-		
3-3-State Aid-Medicaid UPL	10,354,778	11,106,294	7.3%	6,892,590	-37.9%	
3-4-State Revenue Sharing	2,179,925	2,181,065	0.1%	2,183,227	0.1%	
3-5-State Aid Other	100,147	89	-99.9%	32	-63.5%	
3-6-Parish Transportation Fund	4,132,168	4,417,319	6.9%	4,249,629	-3.8%	
3-7-Harrah's Rent	-	13,275,912		9,941,414	-25.1%	
3-8-GOMESA Oil Payments	-	1,299,392		2,141,905	64.8%	
3-9-Federal Aid	-	-		-		
4-Service Charges	90,960,311	94,969,136	4.4%	137,969,734	45.3%	
4-1-General Government	18,574,405	18,016,101	-3.0%	71,227,876	295.4%	Harrah's
4-2-Public Safety	22,962,619	25,459,367	10.9%	21,884,035	-14.0%	
4-3-Streets Parking Meters	10,468,683	8,902,126	-15.0%	4,567,161	-48.7%	
4-4-Streets Other	2,685,734	2,225,933	-17.1%	736,113	-66.9%	
4-5-Sanitation	33,993,668	38,943,483	14.6%	37,604,878	-3.4%	
4-6-Parks And Parkway	6,970	6,636	-4.8%	4,978	-25.0%	
4-7-State Aid Other	83,592	70,424	-15.8%	14,548	-79.3%	
4-8-Indirect Costs	2,163,011	1,326,767	-38.7%	1,905,684	43.6%	
4-9-Other	21,630	18,300	-15.4%	24,460	33.7%	
5-Fines and Forfeits	37,749,070	39,194,501	3.8%	13,247,878	-66.2%	
5-1-Traffic and Municipal Court	2,790,856	2,461,071	-11.8%	1,625,259	-34.0%	
5-2-Red Light/Camera Enforcement	22,455,909	26,544,103	18.2%	8,914,311	-66.4%	
5-3-Parking Ticket Collections	12,408,196	10,104,543	-18.6%	2,676,047	-73.5%	
5-4-Impound/Abandoned Vehicles	94,109	84,784	-9.9%	32,261	-61.9%	
6-Miscellaneous	14,469,656	31,516,093	117.8%	64,906,801	105.9%	
6-1-Interest - Operating and Capital	2,153,206	4,828,511	124.2%	672,316	-86.1%	
6-2-Rents and Royalties	1,043,804	1,743,879	67.1%	1,669,791	-4.2%	
6-3-Contributions and Other	3,824,133	6,930,507	81.2%	58,827,008	748.8%	CARES Act
6-5-Miscellaneous Reimbursement	7,448,513	18,013,195	141.8%	3,737,685	-79.3%	
7-Other Financing Sources	65,134,843	1,833,513	-97.2%	4,494,645	145.1%	
7-2-Transfer From Other Funds	47,188,606	802,830	-98.3%	4,494,645	459.9%	
7-3-Fund Balance	17,946,237	1,030,683	-94.3%	-	-100.0%	
TOTAL	706,391,252	689,809,534	-2.3%	680,003,013	-1.4%	