

REVENUE ESTIMATING CONFERENCE QUARTERLY ECONOMIC REVIEW



CITY OF NEW ORLEANS

REVENUE ESTIMATING CONFERENCE MEMBERS

HON. MITCHELL J. LANDRIEU, MAYOR, CHAIR

HON. JACQUELYN B. CLARKSON, COUNCILMEMBER-AT-LARGE

ANDREW KOPPLIN, FIRST DEPUTY MAYOR AND CHIEF ADMINISTRATIVE OFFICER

NORMAN S. J. FOSTER, DIRECTOR, DEPARTMENT OF FINANCE AND CFO

MR. PETER RICCHIUTI, TULANE UNIVERSITY

James Husserl, City Economist
Presented Monday September 23rd, 2013



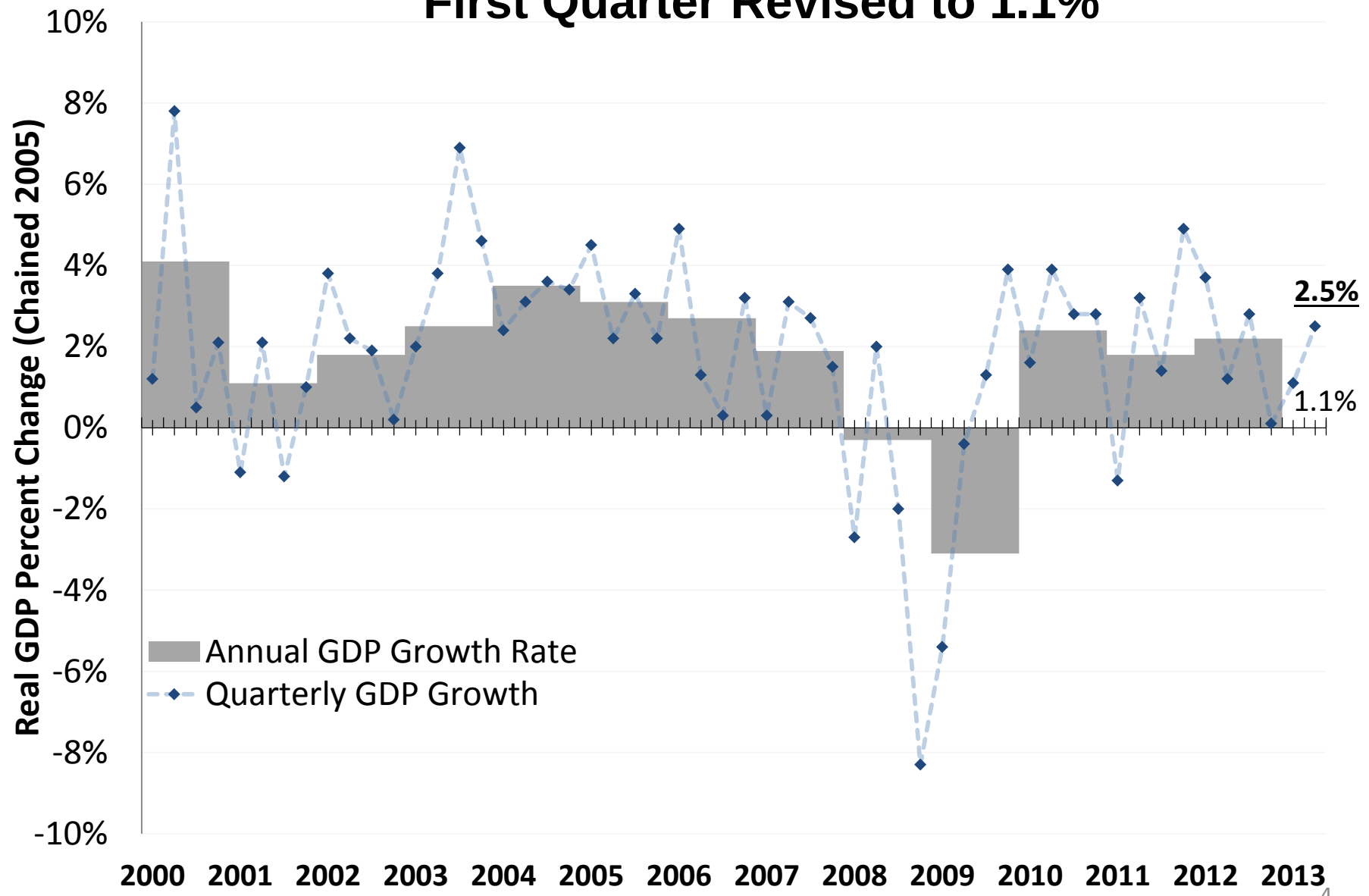
September 2013 Revenue Estimating Conference

- Part 1: National and Regional Economic Update
- Part 2: 2013 Revenue Forecast Update
- Part 3: 2014 Preliminary Revenue Forecast
 - Overview of Major Revenue Changes Expected in 2014
- Part 4: Five Year Revenue Overview
- Part 5: Appendix
 - Detailed Tables

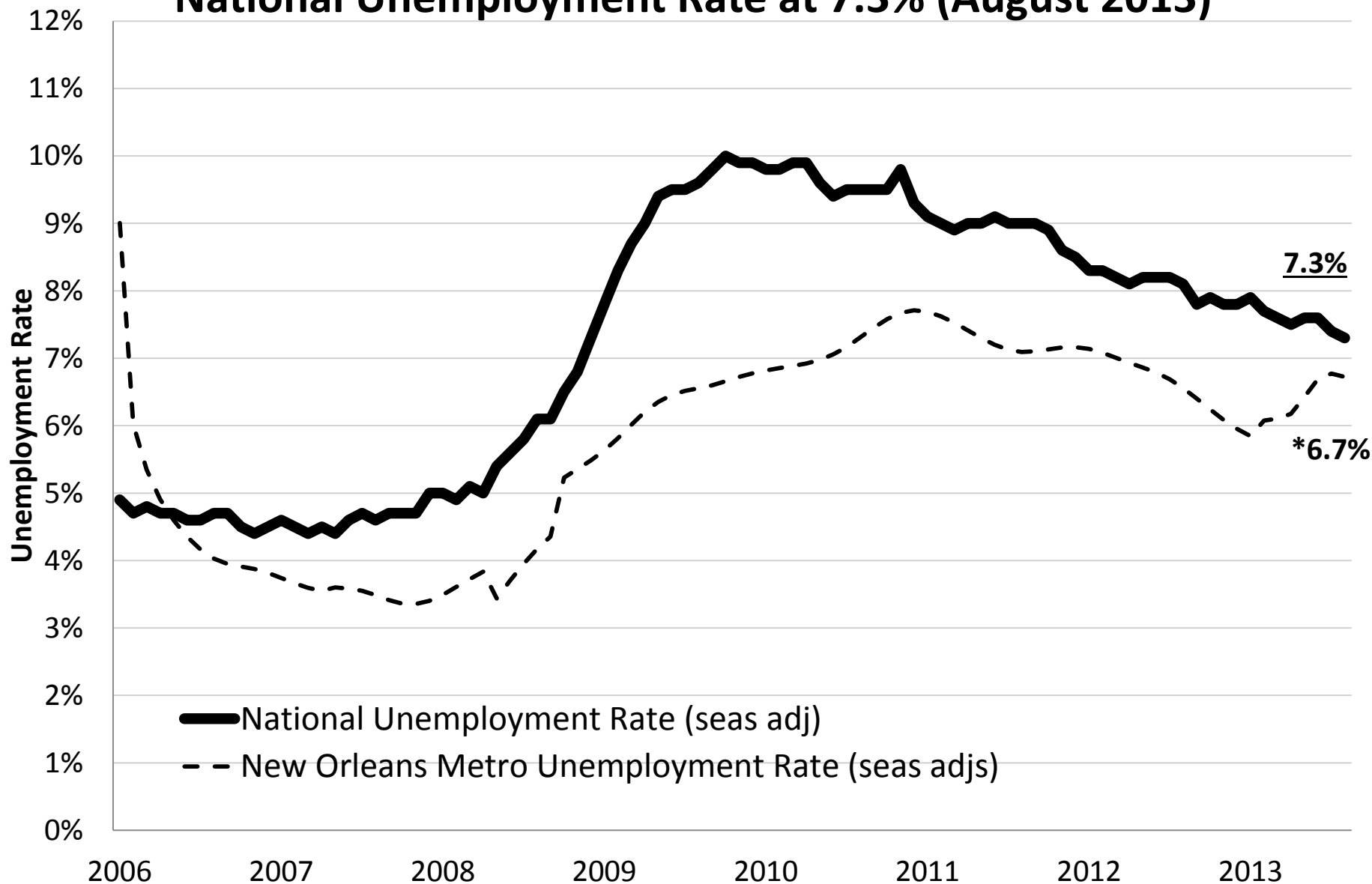
Part 1:

National and Regional Economic Update

2013 Second Quarter GDP at 2.5% First Quarter Revised to 1.1%



National Unemployment Rate at 7.3% (August 2013)

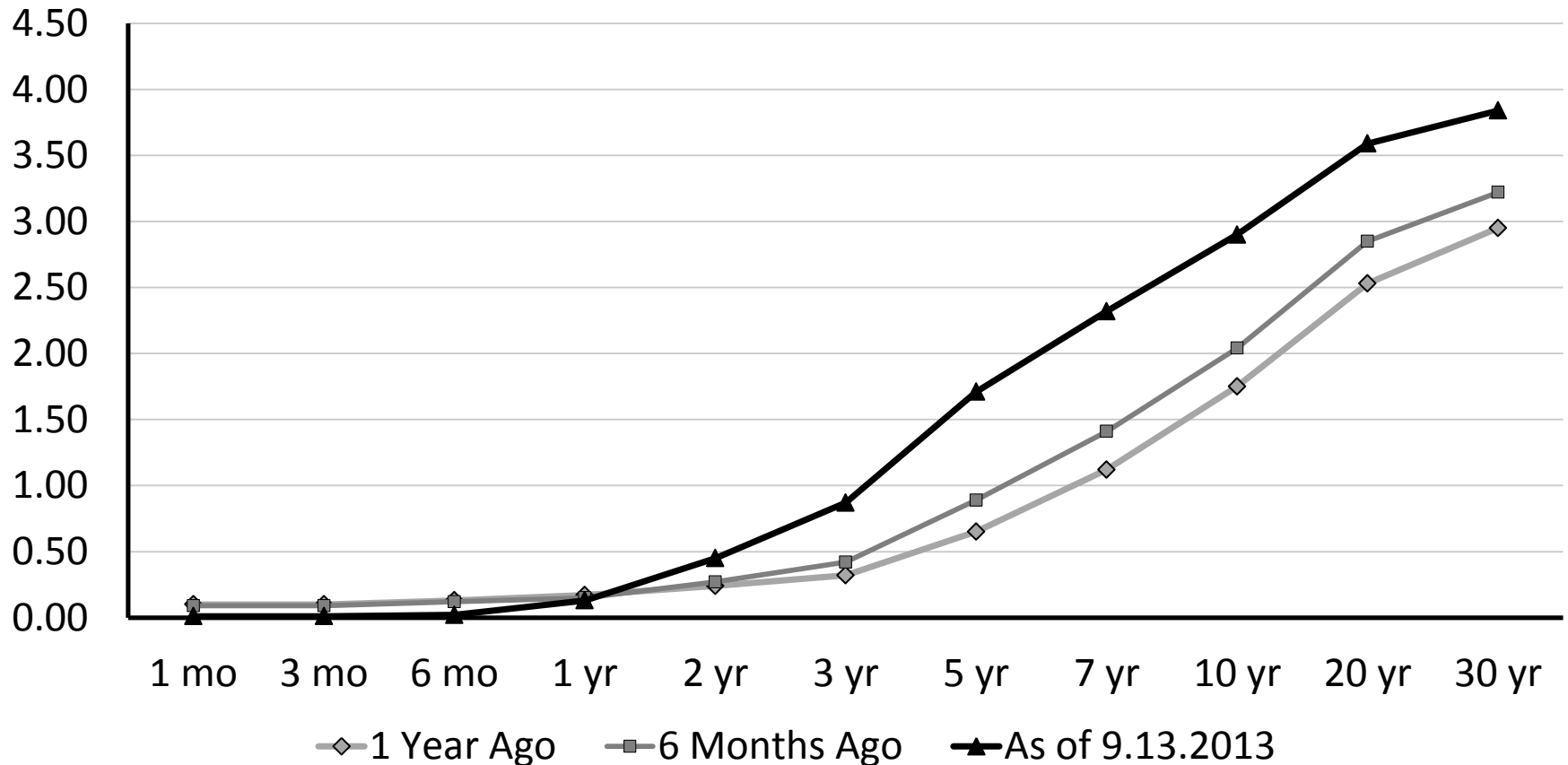


* State and Local Information only available as of July

Source: US Bureau of Labor and Statistics. September 6th National Unemployment and August 19th State and Local.

Interest Rates Have Been Moving Upwards Due to Uncertainty Regarding the Fed's Quantitative Easing Policy

Yield Curve



Part 2:

2013 Revenues Forecast Update

Fiscal Year 2013, City of New Orleans GF

Amended Budget Vs. Revised Forecast (REC 9.23.2013)

(Figures in Millions)

	<i>A</i>	<i>B</i>	<i>A+B</i>	<i>D</i> Sept. REC 2013	<i>D -(A+B)</i>
	2013 Adopted Revenue Budget	Ordinances Introduced (Jan - July)	2013 Amended Revenue Budget	Forecast	Difference
1 TAXES	\$ 298.6	\$ -	\$ 298.6	\$ 298.2	\$ (0.4)
2 LICENSES AND PERMITS	\$ 53.1	\$ -	\$ 53.1	\$ 57.1	\$ 4.0
3 INTERGOVERNMENTAL REV.	\$ 10.6	\$ 3.0	\$ 13.6	\$ 12.7	\$ (0.9)
4 SERVICE CHARGES	\$ 73.2	\$ -	\$ 73.2	\$ 71.6	\$ (1.6)
5 FINES AND FORFEITS	\$ 30.4	\$ -	\$ 30.4	\$ 28.0	\$ (2.4)
6 MISCELLANEOUS REVENUE	\$ 9.76	\$ 0.7	\$ 10.5	\$ 10.5	\$ -
7 OTHER FINANCING SOURCES	\$ 15.8	\$ 1.6	\$ 17.4	\$ 16.3	\$ (1.1)
GRAND TOTAL	\$ 491.4	\$ 5.3	\$ 496.7	\$ 494.3	\$ (2.4)

Fiscal Year 2013, City of New Orleans GF Amended Budget Vs. Revised Forecast (REC 9.23.2013) Continued (Figures in Millions)

	<i>A+B</i>	<i>A</i>	<i>B</i>
	Difference Amended Budget vs Sep. Forecast	REC July 2013 Forecast Changes	REC Sept. 2013 Forecast Changes
1 TAXES	\$ (0.4)	\$ (0.4)	\$ -
2 LICENSES AND PERMITS	\$ 4.0	\$ 4.0	\$ -
3 INTERGOVERNMENTAL REV.	\$ (0.9)	\$ -	\$ (0.9)
4 SERVICE CHARGES	\$ (1.6)	\$ (1.3)	\$ (0.3)
5 FINES AND FORFEITS	\$ (2.4)	\$ (2.4)	\$ -
6 MISCELLANEOUS REVENUE	\$ -	\$ -	\$ -
7 OTHER FINANCING SOURCES	\$ (1.1)	\$ -	\$ (1.1)
GRAND TOTAL	\$ (2.4)	\$ (0.1)	\$ (2.3)

Part 3:

2014 Preliminary Revenue Forecast

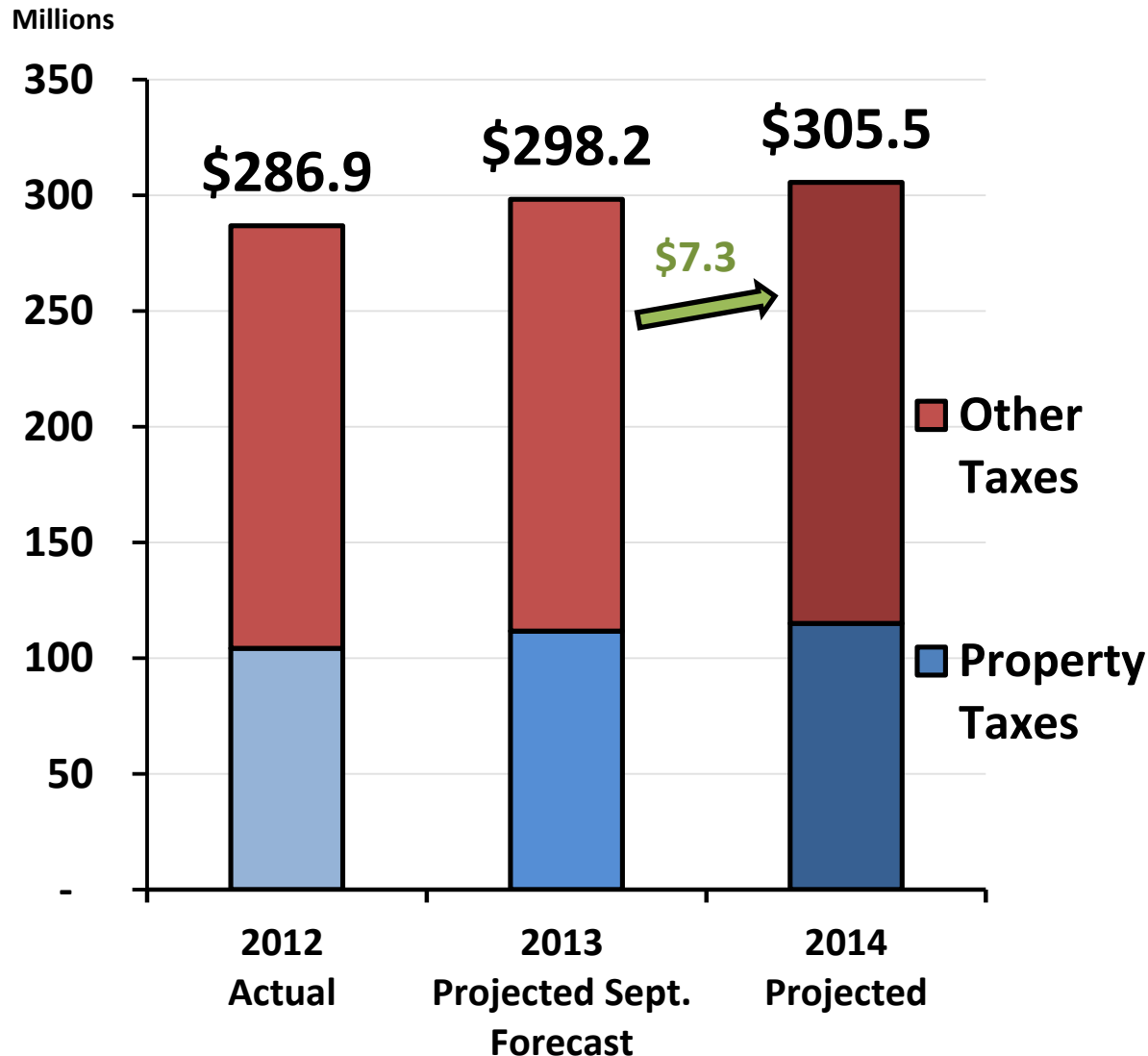
Fiscal Year 2014 Forecast, City of New Orleans GF

(Figures in Millions)

	<i>A</i>	<i>B</i>	<i>B-A</i>
	2013 REC September	2014 Forecast	Change
	Forecast	Forecast	2014 - 2013
1 TAXES	\$ 298.2	\$ 305.5	\$ 7.3
2 LICENSES AND PERMITS	\$ 57.1	\$ 55.9	\$ (1.1)
3 INTERGOVERNMENTAL REV.	\$ 12.7	\$ 12.8	\$ 0.1
4 SERVICE CHARGES	\$ 71.6	\$ 71.9	\$ 0.4
5 FINES AND FORFEITS	\$ 28.0	\$ 28.6	\$ 0.6
6 MISCELLANEOUS REVENUE	\$ 10.5	\$ 10.9	\$ 0.4
7 OTHER FINANCING SOURCES	\$ 16.3	\$ 16.3	\$ (0.1)
GRAND TOTAL	\$ 494.3	\$ 501.9	\$ 7.6

Note: Balances above include \$8.1M (2013) and \$6.3M (2014) of non-recurring revenues. This represents a \$1.8M projected decline in non-recurring revenue for 2014

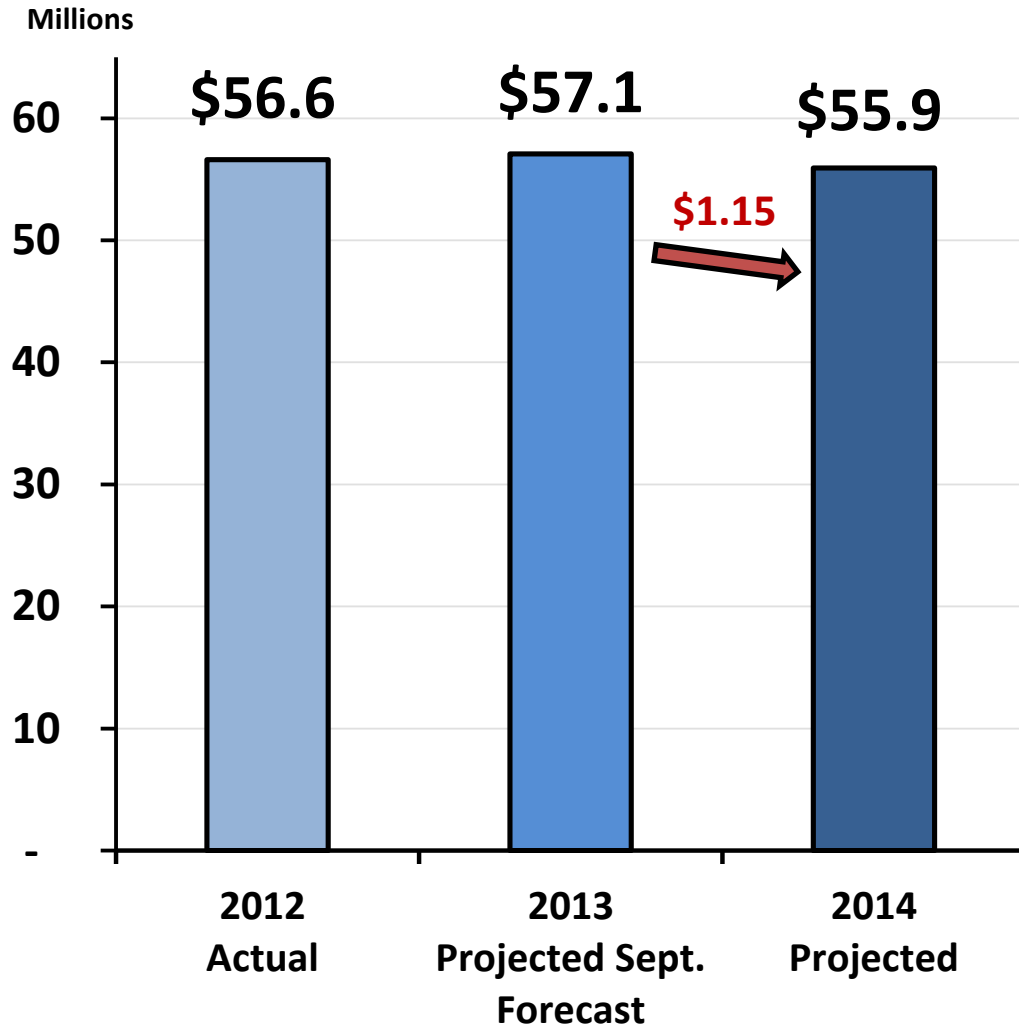
2014 Taxes (Property and Other Taxes)



We expect moderate growth in Retail Sales Tax revenue of approximately 3%. On par with growth in the general economy

We expect moderate growth in Property Tax Revenue of approximately 3%. Change in assessment values expected to be marginal in 2014

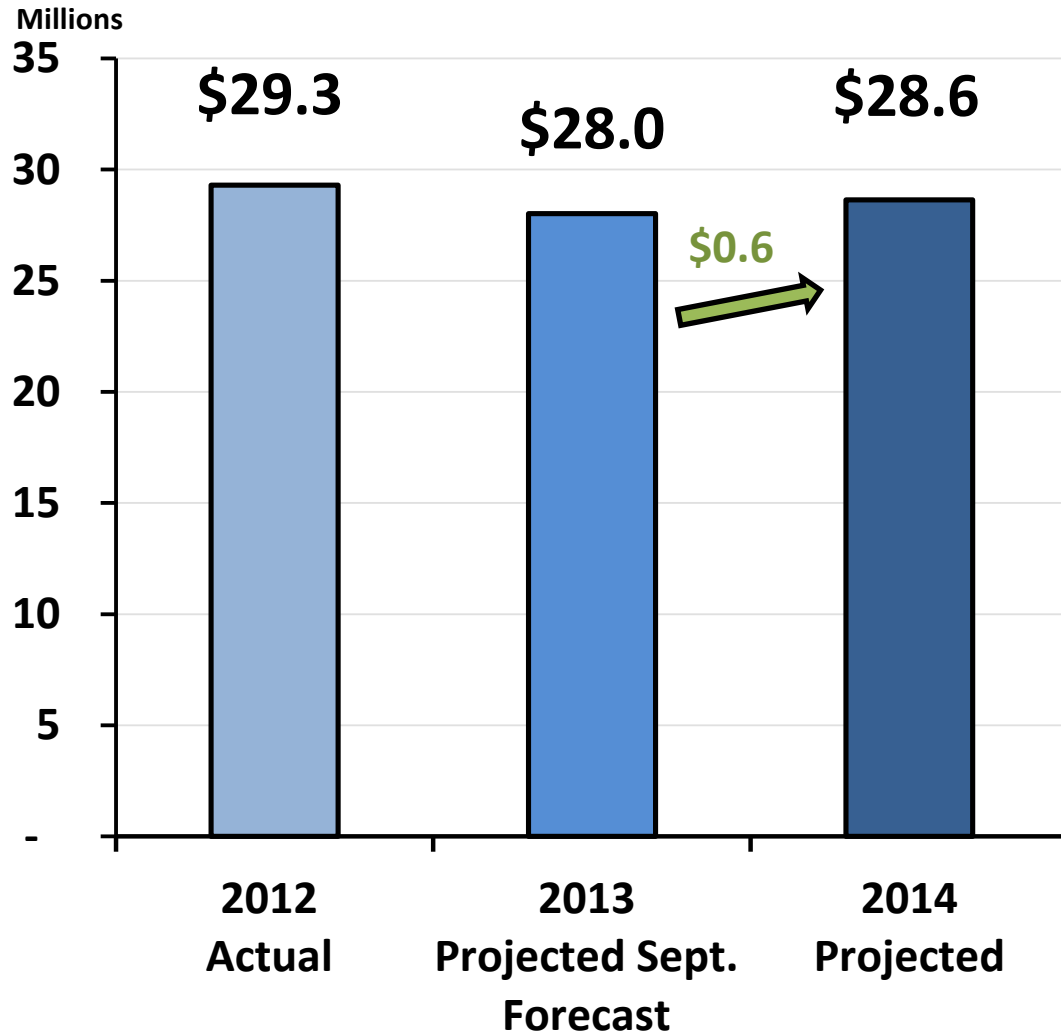
2014 Licenses and Permits Revenues



A reduction in Building Permits revenue is expected due to :

- 1) Expiration of the State's elevation program
- 2) A new building code taking effect in the new year

2014 Fines and Forfeits



The increase is the result of addressing some of the technical challenges within the Red Light / Photo Safety program

Part 4:

Five Year Overview

“The New Normal”

- Automatic revenue growth of 4 to 6% is likely over (low inflation, real estate market and financing).
- Cost pressures related to health care (including OPEB) and pensions continue

The Five Year Overview

We expect

- Growth in taxes of about 3% per year
- Licenses and permits revenue to experience marginal growth after 2014
- Service charges to grow by about 1% per year after 2014
- Fines and forfeits to grow by less than 1% after 2014
- Other revenues to remain constant
- Total recurring revenues to increase by an annualized rate of about 2.1% per year

	REC Sept 2013	Projected	Projected	Projected	Projected	Projected
REVENUE STREAM	2013	2014	2015	2016	2017	2018
Taxes	296.3	305.5	314.5	323.8	333.4	343.3
Licenses & Permits	57.1	55.9	56.2	56.5	56.7	57.0
Intergovernmental Revenues	7.9	8.0	8.1	8.1	8.2	8.2
Service Charges	71.6	71.9	72.7	73.5	74.3	75.1
Fines & Forfeits	28.0	28.6	28.7	28.8	28.9	29.0
Interest Income	0.1	0.1	0.1	0.1	0.1	0.1
Other Revenues	25.2	25.6	25.6	25.6	25.6	25.6
<i>Recurring Revenues</i>	486.2	495.6	505.9	516.4	527.2	538.3
<i>Non-Recurring Revenues</i>	8.1	6.3	-	-	-	-
Total	494.3	501.9	505.9	516.4	527.2	538.3

Note: A Non-Recurring Revenue category was added for clarification purposes. Revenue streams where these Non- Recurring Revenues have been classified for standard reporting purposes were adjusted accordingly to accommodate the new category.

Part 5:

Appendix

Detailed Tables

Detailed Tables

2013 Adopted Budget / Ordinances / 2013 Adjusted Forecast / 2014 Preliminary Overview

REVENUE STREAM (in Millions)	ADOPTED REVENUE FORECAST 2013	2013 Ordinances (Jan - July)	Forecast Changes YTD	2013 REC FORECAST 9.23.2013	Change for 2014	REC 2014 Preliminary
1A PROPERTY TAX						
Real Estate Current Year	89.5	-	(3.6)	85.9	2.4	88.3
Personal Property Current Year	20.6	-	(1.1)	19.5	0.5	20.0
Real Estate Prior Year	2.0	-	1.2	3.3	0.2	3.5
Personal Property Prior Year	0.3	-	(0.1)	0.2	0.0	0.2
7 INTEREST & PENALTIES	3.2	-	(0.5)	2.8	0.2	3.0
1A PROPERTY TAX Total	115.7	-	(4.1)	111.6	3.3	115.0
1B OTHER TAXES						
1 SALES TAX	141.8	-	2.5	144.4	3.3	147.7
1.1 MOTOR VEHICLE TAX	8.5	-	0.8	9.3	0.4	9.7
1.2 HOTEL/MOTEL TAX	13.1	-	-	13.1	0.3	13.4
2 BEER & WINE TAX	0.5	-	-	0.5	0.0	0.5
3 PARKING TAX	3.8	-	-	3.8	0.0	3.8
4 DOCUMENT TRANSACTION TAX	3.5	-	-	3.5	0.1	3.6
5 CHAIN STORE TAX	0.1	-	-	0.1	0.0	0.1
6 OFF TRACK BETTING/RACING TAX	0.3	-	-	0.3	(0.0)	0.3
7 UTILILITY TAX	9.8	-	0.3	10.1	(0.2)	9.9
8 FAIRGROUND SLOT MACHINE 4% TAX	1.5	-	-	1.5	0.0	1.6
1B OTHER TAXES Total	182.9	-	3.7	186.6	3.9	190.5
2 LICENSES & PERMITS						
01 ALCOHOLIC BEVERAGE	2.5	-	-	2.5	(0.0)	2.5
02 CABLE TV FRANCHISE	4.5	-	(0.4)	4.1	-	4.1
03 ENTERGY FRANCHISE	24.4	-	2.6	27.0	0.2	27.2
04 TELEPHONE FRANCHISE	0.7	-	-	0.7	(0.2)	0.6
05 MISCELLANEOUS FRANCHISE	0.2	-	-	0.2	(0.1)	0.1
06 OCCUPATIONAL LICENSES	9.6	-	-	9.6	0.0	9.6
07 SAFETY/ELECTRICAL/MECHANICAL	2.3	-	-	2.3	(0.2)	2.1
08 TAXI/TOURGUIDE LICENSES	0.6	-	-	0.6	0.1	0.7
09 BUILDING PERMITS	4.6	-	1.7	6.4	(0.7)	5.6
10 MOTOR VEHICLE PERMITS	2.5	-	-	2.5	(0.1)	2.4
11 STREETS & CURBS	0.4	-	-	0.4	(0.0)	0.4
12 MAYORALTY PERMITS	0.3	-	-	0.3	0.0	0.3
13 OTHER	0.3	-	-	0.3	(0.0)	0.3
2 LICENSES & PERMITS Total	53.1	-	4.0	57.1	(1.1)	55.9

Detailed Tables (continued)

2013 Adopted Budget / Ordinances / 2013 Adjusted Forecast / 2014 Preliminary Overview

REVENUE STREAM (in Millions)	ADOPTED REVENUE FORECAST 2013	2013 Ordinances (Jan - July)	Forecast Changes YTD	2013 REC FORECAST 9.23.2013	Change for 2014	REC 2014 Preliminary
3 INTERGOVERNMENTAL REVENUE						
1 FEDERAL AID - MEDICARE/OTHER	-	-	-	-	0.0	0.0
3 STATE AID - VIDEO POKER	2.8	-	-	2.8	(0.2)	2.6
4 STATE DEPT. OF CORRECTIONS	0.1	-	-	0.1	(0.0)	0.1
5 STATE AID-MEDICAID	1.8	3.0	-	4.8	0.0	4.8
6 STATE REVENUE SHARING	1.0	-	-	1.0	0.3	1.2
7 STATE AID OTHER	0.9	-	(0.9)	0.0	(0.0)	0.0
8 PARISH TRANSP FUND: ROADS	2.1	-	-	2.1	(0.0)	2.1
8 PARISH TRANSP FUND: TRANSIT	2.0	-	-	2.0	0.0	2.0
3 INTERGOVERNMENTAL REVENUE Total	10.6	3.0	(0.9)	12.7	0.1	12.8
4 SERVICE CHARGES						
1 GENERAL GOVERNMENT	13.5	-	-	13.5	0.4	14.0
2 PUBLIC SAFETY	14.9	-	(1.3)	13.6	0.3	13.9
3 STREETS PARKING METERS	4.7	-	-	4.7	0.1	4.8
4 STREETS OTHER	3.1	-	-	3.1	(0.6)	2.6
5 SANITATION	34.5	-	-	34.5	0.0	34.5
7 PARKS AND PARKWAY	0.4	-	(0.3)	0.1	0.0	0.1
8 INDIRECT COSTS	2.0	-	-	2.0	0.1	2.1
9 OTHER	0.0	-	-	0.0	(0.0)	0.0
4 SERVICE CHARGES Total	73.2	-	(1.6)	71.6	0.4	71.9
5 FINES & FORFEITS						
1 TRAFFIC FINES & VIOLATIONS	5.4	-	(0.4)	5.0	0.0	5.1
2 RED SIGNAL LIGHT/CAMERA ENFORCEMENT	12.5	-	(1.4)	11.1	0.9	12.0
3 PARKING TICKET COLLECTONS	11.9	-	(0.6)	11.2	(0.2)	11.0
4 ADMIN. ADJUDICATION FEES	0.1	-	-	0.1	(0.1)	0.0
5 MUNICIPAL COURT FINES & COSTS	0.4	-	-	0.4	(0.0)	0.4
6 IMPOUNDED/ABANDONED VEHICLES	0.1	-	-	0.1	0.0	0.1
5 FINES & FORFEITS Total	30.4	-	(2.4)	28.0	0.6	28.6
6 MISCELLANEOUS REVENUE						
1 INTEREST - OPERATING & CAPITAL	0.1	-	-	0.1	-	0.1
2 RENTS & ROYALTIES	1.2	-	-	1.2	0.0	1.2
3 CONTRIBUTIONS AND OTHER	4.4	0.7	-	5.1	0.0	5.1
5 MISCELLANEOUS REIMBURSEMENT	4.1	-	-	4.1	0.4	4.5
6 MISCELLANEOUS REVENUE Total	9.8	0.7	-	10.5	0.4	10.9
7 OTHER FINANCING SOURCES						
1 UDAG/HUD 108 LOAN	-	-	-	-	-	-
2 TRANSFER FROM OTHER FUNDS	15.8	1.7	(1.2)	16.3	(0.1)	16.3
7 OTHER FINANCING SOURCES Total	15.8	1.7	(1.2)	16.3	(0.1)	16.3
Grand Total	491.4	5.3	(2.4)	494.3	7.6	501.9