



REVENUE ESTIMATING CONFERENCE

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City of New Orleans

May 14, 2025

REVENUE ESTIMATING CONFERENCE

May 14, 2025

- 1. Adoption of Minutes from September 24, 2024 Revenue Estimating Conference**
- 2. Key Takeaways from Unaudited 2024 Final General Fund Revenues**
- 3. Discussion of 2025 General Fund Revenue Situation**
- 4. Discussion of 2025 Economic Conditions**
- 5. Presentation of Long Term Forecast**

2024 Final (Unaudited) General Fund Revenues – Key Takeaways

- Property tax receipts in the first year of the Quadrennial period lagged significantly below \$189 million forecast. 2024 final property tax receipts = **\$171.9 M**
 - Compliance rate over-estimated for 2024 and carried through for 2025 forecast
 - 2024 actual receipts demonstrate a compliance rate of ~87%
 - Combination of non-payments and decreased taxable value following owner appeals
 - Consideration of downward 2025 forecast revision in property tax may be warranted
- Recurring Sales Tax and other Excise Tax revenues are on a flat or declining trajectory
 - Even though there is an extra one-time impact expected for the Super Bowl, recurring revenues even for special events such as Taylor Swift, follow this trend
- Revenues for ABO, Occupational Licenses, and Building Permits remain at risk

2025 Special Event Revenue Situation

- Taylor Swift special event revenue (2024) – indicates Super Bowl potential
 - Gross Sales Tax Revenue: Ticket Sales = \$3.2M; Retail = \$2.7M; Lodging = \$3.6M
 - City retains half of gross sales tax revenues, shares with OPSB and RTA
- As a sporting event Super Bowl tax revenue does not include initial Ticket Sales
 - The City does collect Sales Tax revenue from online secondary market sales
- SuperBowl special event visitor spending revenue windfall estimate
 - Additional Y-O-Y revenue increase as of April 29: \$6.0M – this will grow as time goes on
 - Must account for payment obligations to partner organizations: -\$1.1M

Continued Risk for 2025 Forecast

- 2025 Budget Hearings and finalization occurred prior to these developments
- Known revenue loss not considered in 2025 Forecast:

	2025
MPERS Partial Dissolution	\$2.9 m
Fire Pension*	\$2.0 m
NOMERS Cost	\$800 k
Removal of ABO Manager's Fees	\$26 k
TOTAL	\$5.7 m
* Depending on Final CEA Terms	

Continued Risk for 2025 Forecast

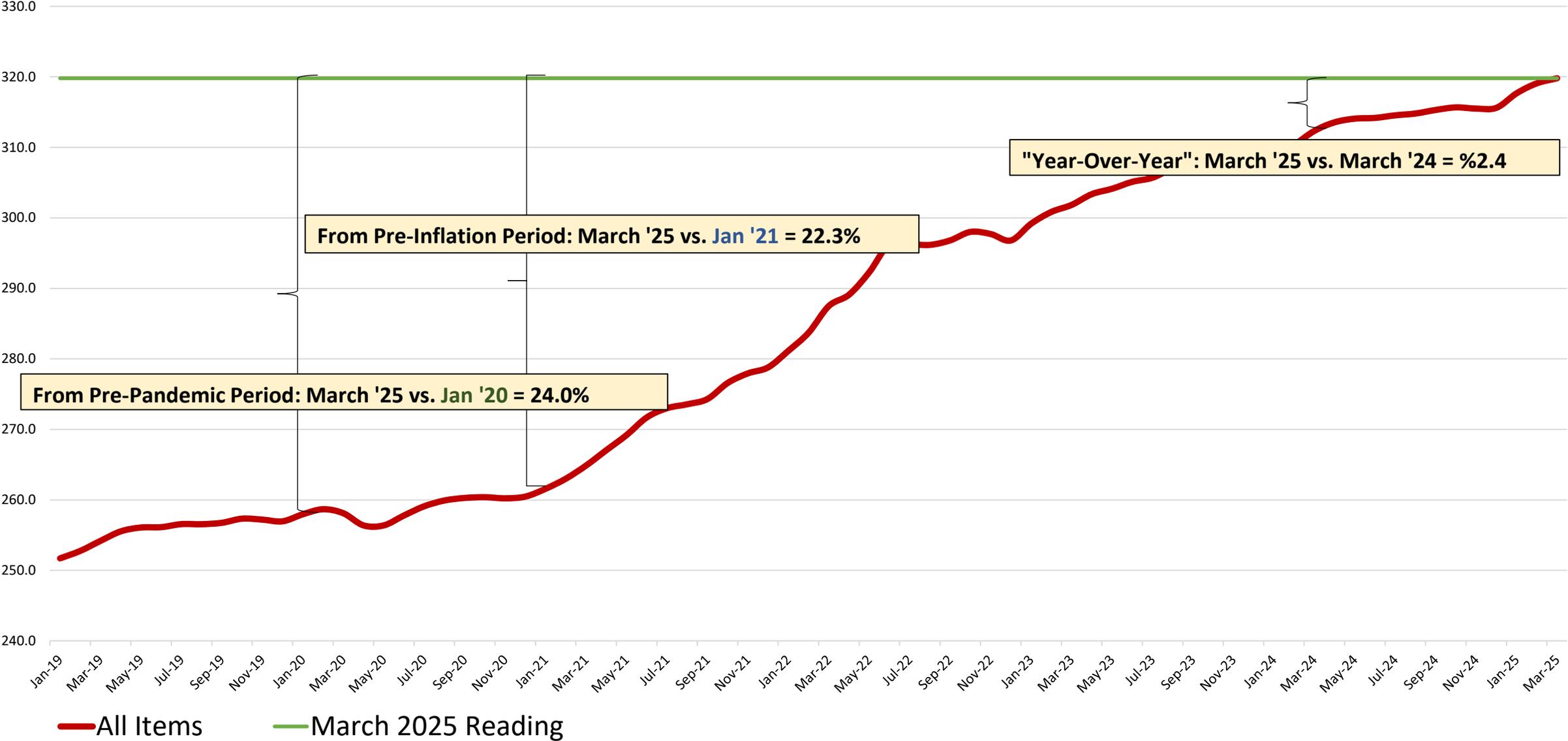
- Risks due to State and local policy changes – Same proposed tax exemption items from November Special Session re-introduced in Spring 2025 fiscal session with several additions:

	2025
Inventory Valuation	\$29.7 m
Potential Additional Traffic Camera Enforcement Requirements	\$7 - \$14 m
Prescription Drugs	\$11.7 m
Food for Home Consumption	\$9.5 m
Tax Sales	\$3.7 m
SOAP	\$3.3 m
MM&E	\$3.9 m
Repairs of Tangible Personal Property Delivered Out of State	\$318.4 k
Motor Vehicles Purchaseed for Lease or Rental	\$6.2 m
Services from Qualifying Radiation Treatment Centers	\$2,149
Govt. Fund Construction Materials Sales Tax	\$?
Potential Increase of Homestead Exemption Amount	\$?
TOTAL	>\$82.3 m

Macroeconomic Risk for 2025 Forecast

- Restrained growth in recent quarters suggest continued stagnation with gridlock on major determining factors
- Shifting policy climate generates economic uncertainty
 - Despite potential tariffs inflation remains on-target
 - Wall Street and Job Market uncertainty continues to weigh on 2025 projections
 - Federal Reserve has withheld promised interest rate reductions since 3rd Qtr 2024
 - RE prices and mortgage rates appear to remain inflated
 - Insurance Crisis Remains

Price Level: CPI Value March 2025

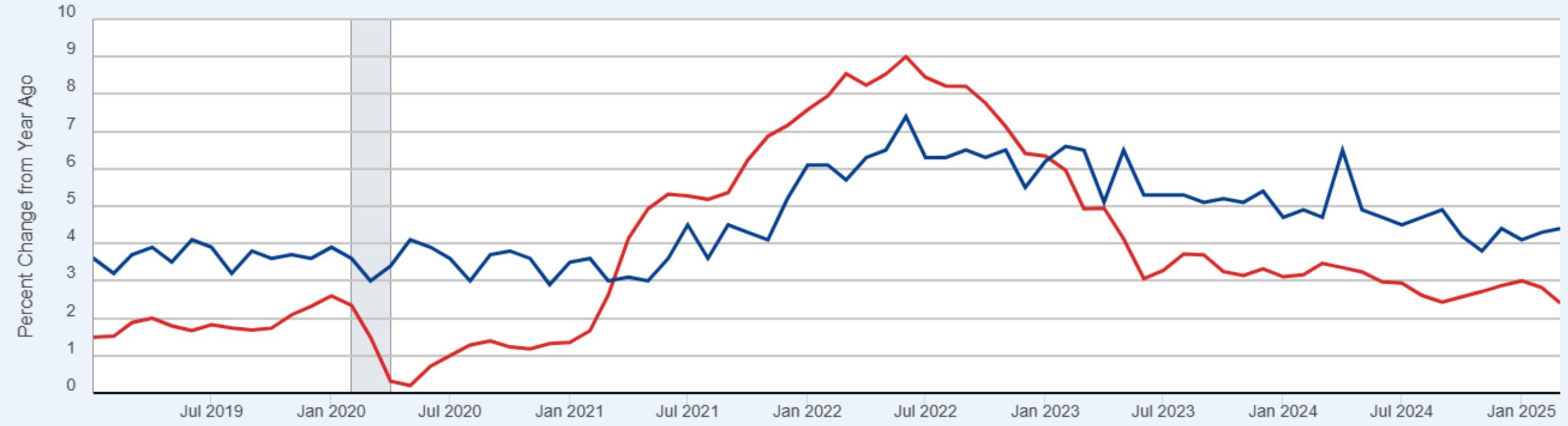


Additional Inflation Statistics

- Nationwide, all Items are +22.3% more expensive vs. Jan 2021
 - Inflation rate in March lowest since February 2021
 - Current inflation approaching long-term target level
- According to Fed data, Wage Inflation began to outpace CPI Inflation Rate in the Middle of 2023:
 - Hourly Wage Growth is once again outpacing Consumer Price Index growth following inflation crisis
 - While this shows strong wage growth, this also entrenches current price levels in the economy as wages adjust upward

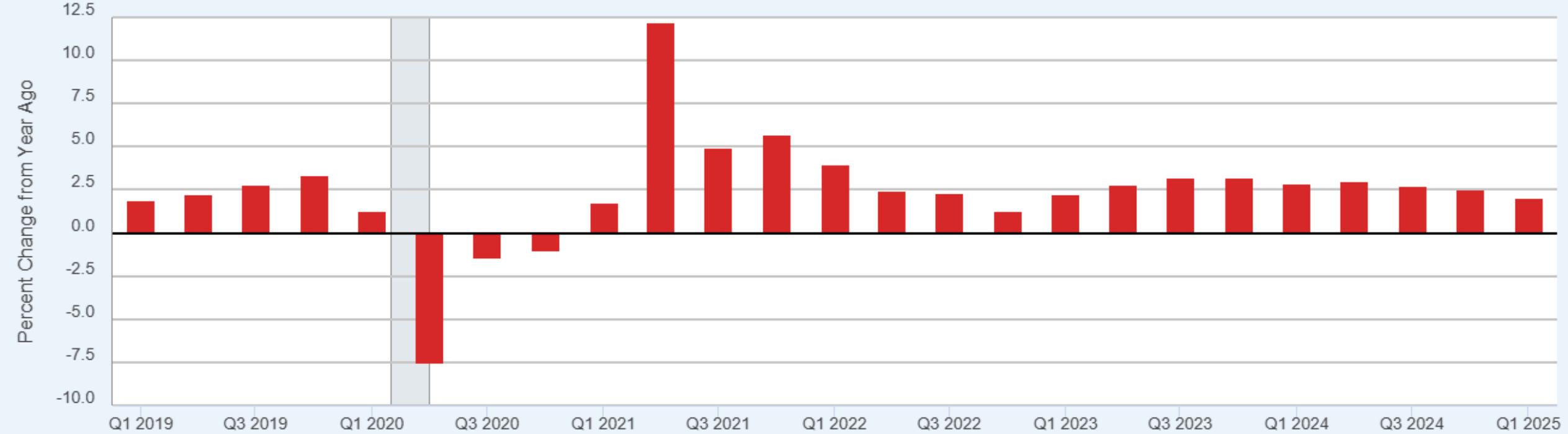


— Consumer Price Index for All Urban Consumers: All Items in U.S. City Average
— Unweighted Median Hourly Wage Growth: Overall



Sources: Federal Reserve Bank of Atlanta; U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

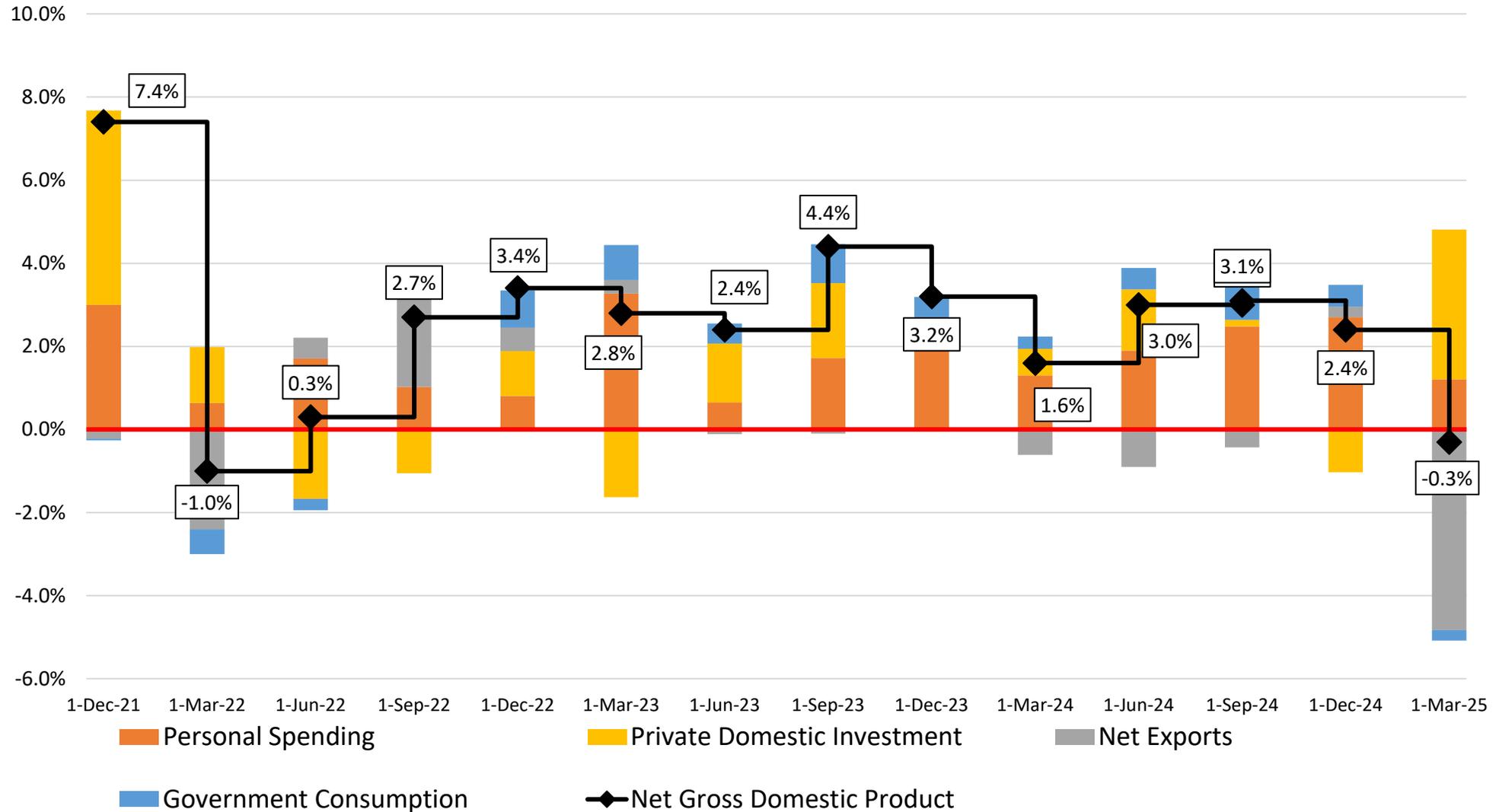
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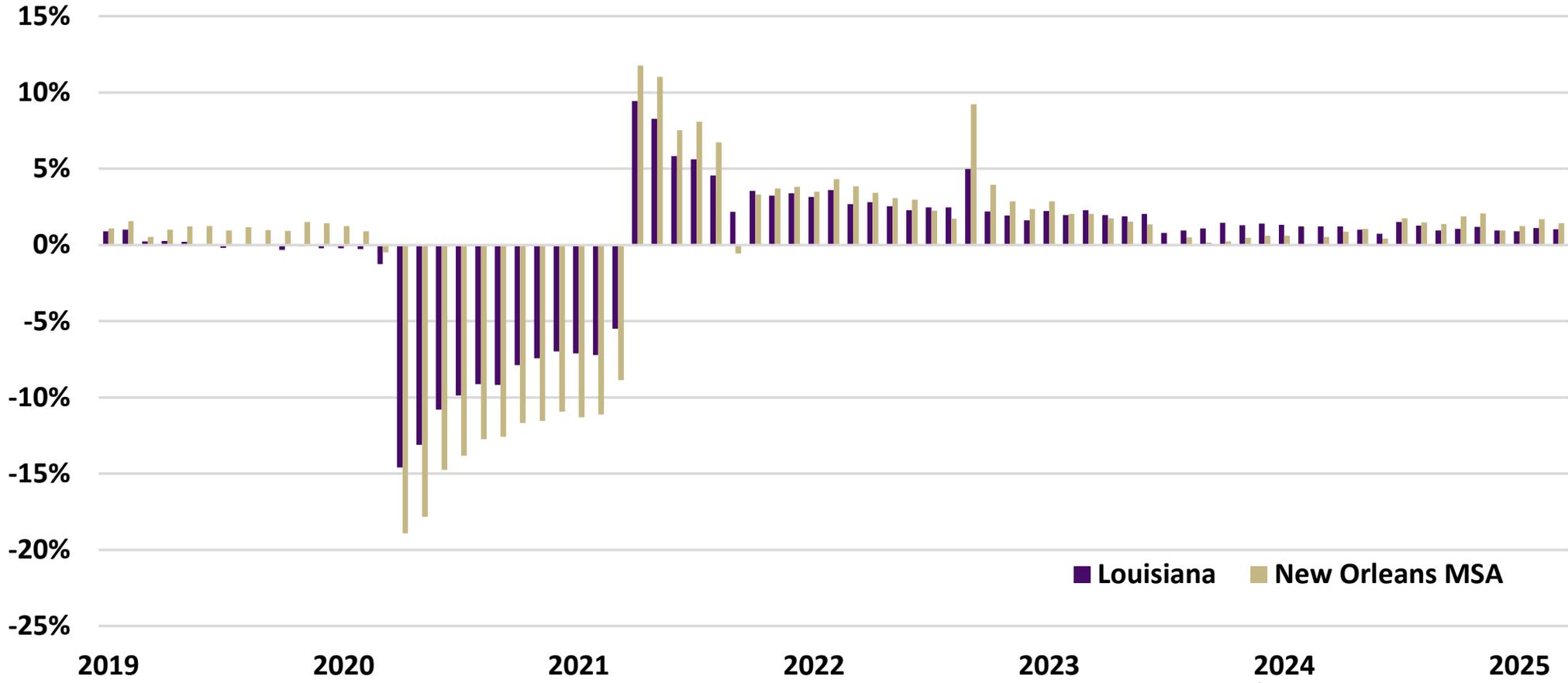
Source: U.S. Bureau of Economic Analysis via FRED®
Shaded areas indicate U.S. recessions.

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Net Contributions to Real GDP: Quarterly Change

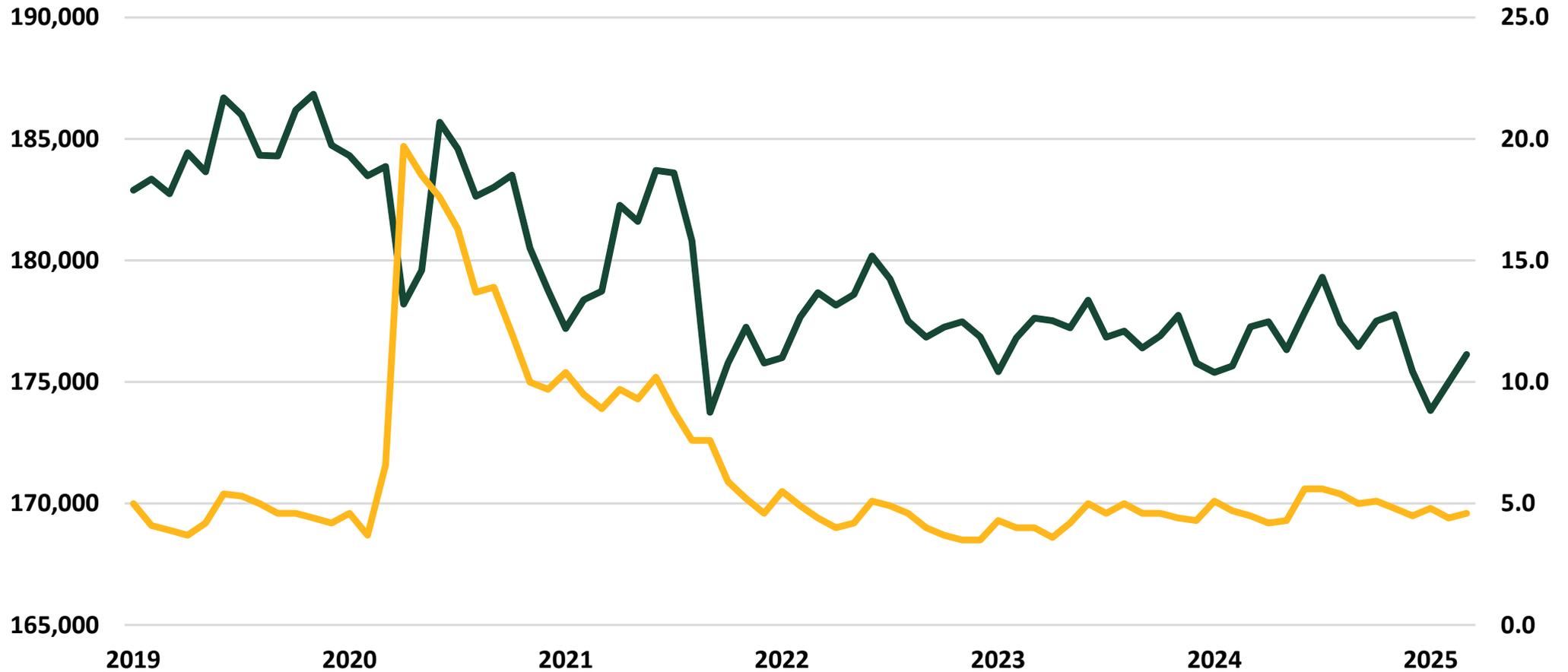


Year-Over-Year Growth: Monthly Payroll Employment - March 2025



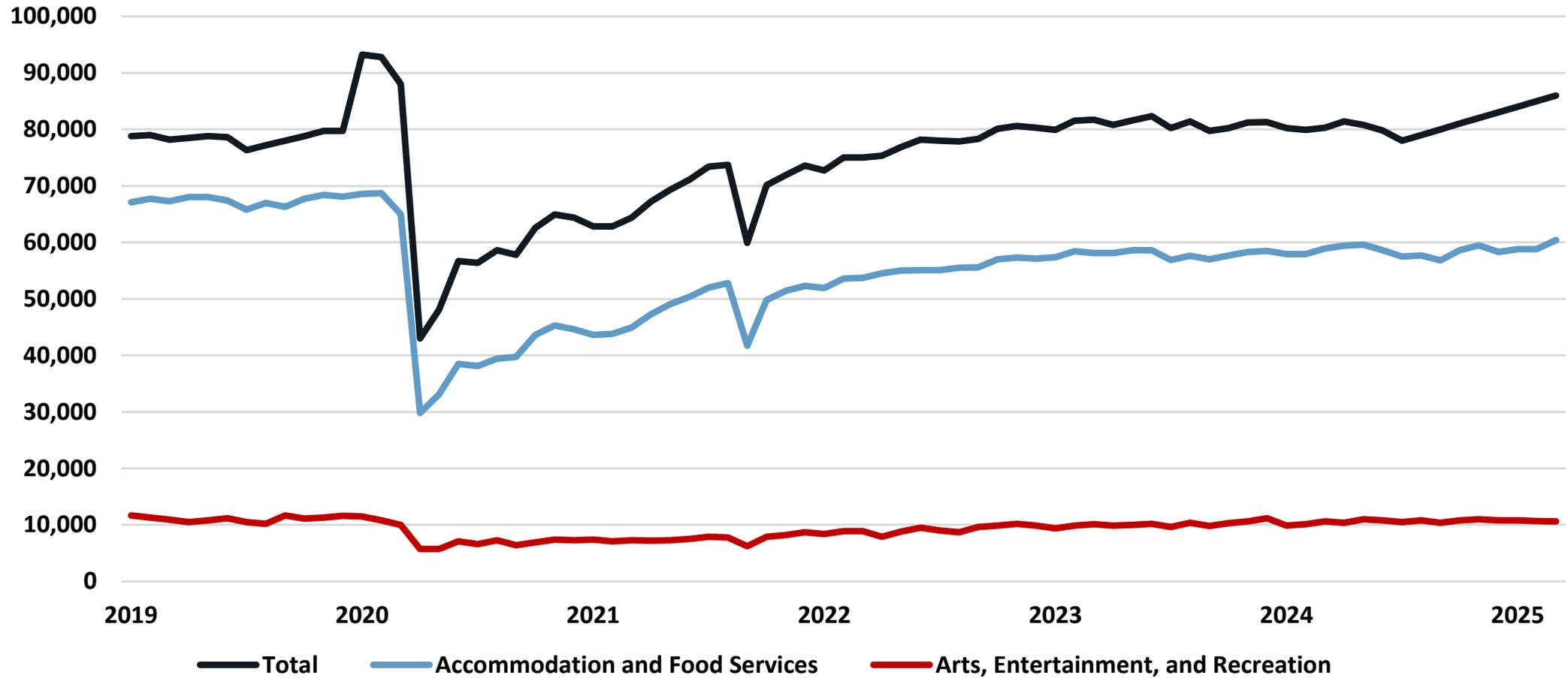
Source: Bureau of Labor Statistics
Current Employment Statistics program

Orleans Parish Labor Force and Unemployment Rate



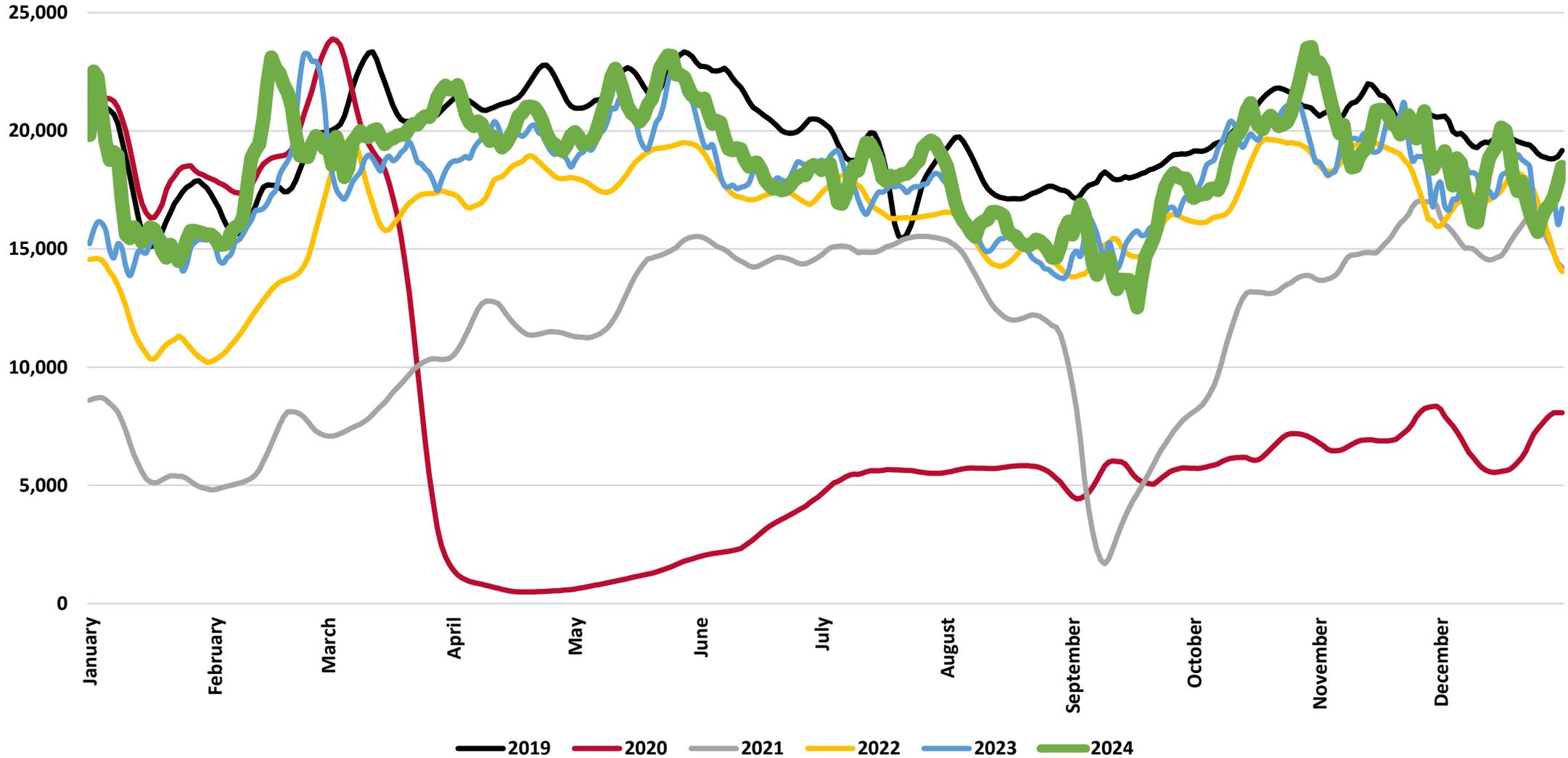
Source: Bureau of Labor Statistics
Local Area Unemployment Statistics program

New Orleans MSA - Leisure and Hospitality Sector

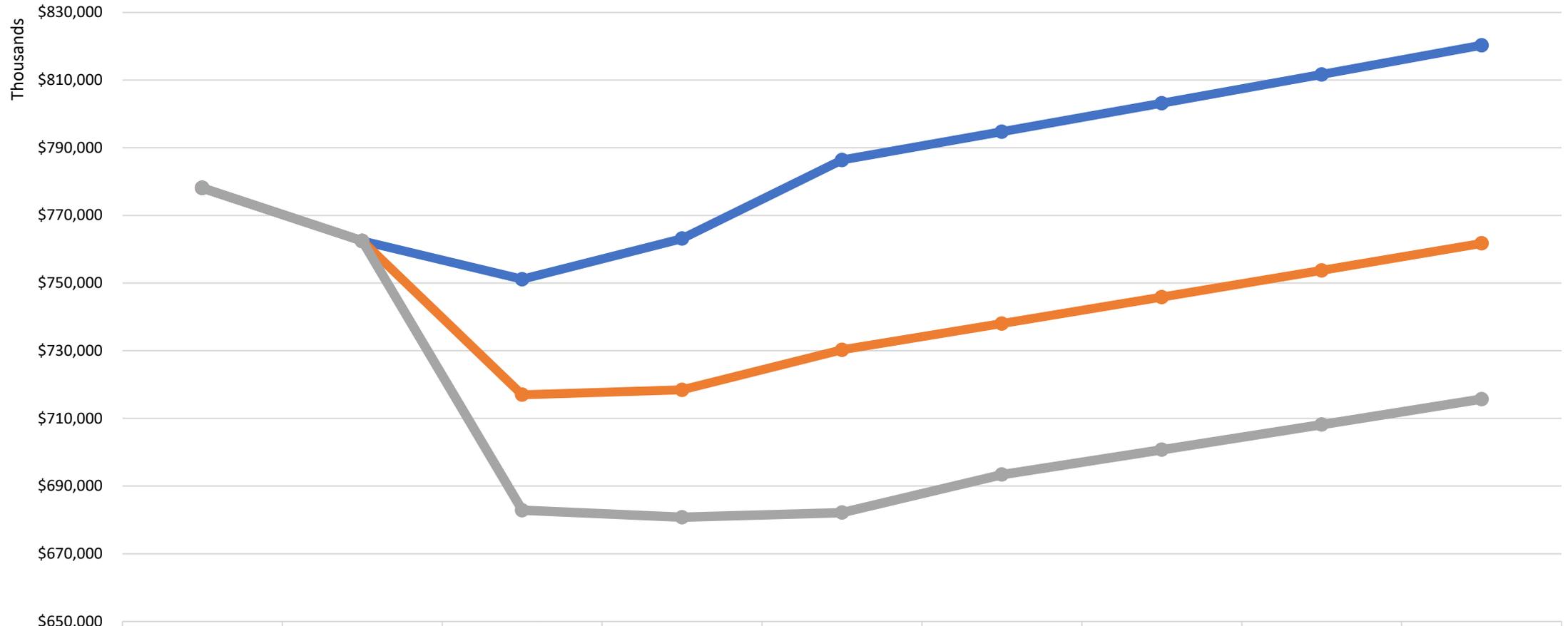


Source: Bureau of Labor Statistics
Current Employment Statistics program

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



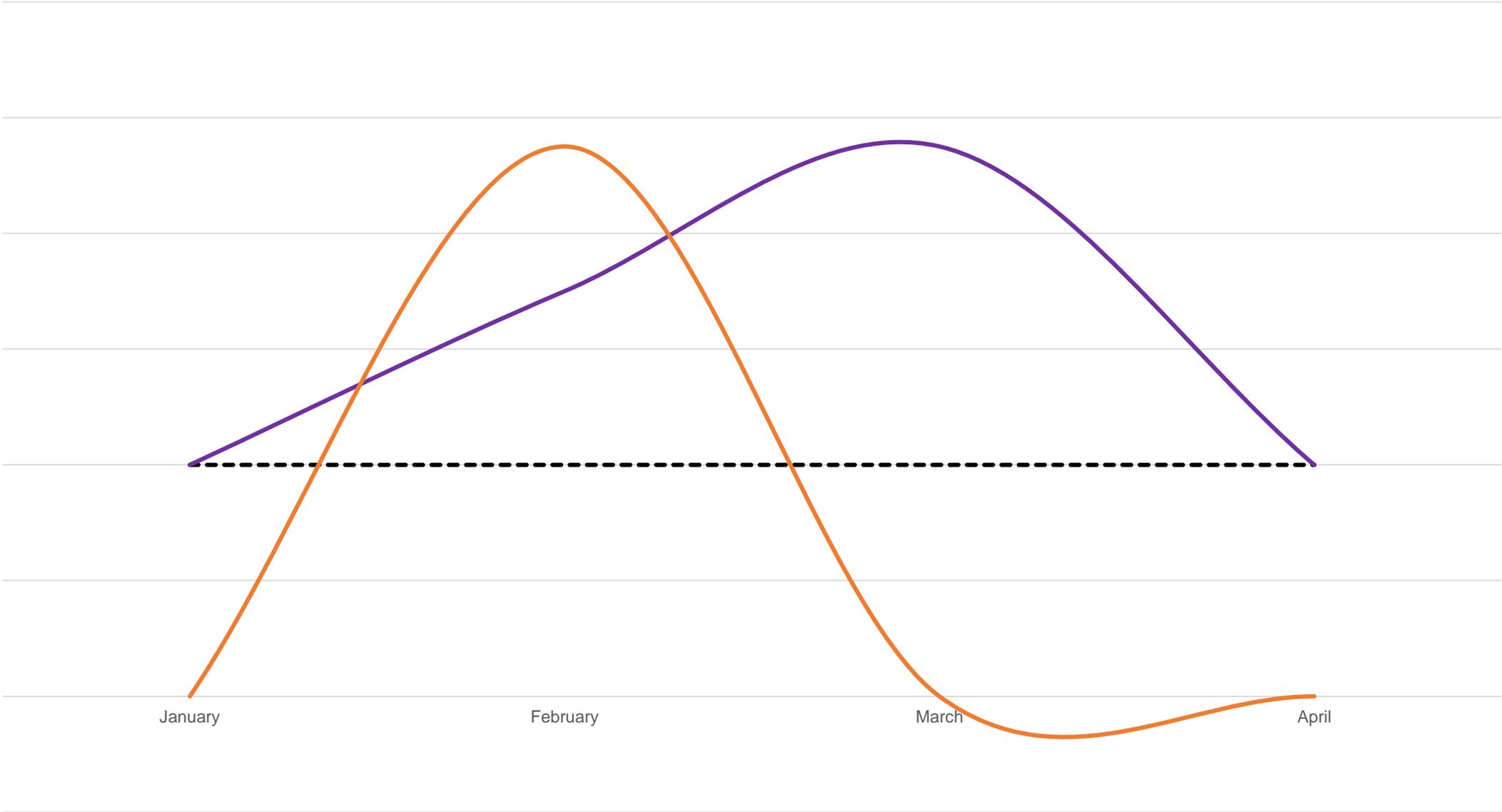
Long Term General Fund Revenue Forecast: Including Revised Prop. Tax Assumptions, Housing Trust, and State Tax Reform Scenarios



● Scenario: No Recession
 ● 50% of State Tax Reform Passed
 ● 100 of State Tax Reform Passed

Data Appendix

Hotel Occupancy During "Super Gras"



--- Average — Mardi Gras Ramp Up — Super Bowl

Hotel Occupancy During "Super Gras"



--- Average — Mardi Gras Ramp Up — Super Bowl