



REVENUE ESTIMATING CONFERENCE

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City of New Orleans

July 18, 2025

REVENUE ESTIMATING CONFERENCE

July 18, 2025

- 1. Adoption of Minutes from May 14, 2025 Revenue Estimating Conference**
- 2. 2025 Revenue Situation**
- 3. Discussion of 2025 Economic Conditions**
- 4. Proposed 2025 General Fund Forecast Revision**
- 5. Presentation of Long Term Forecast**

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
- Super Bowl special event visitor spending revenue windfall estimate
 - Additional Y-O-Y revenue increase as of June 30: \$9.9M – should continue to increase
 - Must account for payment obligations to partner organizations: -\$1.1M

Known 2025 General Fund Costs

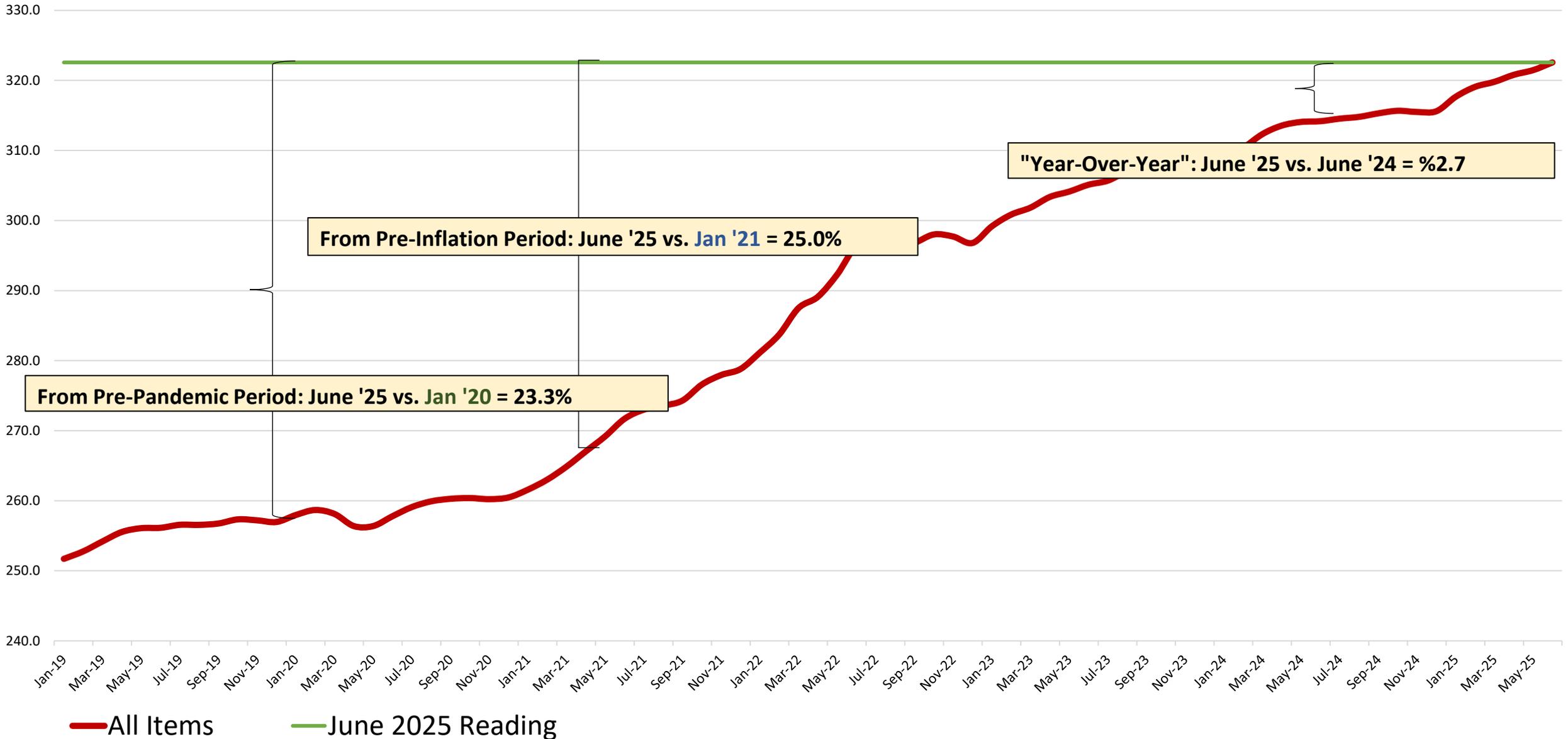
- 2025 Budget Hearings and finalization occurred prior to these developments
- Known Fund Balance Expenses not considered in 2025 Forecast:

	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	

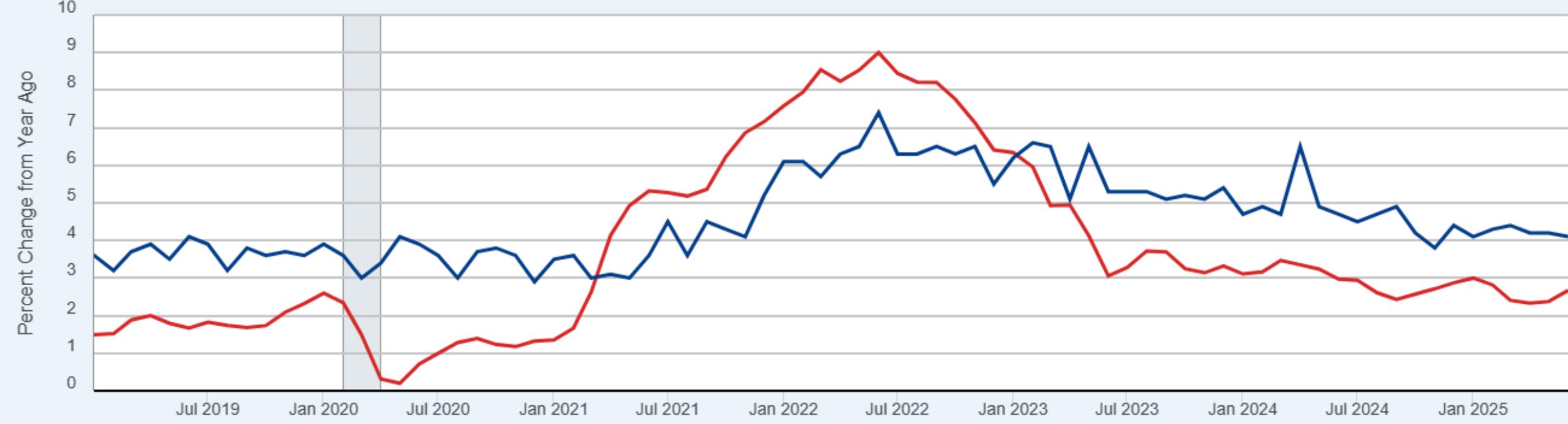
Macroeconomic Risk for 2025 Forecast

- Uneven growth in recent quarters suggest uncertainty regarding near-term policy landscape; i.e.: Tariffs and Interest Rates
- Shifting policy climate generates economic uncertainty
 - Despite potential for larger tariffs on imports, inflation remains on-target
 - Wall Street fluctuations continue to signal uncertainty
 - Hiring continues; Jobs and Wages are growing
 - 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 June 2025

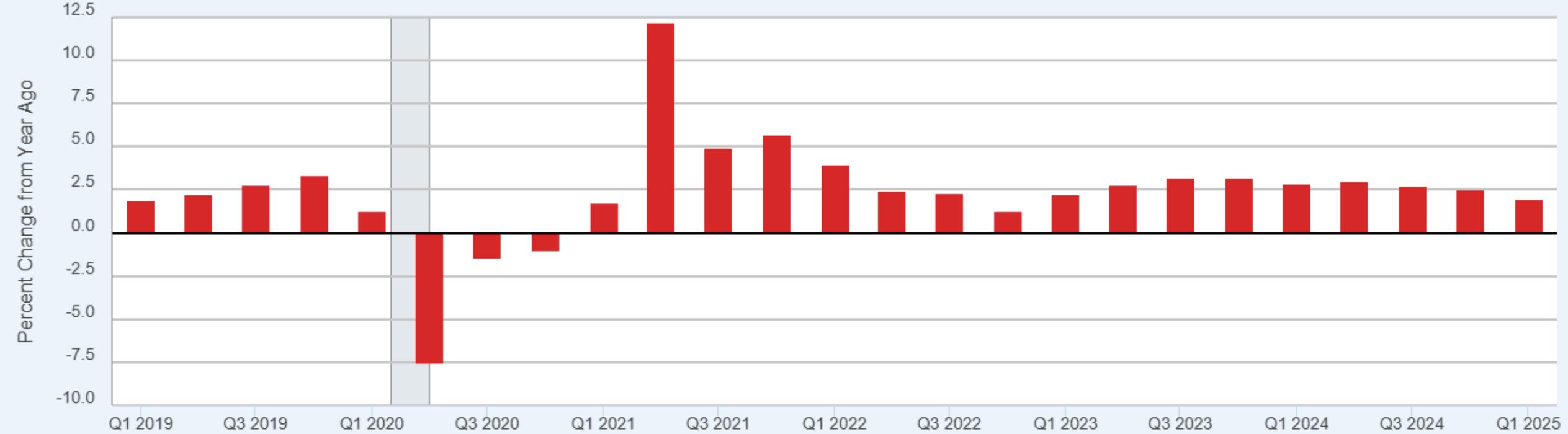


FRED  — **Consumer Price Index for All Urban Consumers: All Items in U.S. City Average**
Unweighted Median Hourly Wage Growth: Overall



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

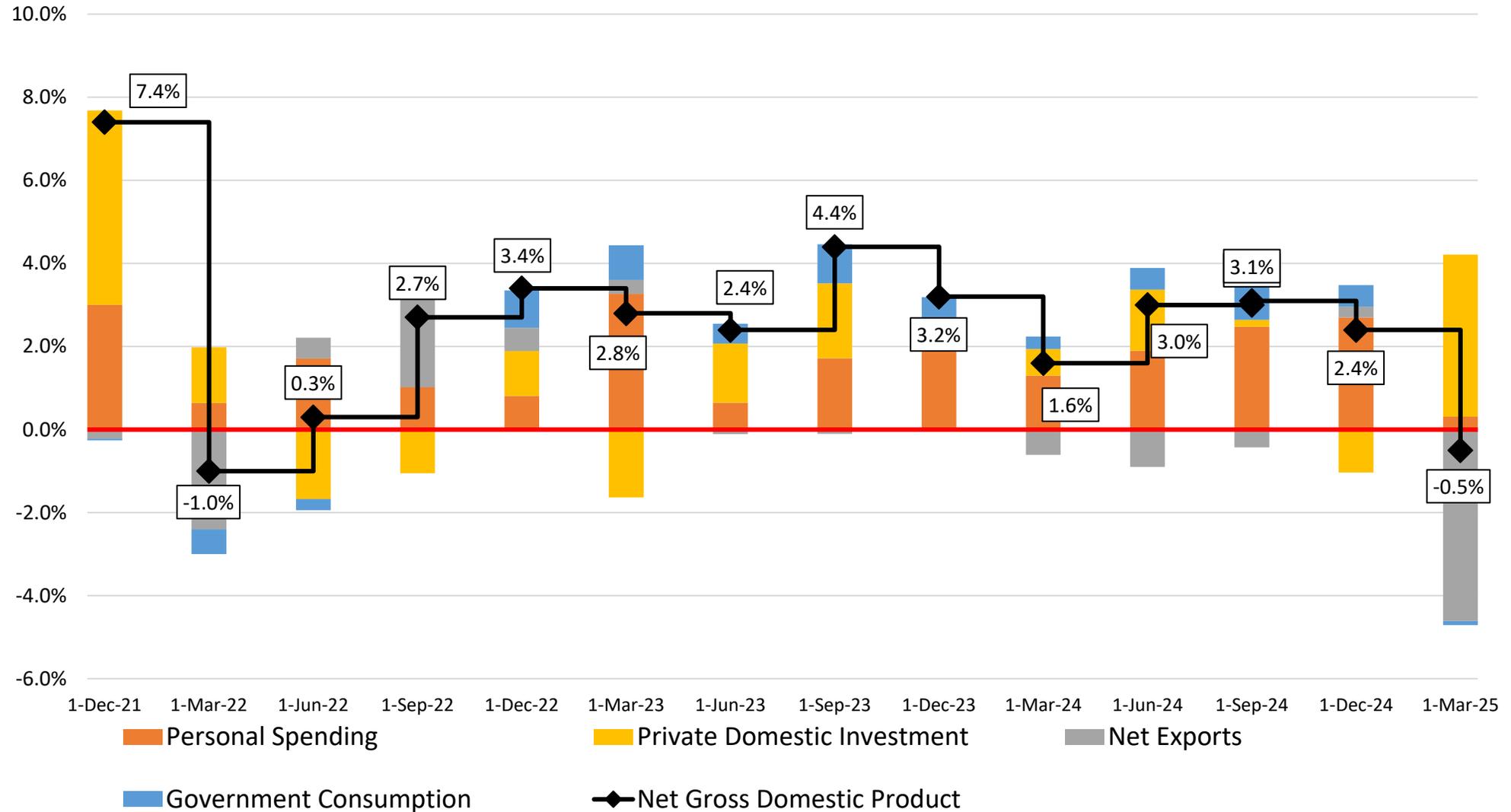
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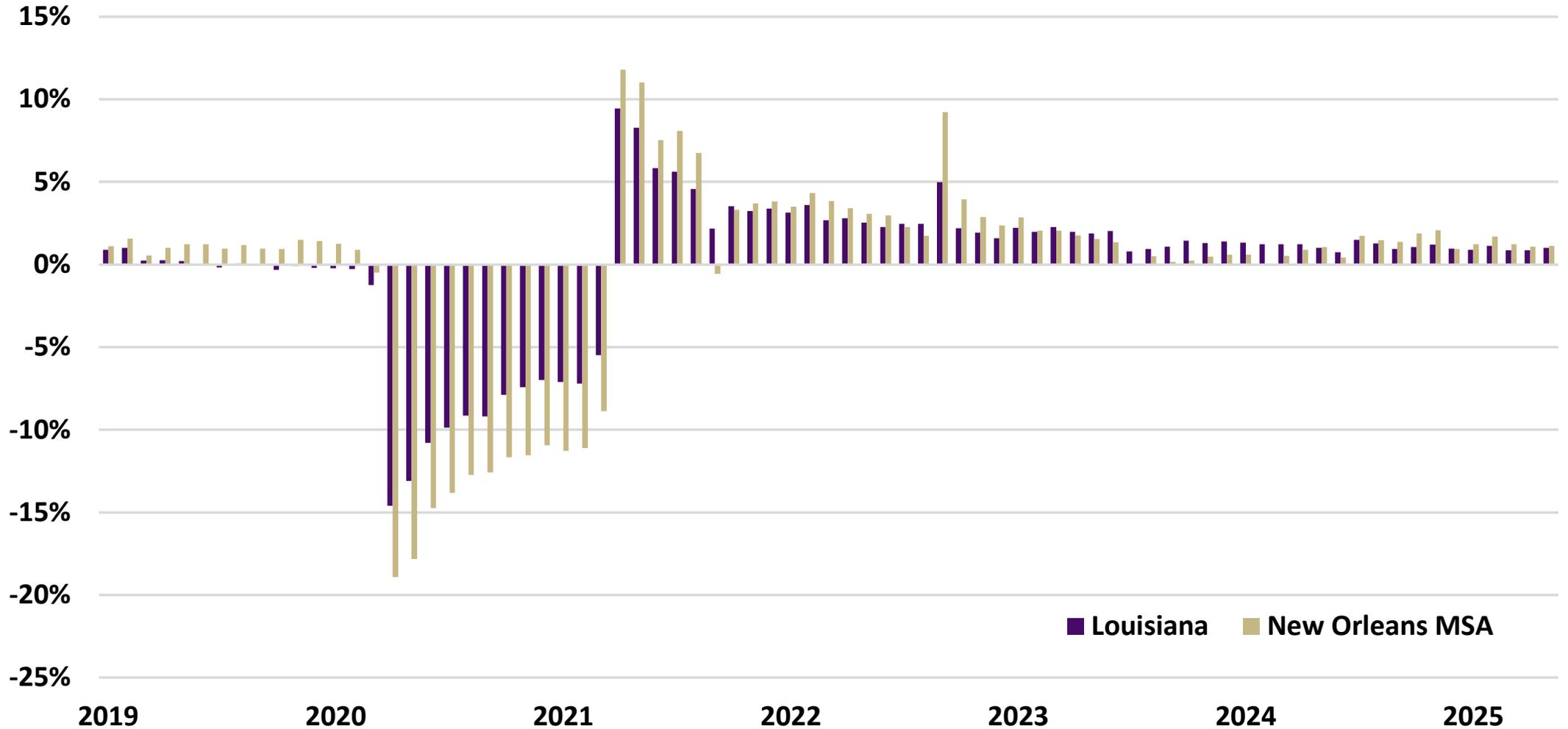
Source: U.S. Bureau of Economic Analysis via FRED®
Shaded areas indicate U.S. recessions.

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Net Contributions to Real GDP: Quarterly Change

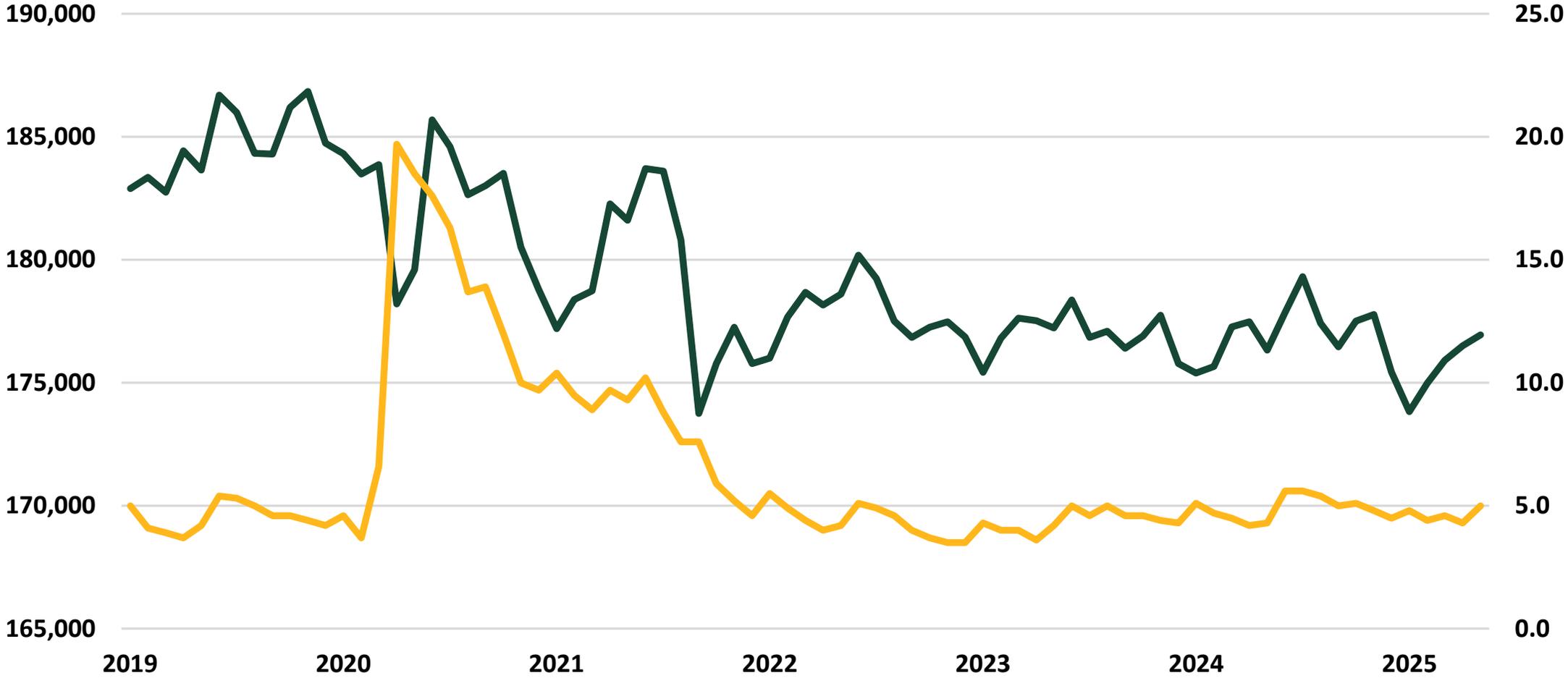


Year-Over-Year Growth: Monthly Payroll Employment - May 2025



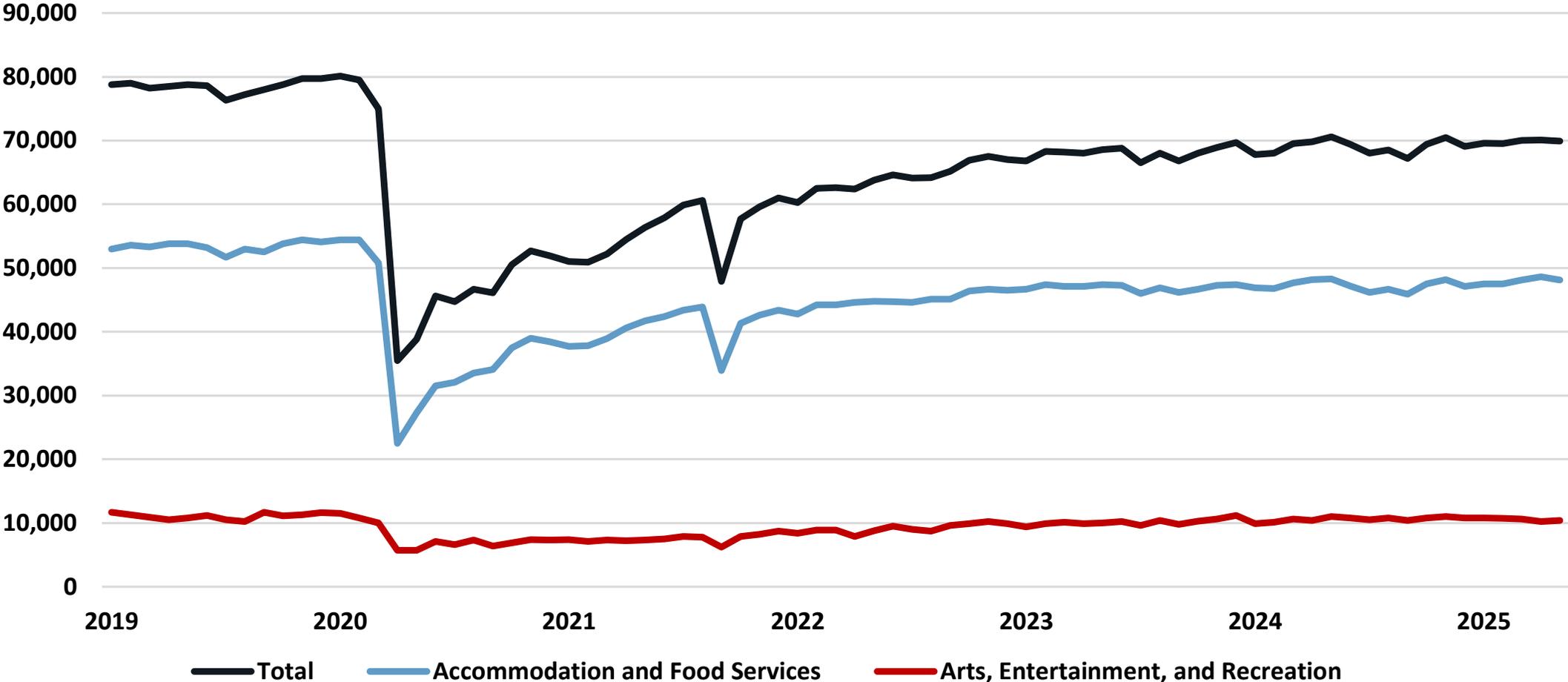
Source: Bureau of Labor Statistics
Current Employment Statistics program

Orleans Parish Labor Force and Unemployment Rate



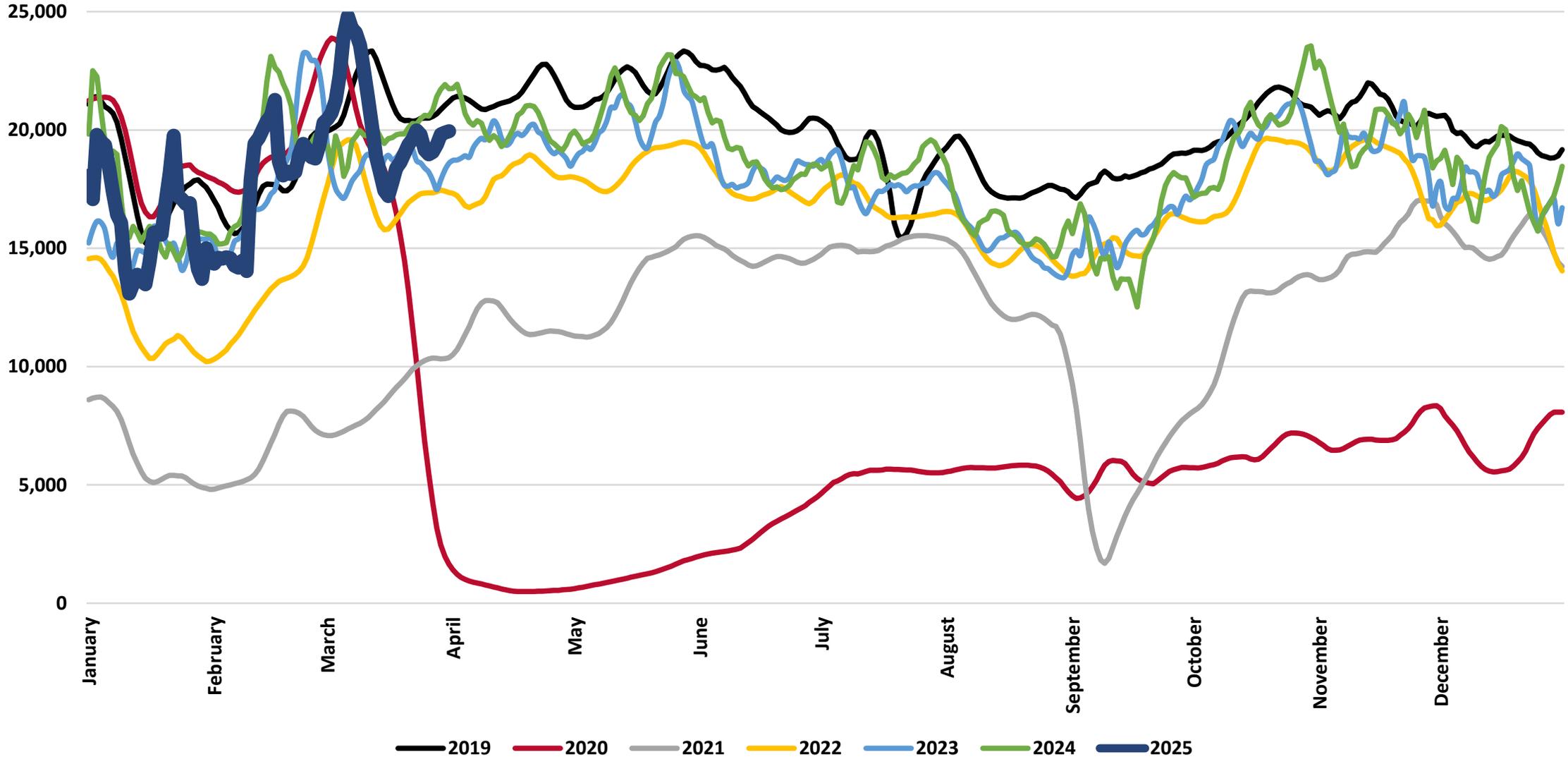
Source: Bureau of Labor Statistics
Local Area Unemployment Statistics program

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



Reasons for Forecast Update

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 assumption for 2024 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
- 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

Reasons for Forecast Update

- More accurate information regarding Property Tax Compliance Rate has become available during the past 8-12 months
- Details of revenue sharing agreement finalized for Red Light/Schools Zone Speed Enforcement
 - City is estimated to retain 32% of Total Traffic Enforcement Camera Revenue
 - 2023 Total Revenue: **\$19.7m** ; 2023 Retention Under Current Sharing: **\$6.3m**

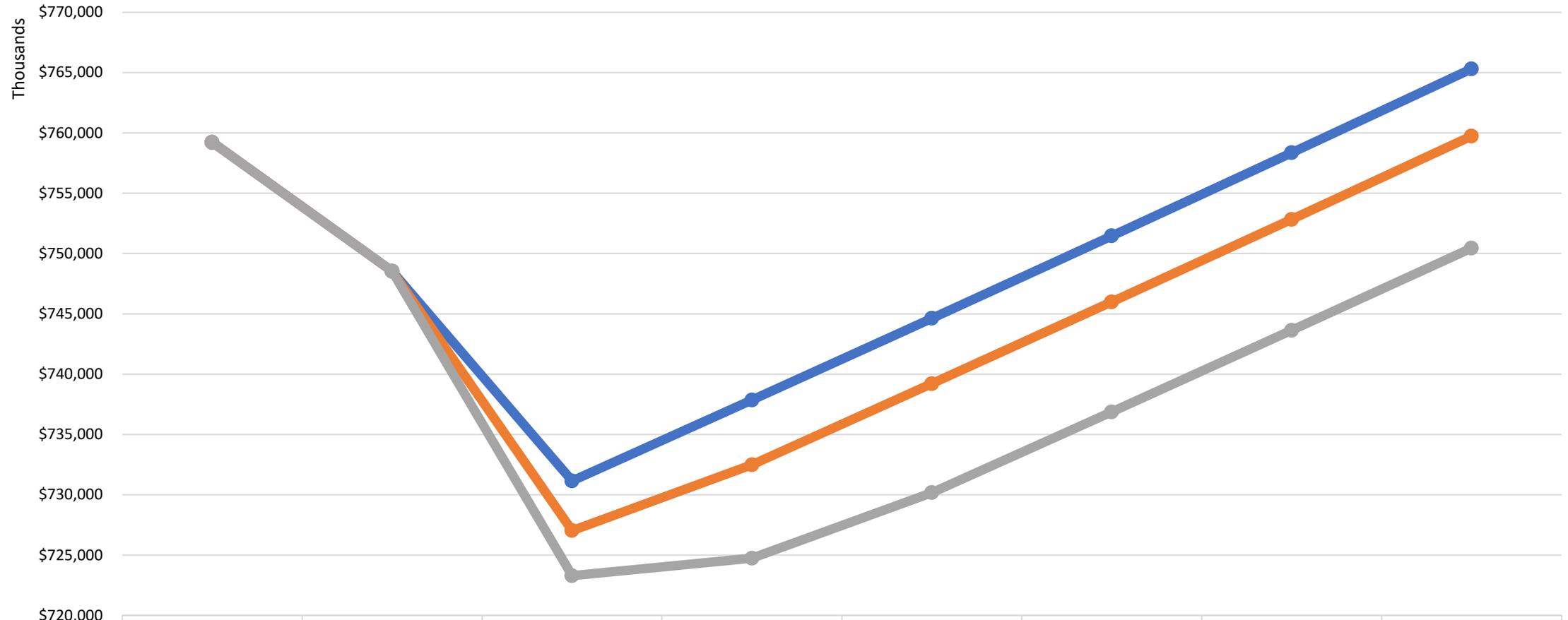
Reasons for Forecast Update

State Legislative Action during 2025 Fiscal Session ending June 12, 2025

	Impact to Annual Sales Tax
HB 578 - Exemption of Local Sales Tax on Various Items	
Repairs of Tangible Personal Property Delivered Outside of State	(318,400)
Purchase of Motor Vehicles that will be Used for Lease or Rental	(6,208,800)
Services from Qualifying Radiation Treatment Centers	(2,149)
HB 490 - Public Contracts Exemption	(9,763,915)
Total	(16,293,264)

	2025 Adopted Forecast	2025 Proposed Forecast Update	Revision Amount	% Change to Revision
1A Property Tax	191,217,106	180,244,857	(10,972,249)	-5.7%
1B Other Taxes	342,002,315	333,855,683	(8,146,632)	-2.4%
2 Licenses and Permits	72,813,053	72,813,053	-	0.0%
3 Intergovernmental	30,437,785	19,437,785	(11,000,000)	-36.1%
4 Service Charges	91,299,194	102,299,194	11,000,000	12.0%
5 Fines and Forfeits	20,546,521	12,085,158	(8,461,363)	-41.2%
6 Miscellaneous	27,721,572	27,721,572	-	0.0%
7 Other Financing Sources	78,128	78,128	-	0.0%
Total General Fund Revenue	776,115,673	748,535,429	(27,580,244)	-3.6%

Long Term General Fund Revenue Forecast: Including Revised Prop. Tax, Housing Trust, and State Tax Reform Impact, and Red Light/Traffic Enforcement Outcomes



	2024 Actual	2025 (f)	2026 (f)	2027 (f)	2028 (f)	2029 (f)	2030 (f)	2031 (f)
No Recession	\$759,212,098	\$748,535,429	\$731,149,445	\$737,856,839	\$744,625,765	\$751,456,788	\$758,350,477	\$765,307,407
Recession (2025-2026)	\$759,212,098	\$748,535,429	\$727,032,500	\$732,485,244	\$739,204,892	\$745,986,185	\$752,829,688	\$759,735,971
Severe Recession (2025-2027)	\$759,212,098	\$748,535,429	\$723,289,823	\$724,736,402	\$730,171,925	\$736,870,352	\$743,630,228	\$750,452,118

● No Recession
 ● Recession (2025-2026)
 ● Severe Recession (2025-2027)

Data Appendix
