



REVENUE ESTIMATING CONFERENCE

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City of New Orleans

August 14, 2024

REVENUE ESTIMATING CONFERENCE

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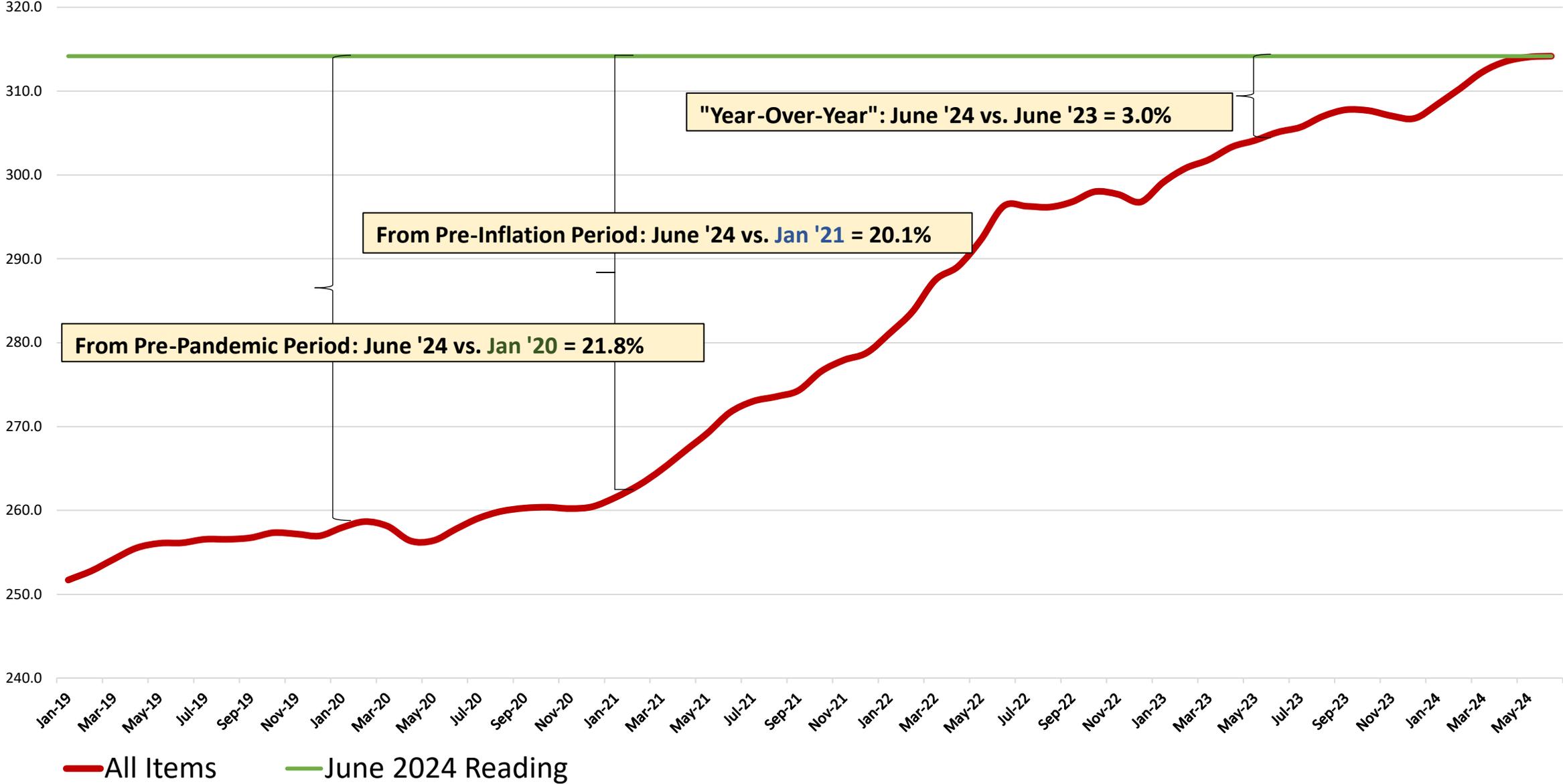
- 1. Adoption of Minutes from June 3, 2024 Revenue Estimating Conference**
- 2. Discussion of 2023 Audited Actuals General Fund Revenue**
- 3. Revision and Adoption of 2024 General Fund Revenue Forecast**
- 4. Adoption of Savings Fund Certification**
- 5. Discussion of Initial 2025 General Fund Revenue Forecast**

2023 Audited Actual Revenues	2022 Actual	2023 Actual	Annual Change	% Growth
1A Property Tax	168,780,069	184,347,227	15,567,158	9.2%
1B Other Taxes	311,181,115	309,968,929	(1,212,186)	-0.4%
2 Licenses and Permits	87,663,865	79,515,224	(8,148,641)	-9.3%
3 Intergovernmental	43,910,900	35,468,196	(8,442,704)	-19.2%
4 Service Charges	94,124,276	92,029,689	(2,094,588)	-2.2%
5 Fines and Forfeits	23,039,401	26,902,725	3,863,325	16.8%
6 Miscellaneous	24,589,608	49,537,521	24,947,912	101.5%
7 Other Financing Sources	97,971	354,194	256,224	261.5%
Total General Fund Revenue	753,387,205	778,123,705	24,736,500	3.3%

Key Risks to 2024 General Fund Forecast

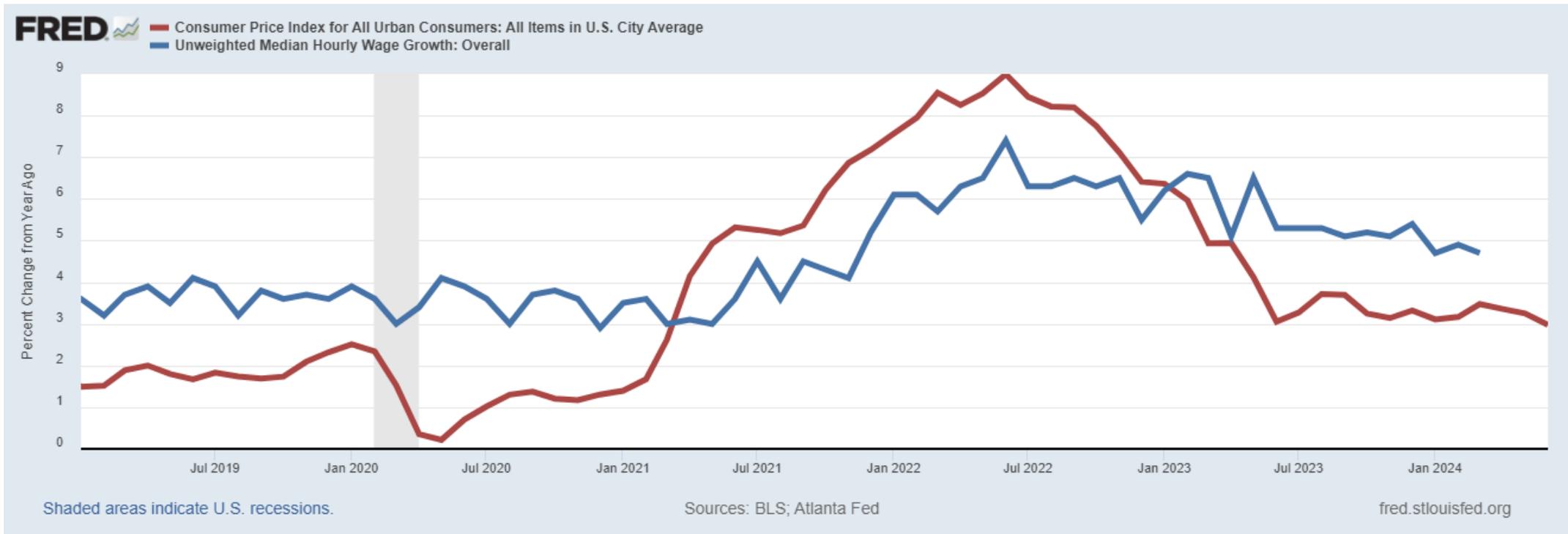
- Residential STR ruling issued on Feb. 28 has lessened -\$20M risk
 - STR Permit Fees revenues have also lagged
- Fiscal Risks:
 - LA Senate Bill 302: Red Light/Speed Limit Enforcement Cameras = -\$15-20M from General Fund Revenue
 - Equivalent to one month of Sales Tax Revenue
 - Permitting Process issues remain unresolved and backlog continues
 - Restrains initial permitting operations and revenues and matriculates through process
- Potential Remains for Recession
 - Local Economy and General Fund Revenues still recovering from lockdown era
 - Potential for Financial and Commercial Crisis would directly impact NOLA through real estate, labor market, local spending, and visitor activity and revenues

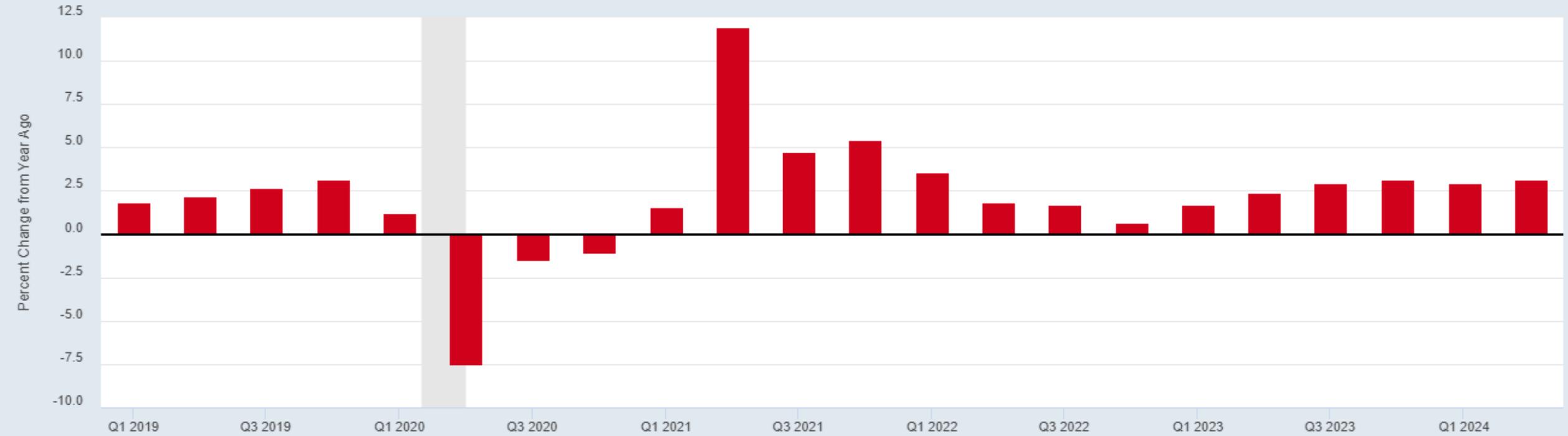
Price Level: CPI Value June 2024



Additional Inflation Statistics

- Nationwide, All Items are +20.1% more expensive vs. Jan 2021
 - Inflation Rate has not read less than 3.0% in any month since March 2021
 - Target Inflation Rate is ~1.5% in a typical monthly reading, June rate is 2x higher
- According to Fed Data, Wage Inflation began to outpace CPI Inflation Rate in the Middle of 2023:
 - Unweighted Median Hourly Wage Growth is once again outpacing consumer price growth following worst of inflation crisis



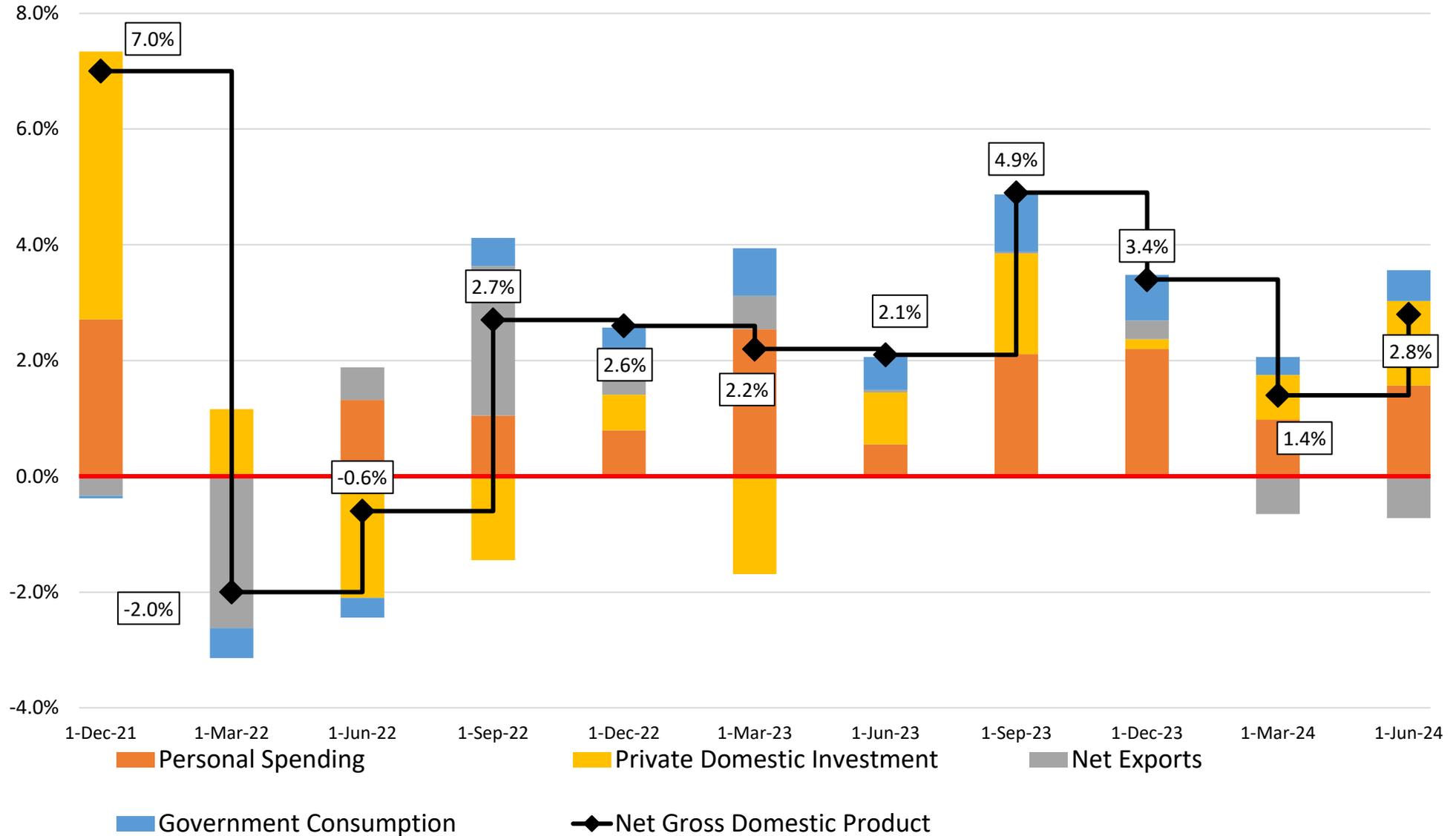


Shaded areas indicate U.S. recessions.

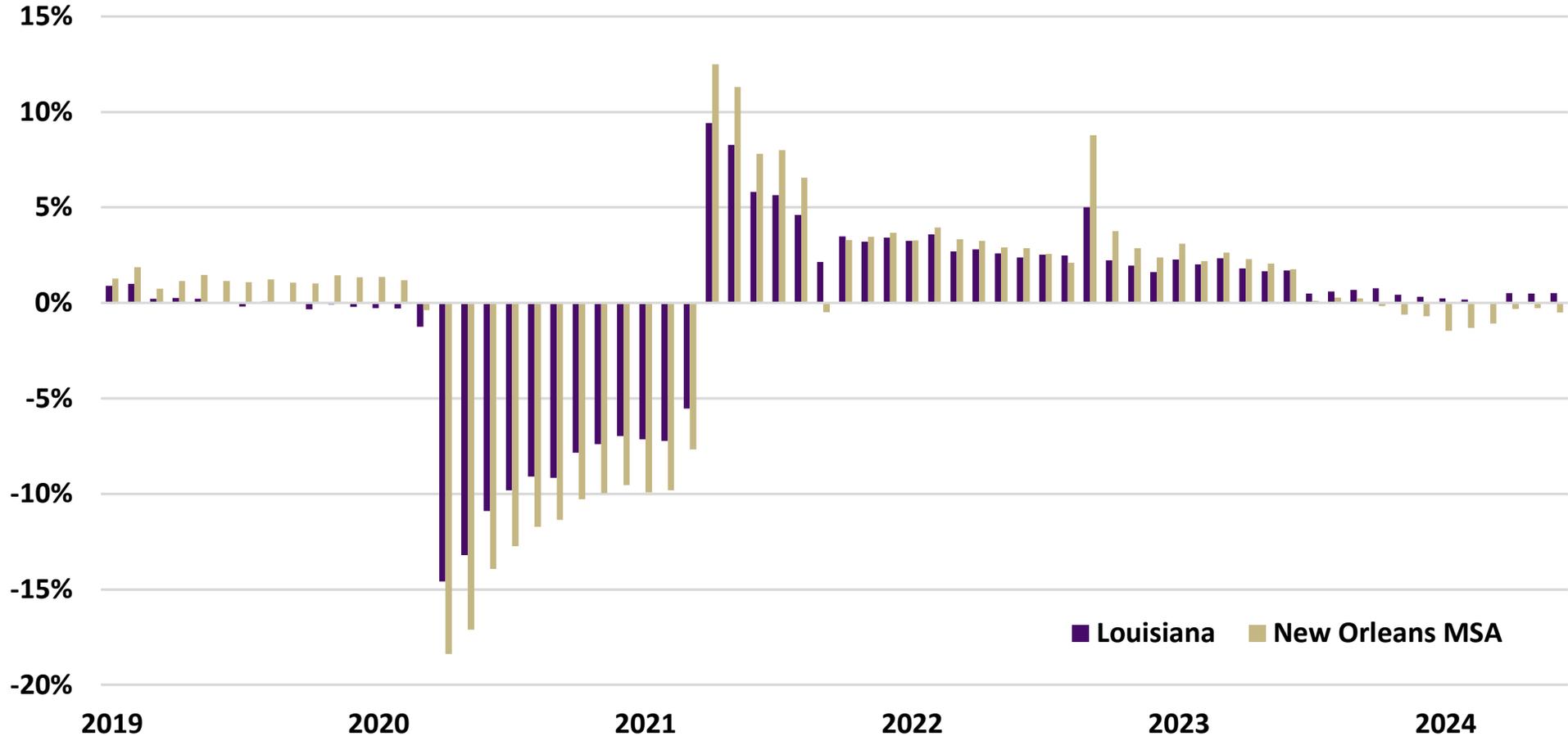
Source: U.S. Bureau of Economic Analysis

fred.stlouisfed.org

Net Contributions to Real GDP: Quarterly Change

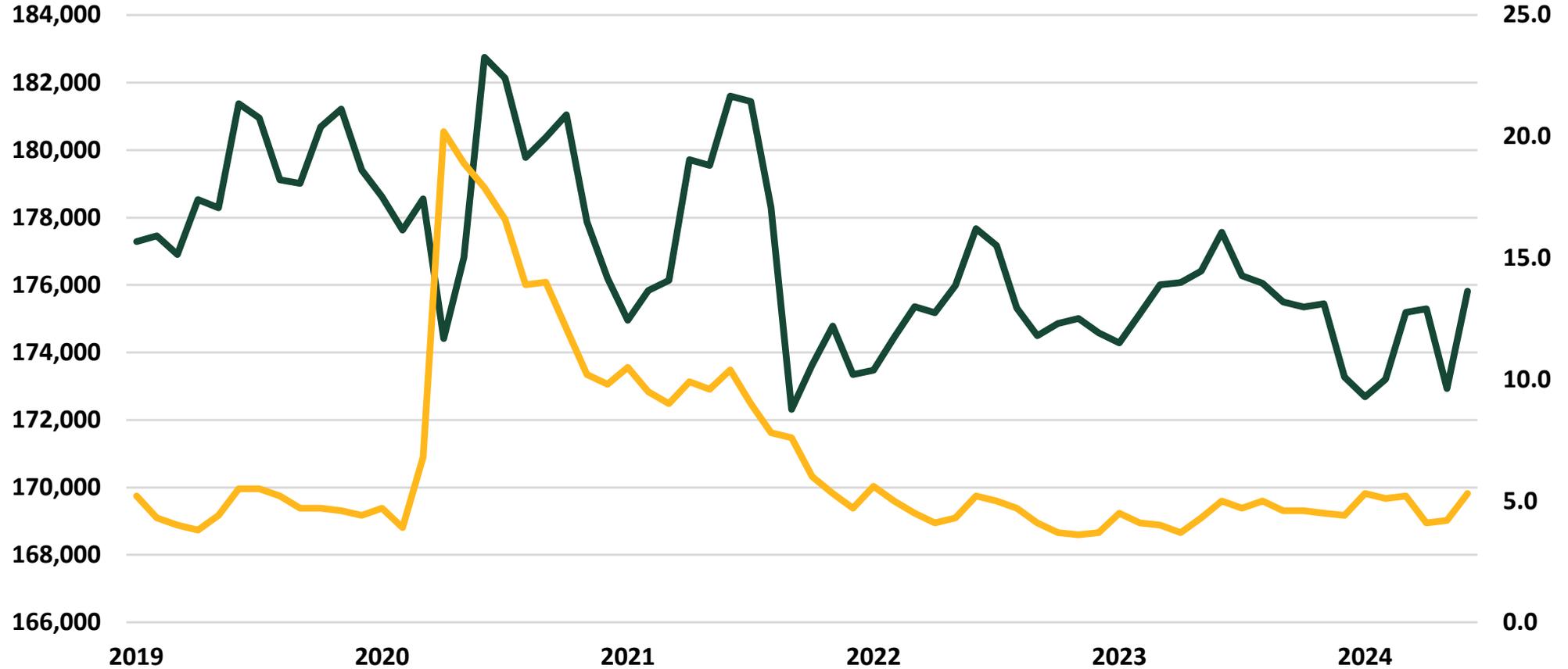


Year-Over-Year Growth: Monthly Payroll Employment - June 2024



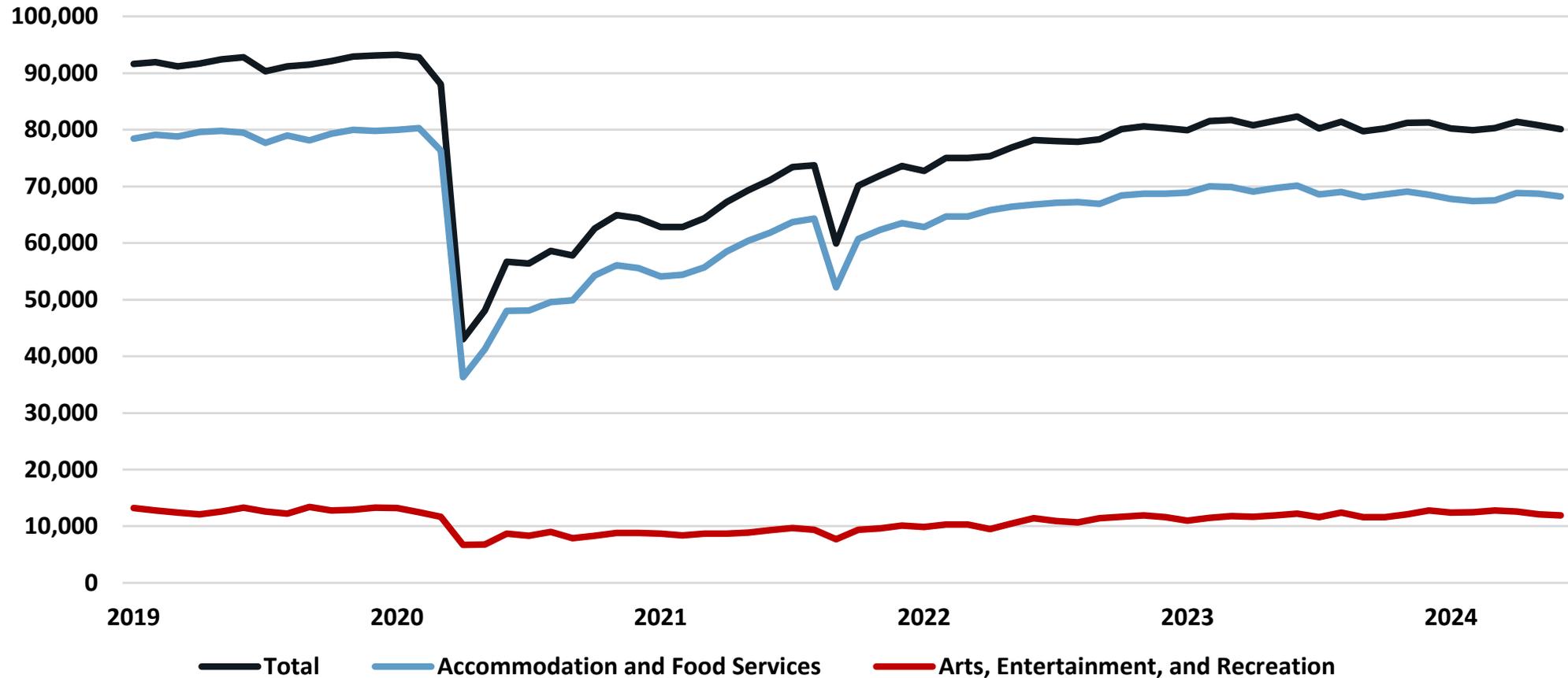
Source: Bureau of Labor Statistics
Current Employment Statistics program

Orleans Parish Labor Force and Unemployment Rate



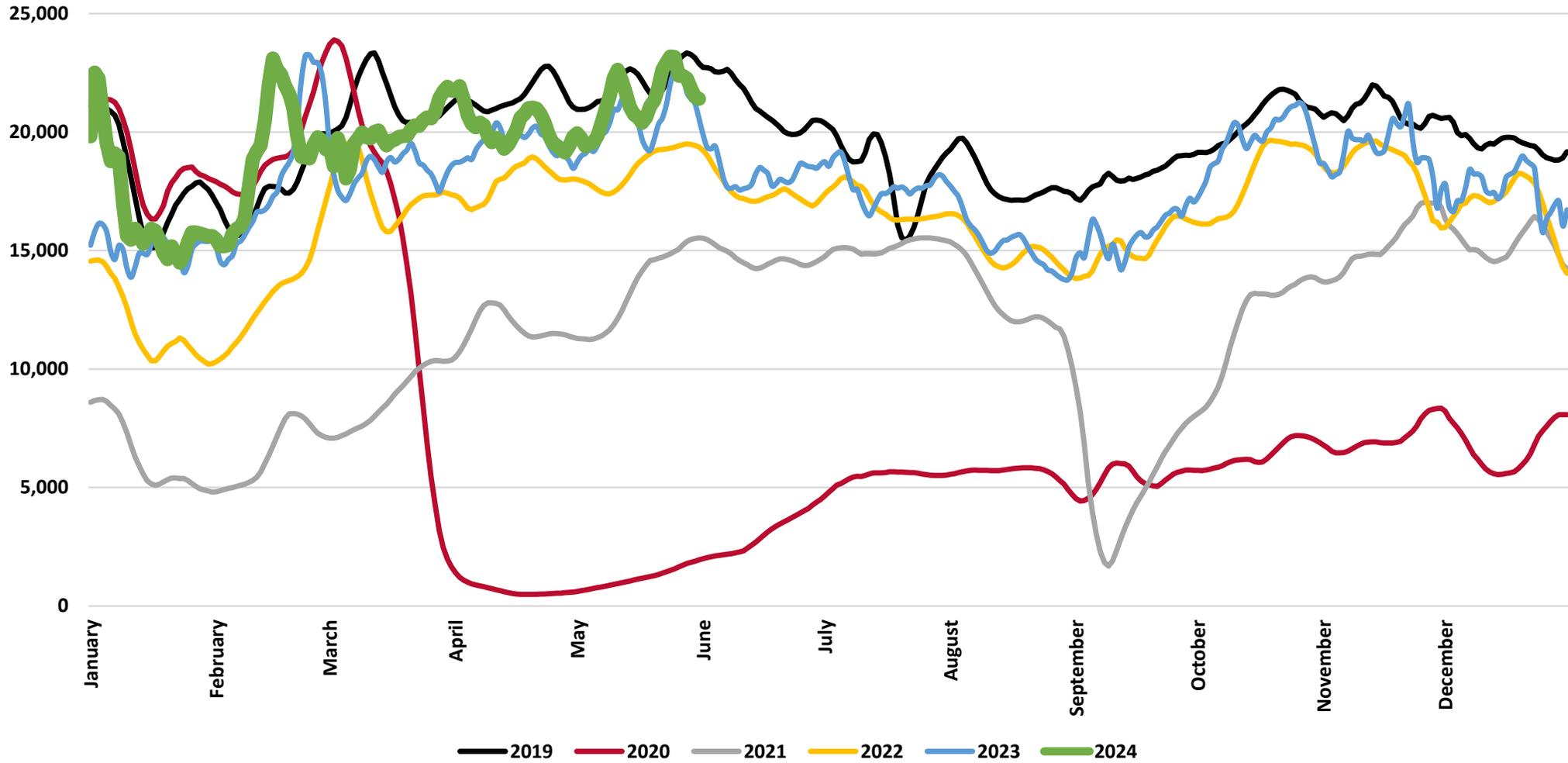
Source: Bureau of Labor Statistics
Local Area Unemployment Statistics program

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



Year	Actual Audited General Fund Expenditures
2019	\$ 686,688,851.91
2020	\$ 595,285,204.93
2021	\$ 542,743,226.70
2022	\$ 632,668,000.00
2023	\$ 904,930,000.00
Average	\$ 672,463,056.71
5% - Required Savings Fund Balance	\$ 33,623,152.84

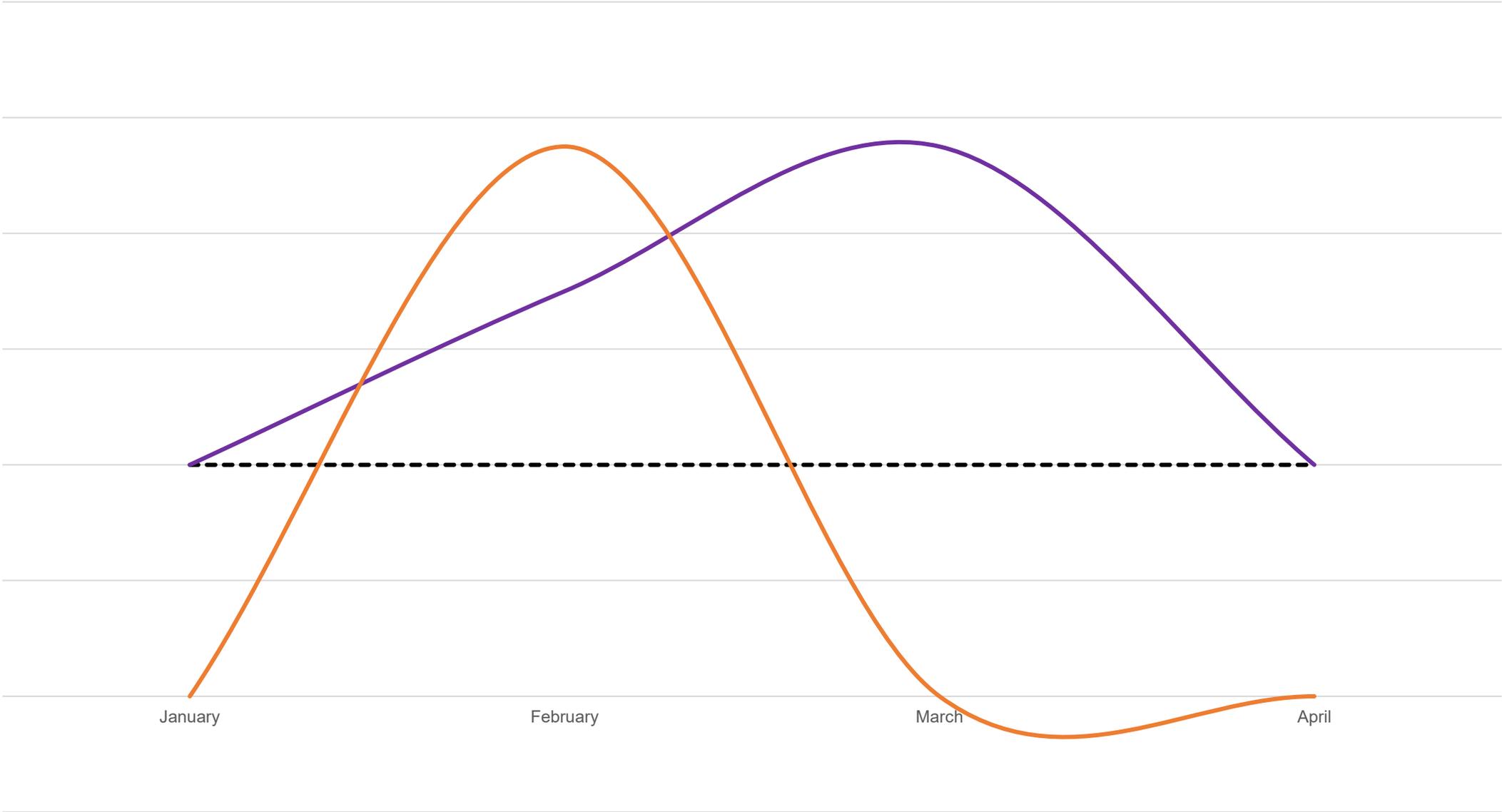
2025 General Fund Forecast Notes:

- Oct 1st delivery date of proposed budget requires a compressed timeline for General Fund forecast
 - Only 7 months of actual 2024 revenues will be available before General Fund Forecast must be presented, compared with typical 10 months
 - Property Value Assessment for 2025 tax season is not available
- **Estimated variance for 2025 General Fund Forecast is largest ever**
- Finance Dept. intends to create an updated 5-year General Fund Revenue Forecast for 2025 – 2030
 - Enhances our Bond Rating and compliance with GFOA best practices
 - Due to the current election year and underlying economic uncertainty, this will also carry a **significant amount of variance** until next year's revision

	2024 Forecast	2025 Recurring Revenue Forecast	2025 Non- Recurring Revenue	2025 Proposed Total Revenue	2024 vs. 2025 Difference
1A Property Tax	189,469,787	191,217,106	-	191,217,106	0.9%
1B Other Taxes	330,715,240	327,403,469	13,800,000	341,203,469	3.2%
2 Licenses and Permits	74,004,680	72,813,053	-	72,813,053	-1.6%
3 Intergovernmental	32,635,828	30,437,785	-	30,437,785	-6.7%
4 Service Charges	92,051,238	91,299,194	-	91,299,194	-0.8%
5 Fines and Forfeits	23,055,147	20,546,521	-	20,546,521	-10.9%
6 Miscellaneous	20,433,458	27,721,572	-	27,721,572	35.7%
7 Other Financing Sources	60,000	78,128	-	78,128	30.2%
Total General Fund Revenue	762,425,379	761,516,827	13,800,000	775,316,827	1.7%

- Estimate of additional revenue generated by Super Bowl LIX = \$13.8 million
 - This is in addition to revenue generated from typical commercial activity during this time of the year, which includes normal tourism activity, conventions and trade shows, and Mardi Gras events
 - The 2025 General Fund Forecast includes this amount in Sales Tax and Hotel & Motel Tax revenue
 - Visitor Spending will directly impact tax revenues during March 2025 – when payments are due for activity during February

Hotel Occupancy During "Super Gras"



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

Hotel Occupancy During "Super Gras"



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

Data Appendix
