



REVENUE ESTIMATING CONFERENCE

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City of New Orleans

September 3, 2024

REVENUE ESTIMATING CONFERENCE

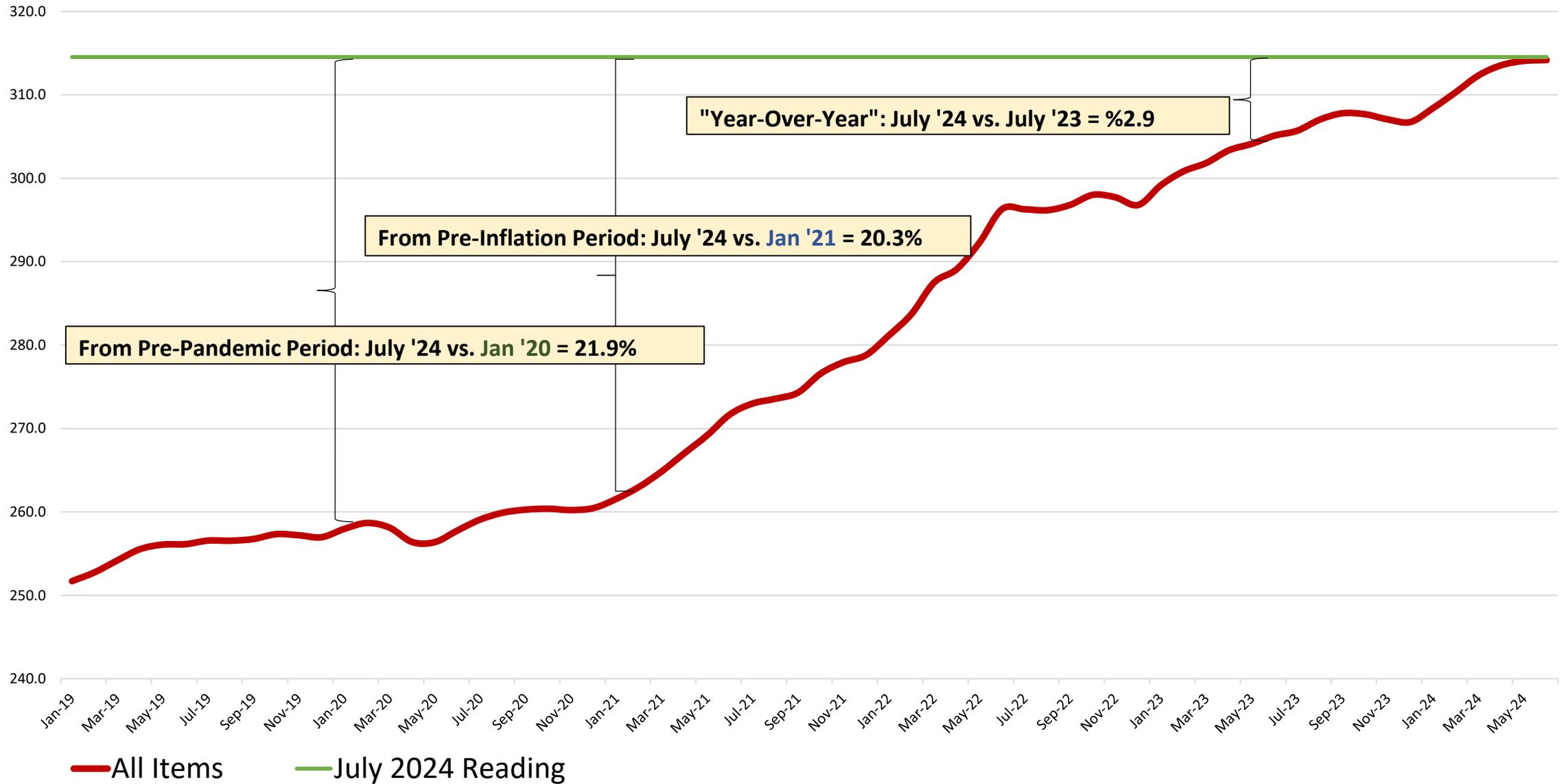
September 3, 2024

- 1. Adoption of Minutes from August 14, 2024 Revenue Estimating Conference**
- 2. Discussion of 2024 General Fund Revenue Situation**
- 3. Discussion and Adoption of Final 2025 General Fund Revenue Forecast**

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
 - Dept. of Labor announced an estimated downward adjustment of 818,000 jobs for 2023

Price Level: CPI Value July 2024

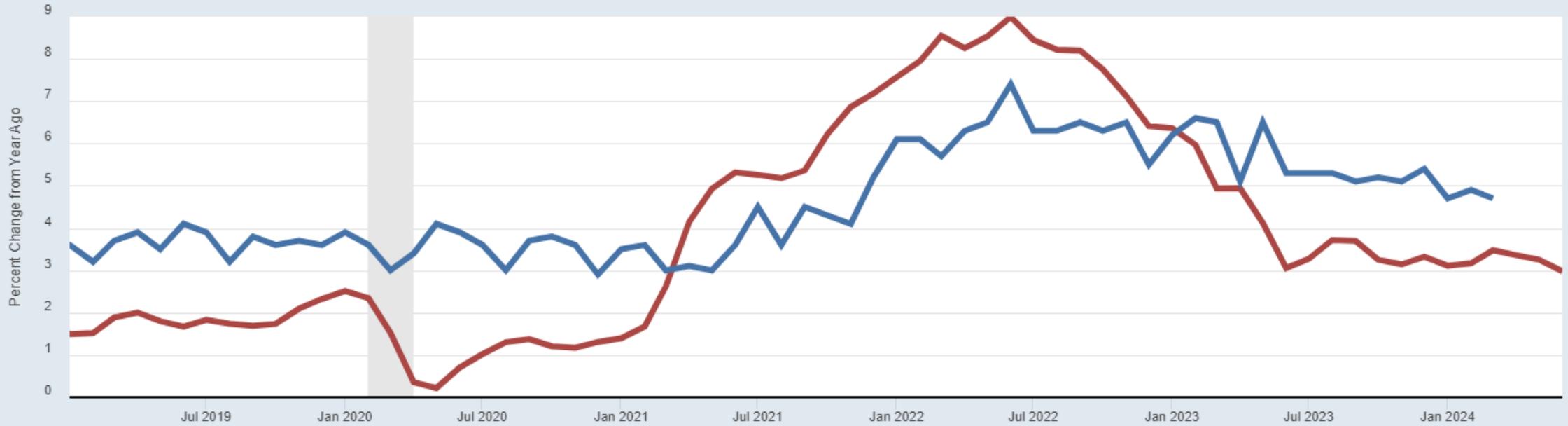


Additional Inflation Statistics

- Nationwide, All Items are +20.3% more expensive vs. Jan 2021
 - Inflation Rate read less than 3.0% in July for the first time since March 2021
 - Target Inflation Rate is ~1.5% in a typical monthly reading, July rate is still 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



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

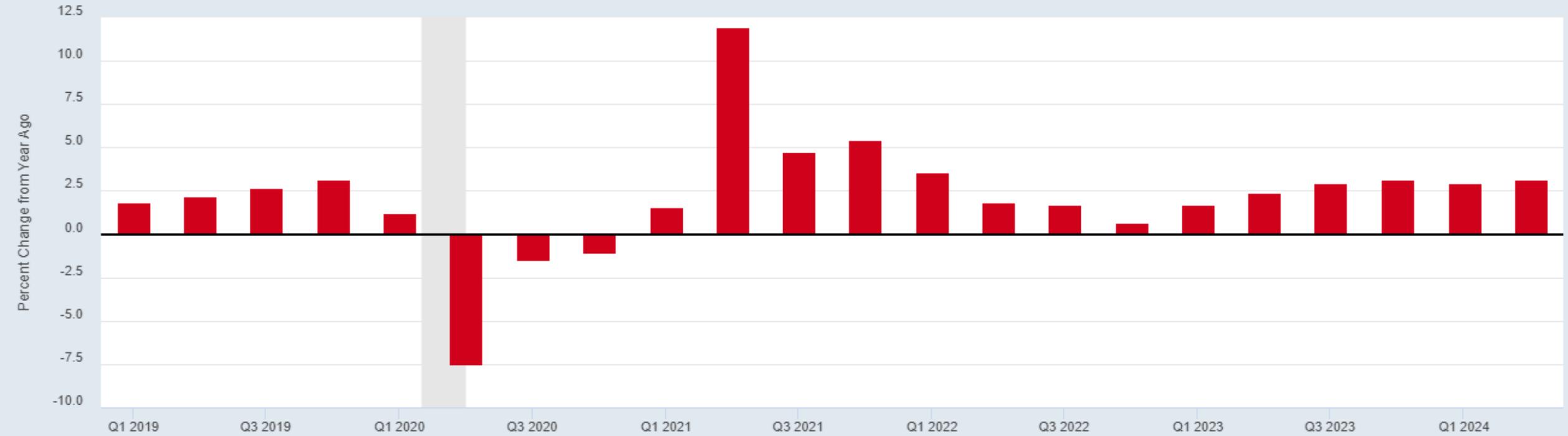


Shaded areas indicate U.S. recessions.

Sources: BLS; Atlanta Fed

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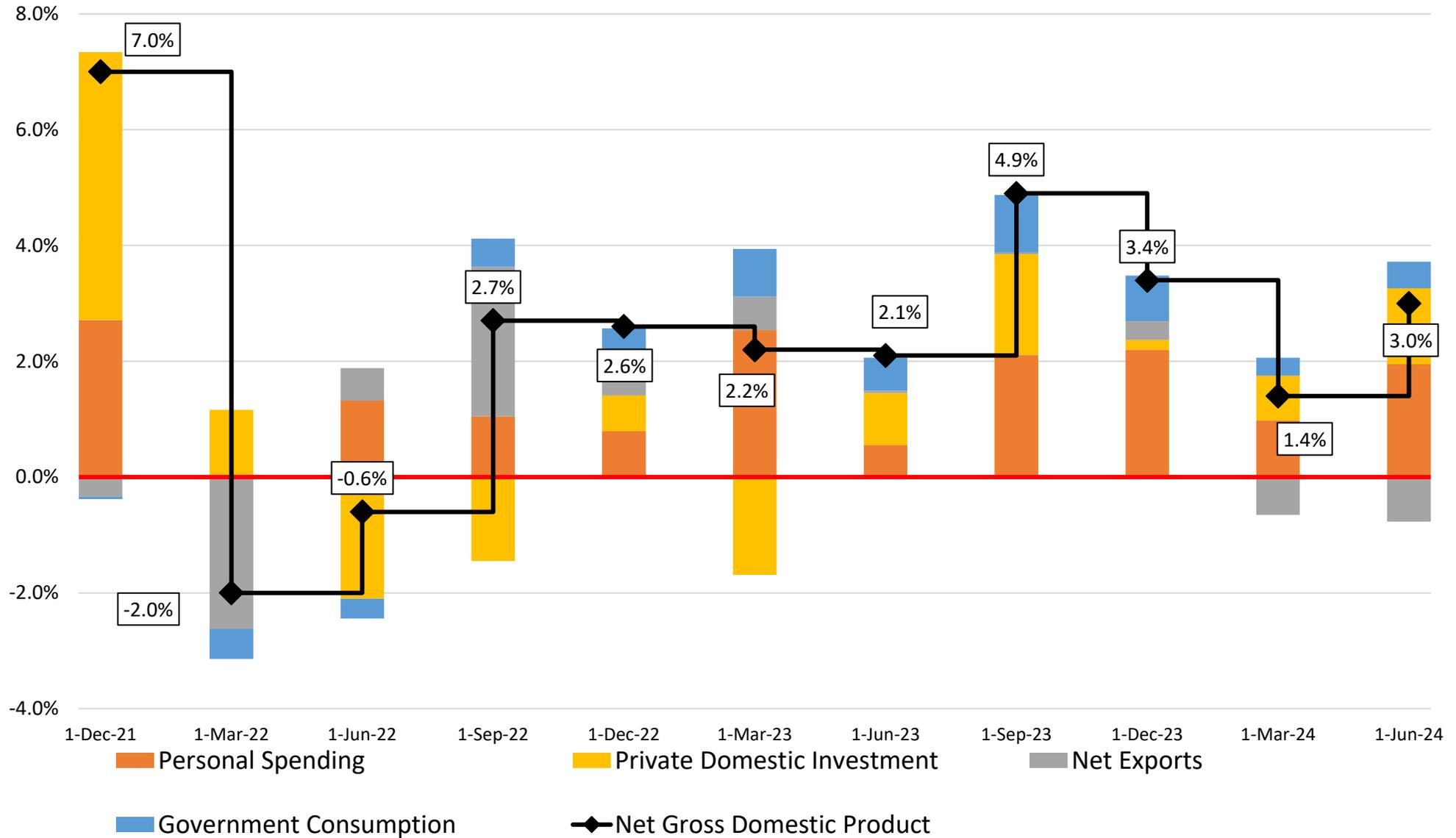


Shaded areas indicate U.S. recessions.

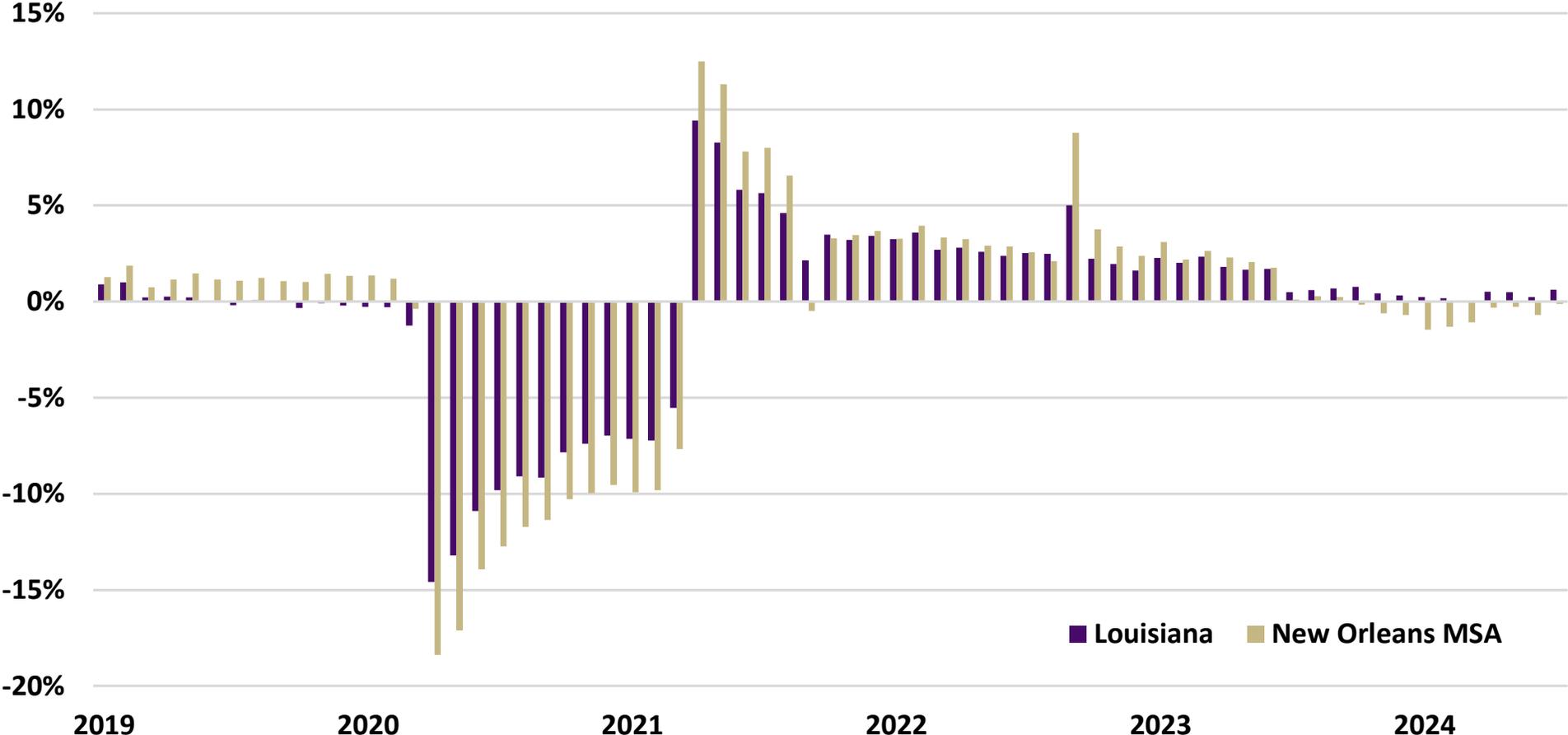
Source: U.S. Bureau of Economic Analysis

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Net Contributions to Real GDP: Quarterly Change

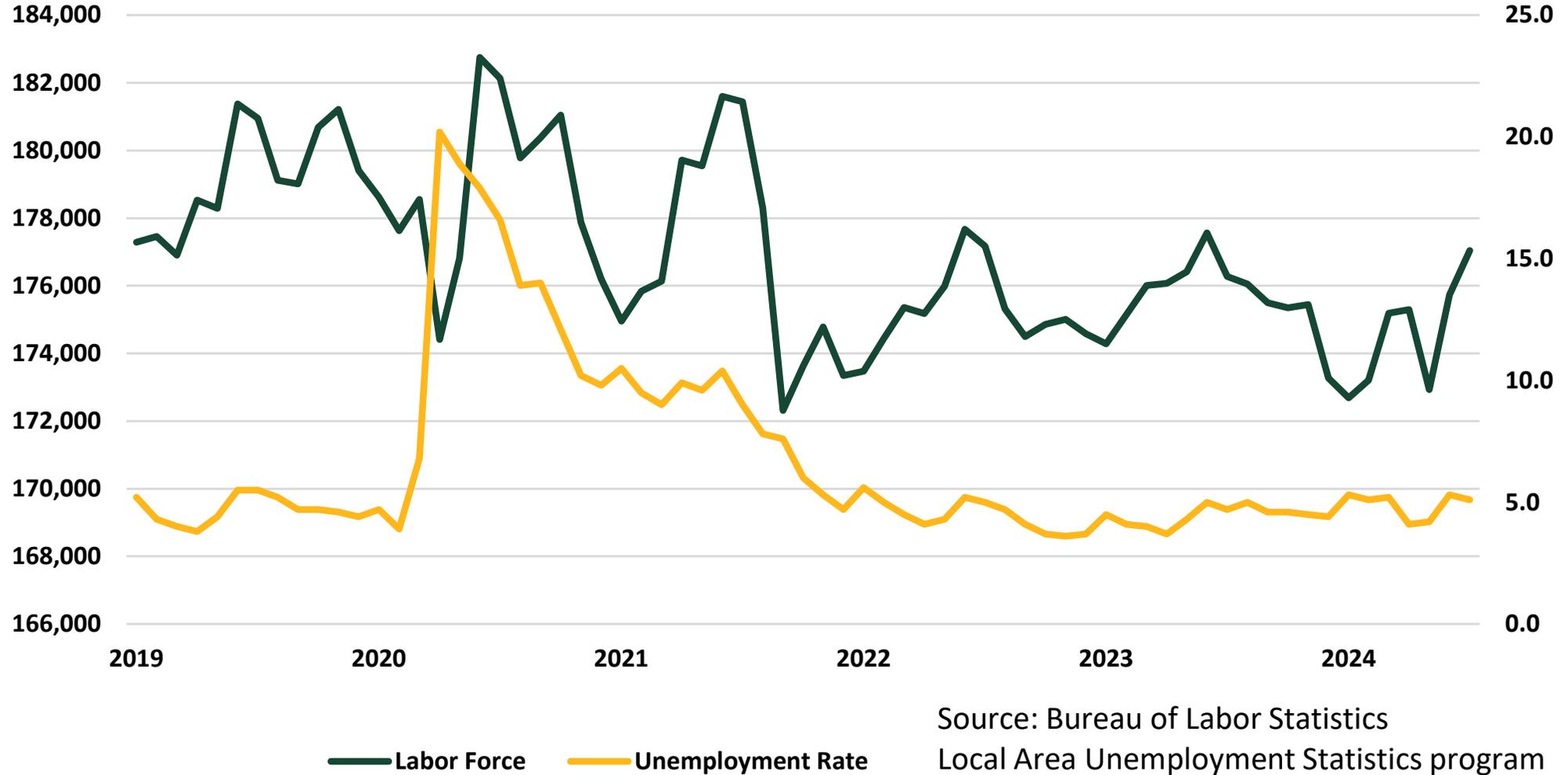


Year-Over-Year Growth: Monthly Payroll Employment - July 2024

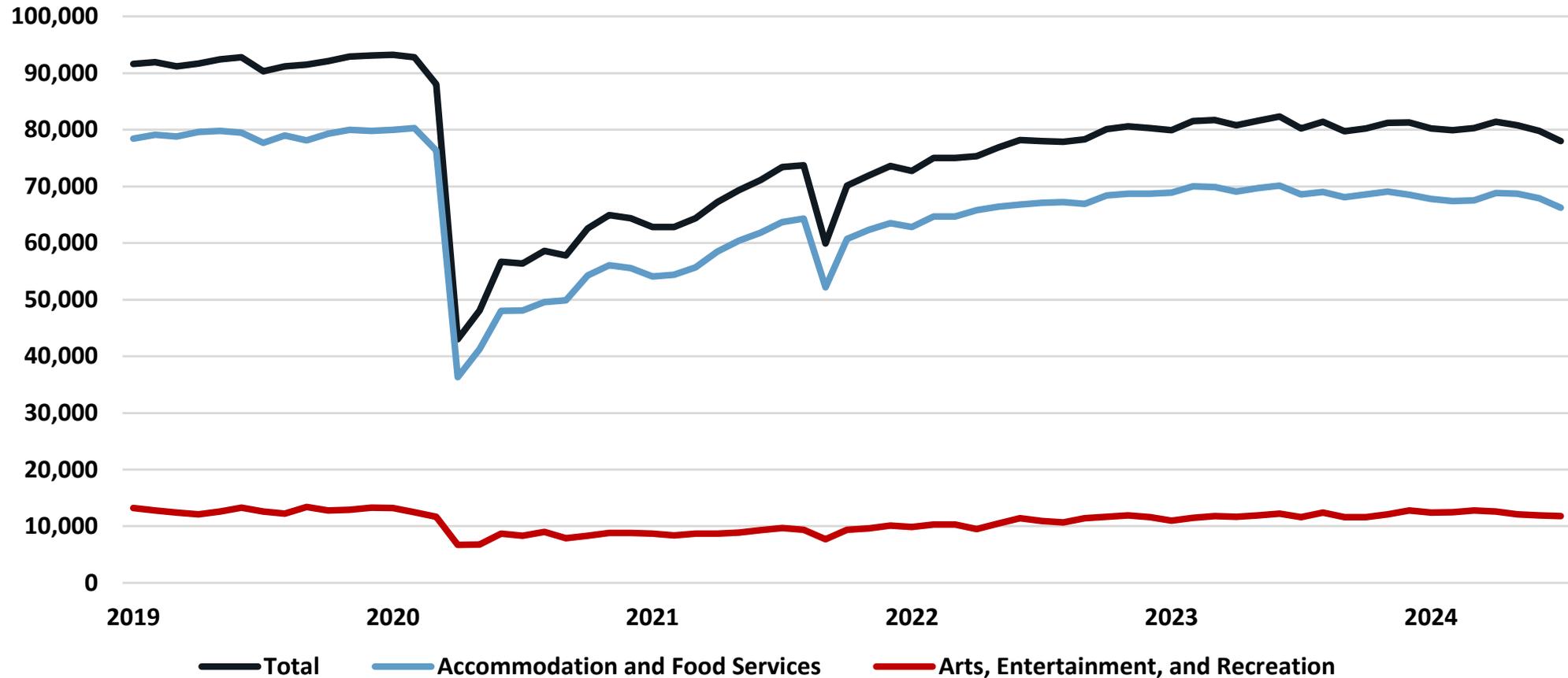


Source: Bureau of Labor Statistics
Current Employment Statistics program

Orleans Parish Labor Force and Unemployment Rate

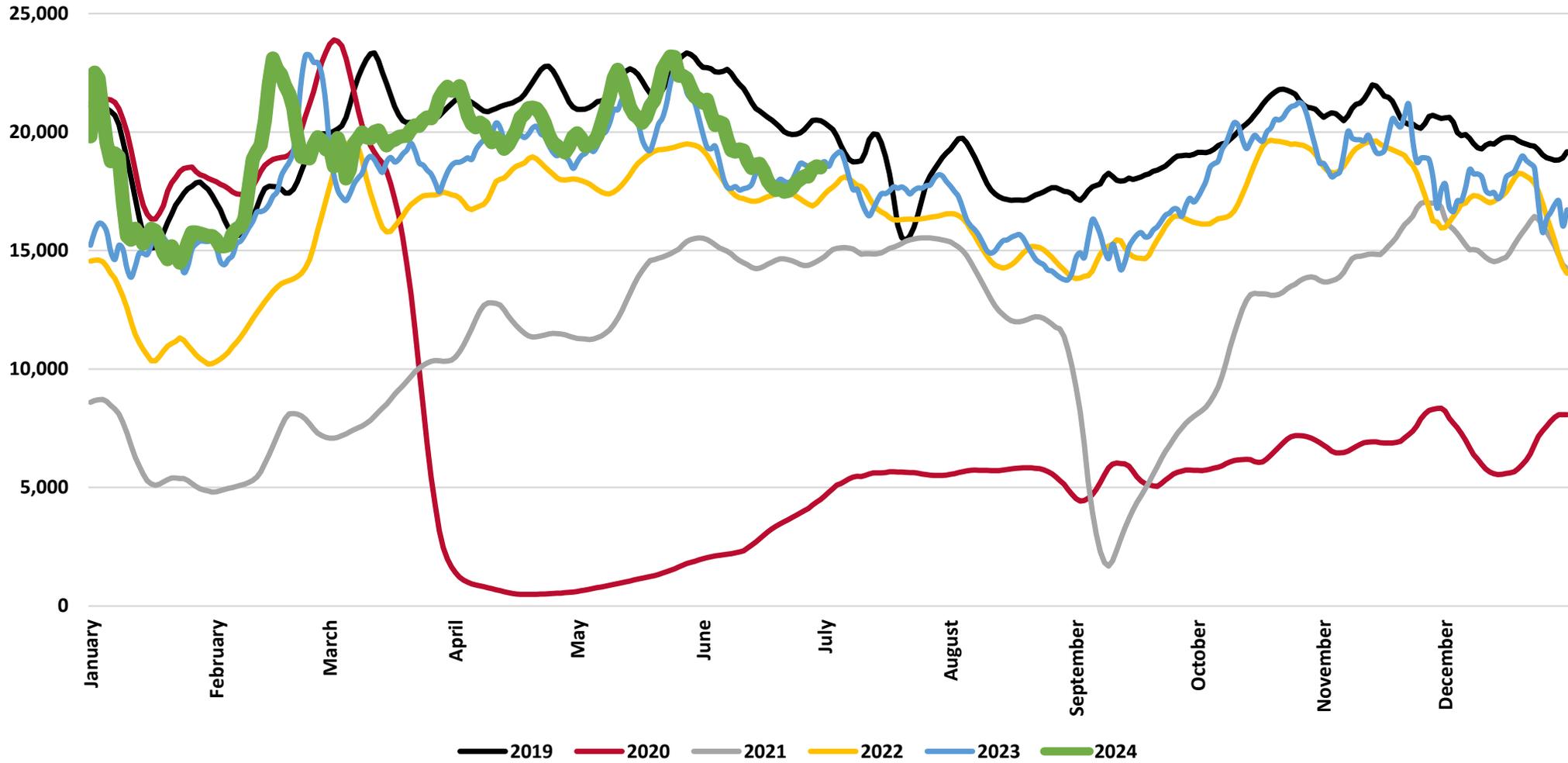


New Orleans MSA - Leisure and Hospitality Sector



Source: Bureau of Labor Statistics
Current Employment Statistics program

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



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

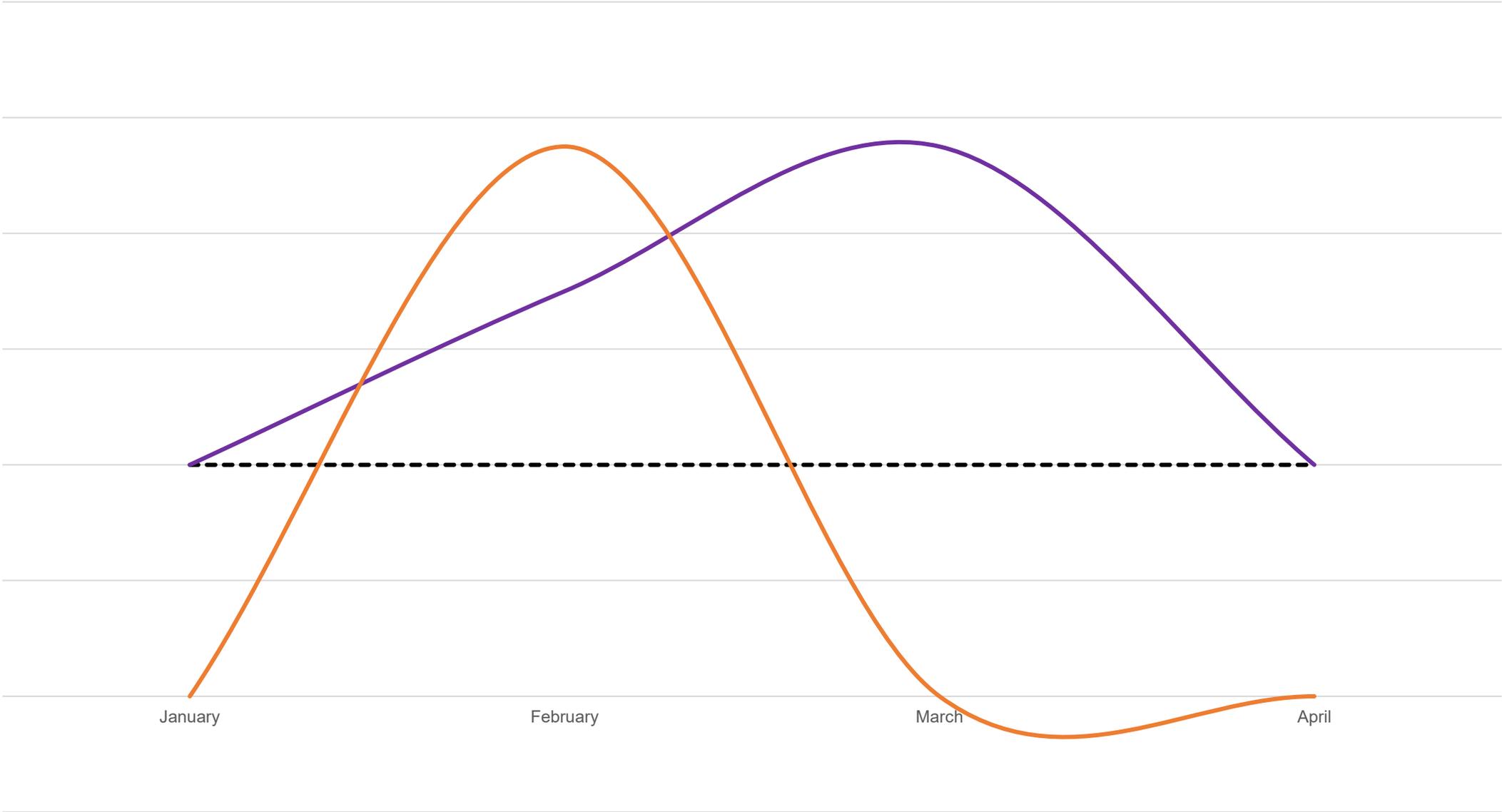
■ Adjustment to Hotel and Motel Tax

- Addition to estimated Non-Recurring revenue generated from Super Bowl
- According to permitting data and industry analysis, there will be an additional 11,968 lodging and STR units available in 2025 vs. 2013
 - Average room price per night was \$212 during January 2024, and the additional premium from Super Bowl demand conditions inflate prices 3-4x
 - Applying average number of nights stayed in the City from the 2013 study – 3.6 nights at the 2.5% Hotel & Motel Tax rate
 - Equates to +\$798,846 in addition to the \$13.8 million from the initial proposal
- Visitor Spending will directly impact tax revenues during March 2025 – when payments are due for activity during February

	2024 Forecast	2025 Recurring Revenue Forecast	2025 Non- Recurring Revenue	2025 Final Proposed General Fund Forecast	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	14,598,846	342,002,315	3.4%
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	14,598,846	776,115,673	1.8%

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