
JOINT STATEMENT OF THE
GREATER SHREVEPORT CHAMBER AND COMMITTEE OF 100
ON THE CITY BOND PROPOSALS

November 29, 2021

As representatives of Shreveport business, the Greater Shreveport Chamber and the Committee of One Hundred, Inc. want to ensure the health and growth of our community. Our memberships represent upwards of 1200 businesses and more than 60,000 employees, making us keenly aware of the financial burden that ad valorem and property taxes place on businesses and families in Shreveport.

At the same time, we recognize the importance of pursuing infrastructure projects that build the future of our city as well as the need for those projects to be financially supported by those of us who utilize the roads, sewers and city services. We must have responsive government in return for reasonable taxation, but there have been substantive changes in our community since the bond proposals were approved by the City Council and that has given us pause concerning the current bond issue requests.

We recognize that these are unprecedented times and that a variety of factors have coalesced with regard to our community's needs.

The COVID-19 pandemic has upended the global and local economy and has disrupted both supply chains and business models. At the same time, the federal government has stepped in to provide a level of resource allocation unseen in our lifetime. These funds to individuals, municipalities and even businesses have created both a support system and an artificial level of financial liquidity.

This global disruption comes on top of our city's longstanding infrastructure challenges. We know that as a community we have not made adequate regular investments in the upkeep and maintenance of our public safety, sanitation and road systems for decades. As a result, these systems are deteriorating and the current cost to fix them is high. We also have not invested sufficiently in economic development and the systems to facilitate business attraction, development and growth, leaving us handicapped in recruiting new industries and individuals.

And we are a shrinking city. The most recent census documents the anecdotal evidence that we are losing population at a slow but steady rate. As such, the tax base to support this increased investment is also shrinking.

At the same time, the city administration has proposed the largest general obligation bond proposal in the city's recent history. While the proposed allocations for these monies are arguably appropriate, there has been a great deal of change to the city's circumstances since the proposals passed the City Council. In short order, there has been the installation of interim leadership in our police and fire services; the City has purchased 3 and Council has voted to purchase an additional 3 fire trucks out of existing dollars, nearly one half of the bond proposal request; the administration has allocated much of the \$48M American Rescue Plan funds toward the same sectors outlined in the bond proposals; and Congress recently passed the Bipartisan Infrastructure Bill which will bring significant revenues to our city for water and sewer, roads and broadband deployment – three of the bond proposals sectors.

In addition, the city currently possesses an approximately \$42M surplus in its debt services account, an amount which can only be spent to allay general obligation bond debt; and the city's finances and reserve fund balance are at decade level highs.

Taken together, we have a request for \$242M of bond funding, \$48M of allocated stimulus dollars, \$42M of account surplus, and the possibility of millions of additional federal and state dollars, without a clear articulation of how these multiple funding sources would duplicate, mitigate or integrate.

However, we also understand the magnitude of our infrastructure deficit, and believe that a broader strategic conversation is necessary to craft a plan to address our pressing local infrastructure needs. We have reached out to Mayor Perkins and our organizations stand ready to engage with the administration to develop a comprehensive long-term plan to address our infrastructure needs.

At present, we believe that a modified and reduced portfolio of projects can be undertaken through this bonding effort, without raising taxes. Given the current surplus of funds as well as likely future funding for streets, water and broadband, we believe these projects should be funded through state and federal sources before local dollars are utilized. As such we do not recommend that proposals #2 thru #4 be approved at this time. Similarly, the bulk of the SPAR request is for deferred maintenance that we believe should be addressed through operational rather than capital dollars, and so proposal #5 too should be deferred.

However, we also recognize how critical our public safety physical plant needs are. Therefore, we support the passage of public safety proposal #1 with the caveats that those funds be utilized only for the construction of the new police and fire stations, and that the city commit to limiting its bond issuance amount to those funds currently available in the debt service fund. By issuing bonds equal to the available surplus funds, the city can fund these buildings without raising taxes. Furthermore, we ask the city to delay issuing these bonds until a new permanent Chief is selected for each service and each Chief has made a presentation to the public concerning the design, function and budget for each of these facilities.

In sum, we recognize that the city has deferred maintenance and infrastructure needs that we, as citizens, have an obligation to address. However, we believe that given the current fiscal picture, the citizens of Shreveport would be best served in the short term by a limited and focused set of bond projects and in the long term by the development of a strategic approach to identifying and funding these infrastructure needs. We stand ready to work with the city to provide our input to and our vocal support for such a strategic approach.
