

**2010 Bond Study Committee  
Report to Shreveport City Council, Mayor and Citizens  
Tuesday, August 24, 2010**

23 weeks ago, members of the Shreveport City Council and Mayor Glover empanelled a Bond Study Committee that was asked to report back on several extremely important questions. The first was whether a bond issue was needed. If our answer to that was “yes,” we were asked to report on specific needs to be included in a proposed bond election, a bond election dollar amount, the date for an election, and to recommend the format that a bond election should take.

The job we were asked to do was not only extremely important, it was also extremely difficult. Two citizens from each council district and two appointed by the mayor formed the study committee. Ronald Robinson, who served on the Streets and Drainage subcommittee, and Harold Sater, who chaired the public safety subcommittee, represented District A. Howard Allen, who served on the SPAR/finance subcommittee, and Liz Swaine, committee chairman, represented District B. District C was represented by Susan Standke, who served on the water and sewer subcommittee, and Ken Krefft, who chaired the streets and drainage subcommittee. Alan Tipton, who served on the Public Safety subcommittee, and Gilbert Little, who served on SPAR/finance, represented District D. Judy Holland, who served on water and sewer, and Thomas Page, who served on streets and drainage, represented District E. From District F, Lynn Cawthorne served on SPAR/finance, and Vernon Thomas served on streets and drainage. From District G, Joyce Lawrence chaired the water and sewer subcommittee and Dorothy Abmas was a member of the water and sewer subcommittee. Representing the Mayor were Wilbert Williams, who served on the public safety subcommittee, and Martin Bryant, who served as the chair of the SPAR/finance subcommittee. These unpaid citizens represented every district in the city.

It became clear to our committee early on that Shreveport, like many cities around the country, has far more needs than the money to pay for them. We were stunned when we were presented with lists of more than half a billion in needs from DOS Water and Sewer, DOS Streets and Drainage, Shreveport Police, Shreveport Fire, Finance/accounting and Shreveport Public Assembly and Recreation. Our task was to somehow get from \$564 million to a realistic bond amount. The first thing we determined was that the city of Shreveport desperately needs to hold a bond election. Through the late 1970s until 2001 Shreveport held bond elections every three-to-five years. Our city’s last bond issue was 10 years ago.

We talked with bond attorneys, the Finance department and various city officials and determined that the city’s current bonding capacity is \$282 million dollars. What that means is that we could hold a bond issue for that amount today with NO increase in taxes.

However, an overwhelming majority of our committee thought that \$282 million was too much to pursue, for a number of sound reasons. After much discussion, we agreed on \$165 million. A bond issue of that size leaves more than \$120 million in bonding capacity available to the city in case of emergency, or in case the city decides to hold another bond election in three-four years. A bond issue of \$165 million will not increase taxes in any way, and will not negatively affect the city’s bond rating. We felt \$165 million, though the largest bond issue in the history of the city; has a solid chance of passage at

the polls if the city mounts an educational campaign between now and the election, and certainly not least, \$165 million addresses a number of crucial departmental issues presented to the committee.

But though \$165 million is a tremendous amount of money, it did not come close to covering the \$564 million the departments had requested. We undertook an arduous process of determining which projects should be funded and which would have to wait. We went back to priorities and of each project, we asked:

1. What is the Cost Benefit? In other words, how many people are going to benefit at what cost?
2. Is it a department priority?
3. Is this project mandated by state or federal officials?
4. How were the estimated costs calculated and are they recent?
5. Are there alternative funding sources for this project?
6. Are there alternatives to the project? (Can it be made smaller, done in phases, or combined with something else?)
7. How will this project be maintained in the future-with what funding?

Question number seven still causes our committee great concern, because the city does not have adequate funding for maintenance in departments and we are seeing the ill effects of this all over the city. Let's focus on SPAR very briefly. SPAR has to clean, maintain and pay the utilities for 128 city buildings in addition to 15 parks, four cemeteries, 16 miles of jogging trails, 124 flower beds, three golf courses and 40 acres of municipal grounds. Whenever a new building, facility or flower bed is added, they have to clean and maintain it, with no increase in their maintenance budget.

Since operating funds for repairs and equipment have dropped drastically over the years, General Obligation Bonds (GOB) have become the best way for SPAR and other departments to pay for upkeep and repairs. We believe there is a better way. SPAR could be allowed to increase fees at their most popular venues, or sell off underperforming assets. Across the country, municipalities put a percentage of the value of the facility into a **maintenance fund** that goes into paying for that facility's housekeeping, repairs and utilities. In this bond issue, we are suggesting that two new police facilities and some SPAR additions be constructed, but we see no budget increase for their maintenance, adding to the load SPAR must carry.

We also had an 800-pound gorilla sitting in the room with us every time we met: DOS Water and Sewer. The list of repairs and upgrades presented to us for water and sewer was extensive and expensive. We knew that the federal government was focused on sewer repairs. We were told that the Fed's would be looking at this bond issue to see that we were serious about making sewer improvements.

We had to weigh that with a give-and-take. The more General Obligation Bond money that goes into water and sewer, the less there is for everything else...less for streets, less for drainage, less for police and fire, for SPAR and finance.

Clean, available water and a sewer system that works are incredibly important, they are vital to the life and well-being of our city. Sewer repairs must be made. But Water and Sewer has additional means to raise money that the other departments and divisions do not. Though we were not asked to weigh in on this question, the committee overwhelmingly supports city efforts to find alternate revenue for water and sewer. Additional revenue will allow water and sewer to be proactive and develop a maintenance and replacement schedule rather than always chasing the latest emergency. Additional revenues for the division could come from increased water or sewer rates, impact fees, a sales tax dedicated to infrastructure or other means. No one likes to talk about increasing fees...but clean and available water and a sewer system that works are non- negotiable.

To begin the process, the committee voted to dedicate more than half of this bond issue to the needs of water and sewer. We hope their funding does not end with this bond issue.

We have additional important points to share. Eight million of SPAR's total in the bond issue is for Americans with Disabilities Act (ADA) upgrades mandated by the federal government. SPAR has been told by the federal government to make the upgrades or face consequences, such as fines.

The \$1,000,000 to upgrade the city's financial and accounting system will improve a system purchased more than 20 years ago. In fact, the current system is so outdated that it is no longer supported by the manufacturer. This upgrade is necessary to give city departments the tools they need to not only manage their yearly operating budgets, but to manage and keep track of the money from a large bond issue. We found confusion in some departments about money available and money committed. The departments need to know that they are working with the latest and most updated amounts available to them.

Along these lines, we encourage the council and mayor's office to invite citizens to watch the bond projects every step of the way by making the progress clear, easy to find and regularly updated. The Citizens Bond Study Committee strongly supports quarterly- to- monthly reports posted on the city's website that will show the status of each bond project, the costs to date, expected completion, names of architects, engineers, contractors and bond attorneys hired, and what they are being paid. An informed public is a more trusting partner in the process and will be more willing to vote for additional bond issues in the future.

As to the bond election, we recommend the voters be able to vote up or down on multiple propositions. Our suggestion is to have three propositions.

Proposition 1- DOS Water and Sewer \$89,970,000

Proposition 2- Public Safety, SPAR and Finance \$43,850,000

Proposition 3- DOS Streets and Drainage \$31,180,000

We suggest an election date of April 2, 2011. To make that date, a resolution calling for the election would need to be adopted by the Shreveport city council by November 9, 2010. We hope that over the next seven months, the city can make its case to the voters about why this bond election is so important to the future of Shreveport.

Liz Swaine  
Chairman, 2010 Bond Study Committee, and

2010 Bond Study Committee

Ronald Robinson  
Harold Sater  
Howard Allen  
Ken Krefft  
Susan Standke  
Alan Tipton  
Gilbert Little  
Thomas Page  
Judy Holland  
Vernon Thomas  
Lynn Cawthorne  
Joyce Lawrence  
Dorothy Abmas  
Wilbert Williams  
Martin Bryant