

June 9, 2011 - **CITY GETS HIGH MARKS FROM WALL-STREET BOND EXPERTS**

The City of Shreveport is on firm financial ground as it prepares to market more than \$80 million in general obligation bonds designated to pay for some long-awaited repairs to the city's infrastructure, according to two recent reports.

Standard & Poor's has assigned the City a long-term rating of "A+" and indicates that Shreveport's service-based economy centered on retail, tourism and health care has created a diverse portfolio that supports the traditional base in the oil and gas industry for the three-parish area.

Shreveport's management practices also have been upgraded to "good" from "standard" under Standard & Poor's financial management methodology. This revision indicates that the financial management practices of the City's Administration have continued to evolve such that the rating agency recognizes the impact of current practices. These include continuing to insist upon an increased operating reserve; conserving increases in revenue such as sales tax; maintaining a positive fund balance; no layoffs or furloughs of personnel; and the recent restructuring of major city debt that generated cost savings and lower debt levels.

The financial review was similar from experts with Moody's Investor Service, which assigned the City a rating of "A1." Moody's assessment was largely based on the sizable tax base that has continued to expand throughout the recent recessionary period. Over the last five years, assessed valuation has grown an average of 4.4 percent. Moody's believes the City will continue to experience above-average growth rates given the most recent historical trends.

Another positive factor in the City's outlook is the unemployment rate, which was 7.9 percent in March. That compares to the national unemployment rate of 9.2 percent for the same period. These trends are driven by expansion in key industries, including filmmaking, military-related industries and natural gas, Moody's reported.

These financial assessments are the result of information the City provided last month during face-to-face meetings in New York City with financiers and potential investors. That team, led by Mayor Cedric Glover, included City Council Chair Oliver Jenkins, Chief Administrative Officer Dale Sibley, and Finance Director Charles Madden.

"We are elated by the positive reports we've received and this bodes well for us as we prepare to market these general obligation bonds," Mayor Glover said. "The City is in good financial health, which is something we stressed during the public meetings with citizens about the bond issue, and we expect to get a low interest rate and then start working as soon as possible to take care of our most pressing projects."

On April 2, voters approved the City's proposal to use \$175 million in general obligation bonds for several capital improvement projects. The bulk of the funds have been

designated for water and sewerage projects, with the rest being allotted to public safety, parks and recreation and streets and drainage.

Check out www.shreveportbond2011.com for the latest bond-related news and updates.

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