



CITY OF SHREVEPORT

MAYOR TOM ARCENEUX

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FOR IMMEDIATE RELEASE

Tom Arceneaux

MAYOR

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The Mayor was informed today that *Moody's Investors' Services* has downgraded the City's water and sewer bond rating from A3 to Baa1 and Baa2. *The City's overall bond rating of Baa1 was retained.*

Moody's lower rating noted the new administration's efforts to restore fiscal health and improve governance, but it reflected concerns that the current level of utility revenues are insufficient to keep up with the needs of our water and sewer infrastructure. A utility rate study is in progress to identify exactly what kinds of increases to utility rates might be indicated.

The Moody's rating also gave a negative outlook to the City's bond ratings. Moody's analysis noted that the City was facing significant financial challenges going forward, including litigation costs, additional capital needs that will likely require future bond sales and the need to adjust utility rates in the near future. The Mayor and his staff will work with the City Council to address these concerns.

The City's ability to pay its debts is not in question and its bonds remain investment grade.