



## CITY OF SHREVEPORT

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FOR IMMEDIATE RELEASE

Tom Arceneaux

**MAYOR**

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### **MAYOR ARCENEAUX RELEASES 2024 CITY BUDGET PROPOSAL**

Mayor Tom Arceneaux released his Administration's 2024 budget proposals today.

The Mayor's operating budget proposals total \$675.9 million. His capital budget proposal of \$1,263,023,804 includes \$20.9 million in new projects, mostly for streets, the airports and SporTran.

Highlights of the Mayor's budget request include:

- A balanced budget of current revenues and expenses for the General Fund, the fund where most basic City services are funded. The General Fund reserve of \$25 million is about 9% of projected 2023 spending. The General Fund budget of \$282.9 million is 5% less than the original 2023 budget.
- Proposals to address our most significant organizational challenge - recruiting and retaining Police officers and Firefighters. The Mayor's budget funds a recruitment stipend for Police and Fire recruits equal to the \$7,200 in State supplemental pay which they will receive after a year of service. Already-certified officers transferring from another jurisdiction will be eligible for a stipend totaling \$10,000, with some paid upfront and the rest after two years of service. Existing officers will be eligible for increased incentive pay for physical fitness and educational attainment (both Fire and Police), for firearms proficiency (Police) and for paramedics working on medic units (Fire).
- A pay increase for Fire and Police civil service employees in addition to the incentives. The Mayor recommends that Fire and Police civil service employees receive a 3% pay increase in 2024, in addition to the 2% required by State law.

- Small pay increases and adjustments for other City employees. Classified employees hired in the past two years, who now work under a pay scale which is about 10% lower than employees hired before 2022, will be transferred to the higher scale. This will raise starting pay for new hires and give the City more ability to be successful in a very competitive marketplace. In addition, employees hired before 2022 will be eligible to receive a merit step increase of about 4% during the year, with the timing depending on when they began their work.
- Additional funding to maintain City buildings. During 2023, the City has consistently had to dip into its reserves to fund emergency repairs and system replacements. The SPAR budget includes \$1 million to help the City deal with those emergencies in 2024.
- Continuation of increased funding for cleanup and street lighting. During 2023, the Mayor and Council agreed to increase funding for housing demolition, weed abatement, right-of-way mowing/litter pickup and street lighting. The 2024 budget retains most of this new funding in an effort to improve the appearance of the City.
- Allocation of funds that would need to be borrowed in 2024 to finance the possible REV redevelopment project for the State Fair Grounds. A feasibility study is underway for this project, but if it is favorable, the City will need the \$4 million that the Mayor has included in the Riverfront Fund for debt payments.
- Allocation of \$10 million for replacement vehicles and equipment for City departments, to be financed over five years. This includes more than 70 replacement vehicles for the Police department.
- Funding for Street construction and major repair projects at \$10.6 million, more than was in the original 2023 budget but less than the City will actually spend this year. Most new work in 2024 will be asphalt street overlays and small reconstruction projects. Larger-scale work will be dependent on a successful 2024 bond issue next spring for funding.
- Setting Water and Sewer rates to comply with Water and Sewer debt obligations. One budgetary request that will affect Shreveport citizens is required as a result of the City's inability over the last few years to meet the covenants made to the entities who purchased the City's recent Water and Sewer debt. The City obligated itself to generate a specific level of revenue to assure that they would be paid, even in a bad revenue year. Keeping that promise, called "bond coverage", going forward requires a 20% Water and Sewer rate increase next year. Failure to meet the City's coverage promises will affect its ability to sell bonds for capital projects going forward, which leaves the City with no choice but to raise rates.
- A modest increase of \$3 per month in the Solid Waste fee on residents' water bills. The Solid Waste Fund relies heavily on general tax revenues. This fee increase, which will generate about \$2.4 million in new revenue, will reduce that reliance. It may not be the only way to get this done. The Administration will be

happy to work with the City Council on other alternatives that reach the same goal.

This is the first step in a budget process that is required by the City Charter. The City Council will spend the next ten weeks reviewing the budget proposals and will hold a public hearing on the budget in early November. All of the 2024 budgets must be adopted by December 15, 2023.

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