



CITY OF SHREVEPORT  
MAYOR TOM ARCENEUX

**FOR IMMEDIATE RELEASE**

November 25, 2025

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**Mayor Arceneaux Responds to Moody's Downgrade**

On November 24, 2025, Moody's Ratings issued a press release notifying the public of its intention to downgrade the City of Shreveport's General Obligation and Senior Lien Revenue rating to Baaa3 from Baa2. Additionally, Moody's recommended a downgrade of the Junior Lien Revenue Rating to Ba1 from Baa3. Moody's maintained its negative outlook on these ratings and will revisit the City's financial position, plans, and updates in 12-18 months.

The City is currently undertaking a revenue refunding of existing Water and Sewer Revenue bonds. This refunding is intended to save the City over \$8MM in long term debt costs and improve the city's ability to invest in its water and sewer systems.

One reason Moody's listed for the negative outlook is the increased long-term financial obligation "expected from consent decree capital needs." In 2014 the City of Shreveport entered into a Federal Consent Decree with the with the U.S. Department of Justice, the U.S. Environmental Protection Agency, and the Louisiana Department of Environmental Quality to address findings related to the aging city sewer infrastructure and related sanitary sewer overflows. According to Mayor Arceneaux, "the Federal Consent Decree placed the City of Shreveport on an unachievable timeline to address generational challenges to our sewer system. The City has spent hundreds of millions of dollars in an attempt to comply with the Federal Government's mandates. My administration has entered into good faith negotiations with all the parties involved to renegotiate the substance of the consent decree and to align the City's ability with the expected outcomes of the Federal Government and of our citizens. Our goal is to comply, but to comply with consideration to our citizens and in a sustainable manner."

In its own press release, Moody's outlined factors that could lead to a future upgrade of the ratings. One immediate suggestion that the administration is implementing is to improve the health of the City's fund balance and operating reserves. "My administration, with the support of the City Council, has consistently maintained the City's operating reserves at 8% or higher. Based on the guidance from Moody's, we will be more aggressive to maintain and even increase the operating reserve," said Arceneaux.

Nnamdi Thompson who serves as Municipal Advisor for the City, is optimistic that current steps the City is taking will ultimately improve the ratings in the near future. "It has been evident in our discussions with Moody's and S&P that the City has turned a positive corner in the management of its assets and debt. Although we are seeing a downgrade today, we fully expect to see improvements in future reviews by the ratings agencies," said Thompson.

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