



Metropolitan Planning Commission

City of Shreveport | Caddo Parish

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October 12, 2017

TO: Mayor, City Council, Parish Commission, MPC Board, Chief Administrative Officer, Parish Administrator, City Attorney, Parish Attorney, MPC Attorney, City Finance Director and Parish Finance Director

FROM: Mark W. Sweeney, AICP
Executive Director

**RE: FINANCIAL SUSTAINABILITY STUDY
SHREVEPORT-CADDO METROPOLITAN PLANNING COMMISSION**

To All Concerned:

Attached, please find a copy of the final report of the **MPC Financial Sustainability Study** that was prepared by the fiscal, economic and planning consulting firm of TischlerBise. The primary purpose of this study is to understand the relationship between the services provided by the MPC in the City and Parish and the revenues collected for those services. Additionally, this inquiry seeks to identify potential changes to the organization's financial structure to ensure ongoing fiscal sustainability.

Please note that this is the first time in the MPC's history that a professional third party consultant has been commissioned to conduct a comprehensive and objective study to determine a logical funding apportionment for the agency between the City and Parish. The firm of TischlerBise was selected for this important task due to their extensive fiscal planning expertise, their familiarity with the Shreveport-Caddo area and their past experience of having developed the "Revenue Strategies Report" as a sub-contractor for Goody Clancy & Associates as part of the "Shreveport-Caddo 2030 Great Expectations Master Plan" in October 2010.

Our goal is for the findings and recommendations of this study to initiate a serious and constructive dialogue between the Shreveport City Council and the Caddo Parish Commission that will result in strategic changes in the long-term financial sustainability of this agency. The proposed 2018 MPC Budget and funding requests serve as the first opportunity to implement a more fiscally sound and equitable financial approach for our organization.

If you have any questions or comments, please feel free to contact me accordingly.

MWS
Attachment

***Financial Sustainability Study
Shreveport-Caddo Metropolitan Planning Commission***

Submitted to:
Shreveport-Caddo MPC

October 10, 2017

Prepared by:



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INTRODUCTION

TischlerBise is under contract with the Shreveport-Caddo Metropolitan Planning Commission to conduct a Financial Sustainability Study. The aim of the study is to understand the relationship between the services provided by the MPC in the City and Parish and the revenues collected for those services. Additionally, the study seeks to identify potential changes to the organization’s financial structure to ensure ongoing fiscal sustainability.

Existing Budget Structure

The MPC’s 2017 budget is listed in Figure 1. About 79.1 percent of the organization is supported by subsidies from the City of Shreveport and Caddo Parish, while 20.9 percent is supported by charges and fees. However, the charges and fees listed in the budget all originate in the City of Shreveport. The revenues collected by the MPC for services outside of the city are passed through directly to Caddo Parish and do not appear in the MPC’s budget. Most of the expenditures for the MPC are for Personal Services. Employee salaries are the largest share of Personal Services, but the Employee Retirement System does account for a significant portion as well. The MPC operates under a balanced budget.

Figure 1. Shreveport-Caddo Metropolitan Planning Commission 2017 Budget

Revenue	Dollars	Percent
Sign Permits	\$36,000	2.2%
Cert of Occupancy	\$130,000	7.9%
Subdivision Filing Fees	\$31,500	1.9%
Sale of Maps	\$100	0.0%
Zoning Credits	\$146,000	8.9%
Operating Subsidy - Shreveport	\$1,083,400	65.9%
Operating Subsidy - Caddo Parish	\$217,500	13.2%
Total	\$1,644,500	

Expenditures	Dollars	Percent
Personal Services		
<i>Official/Administrative Salaries</i>	\$212,100	12.9%
<i>Professional Salaries</i>	\$427,000	26.0%
<i>Technician Salaries</i>	\$243,300	14.8%
<i>Office/Clerical Salaries</i>	\$236,200	14.4%
<i>Employee Retirement System</i>	\$215,700	13.1%
<i>Deferred Compensation</i>	\$20,800	1.3%
<i>Group Insurance</i>	\$149,900	9.1%
<i>Medicare Trust Contribution</i>	\$14,100	0.9%
<i>Training</i>	\$11,300	0.7%
<i>Memberships</i>	\$3,800	0.2%
Materials & Supplies	\$20,700	1.3%
Contractual Services	\$87,100	5.3%
Improvements & Equipments	\$2,500	0.2%
Total	\$1,644,500	

Source: City of Shreveport 2017 Budget

Note: Percentages have been rounded to the first decimal place

Figure 2 provides a summary of MPC funding sources over the past three years. As shown, there has been a relatively consistent proportion of funding from the three main funding sources for the MPC. Over the past three years the City of Shreveport has supported the MPC with a subsidy of \$1,083,400 each year, 66.9 percent on average, while Caddo Parish has contributed an average of 12.3 percent of the MPC’s budget. Charges and fees for services—all of which are generated in the City— on average have supported 20.9 percent of the budget.

Figure 2. Shreveport-Caddo Metropolitan Planning Commission 2017 Revenues

	2015		2016		2017	
	Amount	Percent	Amount	Percent	Amount	Percent
City of Shreveport	\$1,083,400	69.6%	\$1,083,400	65.2%	\$1,083,400	65.9%
Caddo Parish	\$189,200	12.2%	\$189,200	11.4%	\$217,500	13.2%
Charges & Fees	\$284,300	18.3%	\$389,900	23.5%	\$343,600	20.9%
Total	\$1,556,900		\$1,662,500		\$1,644,500	

Source: Public documentation of the Metropolitan Planning Commission's annual budgets is found in the City of Shreveport's budgets.

Note: Percentages have been rounded to the first decimal place.

Approach to the Analysis

Two approaches are taken to identify the proportional share of MPC expenses between the City of Shreveport and Caddo Parish. The first, **Direct Cost Approach**, is an analysis of the direct costs and revenues of the MPC from both localities. The method utilizes service call data to allocate expenditures. The call data is split between the City of Shreveport and Caddo Parish and is assumed to be a good indicator of the expenditures the jurisdictions generate for the MPC. The jurisdictions’ reimbursement to the MPC for their services was calculated using not just the intergovernmental transfers found in the budgets, but capital facilities and services as well.

The second approach is a **Budget Analysis of Caddo Parish**. The City of Shreveport is contained within Caddo Parish; that is, all Shreveport residents are Caddo Parish residents. As a result, a portion of Caddo Parish’s budget is for services for those that live outside the city limits and for those within the city limits. This proportion of level of service of Parish services is used as a proxy for the level of service of the MPC. The results of both approaches are detailed and compared in the body of this report.

To identify potential changes to the MPC’s financial structure, the study researched similar governmental entities in the region¹. Along with studying the financial structures of other metropolitan planning commissions, fee schedules and other revenue strategies were also investigated. Additionally, since employee pensions have become a financial strain for the City of Shreveport, alternative retirement options for employees were explored.

¹ Other entities include: Caddo Parish Coroner; Shreve Memorial Library; Bossier City-Parish MPC; Rome-Floyd County Planning Department; Winston-Salem-Forsyth County Planning Division.

PROPORTIONAL SHARE ANALYSIS

As discussed, there are two approaches to the proportional share analysis: (1) **Direct Cost** and (2) **Budget Analysis**. In this section, both approaches are addressed and compared.

Direct Cost Approach

In the **Direct Cost Approach**, the service calls for the MPC’s services are used to determine the level of demand from the localities. After the level of demand is evaluated, in-kind subsidies from the City and Parish are included. The result is the proportional monetary subsidy that represents the true reimbursement for the jurisdictions.

Listed in Figure 3 is the MPC’s 2017 Revenues. The majority of the MPC’s revenue comes in the form of subsidies from the City and Parish. Also, all the charges and fees that the MPC lists in their annual budget (i.e., Sign Permits, Certificates of Occupancy, etc.) originate from services within the City of Shreveport. All revenue from services from the areas outside the city limits are passed through directly to Caddo Parish on a quarterly basis.

This contrasts with the charges and fees for services within the city limits, where the MPC retains all the revenue from services within the city limits. This is an important distinction between the subsidy from the City of Shreveport and Caddo Parish. Therefore, to determine the amount of funding from the City of Shreveport, the City’s subsidy, charges, and fees are summed. The City of Shreveport Funding accounts for 86.8 percent and the Caddo Parish Funding accounts for 13.2 percent of the MPC’s budget.

Figure 3. Shreveport-Caddo Metropolitan Planning Commission 2017 Revenues

Revenue	Dollars	Percent
Sign Permits	\$36,000	2.2%
Cert of Occupancy	\$130,000	7.9%
Subdivision Filing Fees	\$31,500	1.9%
Sale of Maps	\$100	0.0%
Zoning Credits	\$146,000	8.9%
Operating Subsidy - Shreveport	\$1,083,400	65.9%
Operating Subsidy - Caddo Parish	\$217,500	13.2%
Total	\$1,644,500	100.0%

Source: City of Shreveport 2017 Budget

City of Shreveport Funding	\$1,427,000	86.8%
Caddo Parish Funding	\$217,500	13.2%

Note: Percentages have been rounded to the first decimal place

To determine the level of service the MPC provides for the City and Parish, TischlerBise obtained data on the MPC’s services for calendar year 2016. In total, 89.8 percent of the MPC’s cases were from within the City of Shreveport with the majority of services being for certificates of occupancy; see Figure 4. This percentage split of the service calls is the first step in the **Direct Cost Approach**.

Figure 4. Shreveport-Caddo Metropolitan Planning Commission Service Data

Type of Service	Service Calls	Percent
Zoning Cases		
City of Shreveport	99	84.6%
Caddo Parish	18	15.4%
ZBA Cases		
City of Shreveport	109	72.7%
Caddo Parish	41	27.3%
Subdivision Cases		
City of Shreveport	87	68.5%
Caddo Parish	40	31.5%
Complaints Filed		
City of Shreveport	243	89.0%
Caddo Parish	30	11.0%
Certificates of Occupancy		
City of Shreveport	957	96.0%
Caddo Parish	40	4.0%
Total	1,664	
City of Shreveport	1,495	89.8%
Caddo Parish	169	10.2%

Source: Shreveport-Caddo MPC

Note: Percentages have been rounded to one decimal

However, in-kind support to the MPC from the City and Parish needs to be included as well. These in-kind contributions include staffing allocations from the City and Parish that support the MPC and/or capital facilities that are provided to the MPC without reimbursement. Additional subsidies that need to be accounted for are listed in Figure 5.

Figure 5. Additional Annual In-Kind Subsidies to MPC from Jurisdictions

City of Shreveport		Caddo Parish	
Staff Allocation		Capital Facilities	
City Admin [1]	\$132,956	Vehicle	\$15,000
Capital Facilities		Total	\$15,000
Office & Parking [2]	\$92,750		
Total	\$225,706	In-Kind Subsidy Difference	
		City of Shreveport	\$210,706

[1] The administrative support to the MPC was calculated by determining the ratio between internal and external costs in the City’s budget. That ratio represents the amount of internal services needed to support external services. That ratio is then applied to the external costs in the MPC budget.

[2] Assumed 25% of floor area of one level of the City building (7,000 square feet). Price per square foot comes from survey of current office listings on loopnet.com in the vicinity of MPC office. The listings included parking, so parking costs are embedded into the total for the Office & Parking Capital Facility.

From the City of Shreveport, the MPC receives an estimated \$225,706 of in-kind support. The City supports the MPC, without reimbursement, in many capacities such as from the City Attorney's Office, IT Department, HR Department, Finance Department, Facility Services, and Fleet Maintenance. Since the City's staff support happens in a multitude of ways, the City staff support allocation is calculated by examining the City's operating budget and determining the internal and external costs. An internal cost's primary function is to support other departments, i.e., Human Resources, while an external cost's primary function is to service the public, i.e., Parks and Recreation. The ratio between the two costs represents the amount of internal services needed to support the external/direct services. The ratio is applied to external costs in the MPC's budget as a cost allocation proxy for the internal services needed to support the MPC. Additionally, the MPC does not pay rent for their office space or parking at the City's office building and parking lots. The in-kind capital facility support is calculated to reflect the market rate of the approximate size of the office and parking.²

From Caddo Parish, the MPC receives an estimated total of \$15,000 of in-kind support. Caddo Parish has historically paid for the MPC's vehicles, which have now exceeded their useful life. For Fiscal Year 2018, three vehicles are requested for replacement, totaling a cost of \$75,000. The vehicles should be replaced every five years on a regular schedule, resulting in an annual cost of \$15,000 for capital facilities support.

Illustrated in Figure 5, the City of Shreveport's in-kind support is \$210,706 greater than Caddo Parish's support. To balance the overall contributions provided by each jurisdiction, this amount is reduced from the City's proportional share and added to the Parish's share.

The final adjusted proportional share is shown in Figure 6. To stay consistent with the methodology, the MPC's 2017 budget is adjusted and shown in the figure. (Later in the report a recommended adjustment will be applied to the 2018 budget.) The preliminary proportional share is the total subsidy multiplied by the service call split. This share represents the amount of the MPC's budget each jurisdiction is attributed based on the level of demand. However, an adjustment needs to be applied because of the in-kind subsidies from each jurisdiction to support the MPC, but that is not listed in the budget. As shown in Figure 5 and discussed above, there is a \$210,706 difference in in-kind subsidies between the City of Shreveport and Caddo Parish. The adjusted proportional share accounts for the in-kind subsidies by reducing the City of Shreveport's proportional share by the difference and adding the difference to Caddo Parish's share.

After adjusting for in-kind support, the Direct Cost Approach results in the City of Shreveport contributing 77.0 percent of the MPC's needed subsidy and Caddo Parish contributing 23.0 percent of the MPC's needed subsidy.

² Five current office space leasing ads listed on loopnet.com are used to determine the market rate of office space per square foot (\$13.25). From discussions with MPC staff, it was determined that the MPC office is about 25 percent of the floor they occupy in the City of Shreveport's building. The floor is approximately 28,000 square feet, so the MPC office space is approximately 7,000 square feet. ($\$13.25 \times 7,000 = \$92,750$). The market value includes parking, so no additional value is added to compensate for parking spaces supplied to the MPC.

Figure 6. Adjusted Proportional Share to MPC

2017 Budget						
\$1,644,500						
	Service Call Split [1]	Proportional Share [2]	In-Kind Subsidy [3]	In-Kind Adjustment	Adj. Proportional Share [4]	Percent of Total
City of Shreveport Funding	89.8%	\$1,476,761	\$225,706	-\$210,706	\$1,266,055	77.0%
Caddo Parish Funding	10.2%	\$167,739	\$15,000	\$210,706	\$378,445	23.0%
Total		\$1,644,500			\$1,644,500	

[1] See Figure 4.

[2] Found by multiplying the service call split by the total 2017 subsidy.

[3] See Figure 5.

[4] Since the City of Shreveport has a larger in-kind subsidy amount, the City's proportional share is reduced by the difference of the two in-kind subsidies (\$210,706) to calculate the Adjusted Share. The difference is added to Caddo Parish's share.

Note: all percentages have been rounded to the first decimal and dollar amounts have been rounded to the whole dollar.

Budget Analysis Approach

The second methodology examined is the **Budget Analysis Approach**. This methodology analyzes the level of demand residents and businesses throughout the Parish put on Parish services. As noted in the introduction, residents of the City of Shreveport are also residents of Caddo Parish. This approach delineates the level of demand on Parish services from those within the city limits and those outside of the city limits, of which the MPC is one such service. The resulting split of the Parish's expenditures can then be used as a proxy for the appropriate allocation of the MPC's subsidy.

The demand for Parish services is analyzed using the expenditures in the Parish's General Fund and Special Revenue Funds. The cost drivers are determined to be based on population, jobs, or the combination of both. The departmental costs are then allocated to the geographic area of the Parish that the department serves (Parishwide, City of Shreveport, Outside the City). In some cases, expenses are determined to be fixed. Only the expenses that are dependent on population and jobs are analyzed. To begin, Figure 7 lists the demographics used for the City of Shreveport and Caddo Parish. The City of Shreveport comprises 77.7 percent of Caddo Parish's population and 91.1 percent of Caddo Parish's jobs.

Figure 7. Population and Jobs in the City of Shreveport and Caddo Parish

	Population	Jobs	Pop and Jobs
Caddo Parish	256,366	144,219	400,585
City of Shreveport	199,308	131,378	330,686
Unincorporated	57,058	12,841	69,899

Source: ESRI, 2017

Percent of Caddo Parish

	Population	Jobs	Pop and Jobs
City of Shreveport	77.7%	91.1%	82.6%
Unincorporated	22.3%	8.9%	17.4%

Note: Percentages have been rounded to the first decimal place

Utilizing the demographics in Figure 7, the analysis determines the proportion of costs for each department in the Parish’s General Fund and Special Revenue Funds. Listed in Figures 8 and 9, the costs generated in the General Fund and Special Revenue Funds are allocated to Parishwide, the City of Shreveport, and to the areas outside of the City of Shreveport (“Outside the City”). As an example of the calculation, the Parish Commission is budgeted at \$708,764. The Commission serves a Parishwide service area and is modeled based on the demand from population and jobs in the Parish. As a result, the Commission costs \$1.77 per person and job in the Parish. Multiplying that factor by the amount of population and jobs in each service area results in a proportional share of the total cost. The population and jobs inside of the City of Shreveport accounts for \$585,314 of the Commission’s budget and the population and jobs outside the city accounts for \$123,721. The other departments and Special Revenue Funds are analyzed in the same manner. (Note: to allow for calculations to be replicated all the numbers have been rounded to the digit listed in the figure.)

Figure 8. Caddo Parish General Fund Expenditures

General Fund Expenditures		2017 Adopted	Demand Base	Adjusted Total	Parishwide, City of Shreveport, Outside the City	Demand Base Value	\$/Demand Unit	City of Shreveport	Outside the City
General Government \$4,014,482	Commission	\$708,764	Pop and Jobs	\$708,764	Parishwide	400,585	\$1.77	\$585,314	\$123,721
	Admin & Legal	\$740,205	Pop and Jobs	\$740,205	Parishwide	400,585	\$1.85	\$611,769	\$129,313
	Human Resources	\$164,032	Pop and Jobs	\$164,032	Outside the City	69,899	\$2.35	\$0	\$164,032
	Finance	\$506,445	Pop and Jobs	\$506,445	Outside the City	69,899	\$7.25	\$0	\$506,445
	Information Systems	\$188,607	Pop and Jobs	\$188,607	Outside the City	69,899	\$2.70	\$0	\$188,607
	Elections	\$805,710	Population	\$805,710	Parishwide	256,366	\$3.14	\$625,827	\$179,162
	LSU Extension	\$74,100	Fixed	\$0		N/A	\$0.00	\$0	\$0
	Allocation to Other Entities	\$303,004	Population	\$303,004	Parishwide	256,366	\$1.18	\$235,183	\$67,328
	Statutory Appropriations	\$523,615	Pop and Jobs	\$523,615	Parishwide	400,585	\$1.31	\$433,199	\$91,568
	Building Facilities \$254,896	Coroner	\$72,920	Population	\$72,920	Parishwide	256,366	\$0.28	\$55,806
LSU Extension		\$35,455	Fixed	\$0		N/A	\$0.00	\$0	\$0
Archives		\$76,000	Fixed	\$0		N/A	\$0.00	\$0	\$0
David Rains		\$70,521	Population	\$70,521	Parishwide	256,366	\$0.28	\$55,806	\$15,976
Criminal Justice \$7,275,580	District Court	\$1,922,174	Pop and Jobs	\$1,922,174	Parishwide	400,585	\$4.80	\$1,587,293	\$335,515
	District Attorney	\$5,044,806	Pop and Jobs	\$5,044,806	Parishwide	400,585	\$12.59	\$4,163,337	\$880,028
	Coroner	\$232,100	Population	\$232,100	Parishwide	256,366	\$0.91	\$181,370	\$51,923
	Constable & Justice of Peace	\$76,500	Population	\$76,500	Outside the City	57,058	\$1.34	\$0	\$76,500
Other Financing Sources	Transfers In	\$2,000,000	Fixed	\$0		N/A	\$0.00	\$0	\$0
	Transfers Out	-\$773,000	Fixed	\$0		N/A	\$0.00	\$0	\$0
Total		\$12,771,958		\$11,359,403				\$8,534,904	\$2,826,094

Source: Caddo Parish 2017 Adopted Budget

Note: To allow for calculations to be replicated all the numbers have been rounded to the digit listed in the figure.

Figure 9. Caddo Parish Special Revenue Funds Expenditures

Special Revenue Funds Expenditures	2017 Adopted	Demand Base	Adjusted Total	Parishwide, City of Shreveport, Outside the City	Demand Base Value	\$/Demand Unit	City of Shreveport	Outside the City
Public Works	\$15,341,850	Pop and Jobs	\$15,341,850	Parishwide	400,585	\$38.30	\$12,665,274	\$2,677,132
Building Maintenance	\$4,848,130	Fixed	\$0		N/A	\$0.00	\$0	\$0
Detention Facilities	\$8,924,690	Population	\$8,924,690	Parishwide	256,366	\$34.81	\$6,937,911	\$1,986,189
Parks and Recreation	\$1,519,590	Population	\$1,519,590	Parishwide	256,366	\$5.93	\$1,181,896	\$338,354
Solid Waste Disposal	\$3,126,840	Pop and Jobs	\$3,126,840	Outside the City	69,899	\$44.73	\$0	\$3,126,840
Juvenile Justice	\$4,275,874	Population	\$4,275,874	Parishwide	256,366	\$16.68	\$3,324,457	\$951,727
Health Tax	\$3,526,770	Population	\$3,526,770	Parishwide	256,366	\$13.76	\$2,742,478	\$785,118
Biomedical	\$2,911,180	Pop and Jobs	\$2,911,180	Parishwide	400,585	\$7.27	\$2,404,087	\$508,166
Riverboat	\$1,296,500	Population	\$1,296,500	Parishwide	256,366	\$5.06	\$1,008,498	\$288,713
Oil and Gas	\$5,600,650	Fixed	\$0		N/A	\$0.00	\$0	\$0
Criminal Justice	\$420,000	Pop and Jobs	\$420,000	Parishwide	400,585	\$1.05	\$347,220	\$73,394
Economic Developmnet	\$458,000	Fixed	\$0		N/A	\$0.00	\$0	\$0
Law Officers Witness	\$27,000	Pop and Jobs	\$27,000	Parishwide	400,585	\$0.07	\$23,148	\$4,893
Reserve Trust	\$350,000	Fixed	\$0		N/A	\$0.00	\$0	\$0
Total	\$52,627,074		\$41,370,294				\$30,634,969	\$10,740,526

Source: Caddo Parish 2017 Adopted Budget

Note: To allow for calculations to be replicated all the numbers have been rounded to the digit listed in the figure.

By totaling the amounts each jurisdiction is allocated, the proportional share of Caddo Parish’s costs can be calculated. In Figure 10, demand for Parish services within the City of Shreveport account for 74.3 percent of the Parish’s costs, while the areas outside the city limits within the Parish account for 25.7 percent of the Parish’s costs.

Figure 10. Proportional Share of Caddo Parish’s Costs

	Total Adjusted Costs	City of Shreveport’s Share	Outside of City’s Share
Grand Total	\$52,729,697	\$39,169,873	\$13,566,620
		74.3%	25.7%

Note: the final percentages have been rounded to the first decimal place.

Again, the **Budget Analysis Approach** aims to calculate the current demands on the Parish’s services and uses the resulting share as a proxy for the proportional share of the Shreveport-Caddo Metropolitan Planning Commission funding.

Based on the Budget Analysis Approach, 74.3 percent of the MPC funding should be from the City of Shreveport and 25.7 percent from Caddo Parish. Similar to the **Direct Cost Approach**, to stay consistent with the methodology Figure 11 lists the adjusted proportional share for the MPC’s 2017 budget. A recommended funding share is applied to the 2018 budget in the next section of this report.

Figure 11. 2017 Adjusted Budget – Budget Analysis Approach

2017 Budget
\$1,644,500

	Share of MPC’s Budget	Adjusted Proportional Share
City of Shreveport Funding	74.3%	\$1,221,863
Caddo Parish Funding	25.7%	\$422,637
Total		\$1,644,500

Note: Percentages have been rounded to the first decimal place

Comparison of Approaches

The results from both approaches are similar.

Figure 12. Comparison of Approaches

	Direct Cost Approach	Budget Analysis Approach	Average of the Approaches
City of Shreveport Funding	77.00%	74.30%	75.65%
Caddo Parish Funding	23.00%	25.70%	24.35%

Note: Percentages have been rounded to the second decimal place

As a result, TischlerBise recommends the average between the two approaches with the City of Shreveport funding 75.65 percent of the MPC’s budget and Caddo Parish funding 24.35 percent. Moving forward, if the in-kind subsidies stay consistent (i.e., capital facilities and staffing allocations), the suggested percentages could be used by the MPC for its budget requests.

The results of applying the recommended funding split for the City and Parish is illustrated in the following figures. In Figure 13, the MPC’s 2018 budget proposal to Caddo Parish reflects the MPC’s proposed funding split between the two jurisdictions (75 percent funded by the City and 25 percent funded by the Parish). The MPC’s original formal budget request to the City of Shreveport included \$1,083,400 in subsidy from the City. The MPC did adjust the subsidy amounts before the submission to Caddo Parish.

Figure 13. MPC’s 2018 Budget Proposal to Caddo Parish

Budget Proposal Funding Share	Amount	Percent
City of Shreveport Funding	\$1,239,700	75.00%
Caddo Parish Funding	\$413,200	25.00%
Total	\$1,652,900	100.00%

Budget Proposal to Caddo Parish Revenue	2018 Proposed Budget	
	Amount	Percent
Zoning Credits/Subdivision Fees/Maps^	\$167,400	10.13%
Cert. of Occupancy/Sign Permits^	\$184,500	11.16%
Caddo Parish Operating Subsidy	\$413,200	25.00%
City of Shreveport Operating Subsidy	\$887,800	53.71%
Total	\$1,652,900	100.00%

^ City of Shreveport revenue.

Source: MPC

Note: Percentages have been rounded to the second decimal

TischlerBise’s recommended funding share split and resulting totals are reflected in Figure 14. ***There is a marginal difference (0.65%) between the 2018 funding shares requested by the MPC and the resulting funding shares from the TischlerBise analysis.***

Figure 14. Recommended Funding Share for 2018 Budget

Recommended Funding Share	Amount	Percent
City of Shreveport Funding	\$1,250,419	75.65%
Caddo Parish Funding	\$402,481	24.35%
Total	\$1,652,900	100.00%

Recommended Budget Revenue	2018 Budget	
	Amount	Percent
Zoning Credits/Subdivision Fees/Maps^	\$167,400	10.13%
Cert. of Occupancy/Sign Permits^	\$184,500	11.16%
Caddo Parish Operating Subsidy	\$402,481	24.35%
City of Shreveport Operating Subsidy	\$898,519	54.36%
Total	\$1,652,900	100.00%

^ City of Shreveport revenue.

Source: TischlerBise

Note: Percentages have been rounded to the second decimal

OTHER FINANCIAL STRUCTURE ELEMENTS

The second objective of the study is to address any financial structure issues that have been identified by MPC staff or by TischlerBise. A sound financial structure is necessary for fiscal sustainability and two issues are addressed below: fee continuity and employee retirement programs. Charges for services differ between the City of Shreveport and outside the city limits. The differences are especially noticeable since fees are less for services outside the city limits. Second, the contribution obligation to the employee retirement program has increased over time for the MPC, which could ultimately result in constrained future budgets. Several options are offered to address the retirement programs.

Continuity in Fee Schedules

Currently, the fee schedules for the MPC’s services are different for service calls in the City of Shreveport and Caddo Parish. For example, the base fee for a rezoning application is \$750 in the city and \$500 in the areas outside of the city limits. Along with the lost revenue that would be captured by undercharging residents in the areas outside the city limits, a service call to rural areas of the parish may exhaust more resources from the MPC than a service call within the urban center because of the distance. Large discrepancies may encourage growth of sprawl into unincorporated areas as well (e.g., it is less expensive to develop in the areas outside the city limits than in the city). More examples of the variation between the fee schedules can be found on the following page in Figure 16. The list is not exhaustive and in some cases the differences in terminologies restricts a complete comparison. When there is a difference in a fee amount, those in the City of Shreveport are paying a higher fee than those outside the city limits. If the MPC made an adjustment to create uniformity in the fees and kept the fees at the City of Shreveport’s level, more revenue in the parish would be generated.

The average revenue per service call for each jurisdiction is calculated and shown in Figure 15. (An itemized list of the service call data is previously listed in Figure 4.) In 2016, the City of Shreveport accounted for 1,495 calls and Caddo Parish accounted for 169 calls. As noted, the revenue from services listed in the MPC’s budget all originated within the City while revenue from services attributed to Caddo Parish are collected by the MPC and then reimbursed to the Parish on a quarterly basis. As such, the revenue data attributed to Caddo Parish services has been provided separately by the MPC. On average, the MPC receives \$25 more per service call in the City than from a service call outside the city limits.

Figure 15. Average Revenue Per Service Call

	Revenue	Service Calls	Revenue/Call
City of Shreveport	\$343,600	1,495	\$230
Caddo Parish	\$34,700	169	\$205

Source: MPC

Figure 16. Comparison of MPC Fee Schedules

	City of Shreveport	Outside the City	Difference
MPC APPLICATIONS			
Rezoning			
Base Application Fee	\$750	\$500	\$250
Per Acre	\$50	\$0	\$50
Planned Unit Development			
Base Application Fee	\$1,000	\$500	\$500
Per Acre	\$50	\$0	\$50
Amend Ordinance Stipulations	\$650	\$300	\$350
Preliminary Plat			
Base Application Fee	\$300	\$100	\$200
Final Plat/Re-Plat			
Base Application Fee	\$300	\$100	\$200
Per Lot Fee	\$20	\$10	\$10
Appeals			
Administrative Decision Appeal	\$650	\$650	\$0
Appeal to City Council	\$250	\$250	\$0
ZBA APPLICATIONS			
Special Exceptions Uses			
Alcohol Related	-	\$750	-
Residential	-	\$350	-
Other	-	\$500	-
Zoning Variances			
Residential	\$350	\$300	\$50
Commercial/Industrial	\$500	\$300	\$200
Variances			
Hours of Operation	-	\$300	-
Other	\$450	\$300	\$150
Administrative Decision Appeal	\$650	\$500	\$150
ADMINISTRATIVE APPLICATIONS			
Use Approvals			
Residential	-	\$350	-
Non-Residential	-	\$500	-
Variances	\$150	\$150	\$0
Site Plan			
Base Application Fee	\$650	\$300	\$350
Per Acre Fee	\$50	\$0	\$50
PUD Site Plan			
Base Application Fee	\$650	\$300	\$350
Per Acre Fee	\$50	\$0	\$50
Certificates of Occupancy			
Home Based Business	\$75	\$50	\$25
Commercial Location	\$125	\$125	\$0
Zoning Verification	\$75	\$50	\$25
Map Fees			
Single Plotted Zoning Map	\$12	\$8	\$4
Set Plotted Zoning Map	\$190	\$190	\$0
Single Zoning Map on CD	\$10	\$8	\$2
Set of Zoning Maps on CD	\$30	\$30	\$0
Any Prepared Map Ready to Plot	\$15	\$8	\$7
Custom Map - Base Fee	\$20	\$20	\$0
Custom Map - Per Hour Fee	\$20	\$20	\$0
Wireless Communication Towers Review	\$650	\$650	\$0
Revised Plat			
Revised Plat, incl. Lot Combinations	\$300	\$150	\$150

Source: MPC

In addition to adjusting the fee *amounts*, it is also recommended that the MPC explore *new types* of fees. Other types of fees could include an expansion of development services fees such as a technology fee (e.g., for GIS or other technological services provided by the MPC to the applicant), as well as a broadening of fees to include fees specific to annexation. Annexation-related fees are typically used to mitigate the impact on public infrastructure (similar to impact fees). However, for the MPC, annexation-related fees could also be explored to mitigate the difference between the fee schedules for the Parish and City, so development that starts in the Parish and ultimately gets annexed would pay City rates. Finally, impact fees and annexation fees—one-time fees to pay for growth’s share of public infrastructure needs—can help to provide additional resources for the City of Shreveport and Caddo Parish that in turn can release other revenues to support operations. This additional revenue can ease pressure on City and Parish budgets.

Retirement Programs

Employee retirement costs have been increasing dramatically in the past 10 years. According to the U.S. Bureau of Labor, the amount of contribution employers makes towards employees’ retirement programs have nearly doubled since 2008. Shown in Figure 17, currently 22 percent of the total compensation for a state or local government employee is towards retirement and nearly half of the increase in total compensation has been the result of increasing retirement contributions. As a comparison, in the private sector, employers contribute \$2.68/hour to their employees’ retirement programs, 8 percent of the total compensation. Although higher contributions to employees’ retirement may be an advantage in some ways, budgets must compensate for the increases in long-term costs.

Figure 17. State and Local Government Retirement Contribution Trend: Costs per Hour

Year	Total Compensation (\$/hour)	Total Retirement Contribution (\$/hour)	Retirement Contrib. of Total
2008	\$37.84	\$5.74	15.2%
2009	\$39.51	\$6.29	15.9%
2010	\$39.81	\$6.32	15.9%
2011	\$40.54	\$6.64	16.4%
2012	\$41.16	\$6.98	17.0%
2013	\$42.12	\$7.56	17.9%
2014	\$43.10	\$8.31	19.3%
2015	\$44.25	\$8.98	20.3%
2016	\$45.23	\$9.60	21.2%
2017	\$48.24	\$10.80	22.4%
Increase	\$10.40	\$5.06	7.2%

Source: Bureau of Labor Statistics, 2017

Note: Percentages have been rounded to the first decimal

The MPC is part of the City of Shreveport's retirement program, Employees' Retirement System (ERS), per City ordinance. ERS underwent changes starting in 2014 to address the solvency of the City's retirement program. The changes affected the following elements:

- The City's match contribution decreased from 3.33 to 2.75 percent,
- Employee contribution is increasing from 9 percent to 12 percent by year 2018,
- The time in service required for vesting increased from 10 years to 15 years, and
- Departmental funding requirements are increasing over a multi-year phase-in, which started in 2015 with an eventual increase to 30 percent contribution by the year 2021.

The MPC's retirement obligations have increased from 5 percent of its total budget in Fiscal Year 2015 to 13 percent in Fiscal Year 2017. The MPC's required contribution will continue to increase to meet the retirement system's solvency needs. The budgetary pressures of the retirement system are likely to have a significant effect on the MPC's budget, given over 90 percent of its budget is for personnel costs.

Staff of the MPC are part of the City of Shreveport's retirement system per City ordinance. If changes were to occur (through legislative action), potential options include the MPC establishing a program to compensate employees who choose not to join the retirement program. Employees could be compensated with a monetary supplement to their wage. Some employees may see a higher benefit of immediate compensation compared to a retirement program. Although an incentive program to defer from the program would result in short-term increases to the MPC's budget, the incentive could be structured in a way that there would be long-term cost savings as compared to ERS contributions.

Because the MPC is a joint City-Parish body, it is worth pursuing the potential of shifting retirement benefits to the Parochial Employees' Retirement System (PERS). One nearby example is the Bossier MPC. Currently, the Bossier MPC uses the City as its fiscal agent (per state enabling legislative), receives other non-retirement benefits through the City, but is part of the PERS retirement system. The PERS program would be a lower cost option for the Shreveport-Caddo MPC, but again would need to be authorized via a change to City ordinances and allowed by PERS. The transition could allow current staff to remain in the ERS, but new staff would have the choice of PERS or deferred compensation. Over time, the ERS obligations would be reduced.

The growing obligation for the MPC to contribute to the retirement program will continue to constrain the MPC's budget and operations. Unless revenue from services increases, increasing costs just to maintain current levels of service will result in a need for increased subsidies from the City and Parish. Cost reductions through an incentive program or transition to the PERS can be strategies for future financial sustainability.

SUMMARY & FINDINGS

A summary of the findings and results from the Financial Sustainability Study are provided below:

TischlerBise evaluated the Shreveport-Caddo Metropolitan Planning Commission Revenue Structure under two approaches and recommends the average of the two:

- The **Direct Cost Analysis** of the Shreveport-Caddo MPC allocates 77.0 percent of the MPC's budget to the City of Shreveport and 23.0 percent to Caddo Parish. The **Direct Cost Analysis** incorporates the current level of service that both jurisdictions demand from the MPC, revenues generated from those services, and the in-kind support that the MPC receives from the jurisdictions.
- The results of the **Budget Analysis Approach** of Caddo Parish suggest that the City of Shreveport should fund 74.3 percent of the MPC's budget and Caddo Parish fund 25.7 percent. The analysis examines the operating cost drivers for Caddo Parish and delineates the cost to either a Parishwide service area, the City of Shreveport, or outside the city limits. This approach delineates the level of demand on Parish services from those within the city limits and those outside the city limits, of which the MPC is one such service. The resulting split of the Parish's expenditures can then be used as a proxy for the appropriate allocation of the MPC's subsidy.
- In 2017, the City of Shreveport funded 86.8 percent of the MPC's budget and Caddo Parish funded 13.2 percent. For 2018, TischlerBise recommends the average of the two analyses described herein with **the City funding 75.65 percent and the Parish funding 24.35 percent**. The funding shares include a subsidy contribution to the MPC and revenue from each jurisdiction.

Shreveport-Caddo Metropolitan Planning Commission Financial Structure Study Findings:

- Different fee schedules for development in the City of Shreveport and Caddo Parish has created an imbalance in revenue generation. Currently, fees for services in the Parish are lower than in the City. A uniform fee schedule at the level of the City's current fees would generate an increase in revenue for Caddo Parish. Additionally, the adjustment would better reflect the true cost to serve areas farther from the city.
- In addition, TischlerBise recommends that the MPC explore new user fees as well as one-time impact and annexation fees.
- Across the country, employee retirement programs have been putting an increasing burden on jurisdictions' budgets. The MPC's retirement obligations have increased from 5 percent of its total budget in Fiscal Year 2015 to 13 percent in Fiscal Year 2017. TischlerBise recommends the MPC pursue possible strategies with the City of Shreveport to address the MPC's growing obligation towards its retirement program: an incentive program for employees to choose not to join the retirement program and a transition of future employees to the Parochial Employees' Retirement System (PERS).