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FOR INFORMATION CALL

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Ald. Michael Murphy
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Milwaukee budget for 2014 gets high marks in Public Policy Forum report

The non-partisan Public Policy Forum is giving the City of Milwaukee positive marks for the proposed 2014 city budget.

In a Public Policy Forum report entitled “*Budget Brief: 2014 Proposed City of Milwaukee Budget*,” the city is credited for budgeting acumen that largely keeps vital city services at existing levels for 2014.

“Given the city’s substantial pension contribution, stagnant state aids, state-imposed property tax limits, and \$7.6 million in expiring grants, maintaining services at existing levels is no small task,” the group reports. “When measured against that objective, the 2014 proposed budget receives a high grade, as well as extra credit for its foreclosure initiative and continued diligence on local street repairs.”

The report’s concluding sentence: “Overall, city leaders should be proud of their efforts to manage their way through a set of economic circumstances that have generated far more fiscal upheaval in several other cities across the nation. The proposed budget continues those efforts, but that should not camouflage the fact that the challenges will continue to be intense.”

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Public Policy Forum report /ADD ONE

Alderman Michael J. Murphy, chair of the budget-writing Finance and Personnel Committee, said he is pleased with the report, which cites Mayor Barrett's budget proposal to include a \$61.6 million contribution toward the city's pension fund.

The report states: "While the pension obligation remains daunting – at nearly \$62 million for the employer share in 2014 – the impacts have been alleviated by withdrawals from the pension reserve, as well as recent policy changes that eliminate wide swings in annual pension payments."

Alderman Murphy, a longtime member of the city's ERS Annuity and Pension Board and chair of the Pension Study Task Force, said big benefits plan changes recommended by the Pension Study Task Force and unanimously passed by the Common Council in May 2013 are expected to save up to \$90 million over the next 20 years. "We are working diligently to ensure financial stability for future city taxpayers and residents, and we are doing so in a responsible and disciplined manner," he said.

Alderman Murphy said the city, despite controlling costs and having sound fiscal management, has been harmed by state actions. "To be frank, the city's long-term fiscal challenges remain daunting because of several factors, including the loss of shared revenue from the state shared revenue program, as well as public policy changes (repeal of residency requirement for city workers, removal of billboards from the property tax rolls, etc.) that will be detrimental to the city's finances," the alderman said.

"In spite of these challenges, I remain confident the city will continue to balance its budget and pay its bills on time," he said.