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CAVALIER JOHNSON
ALDERMAN, 2ND DISTRICT

Mayor's budget presentation disheartening, but not surprising

Statement of Alderman Cavalier Johnson September 25, 2019

Yesterday Mayor Tom Barrett delivered his annual budget presentation to the Milwaukee Common Council. If you feel like you like you've heard a preview of just how tight and difficult funding Milwaukee's priorities would be, it's because you have. Before the mayor even walked into the Council Chambers yesterday, a few months prior -- during the height of Bucks playoff fever -- I released a statement (**attached**) titled "*When Winning Really Isn't Winning*" that highlighted a problem then that translates to funding for the City budget now.

Back then, I highlighted that each playoff game played at Fiserv Forum was its own economic stimulus that generated \$3 million in spending. That money is of course taxed and goes into government revenue coffers. The problem is that of that \$3 million, the State allows for zero of those dollars to be taxed by the City to be used on priorities here. This flaw only compounds the fact that Milwaukee sends well over \$1 billion in tax revenue to Madison each year and instead of sharing those resources adequately with our city, the State keeps more and more of the money generated here, they provide state level tax cut after tax cut and then they tell us to tighten our belt. Just this past Sunday on WISN 12's *Up Front*, Senate Majority Leader Scott Fitzgerald indicated his desire to implement yet another tax cut and in the same interview, said that he isn't interested in allowing the one percent sales tax increase currently being asked for by all 19 local governments in Milwaukee County.

The State is basically eating their own lunch, they're then eating our lunch and then telling us that we need to lose weight.

If the State won't commit to a reliable, stable shared revenue funding formula, then perhaps they can at least commit to paying for the largest budget item for local governments throughout Wisconsin. The Milwaukee Police Department's budget alone consumes the city's entire property tax levy. Just imagine the local issues that we could address if that weren't the case.

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In 2023 our pension obligation is slated to increase perhaps to as high as \$100 million. That's an interesting number considering that if the pace of shared revenue had kept up with 2003 funding levels and adjusting for inflation, Milwaukee would be receiving more than \$100 million more from the State than we currently do. Instead, \$400 million in taxes generated in Milwaukee is gobbled up by Madison or dispersed to other communities throughout the state.

The bottom line is that when the state government breaks its promises, it makes delivering even basic services at the local level ever more difficult. Refusing to even consider allowing alternative local funding options that are employed in virtually every other major city in the United States also makes it increasingly difficult to address the unique challenges that urban communities face. This includes addressing critical issues like violence prevention, a greater investment in youth jobs, mental health, fully funded and far-reaching public transit, and other initiatives that our community is requesting.

Locking us into a financial system of dependence on unreliable funding from Madison and over reliance on taxing property owners is wrong, unfair, and unsustainable.

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CAVALIER JOHNSON
ALDERMAN, 2ND DISTRICT

When winning isn't really winning

Statement of Alderman Cavalier Johnson May 23, 2019

It is estimated by VISIT Milwaukee that every Bucks home playoff game this spring translates into a \$3 million impact for Milwaukee businesses.

This, of course, is overall great news for Milwaukee hotels, bars, restaurants, cabs/rideshare services, and many other businesses.

But I would also like to put this in perspective (and a warning – it's almost like a gut-punching buzzer beater each time for the City of Milwaukee): The antiquated and outdated taxation model in place in Wisconsin allows the State government to wholly benefit from these Milwaukee-generated dollars while leaving City government outside of the arena.

Let this sink in: Of the \$1 billion that Milwaukee sends to Madison every year, the City receives only 66 cents of every dollar back in shared revenue. I believe that translates to a more than \$400 million "Milwaukee Dividend" that subsidizes the rest of the state.

Consider all of the people who come into Milwaukee from elsewhere in the state (and even out of state) to attend Bucks games – they drive on our streets, use our water and sewer system, may use our police and fire services etc. and it's all on the back of the property taxpayers of the City because unlike every other major American city, Milwaukee doesn't have the ability to generate a local tax.

Starving local governments of additional local tax options is not only an issue in Milwaukee – it is being felt statewide. Furthermore, Milwaukee is the only city of the first class in Wisconsin – literally in a class by itself.

If the state is the parent and cities are kids, then Milwaukee is the adolescent. Any parent knows that you don't treat your 18-year-old the same way that you treat an 8-year-old.

Time to change Wisconsin's taxation policies to reflect our current times and conditions.

Bucks in six!

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