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FOR INFORMATION CALL

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## **Common Council Hears Mayor Barrett's Budget Address, Will Begin Deliberations**

*Weeks of Hearings Ahead, Full Council to Vote On Adopting 2005 Budget Nov. 12*

Staring down a \$36 million deficit as they prepare to start deliberations on the city's 2005 budget, Milwaukee Common Council leaders said today they will continue to work diligently to hold down property taxes while challenging state legislators to follow their lead by cutting spending and a bloated state workforce.

Common Council President Willie L. Hines, Jr. said the council will work cooperatively with Mayor Tom Barrett and city departments to make difficult cuts and to look for efficiencies and cost savings. "We have some work to do, especially in light of declining state shared revenue and the massive 11.8% increase we're seeing for our health insurance in 2005," said Ald. Hines.

"I am confident that this council will set appropriate priorities and find the balance that preserves the level of services our citizens expect and deserve, looks to protect our future growth and also holds down property taxes," said Ald. Hines.

Over the past two years the city's portion of state shared revenue has been reduced in inflation-adjusted dollars by more than \$19 million. Last year the council adopted a budget that complied with the property tax levy "freeze" as defined by Republicans in the Wisconsin State Legislature.

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## **2005 City Budget/ADD ONE**

Although Mayor Barrett's 2005 budget would again have the city complying with the levy freeze, Ald. Michael J. Murphy said state legislators need to start holding up their end of the bargain.

"We keep hearing all this acrimony coming from the state Republican leadership that we're big spenders," said Ald. Murphy, who is chair of the powerful, budget-writing Finance and Personnel Committee. "The state legislature has been spending money irresponsibly while we've had 15 of the last 16 city budgets with flat or reduced tax rates and while we've trimmed our workforce by more than 1,000 positions since 1988."

"The truth is local governments aren't the problem here – the state is – and certainly the City of Milwaukee has done a good job of controlling spending and keeping taxes down," Ald. Murphy said.

Since 1991, when the state created a program to reward local governments for controlling spending (the program is now called the Expenditure Restraint Program or ERP), the Common Council has made sure that each city budget has met ERP guidelines, said Ald. Murphy. Meeting the ERP program guidelines this year will mean an additional \$9 million in state money for the city, he said.

As proposed by the mayor, the city tax rate next year would be \$9.22 per \$1,000 of assessed valuation. That would be 51 cents less than the 2004 rate of \$9.73, although some homeowners may actually pay slightly more than last year in city taxes because of increased assessed value of their homes. The total tax levy would be \$203 million, up from \$199 million this year. That slight increase of about 2% meets the Republican-controlled state legislature's definition of a "tax freeze" - that is a cap on the tax levy tied to growth in new construction in the city.

Also, the proposed executive budget does not call for any major fee increases. No major cuts in city services are proposed either, although hours would be reduced at libraries, boulevard maintenance would be less and personnel on fire truck companies would be cut from five to four, fire staffing comparable to other cities.

The Finance and Personnel Committee will begin hearings on 2005 city department budgets starting October 1. A joint public hearing with Mayor Barrett and the Common Council will be held at 6:30 p.m. on Monday, October 11, in the Council Chamber at City Hall to receive public input on the budget.

The budget will be adopted by the council on Friday, Nov. 12.