

2024 Proposed Budget Overview



City Debt

Manage and control outstanding debt through equitable financing of capital improvements

2024 Proposed Budget

- 2024 Budget for City Debt: **\$268.8 million**
 - Decrease of \$60 million
- Debt Service Levy: **\$106.7 million**
 - Increase of \$8.1 million
- Public Debt Amortization Fund (PDAF)
 - 2023 PDAF withdrawal: \$3 million
 - 2024 PDAF withdrawal: \$0
- Debt Repayment
 - The city continues to aggressively repay debt
 - 90% of General Obligation debt is repaid within 10 years

Debt Service Levy

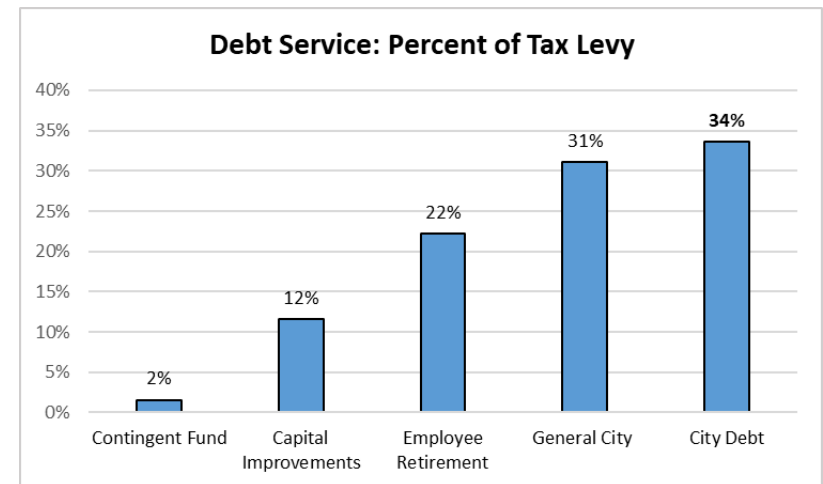
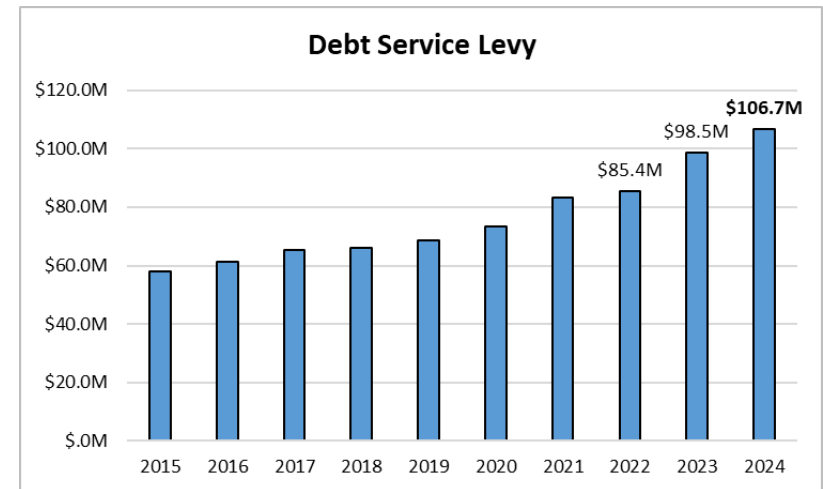
- Debt service increase of **8.2% or \$8.1 million**

Contributing factors to debt levy increase include:

- Reduction in PDAF withdrawal
- Increasing interest rates
- Recent rating downgrades

Tax Levy Impact:

- Debt service levy accounts for the largest portion of City tax levy at **34% or \$106.7 million**
- As debt service levy increase fewer dollars are available for general city services



City of Milwaukee Bond Rating

Rating Agency Concerns:

- Use of reserves
- Debt levels
- Pension obligations
- Revenues

Outlook:

- Recent downgrades
- Negative outlook (Moody's)
- Pension payments
- Act 12 (Shared Revenue & Sales Tax)

Bond Rating			
Year	S&P	Moody's	Fitch
2012	AA	Aa2	AA
2013	AA	Aa2	AA
2014	AA	Aa3	AA
2015	AA	Aa3	AA
2016	AA	Aa3	AA
2017	AA	Aa3	AA
2018	AA	A1	AA
2019	AA-	A1	AA-
2020	A	A2	AA-
2021	A	A2	AA-
2022	A	A3	AA-
2023	A-	A3	BBB+