

# Mayor Barrett: Fitch Rating portrays positive outlook for city's budgetary future

Posted on Friday, Apr 28, 2017

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Contact: Jonathan Fera, [414.286.5579](tel:414.286.5579)

*Mayor Barrett's effective, strategic fiscal management recognized through Fitch Rating*

MILWAUKEE - Following the recent [Fitch Rating announcement](#) on the City's budgetary state, Mayor Tom Barrett praised the report that outlines Milwaukee's strong budgetary oversight and control.

The City of Milwaukee maintained its 'AA' Issuer Default Rating (IDR), representing a favorable and stable financial outlook. In addition, the City's general obligation (GO) promissory notes received an 'AA' rating that reinforces fiscal security.

"While the future may present financial challenges, my long-standing commitment to maintaining the City's stable fiscal status remains strong," Mayor Barrett said. "By continuing to control expenditures and increase revenue through enhanced development, we are protecting the interests of the taxpayers now and in the future."

The Fitch Rating report shows that the City's ability to cut spending, stabilize revenue and maintain an adequate financial foundation offset the expectation for limited revenue growth.

Approximately 40% of the City's general fund revenue is derived from state shared

revenue, with the second largest source of revenue (30%) coming from property taxes. Even with state law constraining municipalities from generating new revenue from property taxes and the declining amount of state shared revenue the City receives, Milwaukee remains steadfast in its financial stability through strategic planning that is resulting in minimal vulnerability to economic decline.

The City's reserves provide a comfortable safety margin given the limited exposure to possible negative economic cycles, along with a high level of budgetary flexibility. "Budgetary oversight and control is strong. The city has demonstrated its willingness and ability to limit expenditures to maintain budget targets," the report reads.

Mayor Barrett's number one priority continues to be the safety of Milwaukee residents. That is why public safety is the city's largest fiscal responsibility with 44% of total spending. General government follows behind at 37% and public works at 15%, based on fiscal 2015 general fund spending.

One budgetary area where the City of Milwaukee consistently excels is through its well-funded pension plan. The annual pension payment continues to meet financial requirements.

On average, the natural pace of spending growth is likely to be above revenue growth over time. In addition, future capital needs are manageable and debt is quickly repaid.

Planning for the 2018 budget, to be presented by the Mayor in September, is already underway.

To view the report in its entirety, visit [fitchratings.com/site/pr/1022552](http://fitchratings.com/site/pr/1022552).

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Office of Mayor Tom Barrett | City of Milwaukee

[414.286.5579](tel:414.286.5579) | [414.286.3191](tel:414.286.3191) (fax)

[jfera@milwaukee.gov](mailto:jfera@milwaukee.gov)

200 East Wells Street | Milwaukee, WI | 53202

