

# Bond Case Briefs

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## **‘Trying to Strangle Local Governments:’ What Happens When States and Their Cities Become Adversaries?**

**‘The relationship and potential antagonism between a city and its state is widely underinvestigated,’ says one public-finance analyst**

Last September, presenting his proposed 2021 budget, Milwaukee Mayor Tom Barrett laid out a somber picture of his city’s finances.

Even before COVID-19 hit, Barrett said, “our budget challenges reached a crescendo.” Just weeks earlier, the city sustained a debt-rating downgrade, in part because it was spending down reserves.

“We’ve [spent those reserves] to maintain our vital services without any growing revenue,” Barrett continued. “This, of course, is a direct result of our relationship with the state of Wisconsin and legislature in particular.”

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### **MarketWatch**

By Andrea Riquier

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