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To: [All Alders](#)
Subject: Legistar 72664, Agenda #98
Date: Monday, August 1, 2022 8:38:34 PM

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This item would refund Water Utility Revenue Bonds through issuance of general obligation bonds. Revenue bonds have been refunded in the past through issuance of new revenue bonds (in order to obtain lower rates). Unlike past refundings, issuance of GO bonds allows the City to increase the property taxes by approximately \$2.7M/year (since the general obligation debt service is added to the levy limit).

Thus, in addition to residents paying the annual \$2.7M debt through water rates (which the Water Utility will forward to the City), residents will also be paying for the debt through an increase in the tax levy (though the City gets to choose what the \$2.7M will support). As explained by Finance Director Schmiedicke:

“The levy limit excludes all general obligation debt service, regardless of funding source (i.e., it includes general obligation debt service funded from TID and enterprise funds; it does not include debt service for revenue bonds). As such, in calculating the maximum allowable levy, the entire amount of general obligation debt service is considered to be part of the allowable levy. In that sense, general obligation debt service that is paid for from sources other than the general fund is allowable levy that can be used for purposes other than debt service. That is the “capacity” to which the memo refers.”

I object to double-paying on the same debt.

Linda Lehnertz