

2025 GO Borrowing

Overview Parameters Resolution

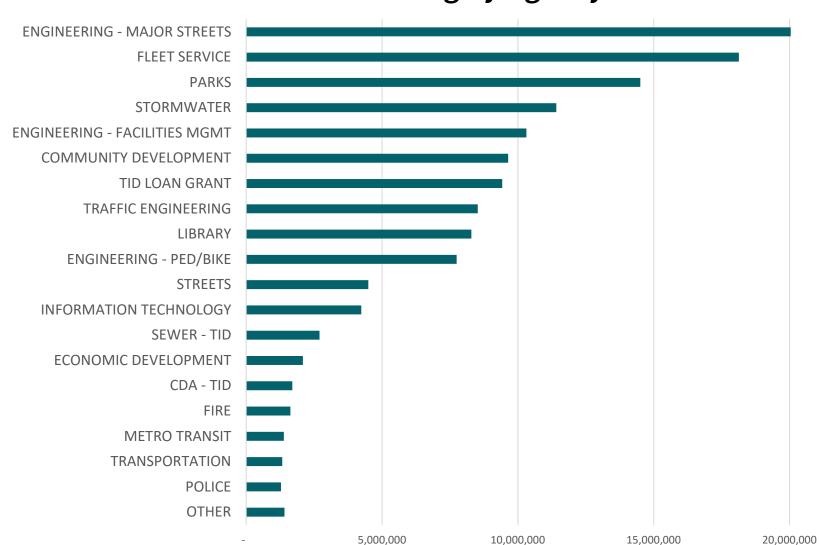
GO Borrowing Overview

What is "GO Borrowing"?

- General obligation tax-exempt or taxable 10 year or 20 year promissory notes ("debt" or "borrowing") are sold by the City to finance projects included in the 2025 adopted capital budget. Recent change to state law authorized issuance of promissory notes for up to a 20 year maturity.
- Both new and carryforward projects are included in the adopted capital budget and financed with this debt.
- The debt is a "general obligation" of the city meaning the city has pledged its full faith and credit through authorizing an irrevocable property tax levy to repay the debt, with interest.
- The property tax levy to repay this debt will be first included in 2025 property taxes (levied in December 2025 and due in 2026).
- Other city revenues repay some of this debt, reducing the overall amount of property taxes needed.
- Issuing approximately 45% of authorized borrowing due to project timing, associated cash flow needs, and arbitrage considerations under federal tax law.

Total Borrowing -- \$137m

Borrowing by Agency



25,000,000

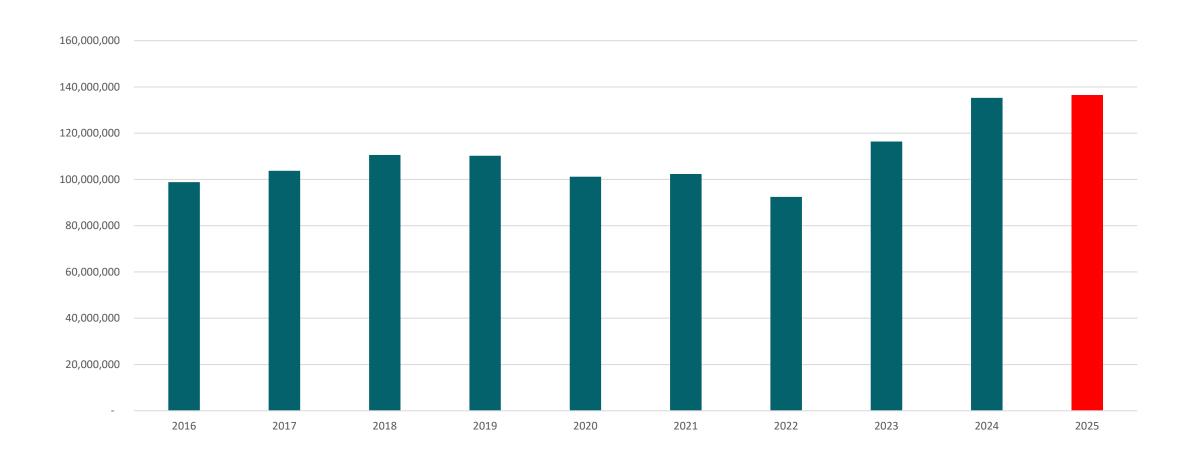
Borrowing by Project/Program

529 Projects/Programs 19 Projects/Programs over \$1.5m each – \$60m total

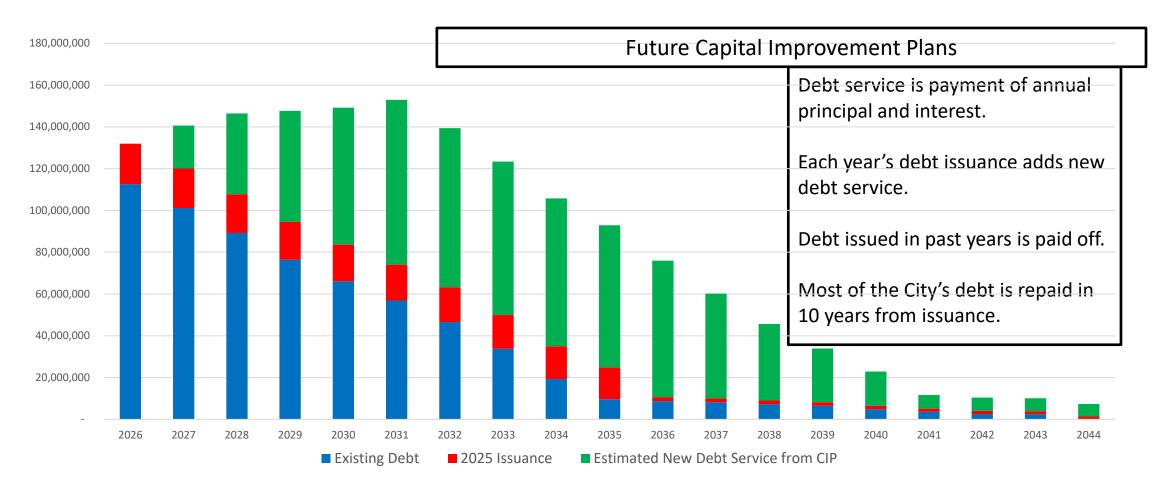
IMAGINATION CENTER AT REINDAHL PARK WARNER PARK COMMUNITY CENTER MEN'S PERMANENT HOMELESS SHELTER 2025 FLEET EQUIPMENT REPLACEMENT 2024 FLEET EQUIPMENT REPLACEMENT E Wilson & Doty Street 2023 FLEET EQUIPMENT REPLACEMENT 2024 FLEET FIRE APPARATUS RESCUE VE CCB REMODEL-DCR 104 & 108A JOHN NOLEN DR PH1-BROOM TO LAKESIDE Econ Development, grants, etc SAFE STREETS FOR ALL FED GRANT 2023 STREETS FAR WEST FACILITY STREETS OLIN WASTE DROP-OFF SITE Village on Park Redevelopment Loan to East Washington Apts LLC Loan to Vermillion Madison LLC ORDERED SIDEWALK DISTRICT 20 CRACK REPAIR AND CHIP SEAL 2025 1,000,000 2,000,000 3,000,000 5,000,000 6,000,000 7,000,000 8,000,000 9,000,000

4,000,000

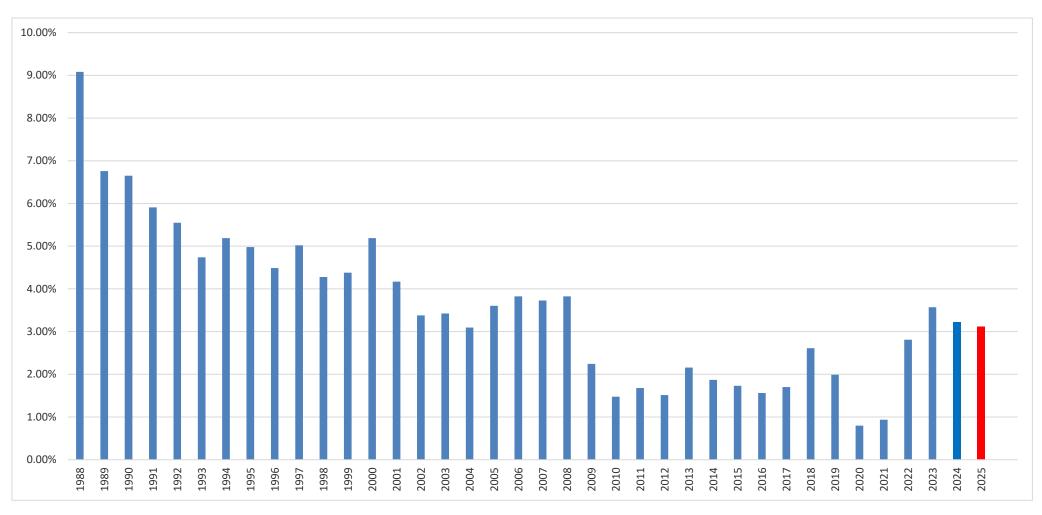
GO Borrowing History since 2015



Debt Service Existing Debt - 2025 Issuance – Five Year CIP



Historical Interest Rates on City Debt



Parameters Resolution

July 28, 2025 Finance Committee

Parameters Resolution

- Starting with 2023 issuance, rather than requiring the sale of bonds to occur on a Common Council meeting date, the Council authorized a more flexible approach for the sale of bonds on a more optimal date.
- Parameters resolution allows the Finance Director to carry out the intent of the Common Council by determining the final terms and awarding the sale of bonds on any subsequent date provided the parameters included in the resolution are met.
- This approach is used by many governmental entities.
- Parameters for Madison promissory notes include maximum par amount, maximum true interest cost (TIC) rate to the City, and maximum amount of cost of issuance paid with note proceeds.

Parameters

- Maximum par amount -- \$137 million
 - 10 year -- \$110 million
 - 20 year -- \$27 million
 - Taxable estimated at \$3 million (within 10 and 20 year amounts)
- Maximum True Interest Cost 5.0 percent (tax-exempt); 6.5 percent (taxable)
- Maximum Cost of Issuance \$375,000
 - Municipal advisory services, bond counsel, registration of notes
- Expiration of parameters authority December 31, 2025
- Expected date of sale August 19, 2025