



2025 GO Borrowing

Overview

Parameters Resolution

Finance Committee
July 28, 2025

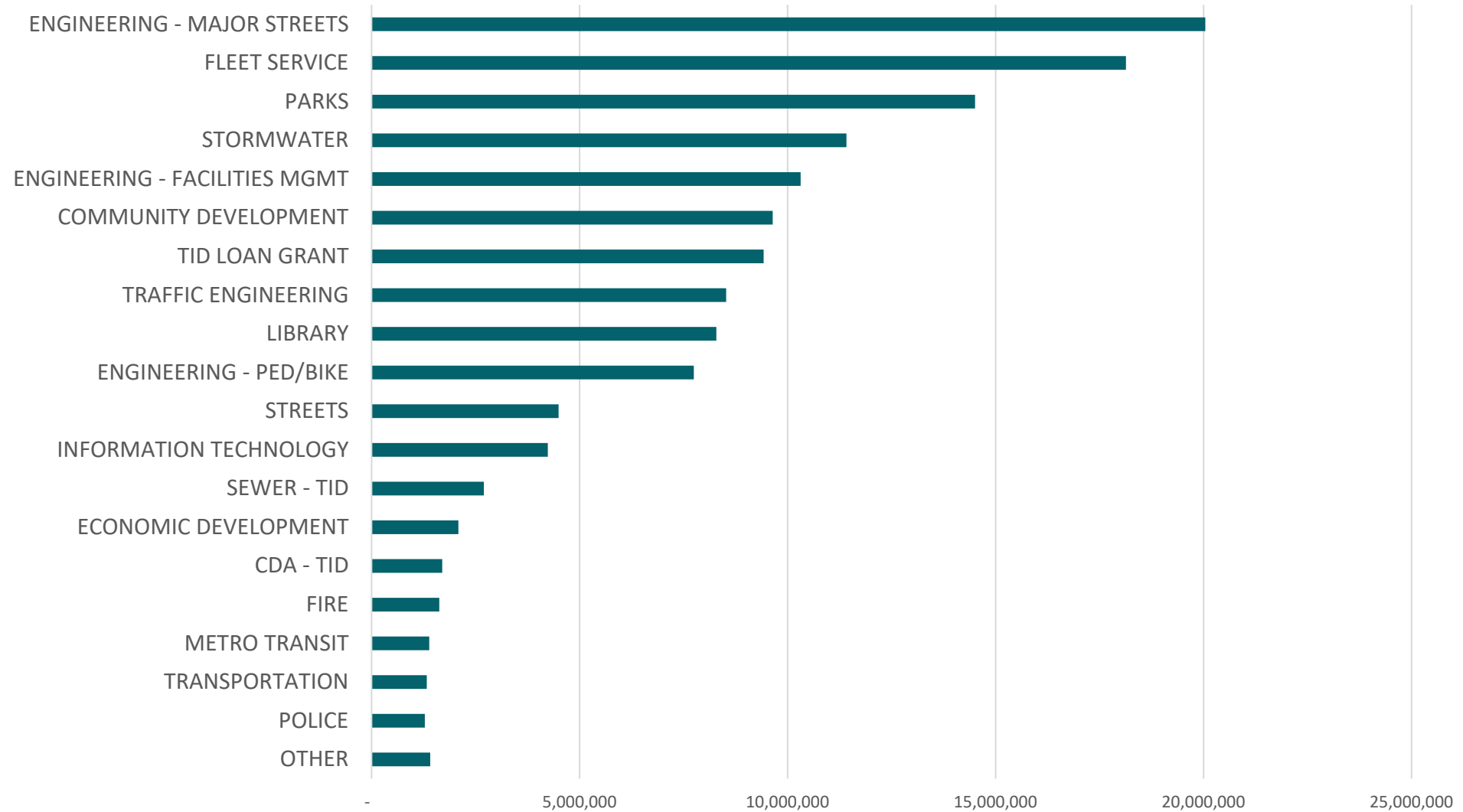
GO Borrowing Overview

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

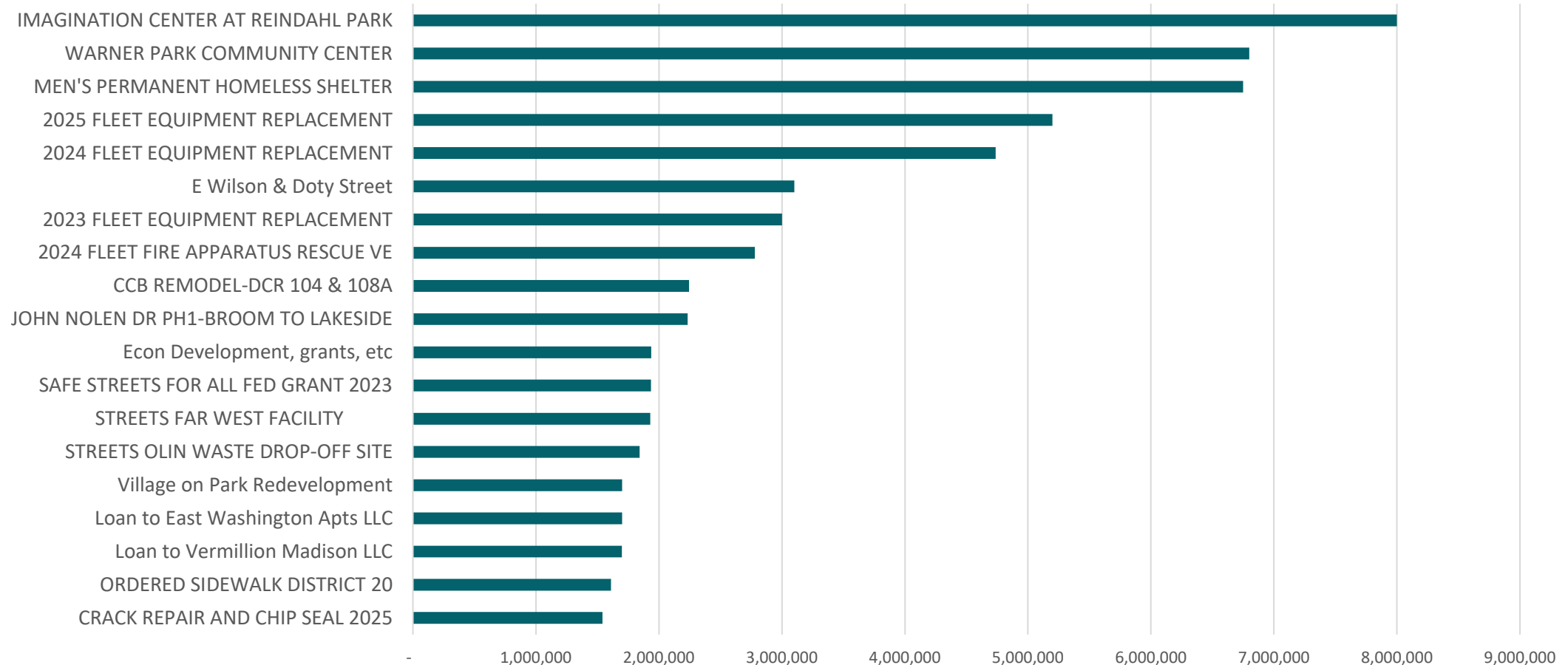
Borrowing by Agency



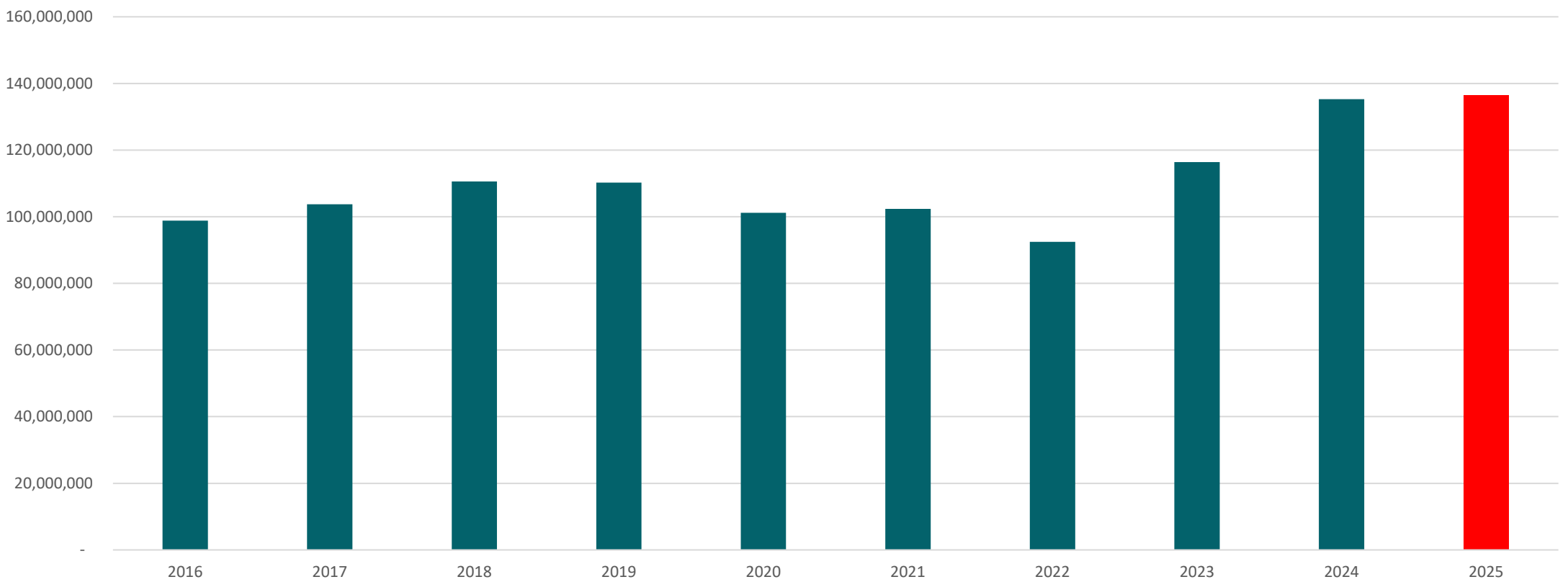
Borrowing by Project/Program

529 Projects/Programs

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

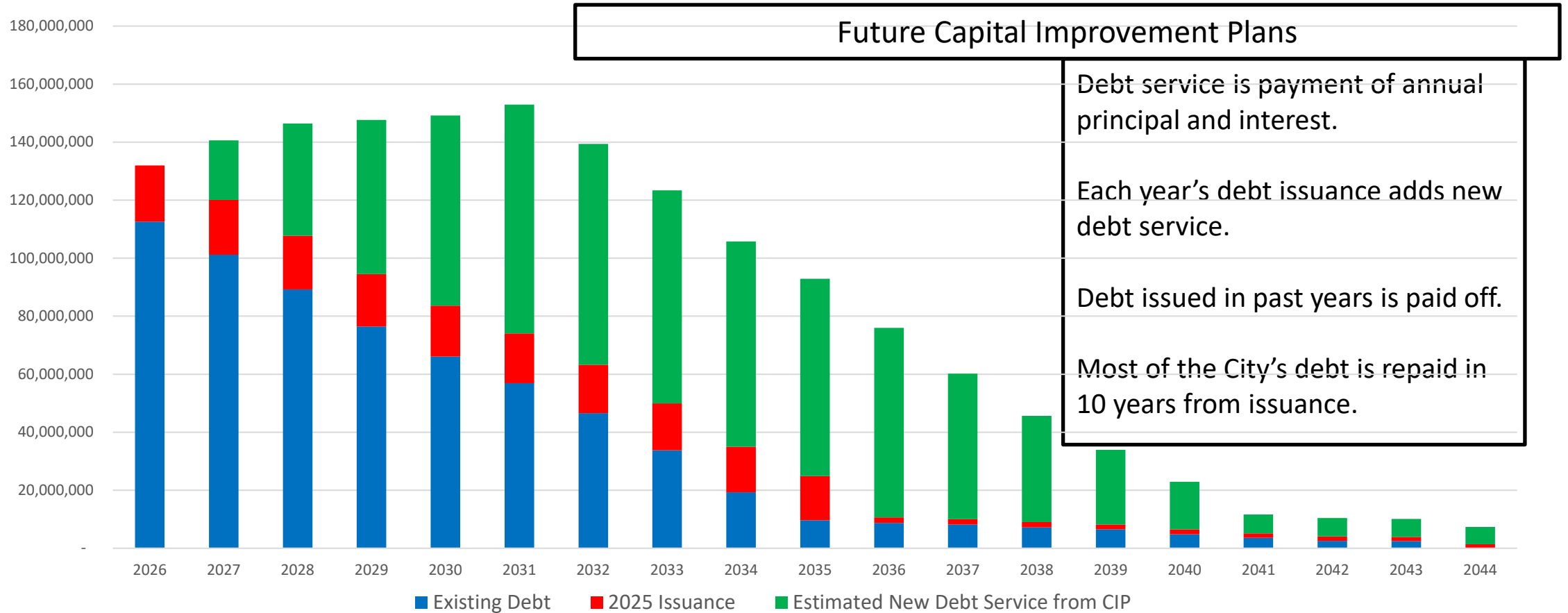


GO Borrowing History since 2015

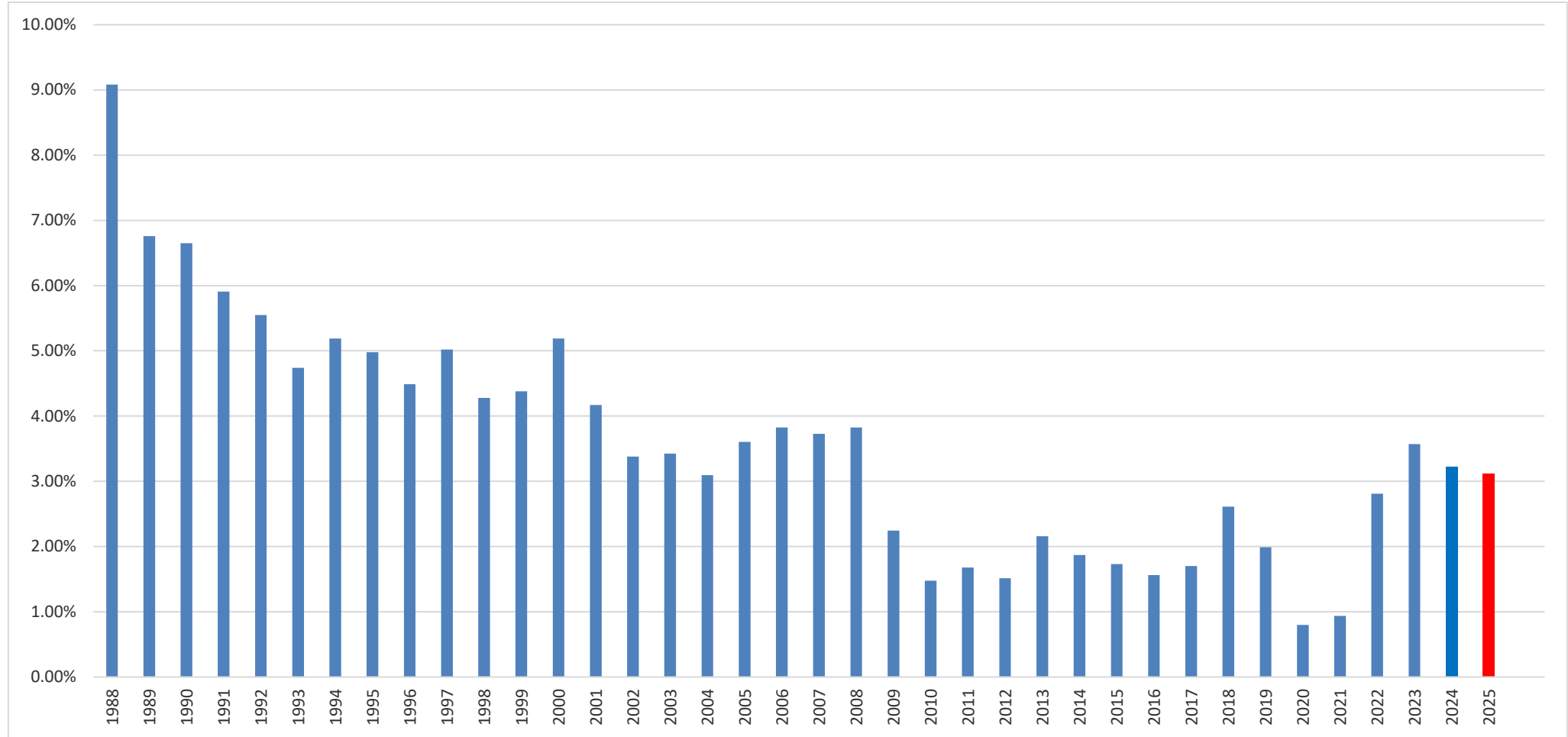


Debt Service

Existing Debt - 2025 Issuance – Five Year CIP



Historical Interest Rates on City Debt



Parameters Resolution

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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