



Finance Department

David P. Schmiedicke, Director
 City-County Building, Room 406
 210 Martin Luther King, Jr. Blvd.
 Madison, WI 53703
 Phone: (608) 266-4671 | Fax: (608) 267-8705
finance@cityofmadison.com
cityofmadison.com/finance

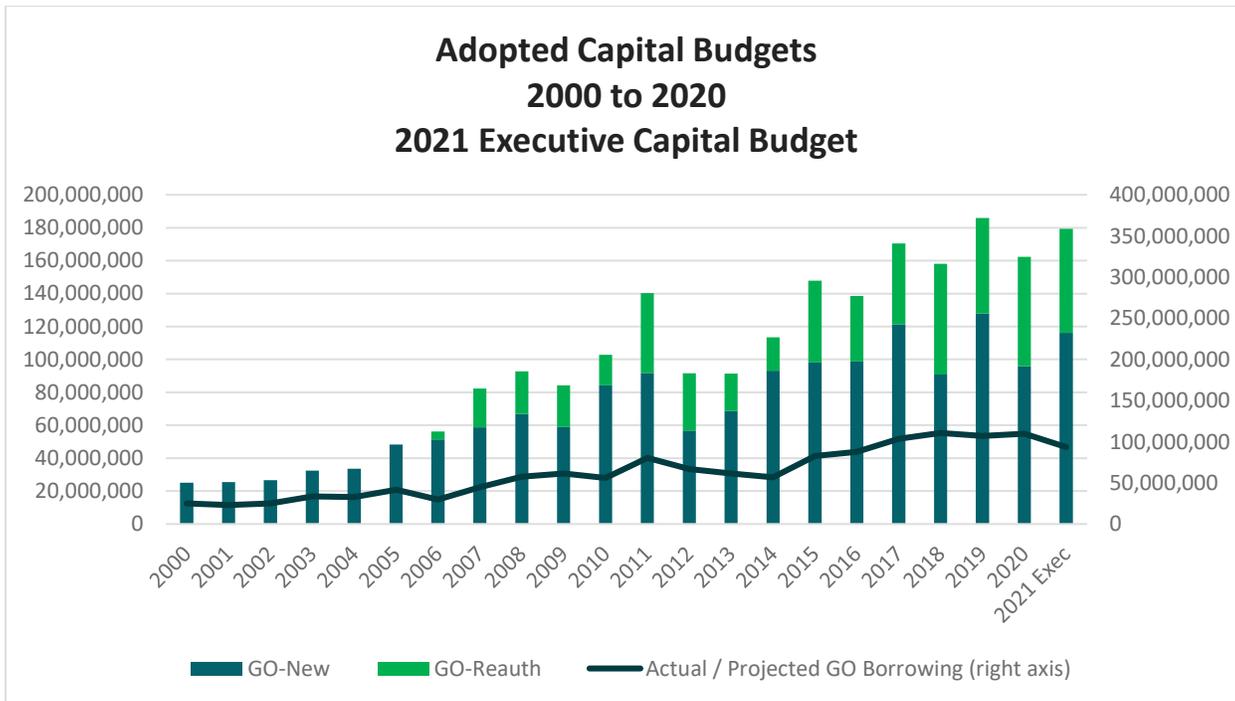
Date: September 9, 2020

To: Mayor Rhodes-Conway
 Common Council Members

From: David Schmiedicke
 Finance Director

Subject: 2021 Carryforward Borrowing and Appropriation Authority

As the capital budget has increased in size since the mid-2000's, borrowing that is unused in the prior budget year is often "reauthorized" or "cancelled" in the subsequent budget year. The graph below shows the new and reauthorized general obligation (GO) borrowing authority since 2000, along with the actual GO borrowing each year (projected for 2020).



Borrowing and appropriation authority are reauthorized and carried forward for the following reasons:

1. Delays in implementation timetables
2. Multi-year projects are incurring expenses at a different pace than expected.
3. Project costs are anticipated to cross fiscal years.
4. Cash flow purposes – balances in the Capital Projects Fund may be sufficient to cover costs expected to be incurred in that fiscal year.

Starting with the 2020 capital budget, the focus has been on presenting new projects in the budget book. For example, the amount of GO borrowing in the 2021 executive capital budget is \$116 million. The borrowing authority for new projects will be added to the reauthorized borrowing of approximately \$63 million. The 2021 capital budget will also reflect “carryforward appropriation” amounts, which include prior year authority to spend within projects from all funding sources authorized for a project (e.g., Water and Sewer projects funded with revenue bonds; other sources of funds within Engineering-Major Streets projects, such as special assessments and federal funds). Appropriations for new projects for 2021 will be added to the carryover appropriation authority from prior years.

Sent with this memo are three tables with the list of carryforward appropriations by project and agency and carryover GO borrowing authority by agency. There are 200 projects on the carryover of GO borrowing list that comprise the total reauthorization of \$63 million. There are 875 projects with carryforward appropriations, with a total carryforward of \$203 million. The carryforward appropriations are inclusive of the carryover GO borrowing amounts. Many of these projects are in Engineering and Parks. The top 24 projects by carryover GO borrowing amount total approximately \$46 million and the top 18 projects for carryforward appropriations represent a little more than half of the total amount of carryforward appropriations.

Below is background on some of the major projects with carryforward borrowing and appropriations:

Metro Transit Satellite Facility – There is \$13.2 million of authorized borrowing authority for the project in 2020 that will be carried over to 2021.

Tax Increment District (TID) 36 Projects – \$5 million is authorized for economic development projects in the Capital Gateway Corridor TID.

Stormwater Projects – Engineering continues to work through Stormwater Quality System Improvement projects from 2020 of \$3.8 million. In total, \$5.9 million of GO borrowing authority will be reauthorized from 2020 to 2021 for Stormwater projects.

Engineering-Major Streets Projects – In total, \$15 million will be reauthorized from 2020 to 2021 for Engineering Major-Streets projects. The largest single project is \$2.4 million for the John Nolen causeway bridges project.

Engineering Facilities Projects – A total of \$4.3 million in GO borrowing authority will be carried over from 2020 to 2021. Slightly less than \$3 million of that amount is related to CCB projects.

Public Market – Approximately \$11 million of appropriation authority will be carried over to 2021. The Economic Development Division is currently working to secure a federal Economic Development Administration grant of \$3 million in lieu of previous plans to utilize federal New Market Tax Credits.

Please let me know if you have any questions or would like to discuss further.