

2020 Capital Budget and Debt Service Trends

- The city's capital budget and associated debt service have grown significantly over the past 15 years.
- The city's general obligation (GO) debt per capita increased from \$1,141 in 2009 to \$1,959 in 2018, or 72%. The GO debt share of the city's property value increased from 1.12% in 2009 to 1.72% in 2018, or 54%. The maximum ratio of debt to property value allowed under the Wisconsin Constitution is 5%. By comparison, per capita income in Dane County has increased by 36% over the same period.
- Debt service as a share of the City's General Fund budget had historically been at or below 12.5% prior to 2012. In 2019, the debt service share of the budget exceeded 17%. Agency requests push the share to nearly 21% by 2026.
- Devoting a greater share of the City's property tax levy to debt service, even under state-mandated levy limits, places greater pressure on operations funding, such as community agency contracts, transit, public safety, refuse and recycling, and snow and ice removal.
- The 2020 Capital Budget and six-year Capital Improvement Plan will have to strike a balance between top priorities and a manageable level of debt service.

