



Legislation Details (With Text)

File #: 72664 **Version:** 2 **Name:** Initial Resolution Refunding Water Utility Revenue Bonds

Type: Resolution **Status:** Passed

File created: 7/13/2022 **In control:** FINANCE COMMITTEE

On agenda: 8/2/2022 **Final action:** 8/2/2022

Enactment date: 8/8/2022 **Enactment #:** RES-22-00566

Title: SUBSTITUTE. Initial Resolution Authorizing Not to Exceed \$29,405,000 Bonds by City of Madison for Refunding Water Utility Revenue Bonds

Sponsors: Satya V. Rhodes-Conway, Nasra Wehelie, Gary Halverson

Indexes:

Code sections:

Attachments: 1. Item 3 Memo- Refunding of 2012 and 2013 Revenue Bonds.pdf, 2. Item 3 Attachment - Draft Initial Resolution 72664.pdf, 3. 0822_CC_public_comments.pdf

Date	Ver.	Action By	Action	Result
8/2/2022	2	COMMON COUNCIL	Adopt	Pass
7/26/2022	1	WATER UTILITY BOARD	Return to Lead with the Recommendation for Approval	Pass
7/25/2022	2	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
7/19/2022	1	COMMON COUNCIL	Refer	Pass
7/14/2022	1	Attorney's Office	Referred for Introduction	

Fiscal Note

This is an initial resolution to issue general obligation bonds of up to \$29.4 million to refund remaining outstanding principal of \$29.4 million on Series 2012 and 2013 Water Utility Revenue Bonds. Based on the city's Aaa rating on general obligation debt and current market conditions and associated interest rates, it is estimated that this refunding will result in a net present value savings of \$915,900 on Water Utility-supported debt service. Issuance costs are estimated at \$157,200. In addition to the debt service savings to the Water Utility, refunding this debt with general obligation bonds has two primary impacts -- it creates an additional amount of property tax levy limit authority for operating purposes in the 2023 budget (an estimated \$2.7 million) and it adds up to \$29 million to the city's total general obligation debt outstanding (currently at \$579.5 million which is approximately one-third of the state constitution limit). The last debt service payment on the bonds would occur in 2033.

The general obligation bonds referenced in this initial resolution are for purposes that do not require a referendum under state law. Bonds issued for purposes that do not require a referendum must include an initial resolution. Once the initial resolution is adopted, electors have 30 days to petition for a referendum. A petition must include the names of electors numbering at least 10 percent of the votes cast for governor in the city in the last general election (144,813 votes were cast for governor in the City of Madison in the 2018 general election).

These bonds will be issued a part of the City's annual general obligation debt sale, which is scheduled to occur on September 6th..

Title

SUBSTITUTE. Initial Resolution Authorizing Not to Exceed \$29,405,000 Bonds by City of Madison for Refunding Water Utility Revenue Bonds

Body

BE IT RESOLVED, by the Common Council of the City of Madison, Wisconsin, that there shall be issued the general obligation bonds of the City in a principal amount not to exceed \$29,405,000 for the following purposes: refunding water utility revenue bonds. For the purpose of paying principal of and interest on the bonds, there is hereby levied on all the taxable property in the City a direct annual irrevocable tax sufficient for that purpose.

BE IT FURTHER RESOLVED, that the City Clerk is authorized to publish a Notice to Electors pursuant to Section 67.05(7)(b), Wisconsin Statutes.