Legislation Details (With Text)

File #:	15793	**Version:** 1	**Name:**	Madison Resolution Series 2009.doc	
Type:	Resolution		**Status:**	Denied	
File created:	8/25/2009		**In control:**	BOARD OF ESTIMATES (ended 4/2017)	
On agenda:	9/15/2009		**Final action:**	9/15/2009	
Enactment date:	9/16/2009		**Enactment #:**	RES-09-00808	

Title: Resolution authorizing the issuance of $43,915,000 General Obligation Capital Improvement and Refunding Promissory Notes, Series 2009A, $53,925,000 Taxable General Obligation Build America Bonds (Direct Pay) Promissory Notes, Series 2009B, and $8,210,000 Taxable General Obligation Promissory Notes, Series 2009C, all of the City of Madison, Wisconsin, providing the details thereof, establishing interest rates thereon and levying taxes therefore.

Sponsors: David J. Cieslewicz

Indexes:

Code sections:

Attachments: 1. Summary of Bids.pdf, 2. Madison Resolution Series 2009(2).pdf

Date	Ver.	Action By	Action	Result
9/15/2009	1		RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER	
9/15/2009	1	COMMON COUNCIL	Adopt	Pass
9/15/2009	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER	Pass
9/1/2009	1	COMMON COUNCIL	Referred	
8/25/2009	1	Attorney's Office	Referred for Introduction	

Fiscal Note

This resolution authorizes the issuance of general obligation promissory notes totaling $106,060,000 and levies an irrevocable property tax sufficient for the purpose of paying principal and interest on the notes. These notes are divided into three separate series:

Series A, with a par amount of $43,915,000, will be used to refinance the remaining maturities of various notes issued by the City in 2001, 2002, 2003 and 2005 and take advantage of low interest rates available in the market today. Sold at a true interest cost of 1.387%, these tax exempt refunding notes replace maturities of the prior debt with average remaining interest rates of 3.9% to 4.3%, for a total interest savings of $538,000 over the next 6 years.

Series B notes, with a par amount of $53,935,000, are classified as "Build America Bonds," issued in conformance with authority made available under the federal stimulus program. The City will receive direct federal subsidies equal to 35% of the interest rate stated on the notes. The proceeds of this taxable series will be used to finance current year capital improvements authorized in the 2009 capital budget. A description of the specific expenditure purposes is contained in the resolution. After applying the federal interest subsidy, the true interest cost of this series is 2.243%. Repayment is scheduled over the next 10 years.

Series C, with a par amount of $8,210,000, will be used to finance those portions of the current year's capital

budget that are not eligible for traditional tax exempt or Build America Bond financing because they involve expenditure purposes that are for the benefit of private entities. These projects, including investments associated with the Villager Mall and the Badger-Ann-Park redevelopment, are therefore financed using traditional taxable notes which have a true interest cost of 3.589% and which will be repaid over the next 10 years.

A summary of the winning bids and all other bidders for each of the three note series are provided as separate Legistar attachments.

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Body
See Attachment