

FINAL OFFICIAL STATEMENT DATED SEPTEMBER 24, 2021

**NEW ISSUES
NOT BANK QUALIFIED**

Moody's Ratings: Aaa

The delivery of the Obligations is subject to the opinion of Kutak Rock LLP, Chicago, Illinois, and MWH Law Group LLP, Milwaukee, Wisconsin, Co-Bond Counsel, to the effect that, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2021-A Notes and Series 2021-C Bonds (the "Tax-Exempt Obligations") is excludable from gross income for federal income tax purposes and that, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended, interest on the Tax-Exempt Obligations will continue to be excludable from the gross income of the owners thereof for federal income tax purposes. Interest on the Tax-Exempt Obligations is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Tax-Exempt Obligations is not exempt from Wisconsin income taxes. See "FEDERAL INCOME TAX TREATMENT OF INTEREST ON THE TAX-EXEMPT OBLIGATIONS" herein. In the opinion of Co-Bond Counsel, the interest to be paid on the Series 2021-B Notes is includable in the income of the recipient for purposes of United States and State of Wisconsin income taxation. See "TAX MATTERS RELATING TO THE SERIES 2021-B NOTES" herein.

City of Madison, Wisconsin

\$81,300,000

**General Obligation Promissory Notes,
Series 2021-A (the "Series 2021-A Notes")**

\$3,990,000

**Taxable General Obligation Promissory Notes ,
Series 2021-B (the "Series 2021-B Notes")**

\$17,800,000

**General Obligation Corporate Purpose Bonds,
Series 2021-C (the "Series 2021-C Bonds")**

(Book Entry Only)

Dated Date: Date of Delivery

**Interest Due: Each April 1 and October 1,
commencing April 1, 2022**

The Obligations (as defined herein) will mature as shown on the inside front cover of this Official Statement.

The Obligations will be general obligations of the City for which the City pledges its full faith, credit and power and unlimited taxing authority to levy direct general ad valorem taxes without limit as to rate or amount.

The Obligations will be issued as fully registered obligations without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Obligations. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Obligations purchased. (See "Book Entry System" herein.) U.S. Bank National Association, Saint Paul, Minnesota will act as fiscal agent/registrars (the "Fiscal Agent/Registrar") for the Obligations. The Obligations will be available for delivery at DTC on or about October 21, 2021.

This cover page contains certain information for quick reference only. It is not a summary of the Obligations. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Please see the "UNDERWRITING" section herein for discussion regarding the Purchasers of the Obligations.

City of Madison, Wisconsin

\$81,300,000 General Obligation Promissory Notes, Series 2021-A

The **Series 2021-A Notes** will mature October 1 in the years and amounts as follows:

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>55844R</u>	<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>55844R</u>
2022	\$8,130,000	2.00%	0.10%	UW 2	2027	\$8,130,000	4.00%	0.54%	VB 7
2023	\$8,130,000	2.00%	0.16%	UX 0	2028	\$8,130,000	4.00%	0.70%	VC 5
2024	\$8,130,000	0.25%	0.28%	UY 8	2029	\$8,130,000	2.00%	1.00%*	VD 3
2025	\$8,130,000	2.50%	0.35%	UZ 5	2030	\$8,130,000	3.00%	1.00%*	VE 1
2026	\$8,130,000	4.00%	0.41%	VA 9	2031	\$8,130,000	1.25%	1.40%	VF 8

* Priced to the first optional call date of October 1, 2028.

The City may elect on October 1, 2028, and on any day thereafter, to redeem Series 2021-A Notes due on or after October 1, 2029 at a price of par plus accrued interest.

\$3,990,000 Taxable General Obligation Promissory Notes, Series 2021-B

The **Series 2021-B Notes** will mature October 1 in the years and amounts as follows:

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>55844R</u>	<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>55844R</u>
2022	\$400,000	4.00%	0.15%	VG 6	2027	\$400,000	1.10%	1.103%	VM 3
2023	\$400,000	0.30%	0.30%	VH 4	2028	\$400,000	1.25%	1.25%	VN 1
2024	\$400,000	0.55%	0.55%	VJ 0	2029	\$400,000	1.35%	1.35%	VP 6
2025	\$400,000	0.75%	0.75%	VK 7	2030	\$395,000	1.45%	1.45%	VQ 4
2026	\$400,000	0.95%	0.95%	VL 5	2031	\$395,000	1.50%	1.50%	VR 2

The City may elect on October 1, 2028, and on any day thereafter, to redeem Series 2021-B Notes due on or after October 1, 2029 at a price of par plus accrued interest.

\$17,800,000 General Obligation Corporate Purpose Bonds, Series 2021-C

The **Series 2021-C Bonds** will mature October 1 in the years and amounts as follows:

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>55844R</u>	<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>55844R</u>
2022	\$890,000	1.00%	0.20%	VS 0	2031	\$ 890,000	3.00%	1.12%	WB 6
2023	\$890,000	1.00%	0.21%	VT 8	2032	\$ 890,000	2.00%	1.40% ^(a)	WC 4
2024	\$890,000	2.00%	0.25%	VU 5	2033	\$ 890,000	2.00%	1.50% ^(a)	WD 2
2025	\$890,000	2.00%	0.37%	VV 3	2034	\$ 890,000	2.00%	1.60% ^(a)	WE 0
2026	\$890,000	2.00%	0.51%	VW 1	2035	\$ 890,000	2.00%	1.70% ^(a)	WF 7
2027	\$890,000	2.00%	0.67%	VX 9	2036	\$ 890,000	2.00%	1.80% ^(a)	WG 5
2028	\$890,000	2.00%	0.83%	VY 7	2038 ^(b)	\$1,780,000	2.00%	1.88% ^(a)	WJ 9
2029	\$890,000	4.00%	0.85%	VZ 4	2040 ^(b)	\$1,780,000	2.00%	1.98% ^(a)	WL 4
2030	\$890,000	4.00%	0.93%	WA 8	2041	\$ 890,000	2.00%	2.02%	WM 2

(a) Priced to the first optional call date of October 1, 2031.

(b) Term Bonds (see "THE BONDS – Redemption Provisions – Mandatory Redemption – The Series 2021C Bonds" herein).

The City may elect on October 1, 2031, and on any day thereafter, to redeem Series 2021-C Bonds due on or after October 1, 2032.

CITY OF MADISON, WISCONSIN

COMMON COUNCIL

Syed Abbas, President
Arvina Martin, Vice President
Barbara Harrington-McKinney
Patrick W. Heck
Lindsay Lemmer
Michael E. Verveer
Regina M. Vidaver
Brian Benford
Nasra Wehelie
Juliana R. Bennett

Nikki Conklin
Yannette Figueroa Cole
Tag Evers
Sheri Carter
Grant A. Foster
Jael Currie
Gary Halverson
Charles Myadze
Keith Furman
Christian A. Albouras

MAYOR

Satya Rhodes-Conway

SENIOR APPOINTED STAFF

David P. Schmiedicke,
Finance Director/City Treasurer
Vacant, Council Chief of Staff
Michelle Drea, City Assessor
Michael Haas, City Attorney
Maribeth Witzel-Behl, City Clerk
Norman Davis, Civil Rights Director
Tresa Fuchs-Martinez,
Employee Assistance Program Administrator
Steven Davis, Fire Chief
Harper Donahue, IV, Human Resources Director
Sarah Edgerton,
Information Technology Director
Gregory Mickells, Library Director
Connie Thompson, Monona Terrace Director
Shon F. Barnes, Police Chief
Janel Heinrich, Public Health Director
Robert Phillips, City Engineer
Mahanth Joishy, Fleet Service Superintendent

Eric Knepp, Park Superintendent
Charles Romines, Street Superintendent
Yang Tao, City Traffic Engineer
Sabrina Tolley, Parking Division Manager
Justin Stuehrenberg,
Metro Transit General Manager
Krishna Kumar, Water Utility General Manager
Matt Wachter, Planning & Community &
Economic Development Director
James O'Keefe,
Community Development Division Director
Matthew Mikolajewski,
Economic Development Division Director
Larry Kilmer, CDA Executive Director
Matthew W. Tucker,
Building Inspection Division Director
Heather Stouder, Planning Division Director
Thomas Lynch, Transportation Director

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Minneapolis, Minnesota and Madison, Wisconsin

CO-BOND COUNSEL

Kutak Rock LLP
Chicago, Illinois

MWH Law Group LLP

Milwaukee, WisconsinThe Official Statement dated September 24, 2021 is a Final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

The City designates the senior managing underwriter of the syndicate to which each series of the Obligations are awarded as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter. By delivering an offer with respect to the purchase of the Series 2021-B Notes and Series 2021-C Bonds, the senior managing underwriter has agreed that (i) it accepts such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the Series 2021-B Notes and Series 2021-C Bonds for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Obligations, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Obligations included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Obligations are assigned by an organization unaffiliated with the City. The City is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Obligations or as set forth in the Final Official Statement. No assurance can be given by the City that the CUSIP numbers for the Obligations will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Obligations.

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OFFICIAL STATEMENT

CITY OF MADISON, WISCONSIN

\$81,300,000

GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021-A

\$3,990,000

TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021-B

\$17,800,000

GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2021-C

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to the City of Madison, Wisconsin (the “City” or “Madison”) and its issuance of \$81,300,000 General Obligation Promissory Notes, Series 2021-A (the “Series 2021-A Notes”); \$3,990,000 Taxable General Obligation Promissory Notes, Series 2021-B (the “Series 2021-B Notes”); and \$17,800,000 General Obligation Corporate Purpose Bonds, Series 2021-C (the “Series 2021-C Bonds” and, together with the Series 2021-A Notes and the Series 2021-B Notes, the “Obligations”). The Series 2021-A Notes and Series 2021-B Notes are being issued pursuant to Wisconsin Statutes, Section 67.12(12) and a resolution adopted by the Common Council on September 21, 2021. The Series 2021-C Bonds are being issued pursuant to Wisconsin Statutes, Chapter 67 and a resolution adopted by the Common Council on September 21, 2021. The Obligations will be general obligations of the City for which it pledges its full faith, credit and power and unlimited taxing authority to levy direct general ad valorem taxes without limit as to rate or amount.

This Official Statement speaks only to information and events as of the date of preparation. Events subsequent to that date will be included in subsequent financial statements prepared by the City and other documents serving to keep the public, elected officials, and investors informed of the City's finances.

CONTINUING DISCLOSURE

The Resolutions authorize the City to enter into a Continuing Disclosure Undertaking (the “Undertaking”) pursuant to which the City will covenant and agree, for the benefit of the beneficial owners of the Obligations, to provide certain financial information and operating data relating to the City within 270 days after the close of the City's fiscal year (the “Annual Report”), and to provide, in a timely manner, notices of the occurrence of certain enumerated events, if material. The form of the Undertaking is provided in Appendix II of this Official Statement. The Annual Report will be filed by the City with the Electronic Municipal Market Access System (“EMMA”). The information to be contained in the Annual Report will consist of the annual audited financial statements of the City and updated information with respect to the information in the Official Statement contained under the captions “Debt Structure”, “General Fund Financial Information”, “Tax Levies, Collections and Rates”, and “City Property Values”. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units prepared in accordance with standards of the Governmental Accounting Standards Board. The notices of material events and timely notice of any failure to file its Annual Report within the 270-day period will be filed by the City with EMMA.

The City's undertaking with respect to material events includes the occurrence of any of the following events with respect to the Obligations:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Obligations;
7. Modifications to rights of Note holders or Bond holders, if material;
8. Note or Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Obligations, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or a similar event with respect to the City;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

The City has agreed to the foregoing undertakings in order to assist participating underwriters of the Obligations and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The City will provide the foregoing information for so long as Rule 15c2-12 is applicable to the Obligations and the City remains an "obligated person" under the Rule with respect to the Obligations. No provision of the Undertaking limits the remedies available to any beneficial owner of the Obligations with respect to the enforcement of the continuing disclosure covenants of the City described above. Failure to comply with the continuing disclosure covenants will not constitute an event of default under the Undertaking.

The City may amend the continuing disclosure undertakings upon a change in circumstances provided that (a) the undertakings, as amended, would have complied with the requirements of Rule 15(c)2-12(b)(5) at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the Obligations.

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule.

Continuing disclosure information, as well as the City's budgets and audited financial statements, may also be found on the City's web page at the following: <http://www.cityofmadison.com/finance/>. Additional information, such as rating reports, may be added as they become available.

THE OBLIGATIONS

General Description

The Obligations are dated as of the date of delivery and will mature annually on October 1 as set forth on the inside front cover of this Official Statement. The Obligations are issued in book entry form. Interest on the Obligations is payable on April 1 and October 1 of each year, commencing April 1, 2022. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Fiscal Agent/Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Obligations will be paid as described in the section herein entitled “Book Entry System.” U.S. Bank National Association, Saint Paul, Minnesota will serve as Fiscal Agent/Registrar for the Obligations, and the City will pay for fiscal agent/registrars services.

Redemption Provisions

Thirty days’ written notice of redemption shall be given to the registered owner(s) of the Obligations. Failure to give such written notice to any registered owner of the Obligations or any defect therein shall not affect the validity of any proceedings for the redemption of the Obligations. All Obligations or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

Optional Redemption

The City may elect on October 1, 2028, and on any day thereafter, to redeem Series 2021-A Notes due on or after October 1, 2029. The City may elect on October 1, 2028, and on any day thereafter, to redeem Series 2021-B Notes due on or after October 1, 2029. The City may elect on October 1, 2031, and on any day thereafter, to redeem Series 2021-C Bonds due on or after October 1, 2032. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Obligations of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

Mandatory Redemption – The Series 2021-C Bonds

The Series 2021-C Bonds due on October 1, 2038 and October 1, 2040 (collectively, the “Term Bonds”) are subject to mandatory redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

<u>2038 Term Bond</u>		<u>2040 Term Bond</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2037	\$890,000	2039	\$890,000
2038*	\$890,000	2040*	\$890,000

* *Final Maturity.*

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the City shall determine.

Book Entry System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Obligation (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish

to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Obligations will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

THE SERIES 2021-A NOTES

Authority and Purpose

The Series 2021-A Notes are being issued pursuant to Wisconsin Statutes, Section 67.12(12) and a resolution adopted by the Common Council on September 21, 2021. The proceeds of the Series 2021-A Notes will be used to finance capital projects for various City Departments.

Sources and Uses of Funds

The composition of the Series 2021-A Notes is as follows:

Sources of Funds:	
Par Amount	\$81,300,000.00
Reoffering Premium	<u>7,518,054.90</u>
Total Sources of Funds	<u>\$88,818,054.90</u>
Uses of Funds:	
Community Development	\$ 3,725,000.00
Economic Development	4,815,388.27
Engineering	35,583,322.61
Fire	1,536,256.00
Fleet Services	8,157,905.73
Information Technology	4,726,310.24
Library	971,515.00
Metro Transit	120,732.00
Monona Terrace	230,000.00
Parks	7,544,376.76
Planning	105,000.00
Police Department	341,980.85
Stormwater	7,056,869.23
Streets	1,268,802.71
Traffic Engineering	1,987,896.05
Transportation	<u>3,000,000.00</u>
Subtotal	\$81,171,355.45
Deposit to Debt Service Fund (Premium)	\$ 7,226,226.92
Underwriter's Compensation	291,827.98
Costs of Issuance	<u>128,644.55</u>
Total Uses of Funds	<u>\$88,818,054.90</u>

Security and Financing

The Series 2021-A Notes are general obligations of the City for which it pledges its full faith and credit and unlimited power to levy direct general ad valorem taxes without limit as to rate or amount. The City will make its first levy in the fall of 2021 for collection in 2022. Each year's levy collections will be sufficient to pay the interest due April 1 and the principal and interest due October 1 in the year of collection.

THE SERIES 2021-B NOTES

Authority and Purpose

The Series 2021-B Notes are being issued pursuant to Wisconsin Statutes, Section 67.12(12) and a resolution adopted by the Common Council on September 21, 2021. The proceeds of the Series 2021-B Notes will be used to finance an economic development project within the City.

Sources and Uses of Funds

The composition of the Series 2021-B Notes is as follows:

Sources of Funds:	
Principal Amount	\$3,990,000.00
Reoffering Premium	<u>14,528.00</u>
Total Sources of Funds	<u>\$4,004,528.00</u>
Uses of Funds:	
Community Development Project	\$3,970,000.00
Costs of Issuance	20,000.00
Underwriter's Compensation	11,025.53
Deposit to Debt Service Fund (Premium)	<u>3,502.47</u>
Total Uses of Funds	<u>\$4,004,528.00</u>

Security and Financing

The Series 2021-B Notes are general obligations of the City for which it pledges its full faith and credit and unlimited power to levy direct general ad valorem taxes without limit as to rate or amount. The City will make its first levy in the fall of 2021 for collection in 2022. Each year's levy collections will be sufficient to pay the interest due April 1 and the principal and interest due October 1 in the year of collection.

THE SERIES 2021-C BONDS

Authority and Purpose

The Series 2021-C Bonds are being issued pursuant to Wisconsin Statutes, Chapter 67 and a resolution adopted by the Common Council on September 21, 2021. The proceeds of the Series 2021-C Bonds will be used to finance the acquisition of land, construction and improvements to three metro transit facilities.

Sources and Uses of Funds

The composition of the Series 2021-C Bonds is as follows:

Sources of Funds:	
Principal Amount	\$17,800,000.00
Reoffering Premium	<u>1,115,276.80</u>
Total Sources of Funds	<u>\$18,915,276.80</u>
Uses of Funds:	
Metro Transit Project	\$17,760,000.00
Deposit to Debt Service Fund (Premium)	1,060,986.80
Underwriter's Compensation	54,290.00
Costs of Issuance	<u>40,000.00</u>
Total Uses of Funds	<u>\$18,915,276.80</u>

Security and Financing

The Series 2021-C Bonds are general obligations of the City for which it pledges its full faith and credit and unlimited power to levy direct general ad valorem taxes without limit as to rate or amount. The City will make its first levy in the fall of 2021 for collection in 2022. Each year's levy collections will be sufficient to pay the interest due April 1 and the principal and interest due October 1 in the year of collection.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A prospective purchaser of the Obligations described herein should be aware that there are certain risks associated with the Obligations which must be recognized. The following statements regarding certain risks associated with the offerings should not be considered as a complete description of all risks to be considered in the decision to purchase the Obligations. Prospective purchasers of the Obligations should analyze carefully the information contained in this Official Statement and additional information in the form of the complete documents summarized herein, copies of which are available and may be obtained from the City.

Potential Impacts Resulting from Coronavirus (COVID-19)

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets. The emergence of COVID-19 and the spread thereof is an emerging and evolving issue. As the federal, state, and local governments, including the City, continue efforts to contain and limit the spread of COVID-19, future tax and other revenue collections may deviate from historical or anticipated collections. The City is not able to predict and makes no representations as to the future economic impact of the COVID-19 pandemic on the City or its financial position.

The City has been allocated \$47.2 million under the local government aid provisions of the ARP Act of 2021, and received approximately \$23.6 million of that allocation in May 2021, with the remainder to be received in 2022. Of these amounts, \$22.8 million will be used to address violence prevention and youth engagement, homelessness support, affordable housing, emerging and basic needs, and economic development. The remaining \$24.4 million of these ARP Act funds will be used toward government operations due to pandemic-related revenue losses. Allocating funds for revenue replacement allows the City to continue providing core service to residents and to focus on maintaining government services. The City has also received the following funds:

- \$128,263 Emergency Supplemental HESG Allocation;
- \$7,762,610 Emergency Rental Assistance Program;
- \$2,456,876 ERA2 Emergency Rental Assistance Program;
- \$838,175 WI Supplemental HESG Allocation;
- \$253,124 CARES Local Testing Coordination;
- \$2,638,142 CARES Contact Tracing;
- \$76,668 CPRSA PH Emergency Preparedness;
- \$17,653 CPRSA Epidemiology and Lab Capacity;
- \$489,200 COVID-19 Testing Pilot Program; and
- \$8,375,782 CARES Funding for Testing and Prevention.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Obligations. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City or the taxing authority of the City.

Taxation of Interest on the Series 2021-A Notes and the Series 2021-C Bonds

An opinion of Co-Bond Counsel will be obtained to the effect that interest earned on the Series 2021-A Notes and the Series 2021-C Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 2021-A Notes and the Series 2021-C Bonds includable in gross income for federal income tax purposes.

The City has covenanted in the Resolution and in other documents and certificates to be delivered in connection with the issuance of the Series 2021-A Notes and the Series 2021-C Bonds to comply with the provisions of the Code, including those which require the City to take or omit to take certain actions after the issuance of the Series 2021-A Notes and the Series 2021-C Bonds. Because the existence and continuation of the excludability of the interest on the Series 2021-A Notes and the Series 2021-C Bonds depends upon events occurring after the date of issuance of the Series 2021-A Notes and the Series 2021-C Bonds, the opinion of Co-Bond Counsel described under "FEDERAL INCOME TAX TREATMENT OF INTEREST ON THE TAX-EXEMPT OBLIGATIONS" assumes the compliance by the City with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Co-Bond Counsel with respect to the excludability of the interest on the Series 2021-A Notes and the Series 2021-C Bonds in the event of noncompliance with such provisions. The failure of the City to comply with the provisions described above may cause the interest on the Series 2021-A Notes and the Series 2021-C Bonds to become includable in gross income as of the date of issuance.

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Resolution does not provide for the payment of additional interest or penalty on the Series 2021-A Notes and the Series 2021-C Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes.

Suitability of Investment

The federal tax exempt feature of the Series 2021-A Notes and the Series 2021-C Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Series 2021-A Notes and the Series 2021-C Bonds are an appropriate investment.

Market for the Obligations

Rating

Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York has assigned a rating of "Aaa" to each series of the Obligations. The rating reflects only the opinion of Moody's. Any explanation of the significance of the rating may be obtained only from Moody's. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Obligations.

Secondary Market

There is no assurance that a secondary market will develop for the purchase and sale of the Obligations. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal bonds which the underwriter distributes. The Underwriter intends to continue this practice with respect to the Obligations, but is not obligated to do so. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary for the Underwriter to suspend indefinitely secondary market trading in the Obligations as a result of the financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the City, or a material adverse change in the financial condition of the City, whether or not the Obligations are in default as to principal and interest payments, and other factors which in the opinion of the Underwriter may give rise to uncertainty concerning prudent secondary market practices.

CITY OF MADISON

General Information

The City of Madison is located approximately 150 miles northwest of Chicago, Illinois and 75 miles west of Milwaukee, Wisconsin. Madison is Wisconsin's second largest city with an estimated population of 259,233 and a land area of approximately 79.75 square miles. The City is the Wisconsin state capital and is home to the University of Wisconsin-Madison.

The Madison Standard Metropolitan Statistical Area (SMSA) ranks high in census categories describing educational attainment. According to Census Bureau, the Madison SMSA ranked high among the 323 United States SMSAs in percent of residents 25 years and older having completed high school, and of residents having four years of college or more. Comparable figures for the City itself show over 95.5% having completed high school and 57.9% completing at least four years of college.

Madison's population increased from 170,616 in 1980 to 259,233 as of January 1, 2021. Between 2000 and 2020, the median value of single-family homes rose 124% from \$149,831 to \$335,200*.

* From 2019 to 2020, the median value of single family homes increased 6.3%, from \$315,200 to \$335,200.

Mayor/Council Powers

The Common Council has the management and control of the City property, finances, highways, navigable waters, and the public service and has power to act for the government and the good order of the City, for its commercial benefit and for the health, safety, and welfare of the public. It may carry out its powers by license, regulation, suppression, borrowing of money, tax levy, appropriation, fine, confiscation and other necessary or convenient means.

The Mayor is the chief executive officer of the City. The Mayor has veto power as to all acts of the Common Council, except those as to which it is expressly or by necessary implication otherwise provided. A two-thirds vote of all the members of the Common Council shall then make an act effective, notwithstanding a veto by the Mayor.

The Mayor has the general supervisory responsibility of all City officers and heads of departments in the performance of their official duties. The Mayor is authorized under State Statutes and City Ordinances to appoint department heads, citizen officials and employees to various boards, committees and commissions, all subject to Common Council confirmation.

Principal Officials

The following is a list of the principal officials of the City of Madison as of July 1, 2021:

Satya Rhodes-Conway, Mayor

Common Council

Syed Abbas, President	Nikki Conklin
Arvina Martin, Vice President	Yannette Figueroa Cole
Barbara Harrington-McKinney	Tag Evers
Patrick W. Heck	Sheri Carter
Lindsay Lemmer	Grant A. Foster
Michael E. Verveer	Jael Currie
Regina M. Vidaver	Gary Halverson
Brian Benford	Charles Myadze
Nasra Wehelie	Keith Furman
Juliana R. Bennett	Christian A. Albouras

The Mayor is elected to a four-year term and the Common Council to two-year terms. The Common Council president serves a one-year term and is elected by the other members of the Common Council. Department officials are appointed by the Mayor with the Common Council approval after a competitive recruitment process. The Fire Chief and Police Chief are appointed by the City's Police and Fire Commission. Currently, each department head serves under a five-year renewable contract. Following are the senior appointed staff:

David P. Schmiedicke, Finance Director/ City Treasurer	Mahanth Joishy, Fleet Service Superintendent
Vacant, Council Chief of Staff	Eric Knepp, Park Superintendent
Michelle Drea, City Assessor	Charles Romines, Street Superintendent
Michael Haas, City Attorney	Yang Tao, City Traffic Engineer
Maribeth Witzel-Behl, City Clerk	Sabrina Tolley, Parking Division Manager
Norman Davis, Civil Rights Director	Justin Stuehrenberg, Metro Transit General Manager
Tresa Fuchs-Martinez, Employee Assistance Program Administrator	Krishna Kumar, Water Utility General Manager
Steven Davis, Fire Chief	Matt Wachter, Planning & Community & Economic Development Director
Harper Donahue, IV, Human Resources Director	James O'Keefe, Community Development Division Director
Sarah Edgerton, Information Technology Director	Matthew Mikolajewski, Economic Development Division Director
Gregory Mickells, Library Director	Larry Kilmer, CDA Executive Director
Connie Thompson, Monona Terrace Director	Matthew W. Tucker, Building Inspection Division Director
Shon F. Barnes, Police Chief	Heather Stouder, Planning Division Director
Janel Heinrich, Public Health Director	Thomas Lynch, Transportation Director
Robert Phillips, City Engineer	

Employee Relations as of July 19, 2021

The City of Madison employs 2,710 permanent full-time and 71 part-time civil service employees. Five unions represent 1,242 employees or 45% of the permanent work force. The principal unions that represent employees of the City are: Association of Madison Fire Supervisors; International Association of Fire Fighters Local 311; Association of Madison Police Supervisors; Madison Professional Police Officers Association; and Teamsters Union Local 695.

Under 2011 Wisconsin Act 10 and Act 32, along with their related court decisions, the scope of representation by public sector unions, with the exception of those representing police and fire commissioned employees and transit employees was changed. In response, most former city unions became employee associations in 2015.

Services

The State of Wisconsin (the “State”) mandates that certain services be performed by municipalities. Those functions and/or activities that are mandated by State law or administrative rule are: (i) providing for elections, (ii) maintaining a fire department, (iii) maintaining a police department, (iv) providing for a public health joint venture, and (v) providing traffic control.

In addition, the City furnishes numerous services including a comprehensive parks and recreational program, a modern mass transit system, public parking lots and ramps, a solid waste management program, housing and community development activities, an equal opportunities commission, as well as numerous services to low-income and elderly citizens.

The following table illustrates the 2021 budgeted revenue sources of the General Fund (by percentage) that support the services and activities of the City.

<u>Revenue Source</u>	<u>Percent of Total Revenue</u>
Real Estate and Personal Property Tax	73.2%
Intergovernmental Revenues (includes payments in lieu of taxes)	15.4
Miscellaneous (includes applied fund balance)	3.3
Charges for Services	4.1
Licenses and Permits	2.2
Fines and Forfeitures	1.5
Interest on Investments	<u>0.3</u>
Total	<u>100.0%</u>

NOTE: Total budgeted 2021 General Fund Revenues (including Madison Public Library) were \$349,498,793.

City Facilities

The principal facilities utilized by the City are considered to be suitable and adequate for the present and future requirements, except as noted below. Major facilities are:

- Municipal Offices: The City and Dane County jointly own and operate a City-County Building, located in the central business district of the City. This facility, and the City-owned Madison Municipal Building located across the street, house most of the City’s central administrative staff operations.

- Fire Stations: The City has 14 fire stations, an administration office, and a maintenance facility. The 2021 project initiatives include designing the remodel of Fire Station #6. The remodel is intended to incorporate operational, technological, and mechanical upgrades, as well as a redesign of the living space which will increase capacity and provide accommodations for a diverse workforce. Construction is planned for 2022.
- Police Stations: The Police Department has decentralized police services by operating district stations serving specific geographic areas of the City. Current initiatives include purchasing police intervention equipment to attend to emergency incidents, significant events, and other public safety and investigative concerns.
- Health: The administrative central offices for Public Health-Madison and Dane County and the Public Health Lab are located in the City-County Building. Clinic facilities with staff offices are operated in leased space at the Village on Park on South Park Street, and at the Madison East Shopping Center on East Washington Avenue. The offices for Environmental Health and Animal Services are in leased space on International Lane.
- Library: Madison's library system is comprised of a centrally-located main facility and eight neighborhood branches. The central facility and four branches are City-owned, while the remaining four branches operate in leased space.

Planned projects in 2021 include painting at the Alicia Ashman, Hawthorne, Lakeview and Sequoya branches, and replacing cooling units at the Sequoya and Goodman South branches. In addition, 2021 initiatives include converting the current lighting to LED at the Goodman South Madison, Monroe Street, and Sequoya neighborhood libraries. This will reduce energy consumption, purchase of electrical supplies, and maintenance staff time.

- Parking Systems: The City provides over 5,000 public parking spaces through its five parking ramps, seven parking lots and more than 1,300 on-street metered parking spaces. In 2021 the City plans to utilize savings on maintenance, repairs, and fuel by purchasing three new parking utility vehicles, snow blowers, a replacement trailer, and a scissor lift for the new Wilson Street parking garage.
- Monona Terrace Community and Convention Center, a 250,000 square-foot convention center originally designed by Frank Lloyd Wright, opened in 1997. A 550-space parking ramp connecting to the convention center is owned by the State of Wisconsin. Planned projects for 2021 include window replacement, exhibition hall lighting upgrades, re-caulking building seams, and upgrading network storage for client presentations. Other equipment purchases include replacing tractor and snow removal equipment, repairing exterior loading docks, upgrading video cameras, and purchasing virtual meeting equipment.
- Warner Park Community Recreation Center, located in Warner Park on the City's northeast side, is a multi-purpose, state-of-the-art public facility for recreational, educational, cultural and community programs and activities. The \$4.7 million project was developed by the City of Madison Department of Planning and Development, Community Development Block Grant Office, in partnership with the Northside Planning Council. Building funds were provided by the Department of Housing and Urban Development, the City, and contributions from community businesses and residents.

The Warner Park Community Recreation Center's Mission Statement provides that the center is a gathering place which provides innovative growth and enrichment opportunities for the Madison community and connects people of all ages, races and cultural backgrounds.

- Parks: In addition to Warner Park Community Recreation Center listed above, the City is responsible for the upkeep of the Goodman Pool, 12 beaches (8 of which have lifeguard services), over 274 parks, four golf courses, three splash parks, a skatepark, eight off-leash dog exercise areas, 20 conservation parks, botanical gardens, cemetery, and boulevard maintenance encompassing over 5,600 acres, as well as the care and pruning of over 96,000 street trees and 100,000 park trees.

Taking place in 2021 are improvements to Madison's community, neighborhood and mini parks. This includes bridge improvements, updates to athletic courts, landscaping, and parking lot pavement replacement. In addition, the City plans to update park facilities, lighting, and make pool improvements at Goodman Pool. The City continues to pursue opportunities to add additional parkland by expanding existing parks or purchasing land in park-deficient areas.

- Streets and Sidewalks: The City budgets annually for the expansion and maintenance of this system, which currently includes over 790 miles of streets and 1,234 miles of sidewalks. In 2021 the City plans to construct a new salt storage barn at the Streets Division's operations facility at Badger Road.
- Transit Utility: The City offers public transit services to its citizens, including service on both mainline and secondary routes, as well as school, commuter and special events service. The Transit Utility is also responsible for planning and coordinating all fixed route transit improvements and programs, as well as the repair and maintenance services required by the transit fleet. Because the City operates the only publicly-owned bus system in Dane County, this service has been extended to other governmental entities at their request. When services are extended outside the City boundaries, the receiving entity pays its share of the operating costs.

The Transit Utility has continued to upgrade the 1101 E. Washington bus garage facility, and in 2021 this includes the remodeling of maintenance bays. In order to increase the capacity of the existing Metro system and decrease ride times, the City started planning for the first phase of Bus Rapid Transit (BRT). Planned purchases include updated technological components that will improve dispatch communication, fare collection, and real-time fleet information. A new facility was purchased in 2021 near the Dane County Regional Airport to serve as a satellite bus maintenance and storage facility.

- Facility Management: The City Engineering Division's Facilities Management Section is responsible for development of a large portion of the City's physical plant. City Engineering staff perform architectural services and supervise construction projects, including building retrofits to meet energy and accessibility standards. This section also maintains data considering age and conditions for approximately 250 buildings city-wide, along with leading the Madison Municipal Building renovation and reconstruction efforts to provide additional functional workspace, improved energy efficiency, a high quality public environment, and to extend the useful life of the structure by more than 50 years.
- Facility Maintenance: The City Engineering Division's Facilities Maintenance Section provides maintenance services to several City agency facilities including fire and police stations, streets, facilities, the First Street Garage and the Engineering Services building.
- Fleet Equipment and Facilities: The Fleet Service Division is responsible for the purchase and preparation of fleet equipment used by City agencies, in-house repairs, and the purchase of outside repair and maintenance services.

At the end of 2020, the City completed construction on the new 110,000 square foot Fleet facility at Nakoosa Trail, and opened the building to the public in May, 2021. This facility houses the City's Central Garage, Fire Maintenance, and Radio Shop. In addition, the City plans to purchase approximately 140 pieces of equipment to support city agencies, including Traffic Engineering, Streets, and Parks.

- Water: The Madison Water Utility serves the entire area of the City and additional wholesale customers beyond the municipal boundaries through its owned supply and distribution system, which draws from 23 active deep wells which includes over 895 miles of water main. In 2021, the Utility is scheduled to pull and inspect unit wells around the city. Additional projects include installing new water mains for hydraulic improvements, replacing or rehabilitating aging pipes to update water infrastructure, replacing existing water mains in conjunction with the reconstruction of roads, and the purchase of four new vehicles and a new towable lift.
- Sanitary Sewer: The Madison Sanitary Sewer Utility serves the entire area of the City and maintains 760 miles of sanitary sewer mains and 29 sanitary sewerage lift stations to convey wastewater to the interceptors and wastewater treatment plant of the Madison Metropolitan Sewerage District. Projects for 2021 include the replacement of wastewater lift stations and old sewers, as well as improving access to sewer structures and rehabilitating failing sewers.

Relationship to Other Political Units

Dane County

The City and Dane County (the “County”) have a policy of cooperation and non-duplication of service. Examples of this are as follows:

- The governance of the Monona Terrace Community and Convention Center is shared jointly between the City and the County with the State also having representation.
- The County contracts with the City for the manufacturing of road and street signs, radio repair and the use of radio towers.
- The City and the County operate a unified and jointly funded Department of Public Health. Shared, or “joint” costs are apportioned to the City and County tax levies based upon equalized value. In addition, some expenses are funded entirely by either the City or County.
- The City and County jointly own and operate the City-County Building.
- The City, the County and other governmental entities bordering on lakes Monona and Mendota cooperate in lake patrol and weed control.
- The Dane County library system purchases various services from the City library.
- Dane County’s Department of Public Safety Communications provides countywide 9-1-1 emergency call taking services. The Department also provides dispatching and centralized communications services for the Dane County Sheriff’s Department, Madison Police and Fire Departments, as well as 21 local law enforcement agencies, 26 local fire departments, and 21 local EMS agencies.
- The County Sheriff’s Department coordinates with the Madison Police Department.
- The County has a Capitol Area Regional Planning Commission which assists in coordinating planning activities of all local jurisdictions.
- The Madison Area Transportation Planning Board (TPB) (the Metropolitan Planning Organization for the Madison Area) carries out a cooperative, continuing and comprehensive planning process for making transportation investment decisions in the Metropolitan area, working with 34 contiguous villages, cities and townships. The TPB prepares and maintains a long range multi-modal transportation plan and a five-year transportation improvement program to provide for transportation investments to meet metropolitan transportation needs.

Madison Metropolitan Sewerage District

The Madison Metropolitan Sewerage District (the “District”) was established to provide sewerage disposal and treatment services to a wide geographic area. The District owns and operates a major collection system and the processing/disposal facilities. Each local unit of government owns, operates and maintains the sewer mains and laterals within its geographic boundaries.

The District bills each local unit of government based on volume of sewerage processed. The City accounts for all of its sewer-related costs in a separate enterprise fund. Monthly billings are submitted along with the water bill and the revenue collected is sufficient to pay for the District’s sewer services plus the City’s Sewer Utility’s debt service and cost of local engineering and sewer maintenance.

Neighboring Municipalities

Since 1990, the City has entered into intergovernmental agreements with the Cities of Fitchburg, Middleton, Monona, Sun Prairie and Verona; the Villages of DeForest, Maple Bluff, McFarland, Shorewood Hills, and Waunakee; the Towns of Blooming Grove, Burke, Madison, Middleton, Springfield, Verona, and Westport; and Dane County. These agreements are intended to minimize annexation legal battles, provide for orderly City growth, and to ensure that each municipal identity will be maintained. Such agreements also provide opportunities for cost-sharing on capital projects such as road construction, as well as cost savings arising from municipal service consolidation.

City Finances

The City Finance Department is responsible for overall accounting, finance and budget functions for agencies and proprietary operations of the City. The centralized accounting system is multi-dimensional and provides information necessary for budgetary control, resource allocation, and program costs.

Financial statements conform to Generally Accepted Accounting Principles applicable to governmental units prepared in accordance with standards of the Governmental Accounting Standards Board and are included in the City’s Comprehensive Annual Financial Report. Interim financial statements are prepared monthly for some enterprise funds, as well as quarterly budget to actual and cash-flow projections, and specialized financial reports are also prepared on an as-needed basis.

The City maintains a “financial trend monitoring system” that charts various balance sheet, revenue and cost items, as well as key financial ratios. Changes in trends are analyzed and, when appropriate, corrective action is taken. Results of the trends also play a role in the City’s debt management program.

The City maintains a segregated debt service fund. Annual deposits are made to the fund in amounts sufficient to pay all current year interest and principal on all general obligation debts. In addition, any unused proceeds from borrowing are transferred to the fund. These amounts are used to offset future years’ debt service payments.

Investment Policies

The City has a comprehensive written investment policy. All of the City's temporary idle cash is invested by the Treasury and Revenue Manager as the Investment Officer. Cash flow projections prepared by the City Finance Department are used in making investment decisions. Major features of the policy are as follows:

- Safety – safety of principal is the foremost objective of the City.
- Liquidity – the investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- Return – the City's investment portfolio is designed to attain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraint and the cash flow characteristics of the portfolio.
- Local considerations – where possible, funds may be invested for the betterment of the local economy or that of local entities within the State. The City may accept a proposal from an eligible institution which provides for a reduced rate of interest provided that such institution documents the use of deposited funds for community development projects.
- Social Responsible Investing - Investments in corporate equities and bonds will be limited to companies with an Environmental, Social and Governance (ESG) score within the top 50% of the ranking index and consistent with Common Council authorized guidance.
- Authorized financial institutions, depositories, and broker/dealers – the City maintains a list of financial institutions and depositories authorized to provide investment services, as well as of approved security broker/dealers selected for credit worthiness, experience, and other relevant factors.
- Delivery vs. payment – all trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
- Safekeeping – securities will be held by an independent third-party custodian selected by the City as evidenced by safekeeping receipts in the City's name.
- Internal controls – the Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse.
- Investment types – as a unit of local government in the State, the City is restricted by Section 66.0603(1m) of the Wisconsin Statutes to the following investment options:
 - A. U.S. Treasury obligations which carry the full faith and credit guarantee of the United States government.
 - B. U.S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value.
 - C. Certificates of deposit and other evidences of deposit in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in Wisconsin if the time deposits mature in not more than 3 years.

- D. Commercial paper rated in the highest tier by a nationally recognized rating agency. Investment-grade obligations of state and local governments and public authorities which mature or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it was acquired.
 - E. Investment-grade obligations of state and local governments and public authorities which mature or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it was acquired.
 - F. Any corporate security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by a nationally recognized rating agency.
 - G. Repurchase agreements whose underlying securities consist of U.S. Treasury obligations or U.S. government agency or instrumentality obligations.
 - H. Money market mutual funds regulated by the Securities and Exchange Commission and invested primarily in government or government agency money market instruments.
 - I. Local government investment pools administered by the State of Wisconsin or developed through joint powers statutes and other intergovernmental agreement legislation.
- Collateralization – all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit, should be fully collateralized.
 - Repurchase agreements – Repurchase agreements shall be consistent with the Recommended Practices on Repurchase Agreements of the Government Finance Officers Association.
 - All investments of the City shall be diversified on the following basis:
 - A. The City shall limit investments to avoid over-concentration in securities from a specific Issuer or business sector. In general, no limits are necessary for U.S. Treasury securities, no more than 25% should be invested in a single government agency Issuer, no more than 20% in a single money market fund (excluding the Wisconsin Local Government Investment Pool), no more than 10% in corporate bonds, no more than 10% in commercial paper, no more than 3% in a single Issuer of corporate bonds, and no more than 3% in a single Issuer of commercial paper. In no case should combined corporate bond/commercial paper holdings in a particular business sector exceed 10%.
 - B. The City shall invest in securities with varying maturities.
 - C. The City shall continuously invest a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.
 - Maximum maturities – The City shall attempt to match its investments with anticipated cash flow requirements to the extent possible. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than ten years from the date of purchase. The City will invest in accordance with state and local statutes or ordinances. Reserve funds remaining after short-term fund requirements are met will be invested using a “laddered maturity” approach. The portfolio shall have a weighted average maturity of less than five years, with the exception of investments made to coincide as nearly as practicable with the expected use of funds. Any securities purchased will be liquid with an active secondary market that can be accessed if necessary to sell a security prior to its maturity.

- **Competitive Bids** – The investment officer shall obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market.
- **Management** – The investment officer may consult with internal and external partners regarding the diversification of the portfolio and cash management.
- **Reporting** – The Investment Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status and statement of market value and the individual transactions executed over the last quarter, which will determine whether investment activities during the reporting period have conformed to the investment policy. The report will include a listing of individual securities held at the end of the reporting period, realized and unrealized gains and losses resulting from appreciation or depreciation, average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks, a list of investments by maturity date, and the percentage of total portfolio that each type of investment represents.
- **Performance Standards** - The city of Madison’s cash management portfolio shall be designated with the objective of regularly meeting or exceeding the average return on three-month U.S. Treasury bills.
- **Marking to Market** – The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly.

As of July 31, 2021, the City had invested a total of \$689,507,509 for itself, and the Water Utility. Of that total, \$184,371,803 (26.74%) was invested in securities having a maturity date of later than July 31, 2022.

Budget Process

The City of Madison utilizes the “Executive Budget” process, whereby the Mayor develops and submits a budget for the upcoming fiscal year. The Mayor develops priorities and guidelines for the next year and presents them to City agencies. Each agency is then required to submit a budget request to the Finance Director prior to August 15 for the ensuing calendar year. Operating budget requests are reviewed by the Finance Director and the Mayor. Capital budget requests are reviewed by the Mayor, Finance Director and appropriate staff. Based on the requests and changes made thereto, the Mayor makes final determination as to which programs, and their level of funding, are to be included in the Executive Budget and presents it to the Common Council.

The Council’s Finance Committee reviews the Executive Budget in detail, holding several public hearings and numerous meetings for deliberation. The Board may make changes to the Executive Budget.

When completed, the budget, as amended by the Finance Committee, is submitted to the Common Council for final approval. The Council may make further amendments to the budget, and final adoption requires a simple majority vote.

Once the budget is adopted, subsequent amendments and additional appropriations require a three- fourths vote of the Common Council. A balanced budget (appropriations equal to the sum of estimated revenues, tax levy and applied fund balance) is required at all times.

Pension Costs

All employees holding qualified positions, as defined by the City's retirement plan, are eligible for participation in the Wisconsin Retirement System (WRS). The City pays a portion of the program's entire cost. Also included in payments to the WRS are amounts to fund disability pensions of police officers and firefighters as provided by Section 40.65 of the Wisconsin Statutes. The total cost of the retirement plan and disability pensions approximated the following for the past five years is:

2020	\$36,851,640
2019	33,765,363
2018	33,006,192
2017	32,123,893
2016	28,889,626

Effective with the adoption of the State of Wisconsin 2011-2013 budget (Wisconsin Act 32) and Wisconsin Act 10, all new employees hired after July 1, 2011, that are expected to work over 1,200 hours in a year, are eligible to participate in WRS. Current employees already in the WRS, became eligible when expected to work over 600 hours in a year.

All eligible employees except commissioned Police and Fire staff must pay 50% of their respective total WRS contribution rates. Employee contributions for 2021 are 6.75% and will decrease to 6.50% in 2022. Commissioned Police and Fire staff pay these same employee contribution rates.

WRS utilizes the "Entry Age Normal with Frozen Initial Liability" actuarial method in establishing employer contribution rates. Under this method, the unfunded accrued actuarial liability is affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any added liabilities caused by changes in benefit provisions. All actuarial gains or losses arising from the difference between actual and assumed experience are reflected in the determination of the normal cost. The City has no unfunded accrued pension liabilities as determined by the WRS.

GASB 68

The Government Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB 68, which revised existing standards for measuring and reporting pension liabilities for pension plans provided to City employees and require recognition of a liability equal to the City's proportionate share of net pension liability which is measured as the total pension liability less the amount of the pension plan's fiduciary net position.

The City's proportionate shares of the pension costs and the City's net pension liability or (asset) for WRS for the past three years are as follows:

	Proportion of the Net <u>Pension Liability</u>	Proportionate Share of the Net Pension <u>Liability (Asset)</u>
2020	1.78514709%	\$(57,561,292)
2019	1.74727964	62,162,732
2018	1.68891241	(50,145,814)

For more information regarding GASB 68 with respect to the City, please reference "Note V- Other Information –A. Employees' Retirement System" of the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2020.

Other Post-Employment Benefits

The City contributes to other post-employment benefits (“OPEB”) to eligible retired City employees and their spouses that covers both active and retired members.

The City of Madison adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective January 1, 2018.

The following table shows the components of the City’s annual OPEB costs for the fiscal year ended December 31, 2020.

Balance at January 1, 2020	<u>\$71,257,036</u>
Changes for the year:	
Service cost	\$ 4,899,074
Interest	2,427,734
Changes of benefit terms	(77,170)
Changes in assumptions	11,299,076
Differences between expected and actual experience	(3,920,592)
Benefit payments	<u>(3,529,397)</u>
Net changes	<u>\$11,098,725</u>
Balance at December 31, 2020	<u>\$82,355,761*</u>

* Excludes OPEB obligation for the Department of Public Health for Madison and Dane County (DPHMDC) and CDA. DPHMDC is a joint venture with Dane County and CDA is a component unit of the City.

Funded status of the City’s OPEB as reported in the actuarial reports for the past three fiscal years is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>OPEB Expense</u>	<u>Actuarial Total OPEB Liability</u>
December 31, 2020	- (a)	\$7,619,677	\$82,355,761
December 31, 2019	- (a)	6,535,006	71,257,036
December 31, 2018	- (a)	6,375,205	65,258,316

(a) Plan assets are not currently administered by a fund trustee.

Source: City’s 2020 Comprehensive Annual Financial Report

For more information concerning the City’s OPEB obligations, please reference “Note V – Other Information, D. Other Post-Employment Benefits” and “Required Supplementary Information” of the City’s Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020.

Sources: City’s Comprehensive Annual Financial Reports.

ECONOMY

Statistics prepared by the State Department of Workforce Development for the Madison Metropolitan Statistical Area (MSA) break down employment by category for May 2021 as follows:

<u>Employment Category</u>	<u>Approximate Number Employed</u>
Government	84,100
Goods Producing	56,800
Professional and Business Services	53,300
Leisure and Hospitality	28,800
Manufacturing	37,500
Finance	22,900
Other Services	21,000
Information	17,300

The principal private employers are Epic Systems (9,600 employees), SSM Health Care (6,467 employees), and American Family Mutual Insurance Group (4,353 employees).

Employment/unemployment statistics are as follows:

	<u>Annual Average</u>				<u>May 2021</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Madison MSA					
Labor Force (000)	388.1	387.6	388.0	384.8	391.8
Employed (000)	378.5	378.7	378.2	365.8	379.8
Unemployed (000)	10.5	11.1	9.8	18.9	12.1
Percent Unemployed					
United States	4.4%	3.9%	3.7%	8.1%	5.5%
State of Wisconsin	3.3	3.0	3.3	6.3	4.0
Madison MSA	2.5	2.3	2.5	4.9	3.1

Source: Wisconsin Department of Workforce Development, <https://www.jobcenterofwisconsin.com/wisconomy/>, 2021 data is preliminary. Data is not seasonally adjusted.

Major Employers in the Madison Area

<u>Employer</u>	<u>Number of Employees</u>
State of Wisconsin	45,166
University of Wisconsin – Madison	23,917
UW Health	14,792
Epic Systems (Verona)	9,600
SSM Health Care	6,467
United States Government	5,424
American Family Mutual Insurance Group	4,353
Madison Metropolitan School District	3,591
Unity Point Health – Meriter	3,090
City of Madison	3,072

Source: This is not a comprehensive list, but is based on the City's audited 2020 Comprehensive Annual Financial Report, (Table 16 page 232).

Population Data (City of Madison)

The population trend of the City since 1980 is shown below:

<u>Year</u>	<u>Census Population Count</u>	<u>Percent Increase (Decrease) from Previous Year Shown</u>
2021 (Est. Jan. 1, 2021)	259,233	0.8%
2020	257,197	10.3
2010	233,209	12.1
2000	208,054	8.8
1990	191,262	--

Sources: U.S. Census Bureau, <https://www.census.gov>, and Wisconsin State Department of Administration, <https://www.doa.wi.gov>.

Population by Age Distribution (City of Madison)

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2021</u>
Under 5	10,815	13,561	14,403	14,517
5-14	20,348	21,298	23,662	30,071
15-19	18,192	16,508	19,290	16,850
20-24	32,394	34,919	40,637	24,627
25-44	66,979	73,364	79,474	72,326
45-64	40,142	51,176	52,983	64,549
65 & Over	<u>19,184</u>	<u>22,383</u>	<u>26,748</u>	<u>36,293</u>
Total	<u>208,054</u>	<u>233,209</u>	<u>257,197</u>	<u>259,233</u>

Sources: U.S. Census Bureau, <https://www.census.gov> and Wisconsin State Department of Administration, <https://www.doa.wi.gov>.

Family Income Range (City of Madison)

	<u>Number of</u>			
	<u>Families</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019*</u>
Under - \$9,999	2,493	1,627	2,100	1,371
\$10,000 - \$14,999	1,993	1,141	1,137	768
\$15,000 - \$24,999	5,144	3,163	2,533	1,731
\$25,000 - \$49,999	16,289	10,692	8,108	7,011
\$50,000 - \$74,999	8,902	11,495	9,433	8,321
\$75,000 & Over	<u>5,426</u>	<u>14,642</u>	<u>23,938</u>	<u>31,641</u>
Total	<u>40,247</u>	<u>42,760</u>	<u>47,249</u>	<u>50,843</u>
Median Family Income	\$40,799	\$59,840	\$75,739	\$93,427

* 2015-2019 American Community Survey 5-Year Estimates; most recent information available. Released in December 2020.

Source: U.S. Census Bureau, <https://www.census.gov>

Growth and Trends

As of July 31, 2021, the City encompassed 79.75 square miles.

The City of Madison’s Comprehensive Plan is the result of Imagine Madison, a community engagement process that reached over 15,000 people. The Comprehensive Plan is the City’s high-level plan for the future. It includes recommendations regarding land use, transportation, housing, economic development, parks and open space, cultural resources, and a variety of services. The primary function of the Plan is to guide growth and development in the City over the next 20 years. Several key recommendations of the Comprehensive Plan include transit improvements, more housing choices, creation of family-supporting jobs, and focusing future growth on infill and redevelopment priority areas. Additionally, the 2021 Capital Improvement Plan (CIP) invests \$1.0 billion over the next 6 years. The timing of major projects, such as construction of new facilities, causes the variability in budget amounts across the CIP. The CIP ranges from \$111-170 million from 2021 to 2026, except in 2022 where the CIP grows to \$304 million for major infrastructure and facilities projects.

City Tax Increment Districts

As of January 1, 2021, the City had 12 active Tax Incremental Districts. The total 2021 equalized value of property in the active districts is \$2,419,279,900 or 7.34% of the City’s 2021 equalized value of \$32,940,368,400. Taxes generated from the incremental values have been sufficient to pay all costs associated with the districts, including applicable debt service.

The following table is a listing of the City's active districts and their total incremental value generated as of January 1, 2021.

<u>No. and Title</u>	<u>General Location</u>	<u>Incremental Value Generated</u>
25. West Wilson St. Corridor	Central city	\$ 214,135,500
29. Allied Dunn's Marsh Neighborhood	Southeast	35,442,600
35. Todd Drive/West Beltline Highway	South	54,759,000
36. Capitol Gateway Corridor	Central city	451,792,400
37. Union Corners	East	138,028,800
39. Stoughton Road	Southeast	121,471,700
41. University- Whitney	West	53,675,000
42. Wingra	West	71,663,100
44. Royster Clark	East	45,624,400
45. Capitol Square West	Central city	95,525,200
46. Research Park	West	289,286,500
47. Silicon Prairie	West	<u>18,092,700</u>
Total Incremental Value Generated		<u>\$1,589,496,900</u>

Assessed Valuation Growth

Assessed valuation changes in millions of dollars for residential and commercial real property for the last five years are shown in the following schedule.

<u>Assessment Year</u>	<u>(In Millions of Dollars)</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Residential:					
Construction	\$ 189	\$ 206	\$ 182	\$ 237	\$ 212
Revaluation	<u>789</u>	<u>869</u>	<u>876</u>	<u>747</u>	<u>1,131</u>
Subtotal	\$ 978	\$1,075	\$1,058	\$ 984	\$1,343
Commercial:					
Construction	\$ 561	\$ 398	\$ 424	\$ 392	\$ 288
Revaluation	<u>745</u>	<u>375</u>	<u>216</u>	<u>490</u>	<u>438</u>
Subtotal	\$1,306	\$ 773	\$ 640	\$ 882	\$ 726
Agricultural:					
Construction	-	\$ 1	-	\$ 1	-
Revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	-	\$1	-	\$ 1	-
Total:					
Construction	\$ 750	\$ 605	\$ 606	\$ 630	\$ 500
Revaluation	<u>1,534</u>	<u>1,244</u>	<u>1,092</u>	<u>1,237</u>	<u>1,569</u>
Grand Total	<u>\$2,284</u>	<u>\$1,849</u>	<u>\$1,698</u>	<u>\$1,867</u>	<u>\$2,069</u>

* Source: 2020 assessed valuation breakdowns as of January 1, 2021, as published by the City Assessor in June 2021.

New residential construction during each of the last five years is shown below:

Number of Dwelling Units Constructed-as of July 31, 2021

<u>Assessment Year</u>	<u>One Family</u>	<u>Two or More Families</u>	<u>Total</u>
2017	361	1,698	2,059
2018	359	1,224	1,583
2019	378	1,322	1,700
2020	355	1,825	2,180
2021 (through 7-31)	176	2,225	2,401

Permits Issued by the City

<u>Year</u>	<u>New Single Family Residential</u>		<u>New Commercial/Industrial</u>		<u>Total Value* (All Permits)</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2021 (to 8-1)	176	\$ 61,981,289	77	\$369,470,268	\$636,292,517
2020	355	122,951,202	86	452,741,692	592,777,296
2019	378	117,916,106	73	426,303,664	812,994,688
2018	359	105,575,828	86	429,423,037	966,292,347
2017	361	100,503,415	97	524,110,171	882,224,669
2016	342	87,701,354	86	358,026,333	743,849,219

* In addition to building permits, the total value includes all other permits issued by the City (i.e. heating, lighting, plumbing, roof replacement, etc.).

Source: The City.

Education

The majority of the City is within the Madison Metropolitan School District, which educates more than 27,000 students. It is the second largest school district in Wisconsin. The district operates 52 schools, including five high schools and one alternative high school. There are also 14 schools that offer dual language immersion. Of the 2,760 teachers, 60.8% have a master's degree or higher. In addition, the District operates the University of Wisconsin Hospital School which serves the educational needs of school age children who are under care and treatment at the University of Wisconsin hospital. The Verona School District, the Sun Prairie Area School District, the Middleton-Cross Plains School District, the DeForest School District, the Monona Grove School District, the McFarland School District and the Waunakee Community School District also serve small parts of the City. Madison is the home of the main campus of the University of Wisconsin (UW) system. UW Madison graduates over 7,400 undergraduate students annually, and issued over 11,000 degrees in total, which includes master and doctorate degrees.

DEBT STRUCTURE

**Estimated General Obligation Debt Outstanding as of October 21, 2021
(Including the Obligations)**

General Obligation Bonds	\$ 144,500,000
General Obligation Promissory Notes	<u>412,274,500</u>
 Total	 <u>\$556,774,500</u>

NOTE: The total general obligation debt of the City of Madison currently includes \$166,447,371 that will be reimbursed from the earnings of various City operations. The total general obligation debt also includes \$41,952,746 borrowed to fund the City's portion of Tax Incremental Districts (TIDs). Principal and interest for TID-related debt are paid by the incremental taxes generated in the TIDs, not the general tax levy.

**Estimated Calendar Year General Obligation Debt Service Payments
(Including the Obligations)**

<u>Year</u>	<u>Principal</u>	<u>Principal & Interest^(a)</u>
2021 (at 10-21)	(Paid)	(Paid)
2022	\$ 84,017,500	\$ 99,149,075
2023	78,970,000	91,833,478
2024	72,669,000	83,399,215
2025	64,302,500	73,123,691
2026	57,269,500	64,256,613
2027	48,943,000	54,239,992
2028	40,128,000	43,942,960
2029	30,075,000	32,733,529
2030	22,015,000	23,966,523
2031	14,900,000	16,305,959
2032	6,360,000	7,491,626
2033	5,655,000	6,627,550
2034	5,655,000	6,476,438
2035	5,650,000	6,317,825
2036	5,035,000	5,548,081
2037	4,700,000	5,075,925
2038	4,010,000	4,258,400
2039	3,510,000	3,653,300
2040	2,020,000	2,078,200
2041	<u>890,000</u>	<u>907,800</u>
 Total	 <u>\$556,774,500^(b)</u>	 <u>\$631,386,180</u>

^(a) Includes debt service on the Obligations based on the interest rates shown on the inside front cover of this Official Statement.

^(b) 92.2% of this debt will be retired within ten years.

Computation of City's Legal Debt Margin

Debt Limit (5% of 2021 Equalized Value of \$32,940,368,400)	\$1,647,018,420
Total Debt Applicable to Debt Limit (Including the Obligations)	<u>(556,774,500)</u>
Legal Debt Margin as of October 21, 2021*	<u>\$1,090,243,920*</u>
Debt Outstanding as a Percent of Legal Debt Limit	33.80%

* The legal debt margin permits debt to be offset by debt service funds. No such offset has been used to decrease the margin shown above.

Percentage of General Obligation Debt To Equalized Value as of December 31 for Last Five Years

<u>Fiscal Year</u>	<u>G.O. Debt</u>	<u>Equalized Value</u>	<u>G.O. Debt as a % of Equalized Value</u>
2016	\$410,605,000	\$24,596,422,250	1.67%
2017	448,645,000	26,768,653,950	1.68
2018	487,061,000	28,727,407,800	1.70
2019	521,391,000	30,910,698,000	1.69
2020	571,852,500	33,036,794,000	1.73

General Obligation Debt Per Capita and Debt Per Capita as a Percentage of Per Capita Personal Income as of December 31 for Last Five Years

<u>Fiscal Year</u>	<u>G.O. Debt</u>	<u>Population</u>	<u>Debt Per Capita</u>	<u>Madison MSA Per Capita Income</u>	<u>Debt Per Capita as a % of Per Capita Income</u>
2016	\$410,605,000	247,207	\$1,661	\$53,595	3.10%
2017	448,645,000	250,073	1,794	58,100	3.09
2018	487,061,000	252,546	1,929	59,371	3.25
2019	521,391,000	255,650	2,039	62,087	3.28
2020	571,852,500	257,197	2,223	N/A	N/A

Sources: The City and the Bureau of Economic Analysis – US Department of Commerce, <http://www.bea.gov/regional/bearfacts>. Personal income last published on November 17, 2020.

Overlapping Debt

<u>Taxing Unit</u>	<u>Estimated G.O. Debt as of 10-21-2021*</u>	<u>Debt Applicable to Value in City</u>	
		<u>Percent</u>	<u>Amount</u>
Dane County	\$362,100,000	45.10%	\$163,307,100
DeForest School District	144,985,000	9.97	14,455,005
Madison Metropolitan School District	156,137,161	89.89	140,351,694
McFarland School District	59,255,000	10.27	6,085,489
Middleton-Cross Plains School District	193,280,000	22.38	43,256,064
Monona Grove School District	82,145,000	0.13	106,789
Sun Prairie Area School District	330,690,000	15.74	52,050,606
Verona School District	159,755,000	3.69	5,894,960
Waunakee Community School District	61,090,000	2.71	1,655,539
Madison Area Technical College	170,145,000	33.21	<u>56,505,155</u>
Total			<u>\$483,668,401</u>

* Excludes general obligation debt of the Madison Metropolitan Sewerage District (the "District"). The District has not levied a property tax since 1973 for this general obligation debt. All operating and debt service expenditures of the District are paid out of sewer service charges billed to the local units of government within the District.

Estimated Non-General Obligation Debt Outstanding

Revenue Bonds Payable from Enterprise Funds:	
Water Utility	\$196,755,000
Sewer Utility	<u>51,445,000</u>
Total as of October 21, 2021	<u>\$248,200,000</u>

In addition, the Community Development Authority of the City has issued various obligations payable solely from revenues generated by the associated projects, and housing bonds and notes payable from public housing rentals and subsidies. As of December 31, 2020, the total principal amount outstanding of the Community Development Authority obligations was \$1,620,000.

GENERAL FUND FINANCIAL INFORMATION

Balance Sheet

General Fund

Years Ended December 31, 2016-2020

	2016	2017	2018	2019	2020
ASSETS					
Cash and investments	\$ 68,398,674	\$ 67,013,897	\$ 73,440,507	\$ 78,890,748	\$ 90,207,940
Receivables					
Taxes	202,863,467	213,310,368	224,186,106	230,971,165	237,215,746
Accounts	5,581,578	3,408,514	4,293,286	4,515,384	3,770,091
Accrued revenue	331,898	948,351	170,983	-	50,477
Accrued interest	454,426	364,370	494,287	651,661	230,680
Long-term loans	1,848,042	898,024	830,704	779,273	763,680
Other receivables	16,546,000	16,546,000	16,546,000	14,648,000	14,648,000
Due from other funds	760,958	7,148,588	489,505	579,225	580,964
Due from component unit	654,610	-	20,286	11,831	-
Due from other governmental units	366,821	357,244	527,061	3,958,201	134,602
Advances to other funds	2,295,000	1,530,000	1,578,340	1,316,829	802,005
Advances to component unit	238,000	238,000	238,000	238,000	238,000
Inventories	-	574,173	560,568	557,686	534,622
Prepaid items	1,800,987	1,934,402	1,894,844	2,032,826	2,144,359
TOTAL ASSETS	\$ 302,140,461	\$ 314,271,931	\$ 325,270,477	\$ 339,150,829	\$ 351,321,166
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 5,811,378	\$ 7,279,403	\$ 4,961,167	\$ 5,103,947	\$ 5,483,377
Accrued liabilities	10,675,737	10,202,312	10,255,284	12,325,628	15,077,715
Deposits	5,269,071	5,509,752	5,827,506	6,260,882	6,615,829
Due to other governmental units	1,420,650	655,310	43,301	125,325	22,833
Other liabilities	54,746	56,439	54,628	34,144	34,144
Total Liabilities	23,231,582	23,703,216	21,141,886	23,849,926	27,233,898
Deferred Inflows of Resources					
Unavailable revenues	21,880,289	19,108,236	17,639,543	16,307,165	16,187,903
Property taxes for subsequent year	202,813,066	213,262,507	224,132,157	230,855,731	237,087,198
Total Deferred Inflows of Resources	224,693,355	232,370,743	241,771,700	247,162,896	253,275,101
Fund Balances					
Nonspendable					
Noncurrent advances to other funds	1,530,000	765,000	813,340	1,316,829	802,005
Advances to component units	238,000	238,000	238,000	238,000	238,000
Noncurrent interfunds	-	3,079,684	-	-	-
Noncurrent receivables	1,131,305	85,661	64,245	64,245	21,413
Inventories	-	574,173	560,568	557,685	534,622
Prepaid items	1,800,987	1,934,402	1,894,844	2,032,826	2,144,359
Restricted	-	-	822,139	779,273	763,680
Assigned	10,209,047	9,495,705	8,645,543	9,977,440	22,329,709
Unassigned	39,306,185	42,025,347	49,318,212	53,171,709	43,978,379
Total Fund Balances	54,215,524	58,197,972	62,356,891	68,138,007	70,812,167
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 302,140,461	\$ 314,271,931	\$ 325,270,477	\$ 339,150,829	\$ 351,321,166

Sources: City's Comprehensive Annual Financial Reports.

GENERAL FUND FINANCIAL INFORMATION

**Statements of Revenues, Expenditures and Changes in Fund Balances
General Fund
Years Ended December 31, 2016-2020**

	2016	2017	2018	2019	2020
REVENUES					
Taxes	\$ 195,421,631	\$ 204,541,277	\$ 214,650,234	\$ 225,805,119	\$ 232,397,875
Intergovernmental	35,717,178	36,596,686	37,280,604	38,503,530	40,784,212
Licenses and permits	9,327,847	7,706,199	7,897,702	7,385,413	6,404,298
Fines and forfeitures	7,694,509	6,614,108	6,360,901	6,452,870	3,902,015
Public charges for services	9,159,414	15,967,637	13,334,323	14,786,359	12,566,844
Investment income	2,759,893	1,506,537	3,462,791	5,767,747	3,698,642
Miscellaneous	1,174,743	1,267,501	1,176,552	3,171,525	924,845
Total Revenues	<u>261,255,215</u>	<u>274,199,945</u>	<u>284,163,107</u>	<u>301,872,563</u>	<u>300,678,731</u>
EXPENDITURES					
Current					
General government	\$ 25,817,932	\$ 25,798,262	\$ 25,964,541	\$ 25,698,059	\$ 29,039,169
Public safety	125,262,941	127,524,178	131,741,893	137,676,340	148,187,195
Public works	36,837,928	35,485,767	36,914,468	40,180,686	38,295,805
Planning & development	19,951,759	21,884,467	22,060,875	23,808,696	24,590,836
Culture & recreation	16,989,347	17,098,705	17,598,272	18,104,270	14,966,049
Total Expenditures	<u>224,859,907</u>	<u>227,791,379</u>	<u>234,280,049</u>	<u>245,468,051</u>	<u>255,079,054</u>
Excess of revenues over expenditures	<u>36,395,308</u>	<u>46,408,566</u>	<u>49,883,058</u>	<u>56,404,512</u>	<u>45,599,677</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	43,435	106,692	45,705	51,758	46,823
Transfers in	17,216,799	18,910,297	20,319,278	20,898,187	14,318,203
Transfers out	<u>(54,077,616)</u>	<u>(61,443,107)</u>	<u>(66,911,261)</u>	<u>(71,573,341)</u>	<u>(57,290,543)</u>
Total Other Financing Sources (Uses)	<u>(36,817,382)</u>	<u>(42,426,118)</u>	<u>(46,546,278)</u>	<u>(50,623,396)</u>	<u>(42,925,517)</u>
Net Change in Fund Balances	(422,074)	3,982,448	3,336,780	5,781,116	2,674,160
FUND BALANCES - Beginning of Year	<u>54,637,598</u>	<u>54,215,524</u>	<u>59,020,111</u>	<u>62,356,891</u>	<u>68,138,007</u>
FUND BALANCES - END OF YEAR	<u>\$ 54,215,524</u>	<u>\$ 58,197,972</u>	<u>\$ 62,356,891</u>	<u>\$ 68,138,007</u>	<u>\$ 70,812,167</u>

Sources: City's Comprehensive Annual Financial Reports.

General Fund and Debt Service Budget Summary

	<u>2020</u>	<u>2021</u>
Revenues:		
Property Taxes	\$250,016,152	\$255,933,573
Intergovernmental revenues (includes payment in lieu of taxes)	56,616,012	53,670,485
Charges for Services	9,389,049	14,233,015
Other Local Taxes and revenues	6,810,000	11,694,800
Fines and Forfeitures	6,500,000	5,350,000
Licenses and Permits	7,376,920	7,616,920
Interest Income	<u>4,000,000</u>	<u>1,000,000</u>
 Total Revenues	 <u>\$340,708,133</u>	 <u>\$349,498,793</u>
Expenditures:		
Public Safety and Health	\$145,084,514	\$151,363,015
General Government	2,604,260	2,231,197
Public Works and Transportation	61,615,533	65,327,253
Administration	24,802,434	23,541,560
Department of Planning and Development	25,317,259	26,282,339
Debt Service	54,422,907	55,912,825
Miscellaneous	<u>7,697,623</u>	<u>5,991,040</u>
 Total General Fund Expenditures	 \$321,544,530	 \$330,649,229
Library	<u>19,163,603</u>	<u>18,849,564</u>
 Total Expenditures	 <u>\$340,708,133</u>	 <u>\$349,498,793</u>

Source: The City's 2021 Adopted Operating Budget, pages 12-15.

Debt Service Expenditures

Net debt service cost as a percentage of total General Fund expenditures for the past five years is shown as follows:

<u>Year</u>	<u>(In Thousands of Dollars)</u>		<u>Percent of Total</u>
	<u>Total General Fund Expenditures</u>	<u>Debt Service Expenditures</u>	
2017	\$283,939	\$44,321	15.6%
2018	297,031	47,239	15.9
2019	314,363	54,709	17.4
2020	321,545	54,423	16.9
2021 (Budget)	330,649	55,913	16.9

Source: The City's 2021 Adopted Operating Budget, page 15.

TAX LEVIES, COLLECTIONS AND RATES

The City of Madison levies property taxes for general City operations and collects the City's share of tax levies of other governmental units (School Districts, County, Madison Area Technical College (MATC) and State) certified to the City. Taxes are levied by the Common Council. The City collects taxes, and offers citizens two types of payment options. The first option is a lump sum payment due on or before January 31. The second option is four installment payments due on or before January 31, March 31, May 31, and July 31. All delinquent real estate taxes are purchased by Dane County. Final settlement for these taxes is August 20, at which time the City receives 100% of its real property levy from the County. The City charges back delinquent personal property taxes to other taxing entities on a pro rata basis. Overdue or delinquent personal property taxes and special assessments are subject to an interest charge of 1% per month or fraction of a month. In addition to the interest charge, special assessments are subject to a penalty of 0.5% per month or fraction of a month.

Delinquent personal property taxes for the last five years as of July 31, 2021 are:

<u>Tax/Levy</u> <u>Year</u>	<u>Collection</u> <u>Year</u>	<u>Delinquent</u> <u>Taxes</u>
2016	2017	\$105,031
2017	2018	72,664
2018	2019	185,336
2019	2020	266,325
2020	2021	232,890

The City of Madison has never borrowed against delinquent taxes nor has the City ever engaged in interim borrowing for operational purposes.

Property Tax Rates Per \$1,000 of Assessed Value

<u>Fiscal</u> <u>Year</u>	<u>City^(a)</u>	<u>Madison</u> <u>School</u> <u>District</u>	<u>County</u>	<u>State^(b)</u>	<u>MATC</u>	<u>Less:</u> <u>State</u> <u>Credit</u>	<u>Total</u>
2017	\$9.49	\$12.26	\$3.03	\$0.17	\$0.99	\$(1.98)	\$23.97
2018	9.34	11.99	3.09	-	0.97	(2.06)	23.33
2019	9.07	11.58	2.91	-	0.95	(1.99)	22.52
2020	8.90	11.78	2.87	-	0.94	(1.93)	22.56
2021	8.65	11.92	2.84	-	0.92	(1.87)	22.47

^(a) Includes levy for Madison Public Library.

^(b) The State of Wisconsin repealed the forestry mill tax effective in 2018.

Source: The City's 2021 Adopted Operating Budget, page 10.

Tax Levies

<u>Fiscal Year</u>	<u>City^(a)</u>	<u>School District^(b)</u>	<u>County</u>	<u>State^(c)</u>	<u>MATC</u>	<u>Total^(d)</u>
2017	\$219,728,630	\$282,644,837	\$70,246,283	\$4,174,161	\$23,018,319	\$599,812,230
2018	231,041,537	294,885,198	76,359,975	-	24,040,527	626,327,237
2019	241,829,722	307,595,085	77,628,453	-	25,383,285	652,436,545
2020	250,016,152	331,214,274	80,483,264	-	26,324,292	688,037,982
2021	255,933,573	352,466,919	84,042,021	-	27,308,136	719,750,649

(a) Includes levy for Madison Public Library. Actual city levy may differ adopted budget property tax levy.

(b) The amount shown is the total for all of the school districts in which the City has property.

(c) The State of Wisconsin did not levy taxes during the current fiscal year.

(d) Levy before State tax credit.

Source: The City's 2021 Adopted Operating Budget, page 10.

CITY PROPERTY VALUES

Equalized and Assessed Value of Taxable Property

<u>Levy Year</u>	<u>Equalized Value</u>	<u>Assessed Value</u>	<u>Ratio of Assessed to Equalized</u>
2017	\$26,768,653,950	\$26,301,011,850	98.2%
2018	28,727,407,800	27,588,748,100	96.0
2019	30,910,698,000	29,125,082,300	94.2
2020	33,036,794,000	30,918,142,500	93.6
2021	32,940,368,400	*	*

* 2021 Assessed Value is not yet available.

NOTE: Includes captured tax increment value.

Source: Annual Assessment Summary Report, <https://www.revenue.wi.gov>.

2021 Equalized Value by Class of Property

Real Estate:		
Residential	\$20,420,633,800	61.99%
Commercial	11,450,593,000	34.76
Manufacturing	387,008,100	1.18
Agricultural and Other	11,067,700	0.03
Personal Property	<u>671,065,800</u>	<u>2.04</u>
Total	\$32,940,368,400	100.0%
Less: Captured Tax Increment Value	<u>(1,589,496,900)</u>	
Net Equalized Value	<u>\$31,350,871,500</u>	

Source: Equalized Value by Class of Property report, <https://www.revenue.wi.gov>.

The City Assessor has the statutory duty to determine the full market value of all locally assessable, non-exempt property in the City to ensure that property taxes are levied uniformly and equitably. The Assessor assesses all property at full market value as of January 1; publishes an annual assessment roll which describes the property and lists the owners' names and addresses and sets forth the assessed valuations that are used in computing property tax statements for City taxpayers.

The “equalized value,” also called the “full value assessment” or the “aggregate full value,” attempts to equalize the various local assessment policies so that a basis for uniformity of property values throughout the State is established. Under Section 70.57, Wisconsin Statutes, the State Department of Revenue is required to determine the equalized value of all taxable property in each county and taxation district. Based on several economic factors, including past sales studies, the State Department of Revenue calculates a percentage which, when applied to the assessed value, produces a value which most closely approximates the full market value of each county and taxation district. The State Department of Revenue shall notify each county and taxation district of its equalized value on August 15; with school districts being notified on October 15.

All municipalities must assess taxable property at a minimum of 90% of State equalized values at least once every five years.

Top Ten Individual Taxpayers in the City

<u>Taxpayer & Type of Business</u>	<u>2020 Assessed Value</u>	<u>Amount of Taxes Levied</u>	<u>Percentage of the Tax Levy</u>
1. Madison Joint Venture LLC (Shopping Center Dev. & Management)	\$ 172,175,000	\$ 3,867,699	1.51 %
2. CG Growth LLC (Educational Services)	164,765,000	3,643,275	1.42
3. American Family Insurance Corp (Insurance)	132,966,300	3,090,746	1.21
4. Core Campus Madison LLC (Property Dev. & Management)	89,500,000	2,010,757	0.79
5. University Research Park Inc (Property Dev. & Management)	88,773,500	1,993,565	0.78
6. Covance Laboratories Inc (Research)	78,699,000	1,768,086	0.69
7. Core Campus Madison II LLC (Property Dev. & Management)	76,700,000	1,723,173	0.67
8. 777 University Ave LLC (Property Dev. & Management)	67,078,700	1,506,929	0.59
9. AX Madison Junction LP (Property Dev. & Management)	62,830,000	1,350,654	0.53
10. Domain Apartments LLC (Property Dev. & Management)	<u>57,070,000</u>	<u>1,282,138</u>	0.50
Totals	<u>\$ 990,557,500</u> ^(a)	<u>\$ 22,237,022</u> ^(b)	<u>8.69</u> %

(a) Represents 3.2% of the City's 2020 assessed value of \$30,918,142,500. 2021 assessed values are not yet available.

(b) Represents 8.69% of the City's 2021 adopted property tax levy of \$255,933,573.

Intergovernmental and Operating State Revenues

The City of Madison received just under 16.4% of its total revenue from intergovernmental and operating program revenues in 2020. Primary sources are described below:

State Shared Taxes – Long-term, payment to municipalities based on population and property values.

State Highway Aid – Long-term, funded by state gasoline tax and motor vehicle fees. This revenue source is based on the type and size of governmental unit. Aid is distributed under a formula which considers the number of miles, types of roads in a municipality and local costs of maintaining the roads. This revenue is utilized by municipalities for major street repairs.

State Payment for Municipal Services – It is a payment in lieu of taxes funded in the state budget based on the value of State-owned property within a local jurisdiction; recognizes the cost of municipal services to state facilities.

State Recycling Aid – Since its inception in 1990, this State-funded grant program has existed to assist local units of government in recovering their recycling costs.

Expenditure Restraint Program – Starting in 1991, the State of Wisconsin implemented a program to provide additional financial assistance to cities with tax rates above the statewide average. In order to qualify for payments, the City must adopt an annual budget reflecting an increase no greater than the increase in the Consumer Price Index (CPI). Debt service expenditures are excluded from cost controls. Additional allowances for annual increases may be made due to growth in the City's tax base.

State Computer Reimbursement – Exempted business computers from being subject to property taxes beginning with the 1999 property tax collected in 2000. It also provides for a state aid payment to municipalities to offset the loss of this taxable property. This aid payment is recognized as General Fund revenue.

Fire Insurance Dues – The State of Wisconsin collects 2% of all fire insurance premiums sold in Wisconsin. All municipalities receive a share based on equalized value of real property improvements. Funds may be used for fire inspection, prevention and protection, training, purchase of fire protection equipment and funding of firefighters' pension programs.

State Personal Property Exempt – Effective January 1, 2018 the State exempted machinery, tools, and patterns, other than items already considered exempt manufacturing property under prior law. A new state aid program was also created to reimburse municipalities for lost personal property tax revenue.

Video Service Provider Aid – The aid is distributed by the State to each municipality imposing the video service provider fee. The aid is equal to .5% of the gross receipts used to calculate fee revenue and is intended to reimburse municipalities for the mandated reduction in communities' video service provider fee.

The following table illustrates the amount of revenue the City has received from intergovernmental and operating program revenues over the last five years:

	(In Thousands of Dollars)				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
State Shared Revenue	\$ 6,061	\$ 6,060	\$ 6,091	\$ 6,104	\$ 6,159
State Highway Aid	10,204	10,061	10,876	10,799	12,332
State Payment for					
Municipal Services	8,011	8,726	7,960	7,619	8,367
State Recycling Aid	765	803	804	805	805
Expenditure Restraint Program	6,399	6,783	6,932	7,043	6,887
State Computer Reimbursement	2,666	3,146	3,535	3,726	3,726
State Fire Insurance Dues	952	1,018	1,083	1,228	1,273
State Personal Property Exempt	0	0	0	1,180	987
Video Service Provider Aid	0	0	0	0	248
Other Government Payment for Services	<u>659</u>	<u>0*</u>	<u>0*</u>	<u>0*</u>	<u>0*</u>
Total	<u>\$35,717</u>	<u>\$36,597</u>	<u>\$37,281</u>	<u>\$38,504</u>	<u>\$40,784</u>

* In prior years, revenue from payment of services comprised of fire protection for the Town of Burke, Town of Blooming Grove, and the Village of Shorewood Hills. In 2017 & beyond, the aforementioned revenues are no longer intergovernmental revenues, but are charges for services.

INSURANCE

The City is provided general liability, automobile liability, public official's liability and police professional liability by the Wisconsin Municipal Mutual Insurance Company (WMMIC). The City has a \$500,000 per occurrence self-insurance retention (SIR) with a maximum annual aggregate SIR of \$1,825,000. Coverage of up to \$12,000,000 per occurrence 30,000,000 aggregate in excess of the SIR is provided by WMMIC. WMMIC also places a Cyber and Privacy Liability policy for the City through the Beazley Group and Lloyd's of London with a \$2,000,000 per occurrence/\$2,000,000 aggregate limit and a \$50,000 deductible.

Automobile liability insurance for the City's mass transit operation is provided by the Transit Mutual Insurance Corporation of Wisconsin. The group participants are insured with limits of \$250,000 per person and \$7,000,000 per accident.

Property insurance is provided by Municipal Property Insurance Company. In addition, the City insures its cash and crime exposures through an insurance program underwritten by Fidelity and Deposit Company of Maryland. The City also insures its Boiler and Machinery exposure through the Chubb Group.

Claims against the City are referred to the insurance administrators for processing. The independent administrators also establish "reserves" for the claims.

The City's Insurance and Worker's Compensation Funds had positive net positions of \$1,932,232, and \$4,844,305, respectively as of December 31, 2020. These balances are based on actuarial estimates of future claim liability and will be recovered through future charges to departments.

The Worker's Compensation program is self-insured and administered by a third-party administrator hired by the City. The City purchases workers' compensation excess coverage from Safety National Casualty Corp. with a \$650,000 retention.

GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(With comparative totals for the year ended December 31, 2019)

	2020		Variance - Positive (Negative)	2019 Actual
	Final Amended Budget	Actual		
Taxes:				
Property	\$ 230,852,549	\$ 230,518,086	\$ (334,463)	\$ 224,034,229
Penalties and Interest on				
Delinquent Property Taxes	450,000	524,945	74,945	458,793
Prior Years Taxes	40,000	-	(40,000)	-
Mobile Home Tax	85,000	83,509	(1,491)	91,034
Transient Occupancy Tax	5,865,641	120,857	(5,744,784)	5,883,538
Payments in Lieu of Property Taxes	10,999,200	10,668,987	(330,213)	10,475,988
Total Taxes	<u>248,292,390</u>	<u>241,916,384</u>	<u>(6,376,006)</u>	<u>240,943,582</u>
Intergovernmental:				
State Shared Revenues	6,073,533	6,158,981	85,448	6,104,290
State Payment for Municipal Services	8,321,257	8,366,922	45,665	7,619,221
State Computer Reimbursement	3,725,756	3,725,755	(1)	3,725,755
State Highway Aids	12,328,000	12,332,251	4,251	10,798,726
State Recycling Aid	805,000	804,705	(295)	804,539
State Expenditure Restraint Program	6,886,978	6,886,978	-	7,042,624
State Fire Insurance Dues	1,325,000	1,272,972	(52,028)	1,227,899
State Personal Property Exempt	987,284	987,284	-	1,180,476
State Video Service Provider Aid	248,363	248,456	93	-
Total Intergovernmental	<u>40,701,171</u>	<u>40,784,304</u>	<u>83,133</u>	<u>38,503,530</u>
Licenses and Permits:				
Licenses	1,419,000	943,750	(475,250)	1,254,857
Permits	5,957,920	5,460,548	(497,372)	6,130,556
Total Licenses and Permits	<u>7,376,920</u>	<u>6,404,298</u>	<u>(972,622)</u>	<u>7,385,413</u>
Fines and Forfeitures:				
Moving Violations	500,000	378,591	(121,409)	504,757
Uniform Citations	900,000	912,424	12,424	912,348
Parking Violations	5,100,000	2,602,313	(2,497,687)	5,035,215
NSF Fee	-	8,687	8,687	550
Total Fines and Forfeitures	<u>6,500,000</u>	<u>3,902,015</u>	<u>(2,597,985)</u>	<u>6,452,870</u>
Charges for Services:				
Engineering	769,250	1,047,141	277,891	920,386
Recreation	635,000	59,834	(575,166)	664,751
Cemetery	265,000	290,354	25,354	271,604
Current Services	1,497,412	1,645,245	147,833	1,726,531
Cable TV Fees	2,341,637	2,167,501	(174,136)	2,464,417
Ambulance Fees	7,800,000	7,356,677	(443,323)	8,738,670
Total Charges for Services	<u>13,308,299</u>	<u>12,566,752</u>	<u>(741,547)</u>	<u>14,786,359</u>
Investment Income	4,000,000	3,698,642	(301,358)	5,767,747
Other:				
Proceeds from Rental and				
Sale of Property	75,000	46,823	(28,177)	-
Miscellaneous	2,160,000	924,845	(1,235,155)	3,223,283
Total Other	<u>2,235,000</u>	<u>971,668</u>	<u>(1,263,332)</u>	<u>3,223,283</u>
Total Revenues	<u>\$ 322,413,780</u>	<u>\$ 310,244,063</u>	<u>\$ (12,169,717)</u>	<u>\$ 317,062,784</u>

GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(With comparative totals for the year ended December 31, 2019)

	2020			2019 Actual
	Final Amended Budget	Actual	Variance - Positive (Negative)	
General Government:				
Council	\$ 867,265	\$ 835,361	\$ 31,904	\$ 815,466
Mayor	1,430,697	1,167,646	263,051	1,353,888
Municipal Court	223,501	230,497	(6,996)	124,413
Attorney	3,366,124	3,118,641	247,483	2,900,443
Assessor	2,838,661	2,853,616	(14,955)	2,430,784
Clerk	3,331,871	2,977,993	353,878	1,667,785
Treasurer	-	-	-	724,280
Finance	4,196,316	4,091,040	105,276	3,221,364
Information Technology	7,192,726	6,602,661	590,065	6,896,330
Human Resources	2,009,449	1,821,309	188,140	1,639,060
EAP	416,687	356,809	59,878	349,579
Department of Civil Rights	2,123,480	1,903,588	219,892	1,967,307
Total General Government	<u>27,996,777</u>	<u>25,959,161</u>	<u>2,037,616</u>	<u>24,090,699</u>
Public Safety and Health:				
Fire	58,405,283	57,787,839	617,444	55,156,436
Police	86,665,223	83,639,069	3,026,154	77,829,025
Public Health	6,233,474	6,233,474	-	5,384,683
Total Public Safety and Health	<u>151,303,980</u>	<u>147,660,382</u>	<u>3,643,598</u>	<u>138,370,144</u>
Public Works and Transportation:				
Engineering	4,453,598	4,143,427	310,171	4,222,720
Streets	26,526,958	26,510,810	16,148	26,286,078
Transit Utility	-	-	-	14,211,149
Transportation	518,601	408,919	109,682	486,326
Traffic Engineering	7,126,725	6,752,291	374,434	6,474,717
Total Public Works and Transportation	<u>38,625,882</u>	<u>37,815,447</u>	<u>810,435</u>	<u>51,680,990</u>
Planning and Development:				
Office of the Director of Planning	650,816	560,919	89,897	878,174
Planning Division	3,617,671	3,531,836	85,835	3,233,353
Building Inspection Division	4,929,407	4,847,217	82,190	4,510,389
Community Development Division	14,226,483	13,895,433	331,050	13,490,794
Economic Development Division	2,035,269	1,667,822	367,447	1,692,343
CDA Housing Operations	-	-	-	175,000
Total Planning and Development	<u>25,459,646</u>	<u>24,503,227</u>	<u>956,419</u>	<u>23,980,053</u>
Culture and Recreation:				
Parks	14,808,589	14,404,064	404,525	13,828,433
Other:				
Miscellaneous	9,795,498	2,804,715	6,990,783	4,622,639
Total Other	<u>9,795,498</u>	<u>2,804,715</u>	<u>6,990,783</u>	<u>4,622,639</u>
Debt Service	54,422,907	54,422,907	-	54,708,710
Total Expenditures	<u><u>\$ 322,413,279</u></u>	<u><u>\$ 307,569,903</u></u>	<u><u>\$ 14,843,376</u></u>	<u><u>\$ 311,281,668</u></u>

**GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

(With comparative totals for the year ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Unassigned Fund Balance–January 1	\$49,318,212	\$53,171,709
Excess (Deficit) of Revenues Over Expenditures and Encumbrances	5,781,116	2,674,160
Decrease (Increase) in Amount Assigned for Future Expenditures	(1,331,899)	(12,352,269)
Other Changes to Nonspendable, Restricted, Committed and/or Assigned Fund Balance	<u>(595,720)</u>	<u>484,779</u>
Unassigned Fund Balance–December 31	<u>\$53,171,709</u>	<u>\$43,978,379</u>

FUTURE FINANCING

The City does not anticipate issuing any additional long-term debt within the next 90 days.

LITIGATION

The City is not aware of any threatened or pending litigation affecting the validity of the Obligations or the City's ability to meet its financial obligations.

LEGALITY

The Obligations are subject to approval as to certain matters by Kutak Rock LLP of Chicago, Illinois, and MWH Law Group LLP, Milwaukee, Wisconsin, as Co-Bond Counsel. Co-Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the sections, “FEDERAL INCOME TAX TREATMENT OF INTEREST ON THE TAX-EXEMPT OBLIGATIONS” and “TAX MATTERS RELATING TO THE SERIES 2021-B NOTES”, and will not pass upon its accuracy, completeness, or sufficiency. Co-Bond Counsel has not examined nor attempted to examine or verify, any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto. Legal opinions in substantially the forms set out in Appendix I herein will be delivered at closing.

FEDERAL INCOME TAX TREATMENT OF INTEREST ON THE TAX-EXEMPT OBLIGATIONS

In General

In the opinion of Kutak Rock LLP, Chicago, Illinois, and MWH Law Group LLP, Milwaukee, Wisconsin Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2021-A Notes and the Series 2021-C Bonds (the “Tax-Exempt Obligations”) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Tax-Exempt Obligations. Failure to comply with such requirements could cause interest on the Tax-Exempt Obligations to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Obligations. The City has covenanted to comply with such requirements. Co-Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Tax-Exempt Obligations. Interest on the Tax-Exempt Obligations is not exempt from present Wisconsin income or franchise taxes.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Tax-Exempt Obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any Noteholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The new reporting requirement does not in and of itself affect or alter the excludability of interest on the Tax-Exempt Obligations from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Tax-Exempt Obligations. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Tax-Exempt Obligations. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Tax-Exempt Obligations or the market value thereof would be impacted thereby. Purchasers of the Tax-Exempt Obligations should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Tax-Exempt Obligations and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Original Issue Discount

The Tax-Exempt Obligations being sold at an original issue discount are collectively referred to herein as the “Discount Obligations.” The difference between the initial public offering prices of such Discount Obligations and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Obligation is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Obligation (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Obligation which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Obligation, on days which are determined by reference to the maturity date of such Discount Obligation. The amount treated as original issue discount on such Discount Obligation for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Obligation (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Obligation at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Obligation during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Obligation the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Obligation is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Obligations should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Obligation.

Original Issue Premium

The Tax-Exempt Obligations being issued with original issue premium are collectively referred to herein as the "Premium Obligations." An amount equal to the excess of the issue price of a Premium Obligation over its stated redemption price at maturity constitutes premium on such Premium Obligation. An initial purchaser of a Premium Obligation must amortize any premium over such Premium Obligation's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Obligations callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Obligation is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Obligation prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Obligations should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Obligation.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Tax-Exempt Obligations as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes interest expense that is allocable to carrying and acquiring tax-exempt obligations.

TAX MATTERS RELATING TO THE SERIES 2021-B NOTES

Holders of the Series 2021-B Notes should be aware that: (a) the discussion in this Official Statement with respect to U.S. federal income tax consequences of owning the Series 2021-B Notes is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer; (b) such discussion was written in connection with the promotion or marketing (within the meaning of Treasury Circular 230) of the transactions or matters addressed by such discussion; and (c) each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.

The following is a summary of certain material federal income tax consequences of the purchase, ownership and disposition of the Series 2021-B Notes for the investors described below and is based on the advice of Kutak Rock LLP, and MWH Law Group LLP, Milwaukee, Wisconsin, as Co-Bond Counsel. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change. The discussion does not deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules, including but not limited to, partnerships or entities treated as partnerships for federal income tax purposes, pension plans and foreign investors, except as otherwise indicated. In addition, this summary is generally limited to investors that are “U.S. holders” (as defined below) who will hold the Series 2021-B Notes as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Code. **Investors should consult their own tax advisors to determine the federal, state, local and other tax consequences of the purchase, ownership and disposition of Series 2021-B Notes.** Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the “Service”) with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

As used herein, a “U.S. holder” is a “U.S. person” that is beneficial owner of a Series 2021-B Note. A “non U.S. holder” is a holder (or beneficial owner) of a Series 2021-B Note that is not a U.S. person. For these purposes, a “U.S. Person” is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in the Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust’s administration and (ii) one or more United States persons have the authority to control all of the trust’s substantial decisions.

In General

Although the Series 2021-B Notes are issued by the City, interest on the Series 2021-B Notes (including original issue discount treated as interest) is not excludable from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Series 2021-B Notes (including original issue discount treated as interest) will be fully subject to federal income taxation. Thus, owners of the Series 2021-B Notes generally must include interest (including original issue discount treated as interest) on the Series 2021-B Notes in gross income for federal income tax purposes.

To ensure compliance with Treasury Circular 230, holders of the Series 2021-B Notes should be aware and are hereby put on notice that: (a) the discussion in this Official Statement with respect to U.S. federal income tax consequences of owning the Series 2021-B Notes is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer; (b) such discussion was written in connection with the promotion or marketing (within the meaning of Treasury Circular 230) of the transactions or matters addressed by such discussion; and (c) each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.

Taxation of Interest Income of the Series 2021-B Notes

Payments of interest with regard to the Series 2021-B Notes will be includible as ordinary income when received or accrued by the holders thereof in accordance with their respective methods of accounting and applicable provisions of the Code. If the Series 2021-B Notes are deemed to be issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest (as defined in the Code) allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. The holder of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days he owned the instrument. The legislative history of the original issue discount provisions indicates that the calculation and accrual of original issue discount should be based on the prepayment assumptions used by the parties in pricing the transaction.

Payments of interest received with respect to the Series 2021-B Notes will also constitute investment income for purposes of certain limitations of the Code concerning the deductibility of investment interest expense. Potential holders of the Series 2021-B Notes should consult their own tax advisors concerning the treatment of interest payments with regard to the Series 2021-B Notes.

A purchaser (other than a person who purchases a Series 2021-B Note upon issuance at the issue price) who buys a Series 2021-B Note at a discount from its principal amount (or its adjusted issue price if issued with original issue discount greater than a specified de minimis amount) will be subject to the market discount rules of the Code. In general, the market discount rules of the Code treat principal payments and gain on disposition of a debt instrument as ordinary income to the extent of accrued market discount. Each potential investor should consult his tax advisor concerning the application of the market discount rules to the Series 2021-B Notes.

Sale or Exchange of the Series 2021-B Notes

If a Bondholder sells a Series 2021-B Note, such person will recognize gain or loss equal to the difference between the amount realized on such sale and the Bondholder's basis in such Series 2021-B Note. Ordinarily, such gain or loss will be treated as a capital gain or loss. However, if a Series 2021-B Note was subject to its initial issuance at a discount, a portion of such gain will be recharacterized as interest and therefore ordinary income.

If the terms of a Series 2021-B Note were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential holder of a Series 2021-B Note should consult its own tax advisor concerning the circumstances in which the Series 2021-B Notes would be deemed reissued and the likely effects, if any, of such reissuance.

The legal defeasance of the Series 2021-B Notes may result in a deemed sale or exchange of such Series 2021-B Notes under certain circumstances. Owners of such Series 2021-B Notes should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

Certain purchasers may be subject to backup withholding at the application rate determined by statute with respect to interest paid with respect to the Series 2021-B Notes, if the purchasers, upon issuance, fail to supply the indenture trustee or their brokers with their taxpayer identification numbers, furnish incorrect taxpayer identification numbers, fail to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fail to provide the indenture trustee with a certified statement, under penalty of perjury, that they are not subject to backup withholding.

Tax Treatment of Original Issue Discount

The Series 2021-B Notes that have an original yield above their interest rate are being sold at a discount (the “Discounted Notes”). The difference between the initial public offering prices, as set forth on the inside cover hereof, of the Discounted Notes and their stated amounts to be paid at maturity, constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

In the case of an owner of a Discounted Note, the amount of original issue discount which is treated as having accrued with respect to such Discounted Note is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of a Discounted Note (including its sale, redemption or payment at maturity). Amounts received upon disposition of a Discounted Note which are attributable to accrued original issue discount will be treated as taxable interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Note, on days which are determined by reference to the maturity date of such Discounted Note. The amount treated as original issue discount on a Discounted Note for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discounted Note (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discounted Note at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discounted Note during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Note the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If a Discounted Note is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of a Discounted Note who purchase such Discounted Notes after the initial offering. Owners of Discounted Notes including purchasers of the Discounted Notes in the secondary market should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such obligations as of any date and with respect to the state and local tax consequences of owning a Discounted Note.

Tax Treatment of Bond Premium

The Series 2021-B Notes that have an original yield below their interest rate are being sold at a premium (collectively, the “Premium Notes”). An amount equal to the excess of the issue price of a Premium Note over its stated redemption price at maturity constitutes premium on such Premium Note. An initial purchaser of such Premium Note must amortize any premium over such Premium Note's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Notes callable prior to their maturity, by amortizing the premium to the call date, based upon the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, it offsets the interest allocable to the corresponding payment period and the purchaser's basis in such Premium Note is reduced

by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Note prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. The same treatment is afforded to the Premium Notes purchased at a premium in the secondary market. Purchasers of Premium Notes should consult with their own tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning such Premium Notes.

State, Local or Foreign Taxation

No representations are made regarding the tax consequences of purchase, ownership or disposition of the Series 2021-B Notes under the tax laws of any state, locality or foreign jurisdiction (except as provided in "Exemption Under State Tax Law"). Investors considering an investment in the Series 2021-B Notes should consult their own tax advisors regarding such tax consequences.

Certain ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series 2021-B Notes must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Series 2021-B Notes could be viewed as violating those prohibitions. In addition, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the City or any Dealer of the Series 2021-B Notes might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2021-B Notes are acquired by such plans or arrangements with respect to which the City or any Dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2021-B Notes. The sale of the Series 2021-B Notes to a plan is in no respect a representation by the City or the Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. **Any plan proposing to invest in the Series 2021-B Notes should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.**

Exemption Under State Tax Law

In the further opinion of Bond Counsel, interest on the Series 2021-B Notes is includible in the income of the recipient for purposes of State of Wisconsin income taxation.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2021-B Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2021-B Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2021-B Notes or the market value thereof would be impacted thereby. Purchasers of the Series 2021-B Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2021-B Notes and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROPERTY TAX LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns, and counties. No city, village, town, or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent (0%)). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The carry forward resolution may be passed by a majority vote of the governing body if the increase is .5% or less of the prior year's actual levy. If the increase is between .5% and 1.5% of the prior year's actual levy the governing body must pass the carry forward resolution by an extraordinary vote. For municipal governing bodies that have less than five members, passage must be by a two-thirds majority vote. If the governing body consists of at least five members, then the carry forward resolution must be passed by a three-fourths majority vote.

Special provisions are made with respect to property taxes levied to pay general obligation debt service, as described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the tax levy limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in

the current year by the amount of the difference between the previous year's levy and the current year's levy. This required adjustment does not apply to political subdivisions in any year that the subdivision does not claim the carry forward adjustment described above.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general debt authorized on or after July 1, 2005. The Obligations were authorized after July 1, 2005 and therefore are **not** subject to the levy limits.

RATINGS

Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York has assigned a rating of "Aaa" to each series of the Obligations. The rating reflects only the opinion of Moody's. Any explanation of the significance of the rating may be obtained only from Moody's.

There is no assurance that a rating will continue for any given period of time, or that such ratings will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a/the ratings may have an adverse effect on the market price of the Obligations.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

BTUS performed the independent audit of the financial statements of the City for the year ended December 31, 2020 and is currently engaged as the independent auditor for the City.

Municipal Advisor Registration:

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Obligations.

The offer and sale of the Obligations shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Obligations, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC (“BTIS”) is registered as an investment adviser with the Securities and Exchange Commission (“SEC”) under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC (“BTC”), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority. BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC (“BTF”), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Obligations and a Final Official Statement following award of the Obligations. The Purchasers will be furnished with a certificate signed by the appropriate officers of the City stating that the City examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

UNDERWRITING

The Series 2021-A Notes

Huntington Securities, Inc. in Chicago, Illinois (the “Series 2021-A Purchaser”) has agreed to purchase the Series 2021-A Notes from the City for a purchase price of \$88,526,226.92 (representing the principal amount of \$81,300,000.00, plus a net reoffering premium of \$7,518,054.90 and less the underwriter’s compensation of \$291,827.98). The Series 2021-A Notes are being offered for sale by the Series 2021-A Purchaser to the public at the prices shown on the inside front cover of this Official Statement.

The Series 2021-B Notes

An underwriting syndicate managed by Northland Securities, Inc. in Minneapolis, Minnesota, with co-manager United Bankers' Bank (collectively, the "Series 2021-B Purchaser") has agreed to purchase the Series 2021-B Notes from the City for a purchase price of \$3,993,502.47 (representing the principal amount of \$3,990,000.00, plus a reoffering premium of \$14,528.00, and less the underwriter's compensation of \$11,025.53). The Series 2021-B Notes are being offered for sale by the Series 2021-B Purchaser to the public at the prices shown on the inside front cover of this Official Statement.

The Series 2021-C Bonds

An underwriting syndicate managed by Raymond James & Associates, Inc. in St. Petersburg, Florida, with co-managers Morgan Stanley & Co. LLC; UBS Financial Services Inc.; FHN Financial Capital Markets; Ziegler; Samuel A. Ramirez & Co., Inc.; Advisors Asset Management, Inc.; CINCaP Investment Group; and Siebert Williams Shank & Co., L.L.C. (collectively, the "Series 2021-C Purchaser") has agreed to purchase the Series 2021-C Bonds from the City for a purchase price of \$18,860,986.80 (representing the principal amount of \$17,800,000.00, plus a net reoffering premium of \$1,115,276.80, less the underwriter's compensation of \$54,290.00). The Series 2021-C Bonds are being offered for sale by the Series 2021-C Purchaser to the public at the prices shown on the inside front cover of this Official Statement.

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PROPOSED FORMS OF LEGAL OPINIONS

[Date of Delivery]

The Common Council of the
City of Madison, Wisconsin

\$81,300,000
City of Madison, Wisconsin
General Obligation Promissory Notes
Series 2021-A

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$81,300,000 General Obligation Promissory Notes, Series 2021-A (the “Notes”), of the City of Madison, a municipal corporation of the State of Wisconsin (the “City”) situate in the County of Dane. The Notes are authorized and issued pursuant to the provisions of Section 67.12(12) of the Wisconsin Statutes and a resolution duly adopted by the Common Council of the City on September 21, 2021 (the “Note Resolution”).

The Notes are issued and issuable only in fully registered form in the denominations of \$5,000 or any integral multiple thereof and are numbered from one upward in order of their issuance. The Notes initially issued are dated October 21, 2021. The Notes mature on October 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Notes maturing in each such year bear interest from their date payable April 1, 2022 and semiannually thereafter on the first days of October and April of each year at the respective rate of interest per annum set forth opposite such year:

Maturities	Amounts (\$)	Interest Rates (%)
2022	8,130,000	2.00
2023	8,130,000	2.00
2024	8,130,000	0.25
2025	8,130,000	2.50
2026	8,130,000	4.00
2027	8,130,000	4.00
2028	8,130,000	4.00
2029	8,130,000	2.00
2030	8,130,000	3.00
2031	8,130,000	1.25

The Notes maturing on or after October 1, 2029 are subject to redemption prior to maturity as a whole or in part at the option of the City, in any other maturity and by lot within a single maturity, on October 1, 2028 and on any date thereafter, at a redemption price of 100% of the principal amount hereof to be redeemed plus accrued interest to the redemption date and without premium.

In our opinion, the Notes are valid and legally binding general obligations of the City of Madison, and the City has power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Notes and the interest thereon, without limitation as to rate or amount, and provision has been made for such levy. However, the enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are further of the opinion that, under existing law, interest on the Notes is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Notes will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. We are further of the opinion that the Notes are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Notes is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the Notes is not exempt from Wisconsin income taxes.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Notes. These requirements relate to the use and investment of the proceeds of the Notes, the payment of certain amounts to the United States, the security and source of payment of the Notes and the use of the property financed with the proceeds of the Notes. The City has covenanted in the Note Resolution to comply with these requirements.

Respectfully yours,

[Date of Delivery]

The Common Council of the
City of Madison, Wisconsin

\$3,990,000
City of Madison, Wisconsin
Taxable General Obligation Promissory Notes
Series 2021-B

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$3,990,000 Taxable General Obligation Promissory Notes, Series 2021-B (the “Notes”), of the City of Madison, a municipal corporation of the State of Wisconsin (the “City”) situate in the County of Dane. The Notes are authorized and issued pursuant to the provisions of Section 67.12(12) of the Wisconsin Statutes and a resolution duly adopted by the Common Council of the City on September 21, 2021 (the “Note Resolution”).

The Notes are issued and issuable only in fully registered form in the denominations of \$5,000 or any integral multiple thereof and are numbered from one upward in order of their issuance. The Notes initially issued are dated October 21, 2021. The Notes mature on October 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Notes maturing in each such year bear interest from their date payable April 1, 2022 and semiannually thereafter on the first days of October and April of each year at the respective rate of interest per annum set forth opposite such year:

Maturities	Amounts (\$)	Interest Rates (%)
2022	400,000	4.00
2023	400,000	0.30
2024	400,000	0.55
2025	400,000	0.75
2026	400,000	0.95
2027	400,000	1.10
2028	400,000	1.25
2029	400,000	1.35
2030	395,000	1.45
2031	395,000	1.50

The Notes maturing on or after October 1, 2029 are subject to redemption prior to maturity as a whole or in part at the option of the City, in any other maturity and by lot within a single maturity, on October 1, 2028 and on any date thereafter, at a redemption price of 100% of the principal amount hereof to be redeemed plus accrued interest to the redemption date and without premium.

In our opinion, the Notes are valid and legally binding general obligations of the City of Madison, and the City has power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Notes and the interest thereon, without limitation as to rate or amount, and provision has been made for such levy. However, the enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Interest on the Notes is included in gross income for federal income tax purposes. We express no other opinion regarding the federal tax consequences arising with respect to the Notes. Interest on the Notes is not exempt from Wisconsin income or franchise taxes.

Respectfully yours,

[Date of Delivery]

The Common Council of the
City of Madison, Wisconsin

\$17,800,000
City of Madison, Wisconsin
General Obligation Corporate Purpose Bonds,
Series 2021-C

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$17,800,000 General Obligation Corporate Purpose Bonds, Series 2021-C (the “Bonds”), of the City of Madison, a municipal corporation of the State of Wisconsin (the “City”) situate in the County of Dane. The Bonds are authorized and issued pursuant to the provisions of Chapter 67 of the Wisconsin Statutes and a resolution duly adopted by the Common Council of the City on September 21, 2021 (the “Bond Resolution”).

The Bonds are issued and issuable only in fully registered form in the denominations of \$5,000 or any integral multiple thereof and are numbered from one upward in order of their issuance. The Bonds initially issued are dated October 21, 2021. The Bonds mature on October 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable April 1, 2022 and semiannually thereafter on the first days of October and April of each year at the respective rate of interest per annum set forth opposite such year:

Maturities	Amounts (\$)	Interest Rates (%)
2022	890,000	1.00
2023	890,000	1.00
2024	890,000	2.00
2025	890,000	2.00
2026	890,000	2.00
2027	890,000	2.00
2028	890,000	2.00
2029	890,000	4.00
2030	890,000	4.00
2031	890,000	3.00
2032	890,000	2.00

Maturities	Amounts (\$)	Interest Rates (%)
2033	890,000	2.00
2034	890,000	2.00
2035	890,000	2.00
2036	890,000	2.00
2038*	1,780,000	2.00
2040*	1,780,000	2.00
2041	890,000	2.00

*Term Bond

The Bonds maturing on or after October 1, 2032 are subject to redemption prior to maturity as a whole or in part at the option of the City, in any other maturity and by lot within a single maturity, on October 1, 2031 and on any date thereafter, at a redemption price of 100% of the principal amount hereof to be redeemed plus accrued interest to the redemption date and without premium.

The Bonds due on October 1, 2038 and 2040 (collectively, the “Term Bonds”) are subject to mandatory redemption prior to maturity by lot at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from mandatory sinking fund payments which are required to be made in amounts sufficient to redeem on October 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on October 1, 2038

<u>Redemption Date</u>	<u>Amount</u>
2037	\$890,000
2038 (maturity)	890,000

For the Term Bonds Maturing on October 1, 2040

<u>Redemption Date</u>	<u>Amount</u>
2039	\$890,000
2040 (maturity)	890,000

Optional redemption of the Term Bonds will be applied to reduce the mandatory sinking fund payments established for the Term Bonds so redeemed in such order and manner as the City will direct.

In our opinion, the Bonds are valid and legally binding general obligations of the City of Madison, and the City has power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon, without limitation as to rate or amount, and provision has been made for such levy. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are further of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the Bonds is not exempt from Wisconsin income taxes.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The City has covenanted in the Bond Resolution to comply with these requirements.

Respectfully yours,

**CONTINUING DISCLOSURE UNDERTAKING
OF THE CITY OF MADISON, WISCONSIN, FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF SEC RULE 15c2-12, AS AMENDED**

This Continuing Disclosure Undertaking (this “Agreement”) is executed and delivered by the City of Madison, Wisconsin (the “Issuer”) in connection with the issuance of \$81,300,000 General Obligation Promissory Notes, Series 2021-A, \$3,990,000 aggregate principal amount of Taxable General Obligation Promissory Notes, Series 2021-B, and \$17,800,000 General Obligation Corporate Purpose Bonds, Series 2021-C (collectively, the “Bonds”) of the Issuer. The Bonds are being issued pursuant to Resolutions adopted on September 21, 2021 (collectively, the “Resolution”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the owners thereof, the Issuer hereby covenants and agrees as follows:

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the holders and owners (the “Bondholders”) of the Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person (as defined in the Rule) with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become an obligated person at any time after the issuance of the Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited consolidated financial statements of the Issuer, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Material Event*” means the occurrence of any of the events with respect to the Bonds set forth in Exhibit II.

“*Material Events Disclosure*” means dissemination of a notice of a Material Event as set forth in Section 5.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Wisconsin

“*Undertaking*” means the obligations of the Issuer pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Numbers of the Bonds are as follows:

Series 2021-A:

Maturity (October 1)	CUSIP (55844R)
2022	UW2
2023	UX0
2024	UY8
2025	UZ5
2026	VA9
2027	VB7
2028	VC5
2029	VD3
2030	VE1
2031	VF8

Series 2021-B:

Maturity (October 1)	CUSIP (55844R)
2022	VG6
2023	VH4
2024	VJ0
2025	VK7
2026	VL5
2027	VM3
2028	VN1
2029	VP6
2030	VQ4
2031	VR2

Series 2021-C

Maturity (October 1)	CUSIP (55844R)
2022	VS0
2023	VT8
2024	VU5
2025	VV3
2026	VW1
2027	VX9
2028	VY7
2029	VZ4
2030	WA8
2031	WB6
2032	WC4
2033	WD2
2034	WE0
2035	WF7
2036	WG5
2038	WJ9
2040	WL4
2041	WM2

The final Official Statement relating to the Bonds is dated September 24, 2021 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) to the MSRB within 270 days of the completion of the Issuer’s fiscal year.

The Issuer is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Bonds pursuant to the Resolution. From and after the Effective Date, the Issuer is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty To Update EMMA/MSRB. The Issuer shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB’s e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the Issuer to Provide Information. the Issuer shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the Bondholder of any Bond may seek specific performance by court order to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution or the Agreement or any other agreement, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Bonds, as determined either by parties unaffiliated with the Issuer or the Issuer (such as the Trustee) or by an approving vote of the Bondholders of the Bonds holding a majority of the aggregate principal amount of the Bonds (excluding Bonds held by or on behalf of the Issuer or its affiliates) pursuant to the terms of the Resolution at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the Issuer shall be terminated hereunder when the Issuer shall no longer have any legal liability for any obligation on or relating to the repayment of the Bonds. The Issuer shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, the Issuer, and the Bondholders of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Issuer shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The Issuer represents that, except as otherwise disclosed in the Final Official Statement, it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State.

CITY OF MADISON, WISCONSIN

By _____
David P. Schmiedicke
Finance Director

Dated: October 21, 2021

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means financial information and operating data exclusive of Audited Financial Statements as set forth below of the type appearing or incorporated by reference under “Continuing Disclosure” in the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Issuer.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the Obligated Person, the Issuer will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer*
13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

WISCONSIN PROPERTY VALUATION AND TAX LEVIES**Assessed Value**

The "assessed value" of taxable property of a municipality is determined by the local assessor, who must be certified by the State Department of Revenue. The local assessor is required to use the property assessment manual provided by the Wisconsin Department of Revenue in estimating the "market value" of all taxable property. Property is valued as of January 1 of each year and filed with the municipality by the local assessor by the second Monday in May. Municipalities use assessed value as the basis for determining mill rates.

Equalized Value

The State Department of Revenue is required, under Section 70.57 of the Wisconsin Statutes, to determine the equalized value of all taxable property in each county and taxation district. This "equalized value," also called the "full assessment value" or the "aggregate full value," equalizes the various local assessments for uniformity of property values throughout the State. Equalized value is based on several economic factors, including past sales studies from which the State Department of Revenue calculates a percentage that, when applied to the assessed value, produces a value that most closely approximates the full market value of each county and taxation district. This State Department of Revenue shall notify each county and taxation district of its equalized value on August 15; with school districts being notified on October 15.

At least once every five years, all municipalities must assess taxable property at a minimum of 90% of State equalized values.

Governmental units encompassing more than one municipality, such as a county or school district, use the equalized or full value of the underlying units in levying their taxes.

Tax Levies and Collections

Personal property taxes, special assessments, special charges and special taxes must be paid to the municipal treasurer in full by January 31. Real property taxes and personal property on leased lands must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan that permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the municipal treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case all payments are made to the municipal treasurer. Any amounts paid after July 31 are paid to the county treasurer. On or before January 15 and February 20 the municipal treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities that have authorized the payment of real property taxes in three or more installments, the municipal treasurer settles on February 20 and additionally settles with the other taxing jurisdictions on the fifteenth day of each month following the month in which an installment payment is required. The county treasurer must settle in full with the underlying taxing jurisdictions for all real property taxes and special taxes. Settlement must occur on or before August 20. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may recover any tax delinquencies by enforcing the delinquency lien on the property and retain any penalties or interest on the delinquencies for which it has settled.