

FINAL OFFICIAL STATEMENT DATED SEPTEMBER 14, 2022

**NEW ISSUES
BOOK ENTRY ONLY**

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, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2022-A Notes (including any original issue discount properly allocable to the owner of a Series 2022-A Note) and Series 2022-C Bonds (including any original issue discount properly allocable to the owner of a Series 2022-C Bond) (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 imposed on individuals. For tax years beginning after December 31, 2022, interest on the Tax-Exempt Obligations may affect the federal corporate alternative minimum tax imposed on certain corporations. Interest on the Tax-Exempt Obligations is not exempt from Wisconsin income taxes. See "TAX MATTERS - 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 2022-B Notes is included in gross income for federal and State of Wisconsin income tax purposes. See "TAX MATTERS - TAX MATTERS RELATING TO THE SERIES 2022-B NOTES" herein.

CITY OF MADISON, WISCONSIN

\$72,355,000
General Obligation Promissory Notes,
Series 2022-A
(the "Series 2022-A Notes")

\$20,160,000
Taxable General Obligation Promissory Notes,
Series 2022-B
(the "Series 2022-B Notes")

\$22,035,000
General Obligation Refunding
Bonds, Series 2022-C
(the "Series 2022-C Bonds")

Dated Date	Date of Delivery (anticipated to be October 6, 2022)
Security	The Series 2022-A Notes, Series 2022-B Notes and the Series 2022-C Bonds (collectively, the "Obligations") will be general obligations of the City of Madison, Wisconsin (the "City" or "Madison") 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.
Authorization	The Obligations are being issued pursuant to Wisconsin Statutes, Chapter 67. See "AUTHORITY AND SECURITY" herein.
Purpose	The proceeds of the Series 2022-A Notes will be used to finance capital projects for various City Departments. The proceeds of the Series 2022-B Notes will be used to finance various economic development and tax increment projects within the City. The proceeds of the Series 2022-C Bonds, along with other available funds of the City, will be used to refund (i) the January 1, 2023 through January 1, 2033 maturities of the City's Water Utility Revenue Bonds, Series 2012, dated December 19, 2012 and (ii) the January 1, 2023 through January 1, 2034 maturities of the City's Water Utility Revenue Bonds, Series 2013, dated December 18, 2013. See "AUTHORITY AND SECURITY" herein.
Principal and Interest Payments	Principal will be paid annually on October 1, beginning October 1, 2023. Interest will be payable semiannually on April 1 and October 1, beginning April 1, 2023.
Redemption Provisions	The City may elect on October 1, 2029 and on any day thereafter, to redeem Series 2022-A Notes and/or Series 2022-B Notes due on or after October 1, 2030 at a price of par plus accrued interest. The City may elect on October 1, 2030, and on any day thereafter, to redeem Series 2022-C Bonds due on or after October 1, 2031 at a price of par plus accrued interest.
Book Entry	The Obligations will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See Appendix B for "Book-Entry".
Denominations	The Obligations are being issued in the denomination of \$5,000 or integral multiple thereof.
Fiscal Agent/Registrar	U.S. Bank Trust Company, National Association, located in Milwaukee, Wisconsin ("Fiscal Agent/Registrar").
Underwriters	Please see the "PURCHASER/UNDERWRITING" section herein for discussion regarding the Underwriters of the Obligations.

CITY OF MADISON, WISCONSIN

**\$72,355,000 SERIES 2022-A NOTES
MATURITY SCHEDULE
(Base CUSIP* 55844R)**

<u>Maturity</u> <u>October 1</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>	<u>Maturity</u> <u>October 1</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
2023	\$7,240,000	5.00%	2.35%	102.567%	WN0	2028	\$7,235,000	5.00%	2.57%	113.402%	WT7
2024	\$7,235,000	5.00%	2.41%	104.993%	WP5	2029	\$7,235,000	5.00%	2.66%	114.828%	WU4
2025	\$7,235,000	5.00%	2.43%	107.359%	WQ3	2030	\$7,235,000	4.00%	2.75%	107.895%**	WV2
2026	\$7,235,000	5.00%	2.44%	109.667%	WR1	2031	\$7,235,000	4.00%	2.90%	106.910%**	WW0
2027	\$7,235,000	5.00%	2.50%	111.651%	WS9	2032	\$7,235,000	4.00%	3.00%	106.260%**	WX8

**\$20,160,000 SERIES 2022-B NOTES
MATURITY SCHEDULE
(Base CUSIP* 55844R)**

<u>Maturity</u> <u>October 1</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>	<u>Maturity</u> <u>October 1</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
2023	\$2,020,000	4.00%	3.65%	100.335%	WY6	2028	\$2,015,000	4.00%	3.80%	101.061%	XD1
2024	\$2,020,000	4.00%	3.65%	100.664%	WZ3	2029	\$2,015,000	4.00%	3.85%	100.910%	XE9
2025	\$2,015,000	4.00%	3.70%	100.840%	XA7	2030	\$2,015,000	3.90%	3.90%	100.000%	XF6
2026	\$2,015,000	4.00%	3.70%	101.101%	XB5	2031	\$2,015,000	3.95%	3.95%	100.000%	XG4
2027	\$2,015,000	4.00%	3.75%	101.126%	XC3	2032	\$2,015,000	4.00%	4.00%	100.000%	XH2

**\$22,035,000 SERIES 2022-C BONDS
MATURITY SCHEDULE
(Base CUSIP* 55844R)**

<u>Maturity</u> <u>October 1</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>	<u>Maturity</u> <u>October 1</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
2023	\$1,690,000	5.00%	2.35%	102.567%	XJ8	2029	\$2,180,000	5.00%	2.62%	115.103%	XQ2
2024	\$1,730,000	5.00%	2.40%	105.013%	XK5	2030	\$2,300,000	5.00%	2.69%	116.501%	XR0
2025	\$1,805,000	5.00%	2.42%	107.388%	XL3	2031	\$2,415,000	5.00%	2.77%	115.878%***	XS8
2026	\$1,895,000	5.00%	2.44%	109.667%	XM1	2032	\$2,540,000	4.00%	3.00%	107.054%***	XT6
2027	\$1,985,000	5.00%	2.47%	111.800%	XN9	2033	\$1,415,000	4.00%	3.10%	106.323%***	XU3
2028	\$2,080,000	5.00%	2.57%	113.402%	XP4						

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** Priced to the first optional call date of October 1, 2029.

***Priced to the first optional call date of October 1, 2030.

The Official Statement dated September 14, 2022 is a Final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

The Obligations are being offered for delivery when, as and if issued and received by the Underwriter(s) (hereinafter defined) and subject to the approval of legality by Kutak Rock LLP, Chicago, Illinois, and MWH Law Group LLP, Milwaukee, Wisconsin, Co-Bond Counsel. The Obligations are expected to be available for delivery to DTC, in New York, New York on or about October 6, 2022.

In connection with this offering the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Obligations offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson 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 Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the 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 Official Statement are subject to change, and neither the delivery of the 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. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

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 Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Obligations are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Obligations, the City and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

CITY OF MADISON, WISCONSIN

COMMON COUNCIL

Keith Furman, President
Jael Currie, Vice President
Barbara Harrington-McKinney
Patrick W. Heck
Erik Paulson
Michael E. Vermeer
Regina M. Vidaver
Brian Benford
Nasra Wehelie
Juliana R. Bennett

Nikki Conklin
Yannette Figueroa Cole
William Tishler
Syed Abbas
Tag Evers
Sheri Carter
Grant A. Foster
Gary Halverson
Charles Myadze
Matt J. Phair

MAYOR

Satya Rhodes-Conway, Mayor

SENIOR APPOINTED STAFF

David P. Schmiedicke, Finance Director/
City Treasurer
Karen Kapusta-Pofahl, 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
Chris Carbon, Fire Chief
Gregg McManners, Interim 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
Kathy Cryan, Interim City Engineer

Mahanth Joishy, Fleet Service Superintendent
Eric Knepp, Park Superintendent
Charles Romines, Street Superintendent
Yang Tao, City Traffic Engineer
David Wills, Interim 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
Saint Paul, Minnesota and Madison, Wisconsin

CO-BOND COUNSEL

Kutak Rock LLP
Chicago, Illinois

MWH Law Group LLP
Milwaukee, Wisconsin

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OFFICIAL STATEMENT

CITY OF MADISON, WISCONSIN

\$72,355,000

GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022-A

\$20,160,000

TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022-B

\$22,035,000

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022-C

PURPOSE OF THE ISSUE AND USE OF FUNDS

PURPOSE OF THE OBLIGATIONS

The proceeds of the Series 2022-A Notes will be used to finance capital projects for various City Departments.

The proceeds of the Series 2022-B Notes will be used to finance various economic development and tax increment projects within the City.

The proceeds of the Series 2022-C Bonds, along with other available funds of the City, will be used to refund (i) the January 1, 2023 through January 1, 2033 maturities (the "Series 2012 Refunded Maturities") of the City's Water Utility Revenue Bonds, Series 2012, dated December 19, 2012 and (ii) the January 1, 2023 through January 1, 2034 maturities (the "Series 2013 Refunded Maturities") of the City's Water Utility Revenue Bonds, Series 2013, dated December 18, 2013.

The Series 2022-C Bonds have been structured as a current refunding and are being issued to achieve debt service savings. It is anticipated that the Series 2012 Refunded Maturities will be called and prepaid at a price of par plus accrued interest on November 15, 2022, and the Series 2013 Refunded Maturities will be called and prepaid at a price of par plus accrued interest on January 1, 2023. These dates are within 90 days of settlement of the Series 2022-C Bonds.

For additional information as it relates to the City, see "Appendix A – GENERAL INFORMATION OF THE CITY" herein.

USES AND SOURCES OF FUNDS

The composition of the **Series 2022-A Notes** is as follows:

Sources of Funds:	
Principal Amount	\$72,355,000.00
Reoffering Premium	<u>6,188,368.55</u>
Total Sources of Funds	\$78,543,368.55
Uses of Funds:	
Deposit to Project Fund	
Community Development	\$ 1,955,000.00
Economic Development	6,990,000.00
Engineering	16,230,795.68
Finance	445,000.00
Fire	607,000.00
Fleet Services	9,908,305.20
Information Technology	5,248,779.00
Metro Transit	3,870,729.95
Monona Terrace	512,398.00
Parks	2,778,387.00
Police	231,696.05
Stormwater	8,709,913.00
Streets	4,023,472.31
Tax Increment District	675,000.00
Traffic Engineering	1,698,471.51
Transportation	<u>8,339,965.00</u>
Subtotal	\$72,224,912.70
Deposit to Debt Service Fund (Premium)	6,122,527.02
Costs of Issuance*	111,832.59
Underwriter's Compensation	65,841.53
Additional Project Fund Deposit (Unused Discount and Rounding)	<u>18,254.71</u>
Total Uses of Funds	\$78,543,368.55

* Includes fees for Co-Bond Counsel, Municipal Advisor, Fiscal Agent/Registrar, rating, and other miscellaneous expenses.

The composition of the **Series 2022-B Notes** is as follows:

Sources of Funds:	
Principal Amount	\$20,160,000.00
Reoffering Premium	<u>121,695.50</u>
 Total Sources of Funds	 \$20,281,695.50
Uses of Funds:	
Deposit to Project Fund:	
Community Development	\$ 7,000,000.00
CDA Redevelopment	6,200,000.00
Economic Development	4,700,000.00
Tax Increment District	<u>2,100,000.00</u>
 Subtotal	 \$20,000,000.00
 Additional Project Fund Deposit (Unused Discount and Rounding)	 121,720.29
Underwriter's Compensation	93,225.00
Costs of Issuance*	38,279.71
Deposit to Debt Service Fund (Premium)	<u>28,470.50</u>
 Total Uses of Funds	 \$20,281,695.50

* Includes fees for Co-Bond Counsel, Municipal Advisor, Fiscal Agent/Registrar, rating, and other miscellaneous expenses.

The composition of the **Series 2022-C Bonds** is as follows:

Sources of Funds:	
Principal Amount	\$22,035,000.00
Prior Issue Debt Service Funds	3,741,946.00
Reoffering Premium	2,320,506.00
Prior Issue Debt Service Reserve Funds	<u>1,872,812.50</u>
 Total Sources of Funds	 \$29,970,264.50
Uses of Funds:	
Deposit for Refunding Purposes	
Series 2012 Refunding	\$13,035,440.00
Series 2013 Refunding	16,866,825.00
Costs of Issuance*	41,862.70
Underwriter's Compensation	23,363.03
Deposit to Debt Service Fund (Rounding)	<u>2,773.77</u>
 Total Uses of Funds	 \$29,970,264.50

* Includes fees for Co-Bond Counsel, Municipal Advisor, Fiscal Agent/Registrar, rating, and other miscellaneous expenses.

DESCRIPTION OF THE OBLIGATIONS

INTEREST CALCULATION

Interest on the Obligations is payable on April 1 and October 1 of each year, commencing April 1, 2023. 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 [immediately] next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

REGISTRATION AND EXCHANGE FEATURES

Each registered Obligation shall be transferable or exchangeable only on such record at the designated corporate trust office of the Fiscal Agent/Registrar, at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Fiscal Agent/Registrar duly executed by the registered owner or his duly authorized attorney.

BOOK-ENTRY

When issued, the Obligations will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Obligations will be made in book-entry-only form. See Appendix B: BOOK-ENTRY.

PROVISIONS FOR PAYMENT

The principal on the Obligations shall be payable at the designated corporate trust office of the Fiscal Agent/Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Obligations shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Fiscal Agent/Registrar or at such other address as is provided to the Fiscal Agent/Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Obligations shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Obligations, principal and interest on the Obligations will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Obligations will be the responsibility of the DTC Participants and Indirect Participants.

NOTICE OF REDEMPTION

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, 2029 and on any day thereafter, to redeem Series 2022-A Notes and/or Series 2022-B Notes due on or after October 1, 2030. The City may elect on October 1, 2030, and on any day thereafter, to redeem Series 2022-C Bonds due on or after October 1, 2031. 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.

AUTHORITY AND SECURITY

AUTHORITY

The Series 2022-A Notes and Series 2022-B Notes are being issued pursuant to Wisconsin Statutes, Section 67.12(12) and a resolution adopted by the Common Council of the City (the "Common Council") on September 6, 2022.

The Series 2022-C Bonds are being issued pursuant to Wisconsin Statutes, Chapter 67 and a resolution adopted by the Common Council on September 6, 2022.

SECURITY AND SOURCES OF PAYMENT

The Obligations will be general obligations of the City for which it pledges its full faith and credit and unlimited taxing authority to levy general ad valorem taxes without limit as to rate or amount. The City will make its first levy in the fall of 2022 for collection in 2023. 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.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of Obligation proceeds.

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. Such rating reflects only the view of Moody's and any explanation of the significance of such rating may only be obtained from Moody's.

The rating is not a recommendation to buy, sell or hold the Obligations, and such rating may be subject to revision or withdrawal at any time by Moody's. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Obligations.

The City has not applied to any other rating service for a rating on the Obligations.

RISK FACTORS AND INVESTOR 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 THE CORONAVIRUS (COVID-19)

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. COVID-19 has had varied economic and social impacts, and governments and private industries have taken various measures in an effort to limit the spread of the virus. While the City continues to monitor the spread of COVID-19, the City is not able to predict and makes no representations as to any impacts the pandemic may have on the City or its financial position. Please see “Appendix A – GENERAL INFORMATION OF THE CITY - Coronavirus (COVID-19) Financial Assistance” herein for additional information as it relates to the City.

CYBERSECURITY

The City relies on computer networks, data storage, collection, and transmission to conduct the operations of the City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the City, its information technology, data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The City acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the City could have a material impact on the City. Further, as cybersecurity threats evolve, the City will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

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 2022-A NOTES AND THE SERIES 2022-C BONDS

An opinion of Co-Bond Counsel will be obtained to the effect that interest earned on the Series 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-C Bonds. Because the existence and continuation of the excludability of the interest on the Series 2022-A Notes and the Series 2022-C Bonds depends upon events occurring after the date of issuance of the Series 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-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 2022-A Notes and the Series 2022-C Bonds are an appropriate investment.

MARKET FOR THE OBLIGATIONS

Rating

The Obligations have been rated as to their creditworthiness by Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York. If ratings are assigned, they will reflect 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(s), however, to make a secondary market as dealers in issues of municipal bonds which the underwriter distributes. The Underwriter(s) intend to continue this practice with respect to the Obligations, but are 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(s) to suspend indefinitely secondary market trading in the Obligations as a result of the financial condition or market position of the Underwriter(s), 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(s) may give rise to uncertainty concerning prudent secondary market practices.

PURCHASER/UNDERWRITING

THE SERIES 2022-A NOTES

The Series 2022-A Notes are being purchased by BofA Securities in New York, New York (the "Series 2022-A Underwriter") at a purchase price of \$78,477,527.02, which is the par amount of the Series 2022-A Notes of \$72,355,000.00, less the Series 2022-A Underwriter's discount of \$65,841.53, plus the original issue premium of \$6,188,368.55.

The Official Terms of Offering provides that all of the Series 2022-A Notes will be purchased by the Series 2022-A Underwriter if any of such Series 2022-A Notes are purchased.

The Series 2022-A Underwriter intends to offer the Series 2022-A Notes to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 2022-A Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Series 2022-A Underwriter and other dealers depositing the Series 2022-A Notes into investment trusts), who may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2022-A Notes.

THE SERIES 2022-B NOTES

The Series 2022-B Notes are being purchased by Northland Securities, Inc. in Minneapolis, Minnesota (the “Series 2022-B Underwriter”) at a purchase price of \$20,188,470.50, which is the par amount of the Series 2022-B Notes of \$20,160,000.00, less the Series 2022-B Underwriter’s discount of \$93,225.00, plus the original issue premium of \$121,695.50.

The Official Terms of Offering provides that all of the Series 2022-B Notes will be purchased by the Series 2022-B Underwriter if any of such Series 2022-B Notes are purchased.

The Series 2022-B Underwriter intends to offer the Series 2022-B Notes to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 2022-B Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Series 2022-B Underwriter and other dealers depositing the Series 2022-B Notes into investment trusts), who may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2022-B Notes.

THE SERIES 2022-C BONDS

The Series 2022-C Bonds are being purchased by BofA Securities in New York, New York (the “Series 2022-C Underwriter”) at a purchase price of \$24,332,142.97, which is the par amount of the Series 2022-C Bonds of \$22,035,000.00, less the Series 2022-C Underwriter’s discount of \$23,363.03, plus the original issue premium of \$2,320,506.00.

The Official Terms of Offering provides that all of the Series 2022-C Bonds will be purchased by the Series 2022-C Underwriter if any of such Series 2022-C Bonds are purchased.

The Series 2022-C Underwriter intends to offer the Series 2022-C Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 2022-C Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Series 2022-C Underwriter and other dealers depositing the Series 2022-C Bonds into investment trusts), who may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2022-C Bonds.

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 D 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 co-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.

FUTURE FINANCING

As of the date of the Official Statement, the City expects to issue approximately \$15 million of sewer utility revenue bonds in calendar year 2022.

LITIGATION

To the knowledge of the officers for the City, there is no litigation pending, or threatened, against the City, which in any way questions or affects the validity of the Obligations, or any proceedings or transactions relating to the issuance, sale, or delivery thereof.

The officers for the City will certify at the time of delivery of the Obligations that there is no litigation pending or in any way threatened questioning the validity of the Obligations, or any of the proceedings relating to the authorization, issuance and sale of the Obligations that would result in a material adverse impact on the financial condition of the City.

LEGAL MATTERS

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, "TAX MATTERS – FEDERAL INCOME TAX TREATMENT OF INTEREST ON THE TAX-EXEMPT OBLIGATIONS" and "TAX MATTERS - TAX MATTERS RELATING TO THE SERIES 2022-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 C herein will be delivered at closing.

TAX MATTERS

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 2022-A Notes (including any original issue discount properly allocable to the owner of a Series 2022-A Note) and the Series 2022-C Bonds (including any original issue discount properly allocable to the owner of a Series 2022-C Bond) (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 imposed on individuals. The opinion described above 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. For tax years beginning after December 31, 2022, interest on the Tax-Exempt Obligations may affect the federal corporate alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Tax-Exempt Obligations may otherwise affect the federal income tax liability of the owners of the Tax-Exempt Obligations. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Co-Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Tax-Exempt Obligations, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America, and applicable corporations as defined in Section 59(k) of the Code relating to the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Tax-Exempt Obligations.

Original Issue Discount

The Tax-Exempt Obligations that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Obligations"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Obligations and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Treasury Regulations (the "Regulations")) 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 that is treated as having accrued with respect to a Discount Obligation is added to the cost basis of the owner of the bond 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 on disposition of such Discount Obligation that are attributable to accrued or otherwise recognized 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 that 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 (a) 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 that 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 (b) the amount of any interest payable for such Discount Obligation during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Obligation the sum of the amounts that 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 that 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. Subsequent purchasers of Discount Obligations that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Tax-Exempt Obligations that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Obligations”), are being sold at a premium. 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. A 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, generally 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 2022-B NOTES

In General

In the opinion of Co-Bond Counsel, the interest to be paid on the Series 2022-B Notes is included in gross income for federal and State of Wisconsin income tax purposes.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2022-B Notes under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Series 2022-B Notes should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2022-B Notes.

In general, interest paid on the Series 2022-B Notes, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series 2022-B Notes, and principal payments (excluding the portion, if any, of such payments characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Tax Treatment of Bond Premium

An investor that acquires a Series 2022-B Note for a cost greater than its remaining stated redemption price at maturity and holds such instrument as a capital asset will be considered to have purchased such instrument at a premium. Such premium may generally be amortized under the constant yield method upon prior election permitted by Section 171(c) of the Code and, if so amortized, any call options of the City with respect to the Series 2022-B Notes are generally disregarded such that the instruments are amortized to their maturity date. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizing bond premium that reduces interest payments under Section 171 of the Code. Investors of any Series 2022-B Note purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Market Discount

An investor that acquires a Series 2022-B Note for a price less than the adjusted issue price of such instrument may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Series 2022-B Note originally issued at a discount, the amount by which the issue price of such instrument, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Series 2022-B Note not originally issued at a discount, the amount by which the stated redemption price of such instrument at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series 2022-B Note will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the instrument, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such an instrument or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Series 2022-B Note with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series 2022-B Note that acquired such instrument at a market discount also may be required to defer, until the maturity date of such instrument or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such instrument in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such instrument. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2022-B Note for the days during the taxable year on which the owner held such instrument and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2022-B Note matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Unearned Income Medicare Contribution Tax

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the Series 2022-B Notes should consult their own tax advisors regarding the application of this tax to interest earned on the Series 2022-B Notes and to gain on the sale of a Series 2022-B Note.

Sales or Other Dispositions

If a Bondholder sells a Series 2022-B Note, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such Bondholder's basis in such Series 2022-B Note. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Series 2022-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 owner of a Series 2022-B Note should consult its own tax advisor concerning the circumstances in which the Series 2022-B Notes would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance

The legal defeasance of the Series 2022-B Notes may result in a deemed sale or exchange of such Series 2022-B Notes under certain circumstances. The owners of such Series 2022-B Notes should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Foreign Investors

An owner of a Series 2022-B Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2022-B Note will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2022-B Note, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax may apply to interest paid and original issue discount accruing on Series 2022-B Notes owned by foreign investors. In those instances in which payments of interest on the Series 2022-B Notes continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series 2022-B Notes having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2022-B Note.

Tax-Exempt Investors

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. Unrelated business taxable income generally means the gross income derived by an organization from any unrelated trade or business as defined in Section 513 of the Code. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Series 2022-B Note incurs acquisition indebtedness with respect to such instrument, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Series 2022-B Note is urged to consult its own tax advisor regarding the application of these provisions.

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 whose underlying assets are considered to include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3 (as modified by Section 3(42) of ERISA), such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans," and together with arrangements that are subject to Section 4975 of the Code or similar provisions under any other federal, state, local, non-United States or other laws or regulations or similar law, as applicable, "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 2022-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 2022-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 2022-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 2022-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 2022-B Notes. The sale of the Series 2022-B Notes to a plan is in no respect a representation by the City or the conduit borrower, if any, of the Series 2022-B Notes or any dealer 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 2022-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.**

Neither the City or conduit borrower, if any, of the Series 2022-B Notes nor the Underwriter is acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to such purchaser or transferee with respect to the decision to purchase or hold the Series 2022-B Notes or an interest in the Series 2022-B Notes.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Series 2022-B Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the Series 2022-B Notes.

BACKUP WITHHOLDING

An owner of an Obligation may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Obligations if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

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 under this heading "TAX MATTERS" or adversely affect the market value of the 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 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 Obligations or the market value thereof would be impacted thereby. Purchasers of the 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 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.

PROSPECTIVE PURCHASERS OF THE OBLIGATIONS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE OBLIGATIONS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION 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, 2021 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 Affiliation

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.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Obligations, the security for the payment of the Obligations and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Obligations.

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 City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

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GENERAL INFORMATION OF THE CITY

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 279,012 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 95.9% having completed high school and 58.5% completing at least four years of college.

Madison's population increased from 170,616 in 1980 to 279,012 as of January 1, 2022. Between 2001 and 2021, the median value of single-family homes rose 133% from \$161,470 to \$376,928*.

*From 2020 to 2021, the median value of single family homes increased 12.4%, from \$335,200 to \$376,928.

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, 2022:

Satya Rhodes-Conway, Mayor

Common Council

Keith Furman, President
Jael Currie, Vice President
Barbara Harrington-McKinney
Patrick W. Heck
Erik Paulson
Michael E. Verveer
Regina M. Vidaver
Brian Benford
Nasra Wehelie
Juliana R. Bennett

Nikki Conklin
Yannette Figueroa Cole
William Tishler
Syed Abbas
Tag Evers
Sheri Carter
Grant A. Foster
Gary Halverson
Charles Myadze
Matt J. Phair

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
Karen Kapusta-Pofahl, 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
Chris Carbon, Fire Chief
Gregg McManners, Interim 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
Kathy Cryan, Interim City Engineer

Mahanth Joishy, Fleet Service Superintendent
Eric Knepp, Park Superintendent
Charles Romines, Street Superintendent
Yang Tao, City Traffic Engineer
David Wills, Interim 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

Employee Relations as of July 22, 2022

The City of Madison employs 2,775 permanent full-time and 67 part-time civil service employees. Five unions represent 1,270 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.

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 2022 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	71.9%
Intergovernmental Revenues (includes payments in lieu of taxes)	18.9
Miscellaneous (includes applied fund balance)	1.0
Charges for Services	4.1
Licenses and Permits	2.2
Fines and Forfeitures	1.6
Interest on Investments	<u>0.3</u>
Total	<u>100.0%</u>

NOTE: Total budgeted 2022 General Fund Revenues (including Madison Public Library) were \$360,321,028.

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 main project in 2022 includes starting construction on 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. The scope of the project was also expanded to include an addition to the apparatus bay to house reserve units and a fitness room.
- Police Stations: The Police Department has decentralized police services by operating district stations serving specific geographic areas of the City. Current initiatives include purchasing technology, safety, and other operational equipment to stay current with industry standards, attend to emergency incidents, significant events, and other public safety and investigative concerns. In addition, there are plans to purchase four vehicles – two marked squads, one squad for a Sergeant, and one unmarked Detective vehicle.
- 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 2022 include designing the new Reindahl Library and Imagination Center on Madison's northeast side. The 33,000 square foot building will provide a safe public space with health and environmental literacy resources and education opportunities with Madison Parks, Community Development, and key eastside health facilities. Construction is scheduled in 2023. Other purchases include additions and replacements to Madison Public Library's materials collection with the goal to meet the cultural, educational, and recreations needs of the Library's patrons.

- 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 2022, the City plans to utilize savings on maintenance, repairs, and fuel by purchasing a new truck and snow blower.
- 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 2022 include air wall replacement in the exhibition hall and ballroom, tile replacement on the Olin Terrace walkway, exterior cleaning, audio system upgrades, and rooftop landscaping improvements. There is an increased budget in 2023 and 2024 to address major renovations, which are planned to be completed on a ten-year cycle.
- 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, a 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 2022 are facility improvements to Olbrich Botanical Gardens and Goodman Pool, as well as land 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 lower energy costs by implementing energy efficient components within the improvement projects.

- 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 2022 the City plans to purchase a new tandem dump truck, compactors for drop off sites, recycling carts and a rear loader.
- 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.

In 2022, the City plans to replace the fixed route transit coaches in order to maintain an updated fleet of vehicles for Metro Transit's fixed route service. In addition, Transit Utility continues to purchase updated equipment and hardware to improve efficiency and communication. The 2023 Capital Budget includes \$10.0 million for major building repairs and improvements at Metro Transit's 1101 E. Washington Ave. location. A major route redesign is underway to better serve the community and incorporate rapid transit routes that will be added by 2024 through investment of upward of \$200 million in federal and local resources.

- **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.

Planned projects include the design and installation of solar photovoltaic panels at Fleet, Pinney Library, Streets Waste Transfer, Metro South Transfer, Warner Park Beach Shelter, Fire Station 04, Streets West Badger, and Parks Olin Park Office Building.

- **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.

In 2022 the City plans to purchase 130 pieces of equipment, including replacement of city sedans, trucks, refuse equipment, mowers, tractors and trailers. This also includes the purchase of command cars and ambulance replacement / remounting.

- **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. Current projects include plans to replace or rehabilitate aging pipe at Old Middleton Road/Craig Avenue, West Washington Avenue, Kroncke Drive/Lanett Circle/Tanager Trail and North Brooks Street/Fahrenbrook Court/College Court. This aligns with the Water Utility's goal to replace or rehabilitate over 400 miles of aging pipe over a 40-year period.
- **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. In 2022, the Sewer Utility plans to rehabilitate failing sewers by lining the existing sewer mains using cameras and remote controlled tools.

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 expenditure savings arising from municipal service consolidation.

Cooperative Boundary Plans

On November 8, 2002, the Town of Madison, City of Fitchburg and City of Madison executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the cities, the town, and existing town property owners and residents. The plan provides for the eventual dissolution of the town after a protected period of up to 20 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 30, 2022, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the City of Madison, City of Fitchburg, and Town of Madison Cooperative Plan can be obtained at the Town of Madison.

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 Annual Comprehensive 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 liquidity needs.
- 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.
 - 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 City or business sector. In general, no limits are necessary for U.S. Treasury securities, no more than 40% 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 issue of corporate bonds, and no more than 3% in a single issue 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, the percentage of total portfolio that each type of investment represents, and the demographic data for broker/dealers engaged for City investments.
- 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 June 30, 2022, the City had invested a total of \$614,793,532 for itself, and the Water Utility. Of that total, \$179,335,888 (29.17%) was invested in securities having a maturity date of later than June 30, 2023.

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:

2021	\$36,993,201
2020	36,851,640
2019	33,765,363
2018	33,006,192
2017	32,123,893

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 2022 are 6.50% and will increase to 6.80% in 2023. 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:

	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>
2021	1.80992057%	\$(112,995,852)
2020	1.78514709	(57,561,292)
2019	1.74727964	62,162,732

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 Annual Comprehensive Financial Report for fiscal year ended December 31, 2021.

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, 2021.

Balance at January 1, 2021	<u>\$82,355,761</u>
Changes for the year:	
Service cost	\$ 6,453,630
Interest	1,848,237
Changes of benefit terms	-
Changes in assumptions	(912,876)
Differences between expected and actual experience	(1,923,599)
Benefit payments	<u>(3,239,437)</u>
Net changes	<u>\$ 2,225,955</u>
Balance at December 31, 2021	<u>\$84,581,716*</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, 2021	- *	\$8,318,876	\$84,581,716
December 31, 2020	- *	7,619,677	82,355,761
December 31, 2019	- *	6,535,006	71,257,036

*Plan assets are not currently administered by a fund trustee.

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021.

Sources: City’s Annual Comprehensive 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 2022 as follows:

<u>Employment Category</u>	<u>Approximate Number Employed</u>
Government	87,100
Goods Producing	56,200
Professional and Business Services	53,100
Manufacturing	37,600
Leisure and Hospitality	37,300
Finance	23,000
Other Services	19,500
Information	18,400

The principal private employers are Epic Systems (9,600 employees), SSM Health Care (6,660 employees), and American Family Mutual Insurance Group (4,173 employees).

Employment/unemployment statistics are as follows:

	<u>Annual Average</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>May 2022</u>
Madison MSA					
Labor Force (000)	387.6	388.0	384.8	398.3	397.8
Employed (000)	378.7	378.2	365.8	386.7	389.2
Unemployed (000)	11.1	9.8	18.9	11.6	8.7
Percent Unemployed					
United States	3.9%	3.7%	8.1%	5.3%	3.4%
State of Wisconsin	3.0	3.3	6.3	3.8	2.9
Madison MSA	2.3	2.5	4.9	2.9	2.2

Source: Wisconsin Department of Workforce Development,
<https://www.jobcenterofwisconsin.com/wisconomy/>.

NOTE: 2022 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	44,708
University of Wisconsin – Madison	24,398
UW Health	15,112
Epic Systems (Verona)	9,600
SSM Health Care	6,660
United States Government	5,739
American Family Mutual Insurance Group	4,173
Madison Metropolitan School District	4,028
Unity Point Health – Meriter	3,125
City of Madison	3,101

Source: This is not a comprehensive list, but is based on the City's 2021 Annual Comprehensive Financial Report, (Table 16 page 230).

Population Data (City of Madison)

The population trend of the City since 1990 is shown below:

<u>Year</u>	<u>Census Population Count</u>	<u>Percent Increase (Decrease) from Previous Year Shown</u>
2022 (Est. Jan. 1, 2022)	279,012	8.5%
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>2022</u>
Under 5	10,815	13,561	14,403	15,625
5-14	20,348	21,298	23,662	32,365
15-19	18,192	16,508	19,290	17,857
20-24	32,394	34,919	40,637	26,227
25-44	66,979	73,364	79,474	78,402
45-64	40,142	51,176	52,983	68,079
65 & Over	<u>19,184</u>	<u>22,383</u>	<u>26,748</u>	<u>40,457</u>
Total	<u>208,054</u>	<u>233,209</u>	<u>257,197</u>	<u>279,012</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 Families</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020*</u>
Under - \$9,999	2,493	1,627	2,100	1,197
\$10,000 - \$14,999	1,993	1,141	1,137	776
\$15,000 - \$24,999	5,144	3,163	2,533	1,593
\$25,000 - \$49,999	16,289	10,692	8,108	6,550
\$50,000 - \$74,999	8,902	11,495	9,433	7,900
\$75,000 & Over	<u>5,426</u>	<u>14,642</u>	<u>23,938</u>	<u>32,607</u>
Total	<u>40,247</u>	<u>42,760</u>	<u>47,249</u>	<u>50,623</u>
Median Family Income	\$40,799	\$59,840	\$75,739	\$96,502

* 2016-2020 American Community Survey 5-Year Estimates; most recent information available. Released in March 2022.

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

Growth and Trends

As of July 31, 2022, 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 2022 Capital Improvement Plan (CIP) invests approximately \$1.2 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. In 2022 the CIP grows to \$354 million for major infrastructure and facilities projects, but ranges from \$128-195 million from 2023 to 2027.

City Tax Increment Districts

As of January 1, 2022, the City had 13 active Tax Incremental Districts. The total 2022 equalized value of property in the active districts is \$3,156,422,300 or 8.18% of the City’s 2022 equalized value of \$38,606,699,100. 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, 2022.

<u>No. and Title</u>	<u>General Location</u>	<u>Incremental Value Generated</u>
25. West Wilson St. Corridor	Central city	\$ 237,229,300
29. Allied Dunn’s Marsh Neighborhood	Southeast	45,423,600
35. Todd Drive/West Beltline Highway	South	59,941,100
36. Capitol Gateway Corridor	Central city	489,171,700
37. Union Corners	East	151,313,400
39. Stoughton Road	Southeast	174,983,700
41. University- Whitney	West	56,984,700
42. Wingra	West	117,982,100
44. Royster Clark	East	62,349,500
45. Capitol Square West	Central city	93,013,200
46. Research Park	West	349,329,600
47. Silicon Prairie	West	18,468,900
48. Regent Street	Central city	<u>38,550,000</u>
 Total Incremental Value Generated		 <u>\$1,894,740,800</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.

(In Millions of Dollars)

<u>Assessment Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential:					
Construction	\$ 206	\$ 182	\$237	\$ 212	\$ 223
Revaluation	<u>869</u>	<u>876</u>	<u>747</u>	<u>1,131</u>	<u>2,354</u>
Subtotal	\$1,075	\$1,058	\$984	\$1,343	\$2,577
Commercial:					
Construction	\$398	\$424	\$392	\$288	\$ 553
Revaluation	<u>375</u>	<u>216</u>	<u>490</u>	<u>438</u>	<u>1,137</u>
Subtotal	\$773	\$640	\$882	\$726	\$1,690
Agricultural:					
Construction	\$ 1	-	\$ 1	-	-
Revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$ 1	-	\$ 1	-	-
Total:					
Construction	\$ 605	\$ 606	\$ 630	\$ 500	\$ 776
Revaluation	<u>1,244</u>	<u>1,092</u>	<u>1,237</u>	<u>1,569</u>	<u>3,491</u>
Grand Total	<u>\$1,849</u>	<u>\$1,698</u>	<u>\$1,867</u>	<u>\$2,069</u>	<u>\$4,267</u>

Source: 2021 assessed valuation breakdowns as of January 1, 2022, as published by the City Assessor in June 2022.

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

Number of Dwelling Units Constructed-as of July 31, 2022

<u>Assessment Year</u>	<u>One Family</u>	<u>Two or More Families</u>	<u>Total</u>
2018	359	1,224	1,583
2019	378	1,322	1,700
2020	355	1,825	2,180
2021	289	3,331	3,620
2022 (through 7-31)	148	817	965

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>	
2022 (to 8-1)	148	\$ 58,979,836	42	\$355,021,278	\$422,224,928
2021	289	107,763,317	105	519,606,251	645,481,901
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

*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 6, 2022*

General Obligation Bonds	\$ 145,810,000
General Obligation Promissory Notes	<u>441,497,000</u>
Total	<u>\$587,307,000</u>

*Includes the Obligations.

NOTE: The total general obligation debt of the City of Madison currently includes \$181,643,803 that will be reimbursed from the earnings of various City operations. The total general obligation debt also includes \$33,530,992 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

<u>Year</u>	<u>Principal</u>	<u>Principal & Interest^(a)</u>
2022 (at 10-6)	(Paid)	(Paid)
2023	\$ 89,920,000	\$ 107,976,613
2024	83,654,000	99,123,193
2025	75,357,500	88,388,618
2026	68,414,500	79,078,941
2027	60,178,000	68,615,220
2028	51,458,000	57,871,588
2029	41,505,000	46,215,806
2030	33,565,000	37,017,450
2031	26,565,000	28,988,901
2032	18,150,000	19,809,826
2033	7,070,000	8,099,150
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>\$587,307,000^(b)</u>	<u>\$675,501,275</u>

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

(b) 93.4% of this debt will be retired within ten years.

Computation of City's Legal Debt Margin

Debt Limit (5% of 2022 Equalized Value of \$38,606,699,100)	\$1,930,334,955
Total Debt Applicable to Debt Limit (Including the Obligations)	<u>(587,307,000)</u>
Legal Debt Margin as of October 6, 2022*	<u>\$1,343,027,955*</u>
Debt Outstanding as a Percent of Legal Debt Limit	30.43%

*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

Fiscal Year	G.O. Debt	Equalized Value	G.O. Debt as a % of Equalized Value
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
2021	564,374,500	32,940,368,400	1.71

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

Fiscal Year	G.O. Debt	Population	Debt Per Capita	Madison MSA Per Capita Income	Debt Per Capita as a % of Per Capita Income
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	64,280	3.46
2021	564,374,500	259,233	2,177	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 16, 2021.

Overlapping Debt

<u>Taxing Unit</u>	<u>Estimated G.O. Debt as of 10-6-2022*</u>	<u>Debt Applicable to Value in City</u>	
		<u>Percent</u>	<u>Amount</u>
Dane County	\$275,941,619	43.34%	\$119,593,098
DeForest School District	139,638,000	9.41	13,139,936
Madison Metropolitan School District	207,665,000	89.27	185,382,546
McFarland School District	57,120,000	9.85	5,626,320
Middleton-Cross Plains School District	187,455,000	21.74	40,752,717
Monona Grove School District	79,055,000	0.11	86,961
Sun Prairie Area School District	325,710,000	15.16	49,377,636
Verona School District	149,600,000	3.67	5,490,320
Waunakee Community School District	55,875,000	2.48	1,385,700
Madison Area Technical College	174,690,000	31.61	<u>55,219,509</u>
Total			<u>\$476,054,743</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	\$155,825,000*
Sewer Utility	<u>47,105,000</u>
Total as of October 6, 2022	<u>\$202,930,000</u>

*Excludes the Refunded Maturities.

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, 2021, the total principal amount outstanding of the Community Development Authority obligations was \$820,000 and will be paid in full on October 1, 2022.

GENERAL FUND FINANCIAL INFORMATION

Balance Sheet General Fund Years Ended December 31, 2017-2021

	2017	2018	2019	2020	2021
ASSETS					
Cash and investments	\$ 67,013,897	\$ 73,440,507	\$ 78,890,748	\$ 90,207,940	\$ 99,944,648
Receivables					
Taxes	213,310,368	224,186,106	230,971,165	237,215,746	240,076,528
Accounts	3,408,514	4,293,286	4,515,384	3,770,091	4,994,494
Accrued revenue	948,351	170,983	-	50,477	222,612
Accrued interest	364,370	494,287	651,661	230,680	306,660
Long-term loans	898,024	830,704	779,273	763,680	763,680
Other receivables	16,546,000	16,546,000	14,648,000	14,648,000	14,648,000
Due from other funds	7,148,588	489,505	579,225	580,964	726,239
Due from component unit	-	20,286	11,831	-	-
Due from other governmental units	357,244	527,061	3,958,201	134,602	622,467
Advances to other funds	1,530,000	1,578,340	1,316,829	802,005	702,005
Advances to component unit	238,000	238,000	238,000	238,000	238,000
Inventories	574,173	560,568	557,686	534,622	524,572
Prepaid items	1,934,402	1,894,844	2,032,826	2,144,359	2,150,849
TOTAL ASSETS	<u>\$ 314,271,931</u>	<u>\$ 325,270,477</u>	<u>\$ 339,150,829</u>	<u>\$ 351,321,166</u>	<u>\$ 365,920,754</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 7,279,403	\$ 4,961,167	\$ 5,103,947	\$ 5,483,377	\$ 5,731,293
Accrued liabilities	10,202,312	10,255,284	12,325,628	15,077,715	15,665,911
Deposits	5,509,752	5,827,506	6,260,882	6,615,829	9,406,336
Due to other governmental units	655,310	43,301	125,325	22,833	3,426
Other liabilities	56,439	54,628	34,144	34,144	34,144
Total Liabilities	<u>23,703,216</u>	<u>21,141,886</u>	<u>23,849,926</u>	<u>27,233,898</u>	<u>30,841,110</u>
Deferred Inflows of Resources					
Unavailable revenues	19,108,236	17,639,543	16,307,165	16,187,903	17,256,225
Property taxes for subsequent year	213,262,507	224,132,157	230,855,731	237,087,198	240,016,323
Total Deferred Inflows of Resources	<u>232,370,743</u>	<u>241,771,700</u>	<u>247,162,896</u>	<u>253,275,101</u>	<u>257,272,548</u>
Fund Balances					
Nonspendable					
Noncurrent advances to other funds	765,000	813,340	1,316,829	802,005	702,005
Advances to component units	238,000	238,000	238,000	238,000	238,000
Noncurrent interfunds	3,079,684	-	-	-	-
Noncurrent receivables	85,661	64,245	64,245	21,413	-
Inventories	574,173	560,568	557,685	534,622	524,572
Prepaid items	1,934,402	1,894,844	2,032,826	2,144,359	2,150,849
Restricted	-	822,139	779,273	763,680	763,680
Assigned	9,495,705	8,645,543	9,977,440	22,329,709	17,056,222
Unassigned	42,025,347	49,318,212	53,171,709	43,978,379	56,371,768
Total Fund Balances	<u>58,197,972</u>	<u>62,356,891</u>	<u>68,138,007</u>	<u>70,812,167</u>	<u>77,807,096</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 314,271,931</u>	<u>\$ 325,270,477</u>	<u>\$ 339,150,829</u>	<u>\$ 351,321,166</u>	<u>\$ 365,920,754</u>

Sources: City's Annual Comprehensive Financial Reports.

GENERAL FUND FINANCIAL INFORMATION

**Statements of Revenues, Expenditures and Changes in Fund Balances
General Fund
Years Ended December 31, 2017-2021**

	2017	2018	2019	2020	2021
REVENUES					
Taxes	\$ 204,541,277	\$ 214,650,234	\$ 225,805,119	\$ 232,397,875	\$ 238,943,340
Intergovernmental	36,596,686	37,280,604	38,503,530	40,784,212	40,452,543
Licenses and permits	7,706,199	7,897,702	7,385,413	6,404,298	8,270,863
Fines and forfeitures	6,614,108	6,360,901	6,452,870	3,902,015	4,843,905
Public charges for services	15,967,637	13,334,323	14,786,359	12,566,844	15,336,166
Investment income (loss)	1,506,537	3,462,791	5,767,747	3,698,642	(281,028)
Miscellaneous	1,267,501	1,176,552	3,171,525	924,845	1,063,926
Total Revenues	<u>274,199,945</u>	<u>284,163,107</u>	<u>301,872,563</u>	<u>300,678,731</u>	<u>308,629,715</u>
EXPENDITURES					
Current					
General government	\$ 25,798,262	\$ 25,964,541	\$ 25,698,059	\$ 29,039,169	\$ 25,966,960
Public safety	127,524,178	131,741,893	137,676,340	148,187,195	150,606,837
Public works	35,485,767	36,914,468	40,180,686	38,295,805	38,365,105
Planning & development	21,884,467	22,060,875	23,808,696	24,590,836	24,799,767
Culture & recreation	17,098,705	17,598,272	18,104,270	14,966,049	15,324,952
Total Expenditures	<u>227,791,379</u>	<u>234,280,049</u>	<u>245,468,051</u>	<u>255,079,054</u>	<u>255,063,621</u>
Excess of revenues over expenditures	<u>46,408,566</u>	<u>49,883,058</u>	<u>56,404,512</u>	<u>45,599,677</u>	<u>53,566,094</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	106,692	45,705	51,758	46,823	12,378
Transfers in	18,910,297	20,319,278	20,898,187	14,318,203	19,423,195
Transfers out	(61,443,107)	(66,911,261)	(71,573,341)	(57,290,543)	(66,006,738)
Total Other Financing Sources (Uses)	<u>(42,426,118)</u>	<u>(46,546,278)</u>	<u>(50,623,396)</u>	<u>(42,925,517)</u>	<u>(46,571,165)</u>
Net Change in Fund Balances	3,982,448	3,336,780	5,781,116	2,674,160	6,994,929
FUND BALANCES - Beginning of Year	<u>54,215,524</u>	<u>59,020,111</u>	<u>62,356,891</u>	<u>68,138,007</u>	<u>70,812,167</u>
FUND BALANCES - END OF YEAR	<u>\$ 58,197,972</u>	<u>\$ 62,356,891</u>	<u>\$ 68,138,007</u>	<u>\$ 70,812,167</u>	<u>\$ 77,807,096</u>

Sources: City's Annual Comprehensive Financial Reports.

General Fund and Debt Service Budget Summary

	<u>2021</u>	<u>2022</u>
Revenues:		
Property Taxes	\$255,933,573	\$259,044,042
Intergovernmental revenues (includes payment in lieu of taxes)	53,670,485	67,949,651
Charges for Services	14,233,015	15,062,015
Other Local Taxes and revenues	11,694,800	3,576,200
Fines and Forfeitures	5,350,000	5,650,000
Licenses and Permits	7,616,920	8,039,120
Interest Income	<u>1,000,000</u>	<u>1,000,000</u>
Total Revenues	<u>\$349,498,793</u>	<u>\$360,321,028</u>
Expenditures:		
Public Safety and Health	\$151,363,015	\$155,688,887
General Government	2,231,197	2,356,537
Public Works and Transportation	65,327,253	64,856,033
Administration	23,541,560	27,338,575
Department of Planning and Development	26,282,339	25,750,553
Debt Service	55,912,825	56,108,323
Miscellaneous	<u>5,991,040</u>	<u>9,155,216</u>
Total General Fund Expenditures	\$330,649,229	\$341,254,124
Library	<u>18,849,564</u>	<u>19,066,904</u>
Total Expenditures	<u>\$349,498,793</u>	<u>\$360,321,028</u>

Source: The City's 2022 Adopted Operating Budget, pages 6-9.

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>	
2018	\$297,031	\$47,239	15.9%
2019	314,363	54,709	17.4
2020	321,545	54,423	16.9
2021	330,649	55,913	16.9
2022 (Budget)	341,254	56,108	16.4

Source: The City's 2022 Adopted Operating Budget, page 9.

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, 2022 are:

<u>Tax/Levy</u> <u>Year</u>	<u>Collection</u> <u>Year</u>	<u>Delinquent</u> <u>Taxes</u>
2017	2018	\$ 72,664
2018	2019	185,336
2019	2020	266,325
2020	2021	232,890
2021	2022	277,185

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*</u>	<u>Madison</u> <u>School</u> <u>District</u>	<u>County</u>	<u>MATC</u>	<u>Less:</u> <u>State</u> <u>Credit</u>	<u>Total</u>
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
2022	8.32	11.50	2.69	0.81	(1.82)	21.50

*Includes levy for Madison Public Library.

Source: The City's 2022 Adopted Operating Budget, page 4.

Tax Levies

Fiscal Year	City ^(a)	School District ^(b)	County	State ^(c)	MATC	Total ^(d)
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
2022	259,044,042	354,790,526	83,949,321	-	25,292,483	723,076,373

(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 2022 Adopted Operating Budget, page 4.

CITY PROPERTY VALUES

Equalized and Assessed Value of Taxable Property

Levy Year	Equalized Value	Assessed Value	Ratio of Assessed to Equalized
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	32,730,771,200	99.4
2022	38,606,699,100	*	*

* 2022 Assessed Value is not yet available.

NOTE: Includes captured tax increment value.

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

2022 Equalized Value by Class of Property

Real Estate:

Residential	\$23,305,876,400	60.37%
Commercial	14,235,539,000	36.87
Manufacturing	398,568,400	1.03
Agricultural and Other	7,902,100	0.02
Personal Property	<u>658,813,200</u>	<u>1.71</u>
Total	\$38,606,699,100	100.0%
Less: Captured Tax Increment Value	<u>(1,894,740,800)</u>	
Net Equalized Value	<u>\$36,711,958,300</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>2021 Assessed Value</u>	<u>Amount of Taxes Levied</u>	<u>Percentage of the Tax Levy</u>
1. CG Growth LLC (Educational Services)	\$ 164,765,000	\$ 3,443,927	1.33 %
2. American Family Insurance Corp (Insurance)	132,034,700	2,763,382	1.07
3. Madison Malls Ground LLC (Property Dev. & Management)	107,353,000	2,307,444	0.89
4. University Research Park Inc (Property Dev. & Management)	91,644,900	1,969,154	0.76
5. Core Campus Madison LLC (Property Dev. & Management)	89,500,000	1,923,983	0.74
6. Covance Laboratories Inc (Research)	78,699,000	1,691,783	0.65
7. Core Campus Madison II LLC (Property Dev. & Management)	76,700,000	1,648,809	0.64
8. 777 University Ave LLC (Property Dev. & Management)	68,979,700	1,482,753	0.57
9. Domain Apartments LLC (Property Dev. & Management)	58,210,000	1,251,311	0.48
10. AX Madison Junction LP (Property Dev. & Management)	<u>62,830,000</u>	<u>1,248,453</u>	0.48
Totals	<u>\$ 930,716,300</u> ^(a)	<u>\$ 19,730,999</u> ^(b)	<u>7.62</u> %

(a) Represents 2.84% of the City's 2021 assessed value of \$32,730,771,220. 2022 assessed values are not yet available.

(b) Represents 7.62% of the City's 2022 adopted property tax levy of \$259,044,042.

Intergovernmental and Operating State Revenues

The City received just under 17.5% of its total revenue from intergovernmental and operating program revenues in 2021. 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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State Shared Revenue	\$ 6,060	\$ 6,091	\$ 6,104	\$ 6,159	\$ 6,210
State Highway Aid	10,061	10,876	10,799	12,332	12,527
State Payment for Municipal Services	8,726	7,960	7,619	8,367	7,806
State Recycling Aid	803	804	805	805	809
Expenditure Restraint Program	6,783	6,932	7,043	6,887	6,708
State Computer Reimbursement	3,146	3,535	3,726	3,726	3,726
State Fire Insurance Dues	1,018	1,083	1,228	1,273	1,379
State Personal Property Exempt	0	0	1,180	987	794
Video Service Provider Aid	<u>0</u>	<u>0</u>	<u>0</u>	<u>248</u>	<u>493</u>
Total	<u>\$36,597</u>	<u>\$37,281</u>	<u>\$38,504</u>	<u>\$40,784</u>	<u>\$40,452</u>

INSURANCE

The City is provided general liability, automobile liability, public official's liability and police professional liability by 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 \$1,875,000. Coverage of up to \$12,000,000 per occurrence and \$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 \$75,000 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 carriers for processing, settlement and establishment of reserves.

The City's Insurance and Worker's Compensation Funds had positive net positions of \$1,843,709, and \$4,661,903, respectively as of December 31, 2021. 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 for general employees and \$750,000 for police and fire personnel.

GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	2021		Variance - Positive (Negative)	2020 Actual
	Final Amended Budget	Actual		
Taxes:				
Property	\$ 237,084,009	\$ 236,644,257	\$ (439,752)	\$ 230,518,086
Penalties and Interest on				
Delinquent Property Taxes	450,000	756,971	306,971	524,945
Prior Years Taxes	40,000	78,124	38,124	-
Mobile Home Tax	85,000	142,804	57,804	83,509
Transient Occupancy Tax	2,400,000	2,400,000	-	120,857
Payments in Lieu of Property Taxes	10,418,000	10,804,396	386,396	10,668,987
Total Taxes	<u>250,477,009</u>	<u>250,826,552</u>	<u>349,543</u>	<u>241,916,384</u>
Intergovernmental:				
State Shared Revenues	6,651,881	6,210,249	(441,632)	6,158,981
State Payment for Municipal Services	8,021,257	7,805,984	(215,273)	8,366,922
State Computer Reimbursement	3,725,756	3,725,756	-	3,725,755
State Highway Aids	12,328,000	12,527,183	199,183	12,332,251
State Recycling Aid	805,000	809,300	4,300	804,705
State Expenditure Restraint Program	6,707,774	6,707,774	-	6,886,978
State Fire Insurance Dues	1,392,737	1,379,304	(13,433)	1,272,972
State Personal Property Exempt	794,092	794,092	-	987,284
State Video Service Provider Aid	-	492,901	492,901	248,456
Total Intergovernmental	<u>40,426,497</u>	<u>40,452,543</u>	<u>26,046</u>	<u>40,784,304</u>
Licenses and Permits:				
Licenses	1,259,000	801,132	(457,868)	943,750
Permits	6,357,920	7,469,731	1,111,811	5,460,548
Total Licenses and Permits	<u>7,616,920</u>	<u>8,270,863</u>	<u>653,943</u>	<u>6,404,298</u>
Fines and Forfeitures:				
Moving Violations	500,000	413,749	(86,251)	378,591
Uniform Citations	900,000	829,735	(70,265)	912,424
Parking Violations	3,950,000	3,598,602	(351,398)	2,602,313
NSF Fee	-	1,819	1,819	8,687
Total Fines and Forfeitures	<u>5,350,000</u>	<u>4,843,905</u>	<u>(506,095)</u>	<u>3,902,015</u>
Charges for Services:				
Engineering	850,000	962,554	112,554	1,047,141
Recreation	332,376	509,335	176,959	59,834
Cemetery	265,000	319,636	54,636	290,354
Current Services	2,494,184	3,184,897	690,713	1,645,245
Cable TV Fees	2,091,455	1,787,064	(304,391)	2,167,501
Ambulance Fees	9,200,000	8,572,680	(627,320)	7,356,677
Total Charges for Services	<u>15,233,015</u>	<u>15,336,166</u>	<u>103,151</u>	<u>12,566,752</u>
Investment Income	1,000,000	(281,028)	(1,281,028)	3,698,642
Other:				
Proceeds from Rental and				
Sale of Property	75,000	12,378	(62,622)	46,823
TIF Reimbursements	2,000,000	1,543,548	(456,452)	-
Miscellaneous	6,110,000	6,363,926	253,926	924,845
Total Other	<u>8,185,000</u>	<u>7,919,852</u>	<u>(265,148)</u>	<u>971,668</u>
Total Revenues	<u>\$ 328,288,441</u>	<u>\$ 327,368,853</u>	<u>\$ (919,588)</u>	<u>\$ 310,244,063</u>

GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	2021			2020 Actual
	Final Amended Budget	Actual	Variance - Positive (Negative)	
General Government:				
Council	\$ 876,144	\$ 717,401	\$ 158,743	\$ 835,361
Mayor	1,123,505	1,070,877	52,628	1,167,646
Municipal Court	231,548	230,101	1,447	230,497
Attorney	2,920,682	2,905,472	15,210	3,118,641
Assessor	2,828,631	2,816,171	12,460	2,853,616
Clerk	2,095,391	1,983,759	111,632	2,977,993
Finance/Treasury	3,822,160	3,733,507	88,653	4,091,040
Information Technology	7,864,977	7,076,220	788,757	6,602,661
Human Resources	1,681,032	1,615,349	65,683	1,821,309
EAP	454,307	396,381	57,926	356,809
Department of Civil Rights	2,024,298	1,642,612	381,686	1,903,588
Total General Government	<u>25,922,675</u>	<u>24,187,850</u>	<u>1,734,825</u>	<u>25,959,161</u>
Public Safety and Health:				
Fire	63,454,440	62,971,176	483,264	57,787,839
Police	82,816,013	80,737,990	2,078,023	83,639,069
Office of Independent Monitor	450,769	39,942	410,827	
Public Health	6,937,629	6,937,629	-	6,233,474
Total Public Safety and Health	<u>153,658,851</u>	<u>150,686,737</u>	<u>2,972,114</u>	<u>147,660,382</u>
Public Works and Transportation:				
Engineering	4,585,951	4,399,000	186,951	4,143,427
Streets	27,812,921	25,802,241	2,010,680	26,510,810
Transit Utility	8,871,225	8,871,225	-	-
Transportation	486,692	413,508	73,184	408,919
Traffic Engineering	8,354,929	7,707,229	647,700	6,752,291
Total Public Works and Transportation	<u>50,111,718</u>	<u>47,193,203</u>	<u>2,918,515</u>	<u>37,815,447</u>
Planning and Development:				
Office of the Director of Planning	522,617	357,800	164,817	560,919
Planning Division	3,577,991	3,332,787	245,204	3,531,836
Building Inspection Division	5,055,456	4,876,643	178,813	4,847,217
Community Development Division	15,028,118	14,400,411	627,707	13,895,433
Economic Development Division	2,215,157	2,005,281	209,876	1,667,822
CDA Housing Operations	-	-	-	-
Total Planning and Development	<u>26,399,339</u>	<u>24,972,922</u>	<u>1,426,417</u>	<u>24,503,227</u>
Culture and Recreation:				
Parks	15,701,796	15,076,278	625,518	14,404,064
Other:				
Miscellaneous	3,913,553	2,344,110	1,569,443	2,804,715
Total Other	<u>3,913,553</u>	<u>2,344,110</u>	<u>1,569,443</u>	<u>2,804,715</u>
Debt Service	55,912,825	55,912,824	1	54,422,907
Total Expenditures	<u><u>\$ 331,620,757</u></u>	<u><u>\$ 320,373,924</u></u>	<u><u>\$ 11,246,833</u></u>	<u><u>\$ 307,569,903</u></u>

GENERAL FUND
STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	<u>2020</u>	<u>2021</u>
Unassigned Fund Balance—January 1	\$53,171,709	\$43,978,379
Excess (Deficit) of Revenues Over Expenditures and Encumbrances	2,674,160	6,994,929
Decrease (Increase) in Amount Assigned for Future Expenditures	(12,352,269)	5,273,487
Other Changes to Nonspendable, Restricted, Committed and/or Assigned Fund Balance	<u>484,779</u>	<u>124,973</u>
Unassigned Fund Balance—December 31	<u>\$43,978,379</u>	<u>\$56,371,768</u>

Coronavirus (COVID-19) Financial Assistance

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. COVID-19 has had varied economic and social impacts, and governments and private industries have taken various measures in an effort to limit the spread of the virus. While the City continues to monitor the spread of COVID-19, the City is not able to predict and makes no representations as to any impacts the pandemic may have on the City or its financial position.

As of the date of this Official Statement, the City has received \$47.2 million of American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF).

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BOOK-ENTRY

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 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.

FORM OF CO-BOND COUNSEL OPINION

October 6, 2022

The Common Council of the
City of Madison, Wisconsin

\$72,355,000
City of Madison, Wisconsin
General Obligation Promissory Notes
Series 2022-A

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$72,355,000 General Obligation Promissory Notes, Series 2022-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 6, 2022 (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 6, 2022. 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, 2023 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 (%)
2023	7,240,000	5.00
2024	7,235,000	5.00
2025	7,235,000	5.00
2026	7,235,000	5.00
2027	7,235,000	5.00
2028	7,235,000	5.00
2029	7,235,000	5.00
2030	7,235,000	4.00
2031	7,235,000	4.00
2032	7,235,000	4.00

The Notes maturing on or after October 1, 2030 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, 2029 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 gross income 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 gross income 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. For tax years beginning after December 31, 2022, interest on the Notes may affect the federal corporate alternative minimum tax imposed on certain corporations. 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,

October 6, 2022

The Common Council of the
City of Madison, Wisconsin

\$20,160,000
City of Madison, Wisconsin
Taxable General Obligation Promissory Notes
Series 2022-B

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$20,160,000 Taxable General Obligation Promissory Notes, Series 2022-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 6, 2022 (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 6, 2022. 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, 2023 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 (%)
2023	2,020,000	4.00
2024	2,020,000	4.00
2025	2,015,000	4.00
2026	2,015,000	4.00
2027	2,015,000	4.00
2028	2,015,000	4.00
2029	2,015,000	4.00
2030	2,015,000	3.90
2031	2,015,000	3.95
2032	2,015,000	4.00

The Notes maturing on or after October 1, 2030 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, 2029 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,

October 6, 2022

The Common Council of the
City of Madison, Wisconsin

\$22,035,000
City of Madison, Wisconsin
General Obligation Refunding Bonds
Series 2022-C

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$22,035,000 General Obligation Refunding Bonds, Series 2022-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 6, 2022.

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 the date hereof. 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, 2023 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 (%)
2023	1,690,000	5.00
2024	1,730,000	5.00
2025	1,805,000	5.00
2026	1,895,000	5.00
2027	1,985,000	5.00
2028	2,080,000	5.00
2029	2,180,000	5.00
2030	2,300,000	5.00
2031	2,415,000	5.00
2032	2,540,000	4.00
2033	1,415,000	4.00

The Bonds maturing on or after October 1, 2031 are subject to redemption prior to maturity as a whole or in part at the option of the City, in any order of maturity and by lot within a single maturity, on October 1, 2030 and on any date thereafter, at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the redemption date and without premium.

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 gross income 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 gross income 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. For tax years beginning after December 31, 2022, interest on the Bonds may affect the federal corporate alternative minimum tax imposed on certain corporations. 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,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

**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 \$72,355,000 General Obligation Promissory Notes, Series 2022-A, \$20,160,000 aggregate principal amount of Taxable General Obligation Promissory Notes, Series 2022-B, and \$22,035,000 General Obligation Refunding Bonds, Series 2022-C (collectively, the “Bonds”) of the Issuer. The Bonds are being issued pursuant to Resolutions adopted on September 6, 2022 (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 2022-A:

Maturity (October 1)	CUSIP (55844R)
2023	WN0
2024	WP5
2025	WQ3
2026	WR1
2027	WS9
2028	WT7
2029	WU4
2030	WV2
2031	WW0
2032	WX8

Series 2022-B:

Maturity (October 1)	CUSIP (55844R)
2023	WY6
2024	WZ3
2025	XA7
2026	XB5
2027	XC3
2028	XD1
2029	XE9
2030	XF6
2031	XG4
2032	XH2

Series 2022-C

Maturity (October 1)	CUSIP (55844R)
2023	XJ8
2024	XK5
2025	XL3
2026	XM1
2027	XN9
2028	XP4
2029	XQ2
2030	XR0
2031	XS8
2032	XT6
2033	XU3

The final Official Statement relating to the Bonds is dated September 14, 2022 (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 date of this Agreement, 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 6, 2022

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 1.

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.

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 Notes were authorized after July 1, 2005 and therefore are **not** subject to the levy limits.