

City Debt

2022 Budget Overview

Finance & Personnel Committee

October 1, 2021

Community Goals & Objectives

Community Goal

Increase investment and economic vitality throughout the City

Mission

Manage and control outstanding debt through equitable financing of capital improvements

Objective

Limit annual growth in the debt service levy to 2% or less

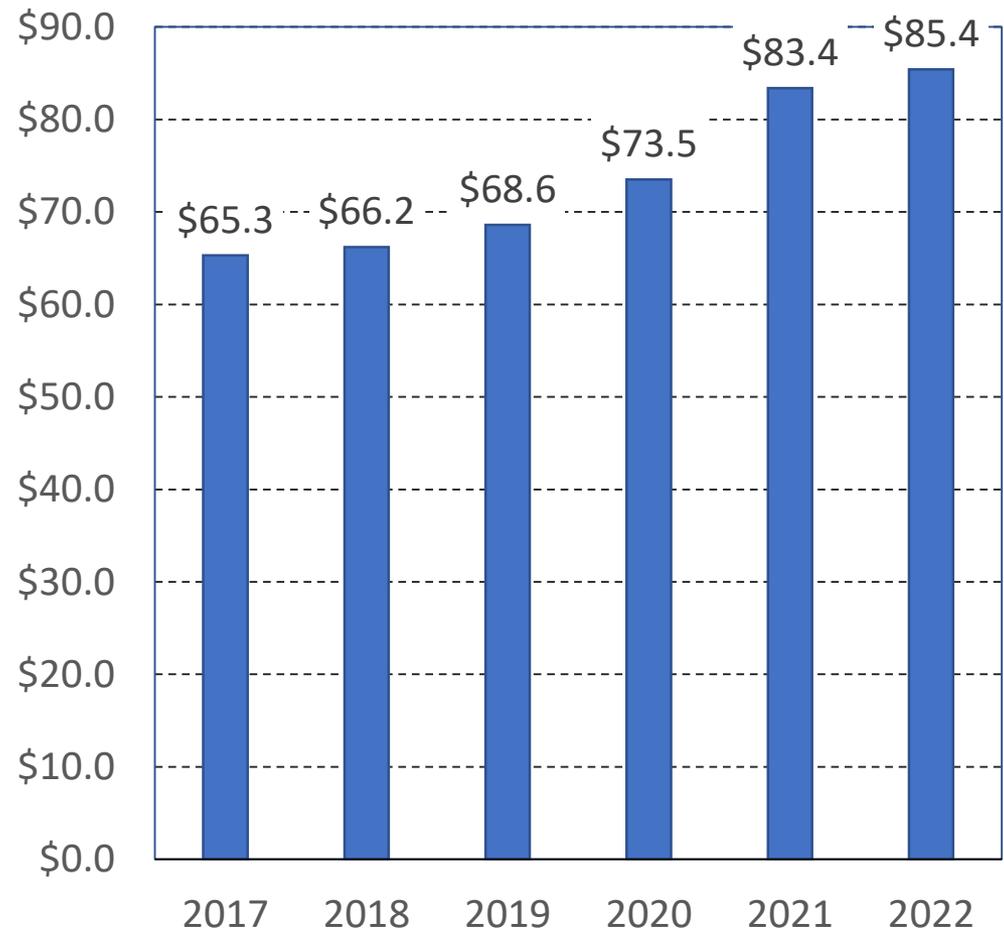
2022 Proposed Budget Summary

- 2022 Budget for City Debt: \$256.6 million
 - Decrease of \$2.2 million from 2021 budget
- Withdrawal from PDAF lowered by \$5.5 million from 2021
 - 2022 PDAF withdrawal: \$5 million
- The City continues to aggressively repay debt
 - 90% of GO debt is repaid within 10 years
- 2022 Debt Service Levy: \$85.4 million
 - \$2 million increase from 2021 (+2.4%)

Debt Service Levy

- Growth in Debt Service Levy from 2021 to 2022 returns to “typical” levels
- The \$9.9 million increase from 2020 to 2021 resulted from eliminating withdrawal from Debt Service Fund
- Large spikes in debt service levy unlikely in near term- as long as borrowing remains limited

Debt Service Levy: 2017-2022 (millions)



City of Milwaukee Bond Rating

- Use of reserves, levels of debt, economic factors cited as major rating agency concerns
- The City of Milwaukee is taking steps to improve elements of bond rating that are within the City's control

Year	S&P	Moody's	Fitch
2012	AA	Aa2	AA
2013	AA	Aa2	AA
2014	AA	Aa3	AA
2015	AA	Aa3	AA
2016	AA	Aa3	AA
2017	AA	Aa3	AA
2018	AA	A1	AA
2019	AA-	A1	AA-
2020	A	A2	AA-
2021	A	A2	AA-