

# Municipal Debt Facts

Strategic Planning Information



July 24, 2024

- **The City of Hurst's fiscal condition remains strong as supported by credit-rating agency reviews: Standard & Poor's recent upgrade to AA+ and Moody's affirmation of Aa2**
- All budget and debt issuance decisions are made only after public notification and open meetings
- Bond refinancing (2011-2021) saved \$6.7 million
- The city primarily issues the following types of debt:
  - General Obligation Bonds – require voter approval, tied directly to property tax rate, and generally least expensive
  - Certificates of Obligation – require public notification and hearings, can be funded by non-tax revenue but backed by tax rate, generally less expensive than revenue debt
  - Revenue Bonds – not supported by property taxes and generally most expensive debt
- The city's adopted tax rate for Fiscal Year 2024 is \$0.581150 per \$100 of taxable property value: operations 85% and debt 15%
- The city offers over \$1 billion in value exemptions and tax freezes resulting in taxpayer savings of \$8.5 million per year or 19 cents on the tax rate
- The property tax rate was reduced fifteen times between 1992 and 2023 lowering the city's property tax revenue collection by approximately \$35 million
- Hurst property owners pay an average of \$16.07 per month in ad valorem taxes to finance infrastructure improvements funded by debt
- Each U.S. city's debt position is unique based upon the timing, type of debt issued, debt structure or payment terms, prevailing market conditions, amount of debt issued, intended use of proceeds, and credit ratings

## Additional Information



### Bond Indebtedness at 9/30/2024

General Debt	\$28.6 million
Enterprise Fund	\$6.2 million
Hotel/Motel Fund	\$3.8 million
<u>4B ½ Cent Fund</u>	<u>\$11.4 million</u>
Total Principal	\$50.0 million

### Recent Voter-Approved Projects

Fire Station #2  
Senior Citizen Activity Center  
Library Improvements  
Bellaire Drive Reconstruction  
Hayes Lane Drainage  
Zelda Drive Drainage  
Justice Center & Related Parking  
Animal Services/Adoption Facilities

### FY 24 Municipal Debt Ratios

**Net Bonded Debt to Assessed Value**  
Current ratio 1.0%; Benchmark 2%

**Tax Supported Debt to Taxable Value**  
Current ratio 0.68%; Benchmark 2.5%

**General Fund Annual Debt as % of Operating Budget**  
Current ratio 8.0%; Benchmark 10%

**Debt Principal Per Capita**  
Bonded Debt Including All COs \$1,261  
Property Tax Supported Debt \$721

## Internet Links



[hursttx.gov](http://hursttx.gov) – City of Hurst  
[tad.org](http://tad.org) – Tarrant Appraisal District  
[tarrantcounty.com](http://tarrantcounty.com) – Tarrant County  
[comptroller.texas.gov](http://comptroller.texas.gov) – State Comptroller  
[brb.state.tx.us](http://brb.state.tx.us) – Bond Review Board  
[mactexas.com](http://mactexas.com) – Municipal Advisory Council