



STAFF REPORT

MEETING DATE:	March 3, 2025
MEETING TYPE:	City Council
SUBMITTED BY:	Maria Joyner
AGENDA CAPTION:	Discuss and consider ORDINANCE NO. 2025-03-1206 OF THE CITY OF HUTCHINS, TEXAS AUTHORIZING THE ISSUANCE OF "CITY OF HUTCHINS, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2025"; SPECIFYING THE TERMS AND FEATURES OF SAID BONDS; PROVIDING FOR THE PAYMENT OF SAID BONDS BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID BONDS, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/ REGISTRAR AGREEMENT AND A BOND PURCHASE AGREEMENT AND APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AND PROVIDING AN EFFECTIVE DATE. Presented by: Maria Joyner, Director of Finance

Background Information

Attached for consideration is an ordinance related to the issuance of City of Hutchins, Texas General Obligation Improvement Bonds, Series 2025. The principal amount of \$28 million will provide funding for the construction of a state-of-the-art Recreation Center and Library. The Recreation and Library building purpose is to enhance the quality of life for residents while offering a wide range of recreational and educational opportunities for all ages. The facility will span 37,250 square feet including 6,000 square feet dedicated solely to the Library. The Recreation Center will feature adult and youth basketball courts, cardio and weight equipment, training areas, multi-purpose studios for activities such as karate, dance, yoga, and performing arts, as well as a Transformation Place for wellness programs. Additionally, the center will include a teen gaming room, an indoor walking trail, and much more to cater to the varied interests of residents.

On August 12, 2024, the Hutchins City Council approved Ordinance 2024-08-1194, calling for a Bond Election. The bond election authorized issuing and selling general obligation bonds. The authorization includes the aggregate principal amount of not more than \$28,000,000 for purchasing, acquiring, constructing, repairing, improving facilities and equipment for recreation and library purposes and all matters necessary or incident related thereto. On November 5, 2024, Dallas County Elections and the City of Hutchins conducted a bond election. The authority to issue the bonds was granted through the successful passage of the bond election. The attached bond ordinance, prepared by Bond Counsel, is in draft form. On March 3, 2025, the bonds will be priced in the market. At that time, the terms of the bonds will be added to the ordinance.

Standard and Poor's (S&P) conducted a bond rating call with the City on February 13, 2025. The City was notified on February 21, 2025, that S&P affirmed the City's AA- bond rating for this issue. This rating is an indication of the City's strong capacity to meet its financial commitments.

Additionally, the City applied and qualified for “AA” bond insurance with Build America Mutual (BAM). The additional credit rating enhancement with “AA” insurance from BAM allows the City to sell the bonds at a lower interest rate achieve a lower cost of borrowing.

Budget Implications

Because the City has experienced an ad valorem property tax value growth of \$896,290,266 or 137 percent since 2021, there will be no tax increase for residents. The Series 2025 bonds have a 20-year term with a maturity date of 2045

Legal Review

The Ordinance was prepared by Bond Counsel.

Staff Recommendation

City Staff recommends approval of the attached Bond Ordinance.

Supporting Documentation and Attachments

Ordinance 2025-03-1206
Official Statement