

FOR THE YEAR ENDED JUNE 30, 2022

POPULAR ANNUAL FINANCIAL REPORT

CITY OF HAZELWOOD

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Historic Knobbe House at Brookes Park



DISCOVER
HAZELWOOD

From the Finance Director

To the Citizens of Hazelwood:

I am pleased to present the City of Hazelwood's (City's) Popular Annual Financial Report (PAFR) for the year ended June 30, 2022. This report is intended to increase the community's awareness regarding the financial operations of the City. As such, the report is written in a manner that will summarize and communicate the City's financial position.

Financial information within this report is derived from the City's 2022 Annual Comprehensive Financial Report (ACFR). The ACFR provides more detailed information and includes an independent auditor's report from a firm of licensed certified public accountants. The ACFR is prepared in accordance with Accounting Principles Generally Accepted in the United States of America.

We are proud to report that the City's Finance Department has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) every year from 1998 to 2021. We believe our current ACFR continues to meet the requirements and we have submitted it to the GFOA. Copies of the 2022 ACFR are available on the City's website at www.hazelwoodmo.org.

I hope that you find this report informative and I welcome your comments and questions.

Sincerely,

David L. Tuberty, CPA
Assistant City Manager-Finance



About Hazelwood

GENERAL DATA

- Year of incorporation as a Village: 1949
- Year of incorporation as a City: 1970
- Form of Government: Council Manager
- Area (Square Miles): 16.76
- Miles of Streets: 169
- Street Lights & Signals: 145
- Acres of Parks: 179
- Total number of Employees:
 - Full-time: 188
 - Part-time: 30
 - Seasonal: Varies

DEMOGRAPHICS

Population: 25,458
Median HH Income: \$52,201
Per Capital Income: \$31,977
Residential Households: 11,137
Business Licenses Issued: 948

APPOINTED OFFICIALS:

- City Manager:
Matt Zimmerman
- City Attorney:
Kevin O'Keefe
- Municipal Judge:
Patrick Monahan
- Director of Public Works:
David Stewart
- Chief of Police:
James Hudanick
- Fire Chief:
Dave Herman
- Assistant City Manager - Finance:
David Tuberty
- Assistant City Manager - Econ. Dev:
David Leezer
- City Clerk:
Julie Lowery

Financial Activity

The City of Hazelwood's fiscal year runs from July 1 to June 30. The COVID-19 pandemic was the event that had the most impact on all of our lives during the last 3 years. Activity slowed in 2020 but is recovering very well by 2022. Sales taxes are strong. Property taxes for Fiscal Year 2022 are really the taxes collected for the 2021 assessment, which had an 8% increase from the prior year. This was due to a combination of increased assessed valuation as determined by St. Louis County and an increase in industrial activity within the City. Total collection is lower as a TIF area was terminated. The most significant increase is a result of the ARPA Act grant that the City received, which increased revenue by \$2.5 million.

City expenses increased by over \$1.4 million across all funds. Decreases in Economic Development projects indicate a pause in the timing of growth in the Business activity within the City. Capital outlay decreased as projects have been delayed due to supply shortages. The major increase in the General Fund was to Fire and ambulance. Payments to the Robertson Fire Protection District increased by about \$2.3 million due to a one time settlement.

City of Hazelwood, Missouri		
Financial Activity		
Statements for all Governmental Funds		
	2022	2021
Revenues		
Property taxes	\$ 9,037,580	\$ 10,695,385
Sales taxes	18,338,699	15,595,270
Utility gross receipts taxes	2,669,379	2,508,902
Other taxes	1,458,554	1,397,576
Permits and inspections	1,151,100	837,611
Licenses	4,358,064	4,038,398
Intergovernmental	3,614,101	2,705,233
Fines and forfeitures	421,747	470,357
Investment income	(163,206)	33,226
Recreation fees	356,541	201,571
Sewer lateral	142,771	143,521
Miscellaneous	2,681,412	2,683,845
Total Revenues	44,066,742	41,310,895
Expenditures		
General government	2,608,926	2,469,399
Police	7,860,473	7,841,636
Fire and ambulance	13,935,812	10,600,061
Public works		
Administration	1,216,573	1,180,674
General maintenance	727,300	719,763
Park maintenance	908,615	875,558
Recreation	1,527,184	1,318,608
Sewer lateral	83,012	85,967
Economic development	4,585,524	5,882,048
Capital outlay	1,480,873	1,734,824
Principal	1,113,708	1,609,437
Interest	1,038,437	1,379,017
Total Expenditures	37,086,437	35,696,992
Other Financing Sources		
(Uses)	49,485	35,180
Net Change In Fund		
Balance	7,029,790	5,649,083



Where does the money come from?

Sales taxes make up the largest revenue source for the City. The taxes included in this category are:

- 1.00% Sales Tax
- 0.25% Local Option Tax
- 0.50% Capital Improvement Tax
- 0.50% Park and Storm Water Tax
- 0.50% Economic Development Tax
- 0.50% Public Safety Tax
- 0.50% Fire Sales Tax

Property taxes are derived from the City's combined real estate tax rate of \$0.923 per \$100 assessed valuation from the 2021 Property tax collection.

Utility gross receipts tax is charged on the gross receipts of all utility companies within the City, including telephone, electric, natural gas, water and cable.

Other taxes from state or federal sources include gasoline, cigarette, motor vehicle and road and bridge taxes and from hotel/motel tourism taxes.

Permits and inspections from building and zoning fees.

Licenses are the fees for merchant, vending and liquor licenses required by the City's code or state law.

Intergovernmental grants from federal or state agencies.

Revenues	2022	
Property taxes	\$ 9,037,580	20.5%
Sales taxes	18,338,699	41.6%
Utility gross receipts taxes	2,669,379	6.1%
Other taxes	1,458,554	3.3%
Permits and inspections	1,151,100	2.6%
Licenses	4,358,064	9.9%
Intergovernmental	3,614,101	8.2%
Fines and forfeitures	421,747	1.0%
Investment income	(163,206)	-0.4%
Recreation fees	356,541	0.8%
Sewer lateral	142,771	0.3%
Miscellaneous	2,681,412	6.1%
Total Revenues	44,066,742	100.0%

Fines and forfeitures determined by the Municipal Court.

Investment income is revenue earned by investing City Funds pursuant to the City's investment policy.

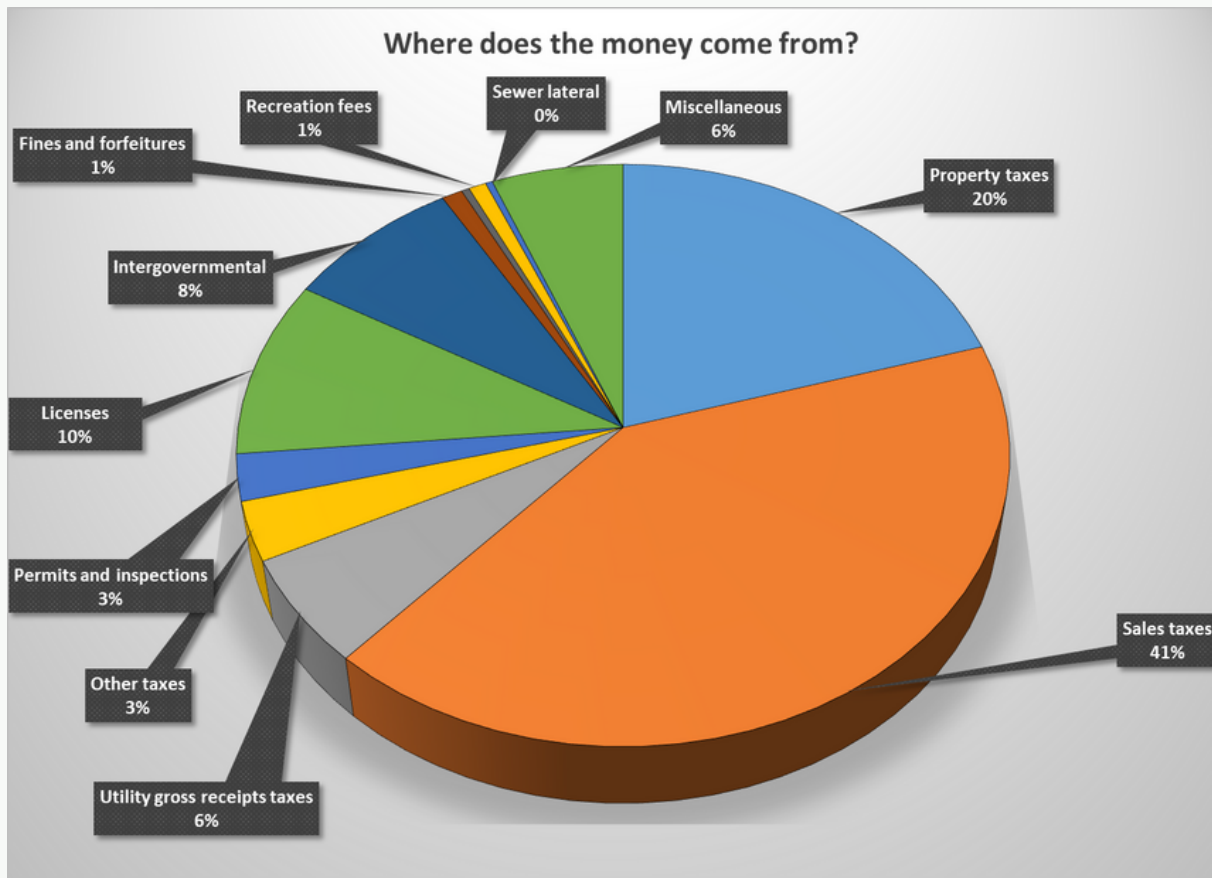
Recreation fees are parks and recreational program fees.

Sewer lateral is revenue from the Sewer Lateral fee collected with property taxes.

Miscellaneous consists of refunds, insurance premium reimbursements, sale of surplus property, financing proceeds and other infrequent and otherwise unclassified revenue.



Where does the money come from?



Property tax rates

<u>Tax Entity</u>	<u>2022</u>	<u>Cost</u>	<u>Percentage</u>
Hazelwood School District	5.6409	\$ 1,608	63%
Special School District	1.0158	290	11%
City of Hazelwood	0.9230	263	10%
St. Louis County	0.4180	119	5%
St. Louis County Library	0.2060	59	2%
St. Louis Community College	0.2787	79	3%
Metropolitan Zoo and Museum District	0.2455	70	3%
Metropolitan St. Louis Sewer District	0.1041	30	1%
Coldwater Sewer District	0.0780	22	1%
Developmental Disability-Productive Living	0.0710	20	1%
Missouri	0.0300	9	0%
	9.0110	\$ 2,568	

*A typical Hazelwood homeowner with a home worth \$150,000, pays around \$2,568 in real estate taxes. About 10% goes to the City. The City's combined rate includes 0.222 for debt service.

Where does the money go?

General government expenditures cover the Mayor and City Council, City Manager, City Clerk, Municipal Court, information technology, insurance and finance functions.

Police department expenditures are for police protection, investigation and dispatch.

Fire and ambulance are for fire protection and medical emergency.

Public works expenditures include code enforcement, street maintenance, snow removal, trash removal, park and recreation programs and the maintenance of City property.

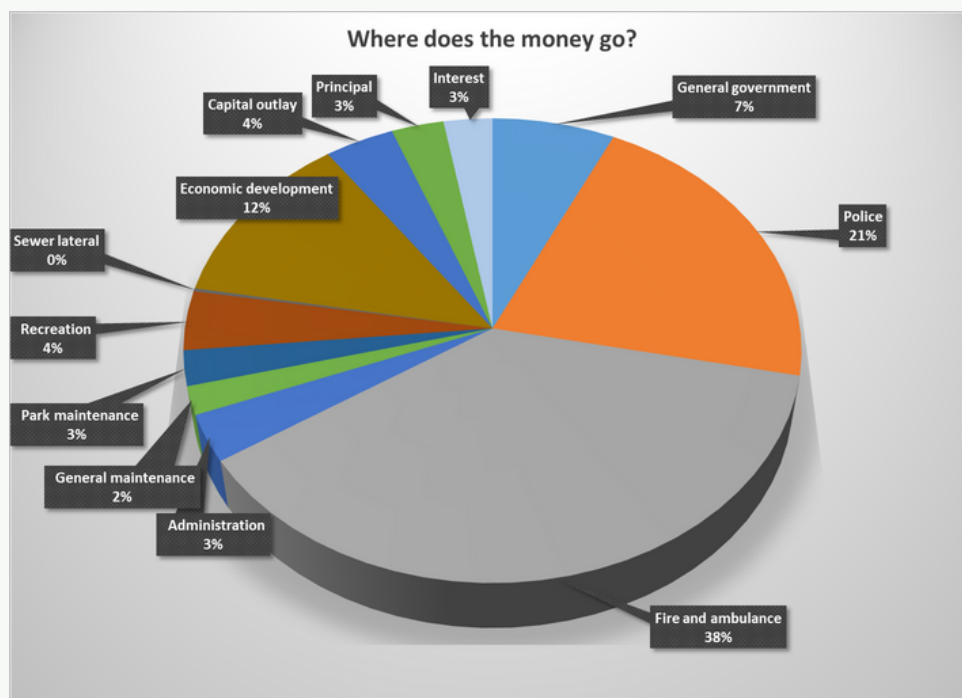
Sewer lateral are expenditures for repairs of lateral sewer lines for property owners.

Economic development expenditures relate to business and industry development within the City.

Capital outlay is the cost of purchasing capital items and the construction or acquisition of buildings or infrastructure (streets, sidewalks, bridges, storm channels).

Principal and interest represent the expenditures for debt service on the City's General Obligation Bonds and TIF revenue bonds.

Expenditures	2022
General government	2,608,926
Police	7,860,473
Fire and ambulance	13,935,812
Public Works Administration	1,216,573
General maintenance	727,300
Park maintenance	908,615
Recreation	1,527,184
Sewer lateral	83,012
Economic development	4,585,524
Capital outlay	1,480,873
Principal	1,113,708
Interest	1,038,437
Total Expenditures	37,086,437



Fund Structure and Balance

The **General Fund** is the City's main fund and is used for all purposes except the special funds listed below.

- The **Capital Projects Fund** uses sales tax revenue and proceeds from the issuance of debt designated for capital improvements, such as vehicle purchases, building maintenance, and major infrastructure projects.
- The **Debt Service Fund** is for the resources accumulated and payments made for the principal and interest on long-term general obligation debt or loans the City takes out, of the governmental funds.
- The **370 MO Bottom Road TIF Fund** accounts for the activity from the St. Louis Outlet Mall TIF District area. As of Dec. 2022, this TIF was finished and closed out.
- The **Economic Development Fund** is for economic development support activity, such as loans and business support and retention, and is funded by the one-half cent Economic Development sales tax. Money in this account can only be used for economic development.
- **Other Non-Major Funds:** Special revenue funds (4 in total) which account for specific revenue sources that are legally restricted to expenditures for specific purposes.

The City's policy requires that a minimum of 17% of its Budgeted General Fund spending be on hand, allowing the City to continue functioning in the situation of unforeseen events.

The Governmental Accounting Standards Board (GASB) requires the fund balances be distinguished in five (5) categories:

Nonspendable: Consists of prepaid expenses.

Restricted: Resources that are legally restricted by outside parties or by law.

Committed: Resources which are subject to limitations the City imposes upon itself. The City had none in 2022.

Assigned: Resources intended to be used for a specific purpose as approved by the City Council. The City had none in 2022.

Unassigned: Resources available for any purpose.

	Fund Balance As of June 30, 2022							
	General	Capital Projects	Debt Service	370/MO Bottom Road TIF	Economic Development	Other Non-major Funds	Total Governmental Funds	
Non-spendable	\$ 61,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,744	
Restricted	435,685	2,027,532	768,620	1,698,191	9,290,876	555,579	14,776,483	
Unassigned	15,399,264	-	-	-	-	-	15,399,264	
Total Fund Balances	\$ 15,896,693	\$ 2,027,532	\$ 768,620	\$ 1,698,191	\$ 9,290,876	\$ 555,579	\$ 30,237,491	

Outstanding Debt

The General Obligation (GO) Refinancing Bonds were originally issued to finance street reconstruction in 1999. During 2005 and again in 2007, bonds were refunded in order to take advantage of lower interest rates. The bonds mature in 2026.

Certificates of participation were issued in 2008 and refunded in 2015 to finance the construction of a new aquatic center and improving Fire Station #1. The final payments are in 2027.

Tax Increment Revenue Bond are special, limited obligations of the City and are payable solely from the incremental sales and property taxes generated by the Lambert Redevelopment Area.

The bonds were issued in 2007. The annual debt service payments are contingent upon the revenues collected. Bonds are due in 2029.

Capital lease obligations are agreements to purchase capital assets. The City currently has five lease obligations that run until 2029.

Postretirement benefits are the outstanding liability on the City's financial statement for the value of employees' final payout upon retirement.

Outstanding Debt as of June 30, 2022

	Balance 6/30/2021	Additions	Reductions	Balance 6/30/2022
General Obligation Refinancing Bonds	\$ 4,871,886		\$ (658,423)	\$ 4,213,463
Certificates of Participation	2,243,655		(343,475)	1,900,180
Tax Increment Revenue Bonds	17,055,000		-	17,055,000
Capital lease obligation	1,203,888		(184,661)	1,019,227
Postretirement Benefits	451,320		(44,615)	406,705
	\$ 25,825,749	\$ -	\$ (1,231,174)	\$ 24,594,575



Elected Officials



Matthew Robinson
Mayor
Elected 2009



William Hoops
Ward 1
Elected 2022



Bob Aubuchon
Ward 2
Elected 1997



Don Ryan
Ward 3
Elected 2010



Dan Herin
Ward 4
Elected 2020



Lisa Matlock
Ward 5
Elected 2022



Warren Taylor
Ward 6
Elected 2008



Robert Smith
Ward 7
Elected 2022



Mary Singleton
Ward 8
Elected 2008

