



**DISCOVER
HAZELWOOD**

Popular Annual Financial Report

For the Year Ended June 30, 2023

City of Hazelwood
415 Elm Grove Lane
Hazelwood, MO 63042
P: 314-839-3700
www.hazelwoodmo.org

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, 2023. 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 2023 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 accountant. 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 2022. We believe our current ACFR continues to meet the requirements and we have submitted it to the GFOA. Copies of the 2023 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 Clerk:
Julie Lowery
- City Attorney:
Kevin O'Keefe
- Municipal Judge:
Patrick Monahan
- Director of Public Works:
David Stewart
- Chief of Police:
James Hudanick
- Fire Chief:
Dan Luley
- Assistant City Manager - Finance:
David Tuberty
- Assistant City Manager - Econ. Dev:
David Leezer

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 2023.

Sales taxes are strong. Property taxes for Fiscal 2023 are really the taxes collected for the 2022 assessment, which had an 29% increase from the prior year. This was due primarily to the closing of the TIF District in the Park 370 area, with the revenue going directly to the normal taxing districts. This does not really affect the City, as General Fund revenue from property taxes increased by 5%. The most significant increase is from sales taxes which increased by \$1.6 million across all funds.

City expenses decreased by about \$557 thousand 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 increased as projects that had been delayed due to supply shortages were complete in FY 2023.

The major decrease in the General Fund was to Fire and ambulance. Payments to the Robertson Fire Protection District decreased by about due to a one time settlement in FY 2022.



City of Hazelwood, Missouri

Financial Activity

Statements for all Governmental Funds

	2023	2022
Revenues		
Property taxes	\$ 6,383,358	\$ 9,037,580
Sales taxes	19,977,005	18,338,699
Utility gross receipts taxes	2,770,315	2,669,379
Other taxes	1,656,955	1,458,554
Permits and inspections	737,865	1,151,100
Licenses	4,902,692	4,358,064
Intergovernmental	3,913,412	3,614,101
Fines and forfeitures	535,233	421,747
Investment income	237,044	(163,206)
Recreation fees	372,698	356,541
Sewer lateral	142,260	142,771
Miscellaneous	2,699,088	2,681,412
Total Revenues	44,327,925	44,066,742
Expenditures		
General government	2,676,666	2,608,926
Police	8,830,321	7,860,473
Fire and ambulance	12,540,643	13,935,812
Public works		
Administration	1,386,967	1,216,573
General maintenance	832,524	727,300
Park maintenance	1,124,244	908,615
Recreation	1,734,254	1,527,184
Sewer lateral	97,184	83,012
Economic development	1,834,221	4,585,524
Capital outlay	2,579,434	1,480,873
Principal	1,478,962	1,113,708
Interest	1,414,086	1,038,437
Total Expenditures	36,529,506	37,086,437
Other Financing Sources (Uses)		
Net Change In Fund Balance	266,368	49,485
	8,064,787	7,029,790



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 2022 Property tax collection.

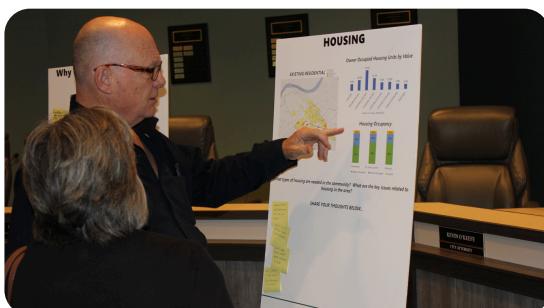
Utility gross receipts tax is charged on the gross receipts of all utility companies within the City, including telephone, electric, natural gas, water and cable.

Other taxes from state or federal sources and 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	2023	
Property taxes	\$ 6,383,358	14.4%
Sales taxes	19,977,005	45.1%
Utility gross receipts taxes	2,770,315	6.2%
Other taxes	1,656,955	3.7%
Permits and inspections	737,865	1.7%
Licenses	4,902,692	11.1%
Intergovernmental	3,913,412	8.8%
Fines and forfeitures	535,233	1.2%
Investment income	237,044	0.5%
Recreation fees	372,698	0.8%
Sewer lateral	142,260	0.3%
Miscellaneous	2,699,088	6.1%
Total Revenues	44,327,925	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.

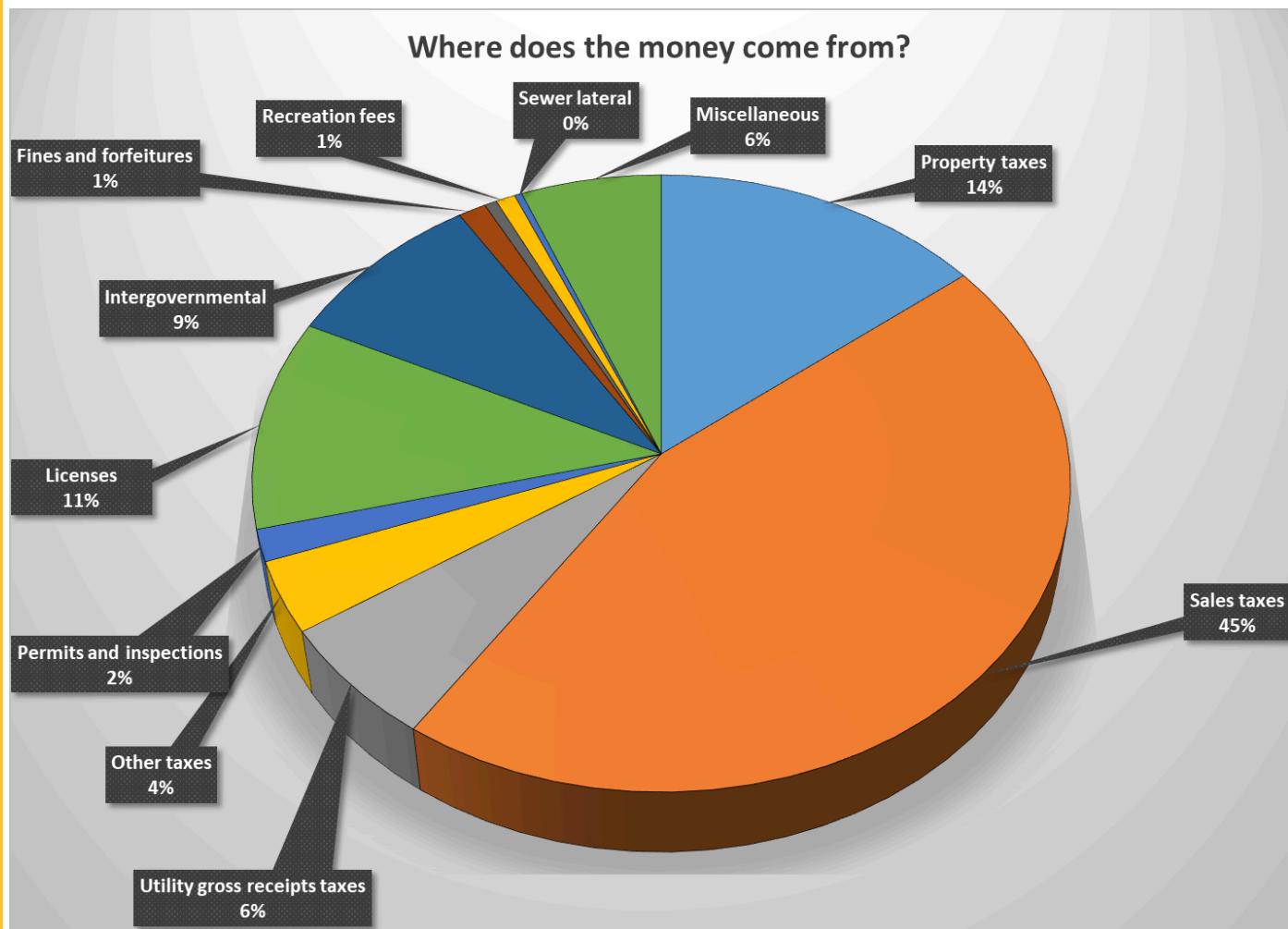
Recreation fees are parks and recreational program fees.

Sewer lateral is revenue from the Sewer Lateral fee collected with property taxes and fees collected from property owners for repairs.

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?



Tax Entity	2022	Cost	Percentage
Hazelwood School District	5.7550	\$ 1,640	63%
Special School District	1.0500	299	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	0.2790	80	3%
Metropolitan Zoo and Museum District	0.2530	72	3%
Metropolitan St. Louis Sewer District	0.1050	30	1%
Coldwater Sewer District	0.0780	22	1%
Developmental Disability-Productive Living	0.0700	20	1%
Missouri	0.0300	9	0%
	9.1670	\$ 2,613	

*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 of 0.9230 includes 0.2220 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.

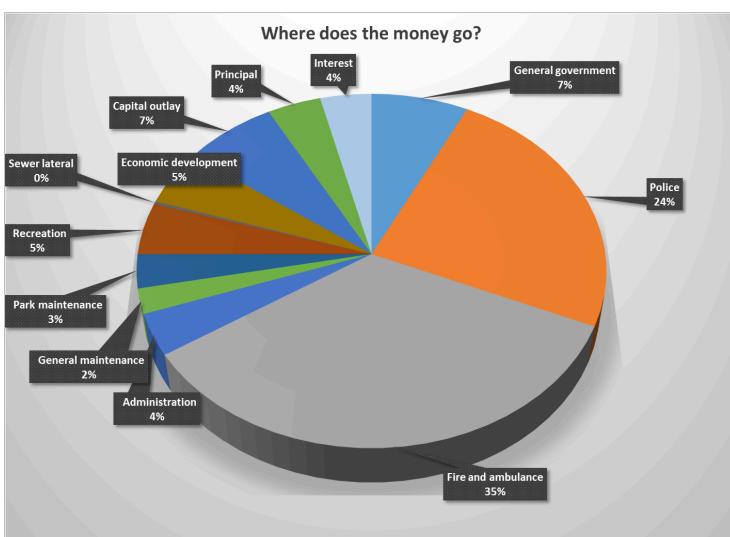
Capital outlay is the cost of purchasing capital items and the construction or acquisition of buildings or infrastructure (streets, sidewalks, bridges, storm channels).

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

Expenditures

2023

General government	2,676,666
Police	8,830,321
Fire and ambulance	12,540,643
Public Works Administration	1,386,967
General maintenance	832,524
Park maintenance	1,124,244
Recreation	1,734,254
Sewer lateral	97,184
Economic development	1,834,221
Capital outlay	2,579,434
Principal	1,478,962
Interest	1,414,086
Total Expenditures	36,529,506



Fund Structure and Balance

The City has adopted a fund structure which serves to define the purpose of each fund and be a guide to maintain a healthy balance for long-term financial stability.

The City has eight (8) funds:

- General Fund: The City's primary operating fund, recording the legally authorized activities in the City except those required to be accounted for in other specialized funds
- Capital Projects Fund: Accounting for sales tax revenue and proceeds from the issuance of debt designated for capital improvements.
- Debt Service Fund: Accounting for the resources accumulated and payments made for the principal and interest on long-term general obligation debt of the governmental funds.
- 370 MO Bottom Road TIF Fund: Accounting for the activity from the Tax Incremental Financing for the St. Louis Outlet Mall area.
- Economic Development Fund: Accounting for the activity related to the economic development support activity, funded by the one-half cent Economic Development sales tax.
- 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.

It is the policy of the City to maintain a prudent level of financial resources to allow the City to continue to function in a timely manner in the face of unforeseen events. The City has established a minimum requirement of 17% of the General Fund appropriation.

The Governmental Accounting Standards Board (GASB) has required that 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 2023.
- Assigned: Resources intended to be used for a specific purpose as approved by the City Council. The City had none in 2023.
- Unassigned: Resources available for any purpose.

As shown on this table, the City has sufficient funds to meet its obligations in the near term.

Fund Balance As of June 30, 2023

	General	Capital Projects	Debt Service	370/MO Bottom Rd. TIF	Economic Development	Other Non-major Funds	Total Governmental Funds
Non-spendable	\$ 722,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 722,701
Restricted	408,704	1,677,174	937,777	2,408,680	10,131,448	624,283	16,188,066
Unassigned	21,391,511	-	-	-	-	-	21,391,511
Total Fund Balances	\$ 22,522,916	\$ 1,677,174	\$ 937,777	\$ 2,408,680	\$ 10,131,448	\$ 624,283	\$ 38,302,278

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.

Financed purchase 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, 2023

	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023
General Obligation Refinancing Bonds	\$ 4,213,463		\$ (1,024,376)	\$ 3,189,087
Certificates of Participation	1,900,180		(353,475)	1,546,705
Tax Increment Revenue Bonds	17,055,000		-	17,055,000
Financed Purchase Obligations	1,019,227		(169,673)	849,554
Postretirement Benefits	406,705	14,960		421,665
	\$ 24,594,575	\$ 14,960	\$ (1,547,524)	\$ 23,062,011



Elected Officials



Matthew Robinson
Mayor
Elected 2009

City Council



William Hoops
Ward 1
Elected 2022



Bob Aubuchon
Ward 2
Elected 1997



Don Ryan
Ward 3
Elected 2010



Kelly Wadlow
Ward 4
Elected 2023



Lisa Matlock
Ward 5
Elected 2022



Warren Taylor
Ward 6
Elected 2006



Robert Smith
Ward 7
Elected 2022



Jen Hatton
Ward 8
Elected 2023



City of Hazelwood 2023 PAFR Report