

Popular Annual Financial Report



For the Year Ended June 30, 2024



City of Hazelwood 415
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Hazelwood, MO 63042
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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, 2024. 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 2024 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 2023. We believe our current ACFR continues to meet the requirements and we have submitted it to the GFOA. Copies of the 2024 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
Director of Finance

About Hazelwood

Statistical Data

- Year of incorporation as a Village: 1949
- Year of incorporation as a City: 1970
- Form of Government: Council/Manager
- Area (square miles): 16.04
- Miles of streets: 169
- Street lights and signals: 145
- Acres of parks 179
- Total number of employees:
 - Full-time: 190
 - Part-time: 51
 - Seasonal: Varies

Demographic Data

- Population: 24,862
- Median household income: \$54,438
- Per capita income: \$35,499
- Residential households(occupied): 11,380
- Business licenses issued: 839



Appointed Officials:

- City Manager: David Leezer
- City Clerk: Julie Lowery
- City Attorney: Kevin O'Keefe
- Municipal Judge: Patrick Monahan
- Director of Public Works: David Stewart
- Chief of Police: Jim Hudanick
- Fire Chief: Dan Luley
- Director of Finance: David Tuberty

Financial Activity

With the COVID pandemic and its economic effect behind us, the City of Hazelwood is experiencing strong economic growth. Sales taxes have increased by nearly 4%. Property taxes for Fiscal 2024 are really the taxes collected from the 2023 assessment. The assessment increased 8% from the prior year, but General Fund revenue is only up by 0.7% due to limitations by the Hancock Amendment. Strong increases in revenue from taxes, licenses and investment were somewhat offset by a 66% decrease in grant income. Grants related to the pandemic have ended, reducing grant revenue by \$2.5 million. Total revenue increased by \$500 thousand.

City expenses increased by about \$5.4 million across all funds. Capital outlay was by far the largest increase as projects that had been delayed due to supply shortages were completed in FY 2024. The General Fund increased in all departments due to increases in compensation. The Fire Department purchased a new fire truck for \$1.3 million using General Fund resources. Payments to the Robertson Fire Protection District remain the same. Interest expense is decreasing as we get closer to paying off our bonded debt.



| City of Hazelwood, Missouri | | |
|--|-----------------------------|-----------------------------|
| Financial Activity Statements for all Governmental Funds | | |
| | 2024 | 2023 |
| Revenues | | |
| Property taxes | \$ 6,658,394 | \$ 6,383,358 |
| Sales taxes | 20,741,585 | 19,977,005 |
| Utility gross receipts taxes | 2,799,148 | 2,770,315 |
| Other taxes | 1,740,988 | 1,656,955 |
| Permits and inspections | 574,397 | 737,865 |
| Licenses | 5,376,865 | 4,902,692 |
| Intergovernmental | 1,407,292 | 3,913,412 |
| Fines and forfeitures | 583,355 | 535,233 |
| Investment income | 1,670,914 | 237,044 |
| Recreation fees | 433,487 | 372,698 |
| Sewer lateral | 142,791 | 142,260 |
| Miscellaneous | 2,510,622 | 2,699,088 |
| Total Revenues | 44,639,838 | 44,327,925 |
| Expenditures | | |
| General government | 2,909,129 | 2,676,666 |
| Police | 10,020,111 | 8,830,321 |
| Fire and ambulance | 13,392,524 | 12,540,643 |
| Public works | | |
| Administration | 1,453,794 | 1,386,967 |
| General maintenance | 1,042,486 | 832,524 |
| Park maintenance | 957,282 | 1,124,244 |
| Recreation | 2,264,453 | 1,734,254 |
| Sewer lateral | 89,115 | 97,184 |
| Economic development | 2,357,990 | 1,834,221 |
| Capital outlay | 4,994,473 | 2,579,434 |
| Principal | 1,570,280 | 1,478,962 |
| Interest | 850,110 | 1,414,086 |
| Total Expenditures | 41,901,747 | 36,529,506 |
| Other Financing Sources (Uses) | 456,351 | 266,368 |
| Net Change In Fund Balance | 3,194,442 | 8,064,787 |

Where does the money come from?

- 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 \$0.8196 per \$100 assessed valuation from the 2023 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.

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.

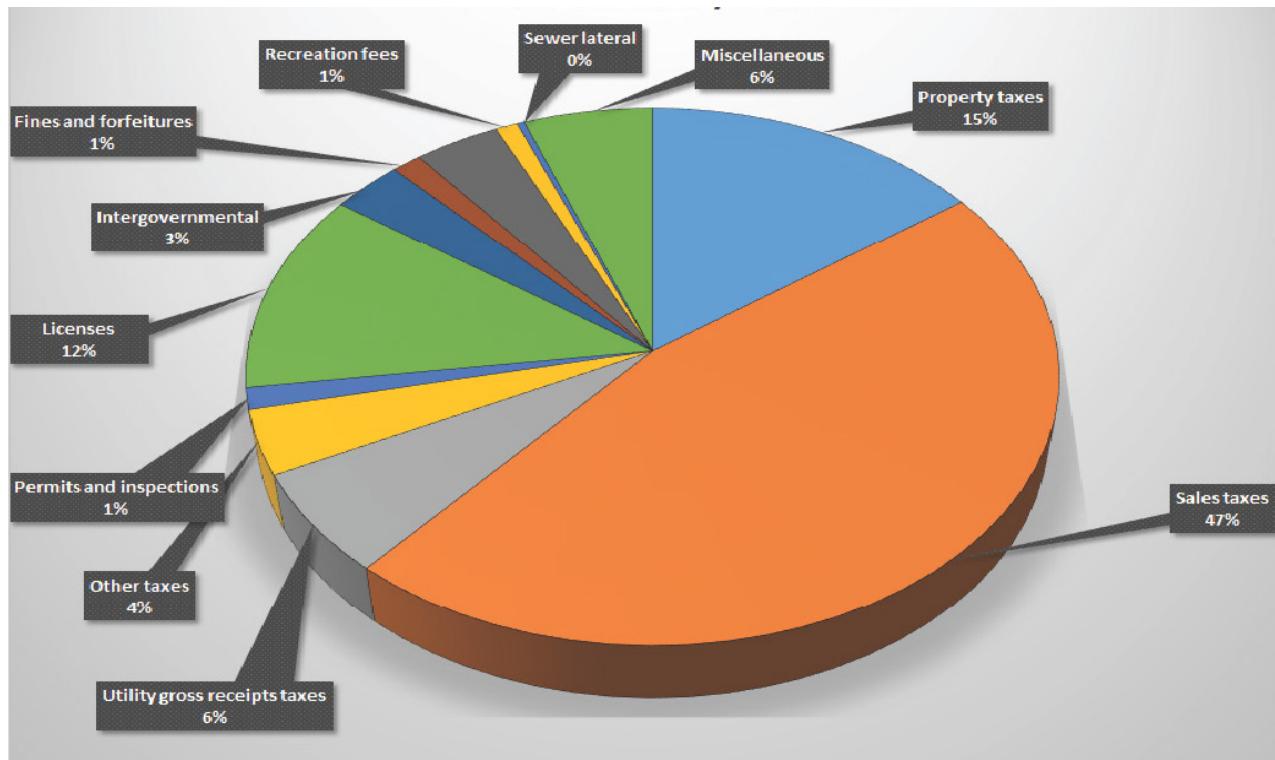
Miscellaneous consists of refunds, insurance premium reimbursements, sale of surplus property, financing proceeds and other infrequent and otherwise unclassified revenue.



| Revenues | 2024 | |
|------------------------------|-------------------|---------------|
| Property taxes | \$ 6,658,394 | 14.9% |
| Sales taxes | 20,741,585 | 46.5% |
| Utility gross receipts taxes | 2,799,148 | 6.3% |
| Other taxes | 1,740,988 | 3.9% |
| Permits and inspections | 574,397 | 1.3% |
| Licenses | 5,376,865 | 12.0% |
| Intergovernmental | 1,407,292 | 3.2% |
| Fines and forfeitures | 583,355 | 1.3% |
| Investment income | 1,670,914 | 3.7% |
| Recreation fees | 433,487 | 1.0% |
| Sewer lateral | 142,791 | 0.3% |
| Miscellaneous | 2,510,622 | 5.6% |
| Total Revenues | 44,639,838 | 100.0% |



Where does the money come from?



| Tax Entity | 2023 | Cost | Percentage |
|--|---------------|-----------------|------------|
| Hazelwood School District | 5.0944 | \$ 1,219 | 62% |
| Special School District | 0.9616 | 230 | 12% |
| City of Hazelwood | 0.8130 | 194 | 10% |
| St. Louis County | 0.3790 | 91 | 5% |
| St. Louis County Library | 0.1870 | 45 | 2% |
| St. Louis Community College | 0.2619 | 63 | 3% |
| Metropolitan Zoo and Museum District | 0.2340 | 56 | 3% |
| Metropolitan St. Louis Sewer District | 0.0997 | 24 | 1% |
| Coldwater Sewer District | 0.0670 | 16 | 1% |
| Developmental Disability-Productive Living | 0.0640 | 15 | 1% |
| Missouri | 0.0300 | 7 | 0% |
| | 8.1916 | \$ 1,959 | |

*A typical Hazelwood homeowner with a home worth \$126,000, pays around \$1,959 in real estate taxes. About 10% goes to the City. The City's combined rate of 0.8130 includes 0.1900 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.

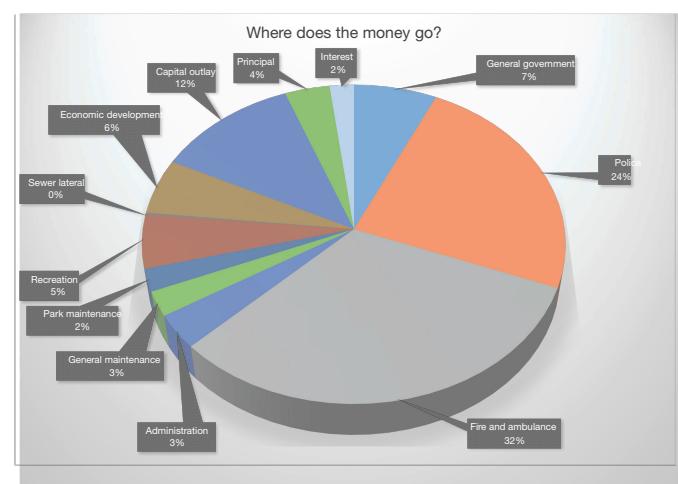
Sewer Lateral are expenditures for the maintenance of lateral sewer lines for property owners to MSD.

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 | 2024 | |
|-----------------------------|-------------------|-------------|
| General government | 2,909,129 | 6.9% |
| Police | 10,020,111 | 23.9% |
| Fire and ambulance | 13,392,524 | 32.0% |
| Public Works Administration | 1,453,794 | 3.5% |
| General maintenance | 1,042,486 | 2.5% |
| Park maintenance | 957,282 | 2.3% |
| Recreation | 2,264,453 | 5.4% |
| Sewer lateral | 89,115 | 0.2% |
| Economic development | 2,357,990 | 5.6% |
| Capital outlay | 4,994,473 | 11.9% |
| Principal | 1,570,280 | 3.7% |
| Interest | 850,110 | 2.0% |
| Total Expenditures | 41,901,747 | 100% |



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. This fund will close in 2025.
 - 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 It is the policy of the City to maintain a prudent level expenditures for specific purposes 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 2024.
 - Assigned: Resources intended to be used for a specific purpose as approved by the City Council. The City had none in 2024.
 - Unassigned: Resources available for any

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



Fund Structure and Balance



| Fund Balance | | | | | | | |
|----------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|--------------------------|
| As of June 30, 2024 | | | | | | | |
| General | Capital Projects | Debt Service | 370/MO | Bottom Rd. | Economic Development | Other Non-major Funds | Total Governmental Funds |
| | TIF | | | | | | |
| Non-spendable | \$ 110,289 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 110,289 |
| Restricted | 332,472 | 1,171,263 | 1,496,595 | 2,553,992 | 10,299,865 | 669,960 | 16,524,147 |
| Unassigned | 24,862,284 | - | - | - | - | - | 24,862,284 |
| Total Fund Balances | \$ 25,305,045 | \$ 1,171,263 | \$ 1,496,595 | \$ 2,553,992 | \$ 10,299,865 | \$ 669,960 | \$ 41,496,720 |



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, 2024 | | | | |
|---|---------------|------------|----------------|---------------|
| | Balance | | | |
| | 6/30/2023 | Additions | Reductions | 6/30/2023 |
| General Obligation Refinancing Bonds | \$ 3,189,087 | | \$ (1,049,376) | \$ 2,139,711 |
| Certificates of Participation | 1,546,705 | | (368,475) | 1,178,230 |
| Tax Increment Revenue Bonds | 17,055,000 | | - | 17,055,000 |
| Financed Purchase Obligations | 849,554 | | (175,520) | 674,034 |
| Postretirement Benefits | 421,665 | 101,385 | (54,585) | 468,465 |
| | \$ 23,062,011 | \$ 101,385 | \$ (1,647,956) | \$ 21,515,440 |

Elected Officials



Mathew Robinson
Mayor
Elected 2009

City Council



William Hoops
Ward 1 Elected
2022



Bob Aubuchon
Ward 2 Elected
1997

Vacant



Kelly Wadlow
Ward 4 Elected
2023

Ward 3



Lisa Matlock
Ward 5
Elected 2022



Warren Taylor
Ward 6
Elected 2006



Robert Smith
Ward 7
Elected 2022



Jen Hatton
Ward 8
Elected 2023

