

Popular Annual Financial Report



For the Year Ended June 30, 2024



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, 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 where 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.

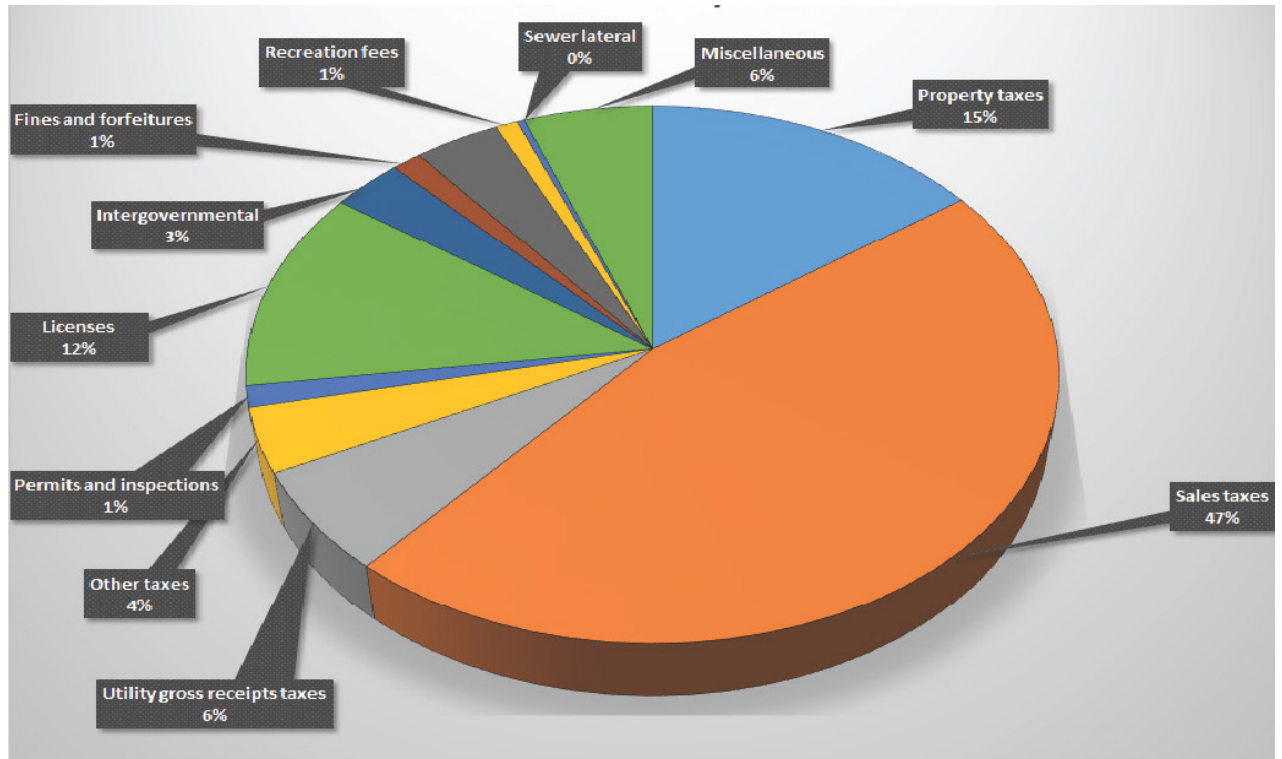
Miscellaneous consists of refunds, insurance premium reimbursements, sale of surplus property, financing proceeds and other infrequent and otherwise unclassified revenue.



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.

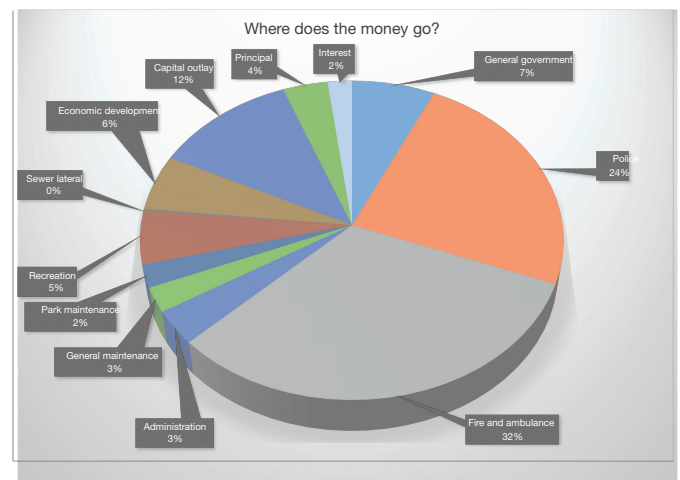
Sewer Lateral are expenditures for the maintenance of lateral sewer lines for property owners to MSD.

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

				370/MO Bottom Rd. TIF	Economic Development	Other Non-major Funds	Total Governmental Funds
	General	Capital Projects	Debt Service				
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			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
	<u>\$ 23,062,011</u>	<u>\$ 101,385</u>	<u>\$ (1,647,956)</u>	<u>\$ 21,515,440</u>

Elected Officials



Mathew Robinson
Mayor
Elected 2009

City Council



William Hoops
Ward 1 Elected
2022



Bob Aubuchon
Ward 2 Elected
1997

Vacant

Ward 3



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

