



DISCOVER
HAZELWOOD

Informational Meeting:

NID & $\frac{1}{4}$ Cent Fire Service Sales Tax

July 29, 2020

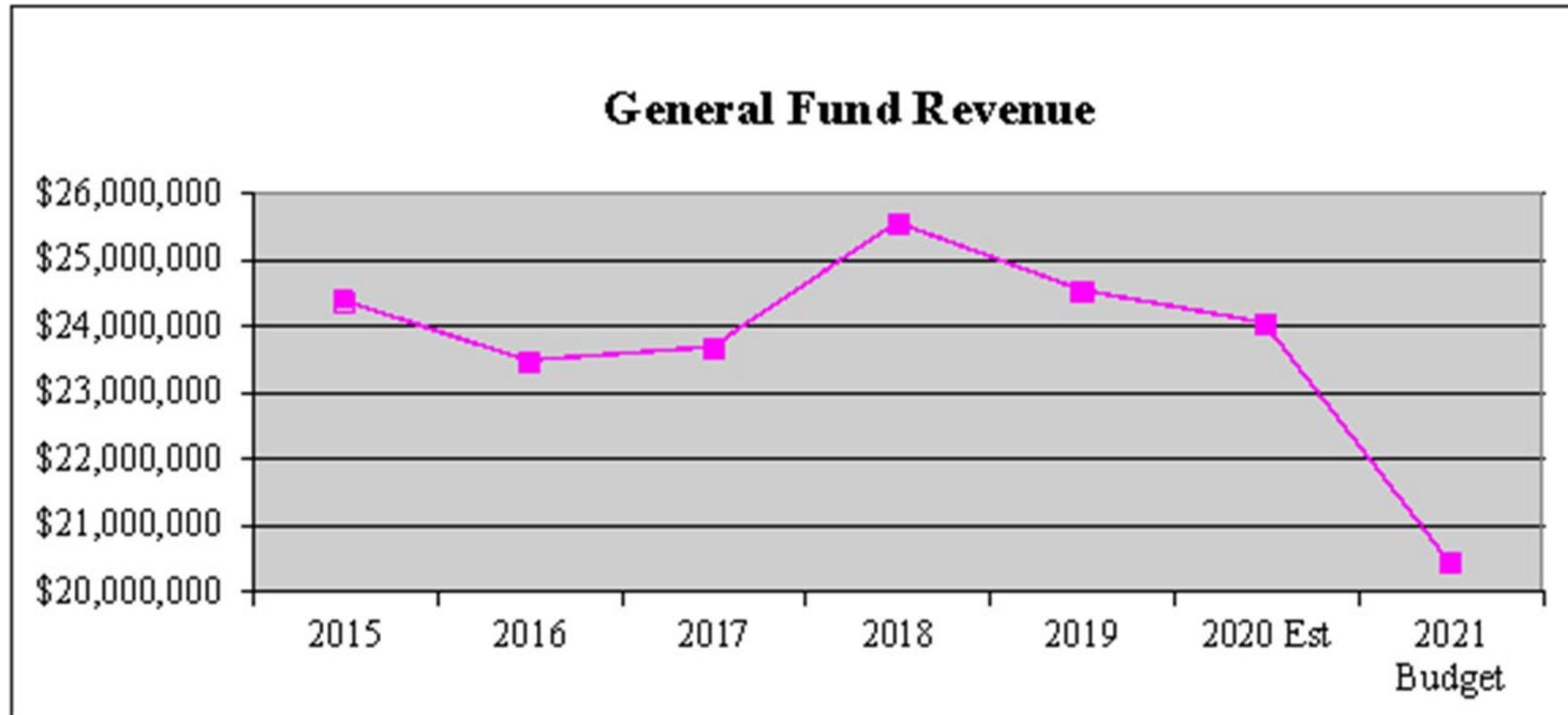
Welcome!

- Thank you for joining us!
- Please submit questions and answers using the Q&A function on Zoom – we'll try to answer as many as we can during the Q&A portion at the end of the meeting.
- Find more information:
www.hazelwoodmo.org/FireService

How did we get here?

- Council voted in June to try to address budget shortfalls
 - Virtual budget meetings
 - Feedback to meetings and surveys showed the community supported a combination of raising money and cutting services: closing Civic Center East, reducing street maintenance and snow plowing times, and eliminating non-revenue park programs

City Budget – Revenue Trends



Cost Savings

2020 Actions = \$1.3M in Savings

- Decreased administrative costs by 15% or \$750,000
- No cost of living increases for 2021
- Eliminated 11 unfilled positions, laid off 3 FT and 8 PT employees
- Implemented a hiring freeze
- Suspend capital projects and repairs in 2020 or 2021
- COVID-19 furlough plan in late April
 - Six full-time, 35 part-time, 15 seasonal part-time, and 65 pool part-time employees will be furloughed for a minimum of 10 weeks
 - 55 employees furloughed one day a week, resulting in a 20% pay cut for a minimum of 10 weeks.

Hazelwood Fire Service Costs

Hazelwood

Robertson

Flo Valley

\$0.92

\$2.40

\$1.62

Per \$100 assessed property value

Tax Abatements and Economic Development Loans

- Why use tax abatement and ED loans?
 - The City uses these tools to spur growth in Hazelwood
 - Offsets non-normal costs of development – roads, bridges, sewer lines, utilities and market costs
 - Bring in other revenue such as sales tax, utility tax, business licenses
- Who gets tax abatement or an ED loan?
 - “But for” test
 - Potential for future revenue

Incentive Requirements

- Are there requirements for companies who receive tax abatement or a ED loan?
 - Companies must satisfy job count thresholds and salaries must be 80% of County average
 - Most jobs pay higher than the county average
- Loans are insured/secured so City is paid back if company defaults
- Companies receiving incentives in the Robertson area must repay the City for fire district costs
- More success allows for fewer incentives!

Referendum Language – Prop A

- Funds Hazelwood Fire Department services
- Citywide vote
- 2019 MO law allows $\frac{1}{2}$ cent toward fire service – Hazelwood currently has $\frac{1}{4}$ cent

CITY OF HAZELWOOD - PROPOSITION A

Simple Majority Required

Shall the City of Hazelwood impose a sales tax of one half of one percent for the purpose of providing revenues for the operation of the Hazelwood Fire Department? Approval of this proposition will result in an increase in the sales tax for support of the Hazelwood Fire Department from one-quarter of one percent to one-half of one percent.

YES

NO

Referendum Language – Prop F (NID)

- Robertson Fire Protection District area only
- \$1.37 increase per \$100 assessed value/\$22 a month for \$100,000

HAZELWOOD ANNEXATION AREA NID - PROPOSITION F

Shall the City of Hazelwood be authorized to create a neighborhood improvement district proposed to enhance fire, emergency and ambulance services and to pay for all or part of the cost of said public safety enhancements within such district to include maintaining and enhancing an existing public safety facility, equipment and services of the Robertson Fire Protection District with said costs to be assessed by the governing body of the City of Hazelwood on the real property

Hazelwood on the real property benefited by such improvements for a period not to exceed twenty years, and, as included in the authorizing resolution, an assessment in each year thereafter with the proceeds thereof used solely for maintenance of the enhanced public safety services with said initial total annual assessment for enhanced public safety services to be \$1.73 per \$100 equalized assessed valuation applied to all taxable real property located within said district?

YES

NO

Neighborhood Improvement District (NID)

- Tax overlay district set aside for a specific purpose.
- Close the gap between current fire service payments and Robertson costs
- Per State law – money collected can only be used for payments to Robertson
- Will be abolished if other arrangements with Robertson or other fire departments arise to provide long-term solution

NID Rate

- Calculated based on the difference between what Hazelwood would cost to provide fire service and what Robertson charges the City through its tax rate.
- The rate would change each year based on what Hazelwood's cost would be, Robertson's charges, and changes in the assessed valuation.
 - The rate cannot change by more than 25%.
 - The NID must, by State law, end after 20 years.

Rate Differences

	Hazelwood	Robertson
Residential	\$0.92	\$2.40
Commercial	\$0.92	\$2.49

Per \$100 assessed property value

NID Rate

- The NID levy would appear on the December tax bills.
- Generate about \$2,576,000 in the first year
- For a \$100,000 home, this would add about \$260 to the tax bill, or \$22 per month.
- Adding the NID would increase the tax rate by about 14.5%.

Ballot Misprint - NID

- Hazelwood referendum: \$1.37
- Cost to close gap: \$1.37
- St. Louis County ballot: \$1.73 – **WRONG**
- Legally can only collect \$1.37 for FY2021

Recap

- Budget and expenses info on www.HazelwoodMO.org/FireService
- Proposition A – Fire service ¼ cent sales tax for Hazelwood FD
- Proposition F – NID for Robertson area to close funding gap
- Election is Aug. 4. Find your sample ballot and polling place on the St. Louis County website, <http://www.stlouisco.com/yourgovernment>.



DISCOVER
HAZELWOOD



Q & A

www.hazelwoodmo.org/FireService



DISCOVER
HAZELWOOD



Thank you!

www.hazelwoodmo.org/FireService