



Dear Resident:

This letter is to inform of recent events in the City of Hazelwood and to let you know you that the City of Hazelwood has a referendum question on the August 4 ballot to increase the current ¼-cent sales tax for fire purposes to a ½-cent. My goal is to briefly inform you about that issue. We encourage you to visit the City's website, [www.hazelwoodmo.org/FireService](http://www.hazelwoodmo.org/FireService) to learn more about this important initiative.

Matt Zimmerman  
City Manager

## **Budget Update**

You may have heard that the City has been having financial problems. That is true. In fact, the City has had a significant budget shortfall for a number of years. The projected deficit for the prior fiscal year that just ended is \$2.2 million. The deficit for the current fiscal year is projected to be an additional \$4.5 million.

And Hazelwood, like many other communities, has also experienced substantial revenue shortfalls because of decreased economic activity due to the Coronavirus pandemic.

But we have taken steps to maintain essential services. The City recently made many budget cuts, including closing Civic Center East, eliminating leaf collection in the fall and limb collection in the spring, many popular park programs, and reducing street maintenance and snow plowing. The City has also eliminated 10 administrative jobs and 15% of all administrative expenditures. So far, the City has been able to avoid cuts to Police and Fire.

## **NID**

### **What is NID?**

- NID is an additional property tax that can only be used to pay for fire service in the Robertson service area.

### **How is the NID calculated?**

- Per State law, the NID is based on the difference between what it would cost the City to provide fire and ambulance service to your neighborhood and what Robertson charges the City. The current cost differential would be \$1.37 per \$100 assessed value. The ballot erroneously lists the rate as \$1.73. By law, the actual rate will be \$1.37 as set for in the NID resolution.

### **How much would the NID cost me?**

- For a typical \$100,000 home, the cost would be \$22 per month.

### **How much would the NID raise?**

- If approved by the voters, it would bring in a little over \$2.57 million.

### **Who votes on the NID?**

- Only registered voters in the Robertson service area.

### **Didn't the City ask voters to approve a NID before?**

- The City proposed a NID in the spring of 2019. The City charges residents 92-cents for all City services, including police, fire, street maintenance, snow plowing, and park and recreation programs. The City pays Robertson \$2.40 cents just for fire service in your area. All City residents, including those that don't receive fire service from Robertson, pay that cost thru higher taxes and reduced services.

### **Who would be paying the NID levy?**

- All property owners in the Robertson service area. This includes Brown Campus, the Hazelwood Logistics Center and Hazelwood Trade Port industrial parks, and the Outlet Mall. Much of the tax burden will fall on businesses.

### **How do I know the money will go for fire services in my neighborhood?**

- By State law, money from the NID can only be used to pay for Robertson fire costs.

### **Fire Sales Tax**

#### **What is the fire sales tax?**

- It is a sales tax that, by State law, only be used to pay for any fire costs in Hazelwood.

#### **Where is the sales tax levied?**

- It applies to all sales that occur in Hazelwood.

#### **How much will it generate?**

- The City estimates increasing the fire sales tax would generate \$780,000 per year.

#### **Didn't we just pass a fire sales tax?**

- Voters approved the initial ¼-cent fire sales tax in 2014. The State legislature authorized increasing the tax another 1/4-cent, subject to voter approval, in 2019.

#### **Who votes on the sales tax?**

- All registered voters in Hazelwood.

This document was prepared and paid for by the City of Hazelwood, Mathew Zimmerman, City Manager, 415 Elm Grove Ln., Hazelwood, MO. 63042, solely to educate and inform residents about a question that will be presented at the polls. It is NOT intended to advocate, support or oppose the passage or defeat of the measure. Each voter should vote for or against the question based on his or her own judgment.