



2022 Annual Budget

City of Hutchinson, MN

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2022 Annual Budget

Organizational Information



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December 28, 2021

To the Honorable Mayor Gary Forcier and
City Council Members of the city of Hutchinson

RE: **2022 Budget Message**

Dear Mayor Forcier and Council Members:

The following material constitutes the proposed general fund, enterprise funds, debt service funds and the Capital Improvement Plan (CIP) for the city of Hutchinson for 2022. There have not been any changes to the budgets since the truth-in-taxation hearing that was held on December 7. The budget package before you for consideration represents extensive work done by the department directors and their staff, finance director Andy Reid, myself, and the five of you. The budget development process began in April and continued throughout the summer into September when the preliminary budget and tax levy was adopted. The preliminary budget was balanced and included a property tax levy increase of 7.0%. The department directors worked on reducing that tax levy increase and the Finance Department looked at additional options for our debt management plan during the months of September through November, and the budget was subsequently revised and reprioritized by Andy Reid and myself in conjunction with the Directors. The 2022 final budget and tax levy numbers being presented to you today is balanced with a new proposed tax levy increase at 4.2%, and is the culmination of 8 months of work by the great staff of the city of Hutchinson that included five work sessions and a public hearing with the city council.

Our budget is driven by several different factors. The primary factor is the type and level of services we want to provide to the community as a whole. It is within your role as the City Council and policymakers to determine what types, and to what extent, services will be provided to the citizens of Hutchinson regarding public safety; streets and highways; culture and recreation; general government; water, sewer and garbage services; as well as the airport, cemetery, library services, liquor store and Creekside. Another factor that goes into developing a local municipal budget has to do with how the City is affected by unfunded mandates made at the State and Federal levels of government. Some of those requirements may be good, some may be bad, and some may be questionable in value. Still, many times local governments have no choice but to meet these requirements and pay the associated costs. Unfunded mandates can range from personnel practices to water and wastewater treatment standards, with the costs of these mandates being covered by the taxpayers and/or ratepayers.

When it comes to developing a budget, it is my belief that the annual budget, which includes a 5-year capital plan, is one of the biggest, if not the biggest, policy decision a city council can make. The policy of a budget more or less drives the "work" of the city and is one of the forces behind achieving the City's Mission and Vision Statements and funding its six core areas of focus. My philosophy in helping to develop this budget and future budgets is to balance the

needs of the City Council, department directors and staff with the costs associated with the desired service levels and needs of the public, all the time being aware of the desire to keep the tax levy low to encourage growth within the community. Ultimately, the needs versus the wants are decided by you, the elected officials.

The development of the 2022 budget included the consideration of five long-term goals that are an emphasis with every budget staff develops. Those goals are as follows:

1. What should current and future tax levies look like?
2. What levels of services should the City perform and provide now and in the future?
3. What is an acceptable level of debt?
4. What is our level of investment in technology and equipment, and what period of payback is acceptable?
5. What are our future infrastructure needs (roads, utilities, buildings, etc.) and how are we going to pay for them?

As we look to the future, it will be important for the City to continue its efforts to encourage growth throughout all aspects of the City. Obviously, it is important to see continued growth within the housing and commercial markets. However, the greatest impact to the City would be to see new industrial growth, something that is a significant focus of our EDA. More property taxpayers mean everyone pays less if the overall tax levy stays constant. More commercial and industrial growth will lower the tax burden on all other properties due to their higher tax classification. Therefore, budgets and levies that grow with inflation and/or new spending can remain stable on individual taxpayers due to more taxpayers sharing the burden. Unless the tax base grows faster than the rate of inflation plus new spending, the individual tax burden will grow if we increase the tax rate.

Fortunately, our tax base continues to grow and our tax levy increases continue to remain relatively low allowing us to keep our tax burden steady, if not lower than previous years. From 2020 to 2021, we saw our overall market value increase by 11.2% from \$1,104,934,500 to \$1,228,997,100. This was the ninth straight year of an increase and one that was on top of a growth of 5.9% the previous year. With the continued growth of the City in 2021, we are likely to see a tenth straight year of market values increasing next year.

Every area of property, except for our agricultural land, saw growth in 2021. Specifically, Apartment value went up 40.6%; residential went up 11.1%; and our commercial/industrial value increased by 1.8%, with agricultural being the lone set of property value that saw a decrease at 2.1%. Along with our market values increasing, we have also seen our total taxable tax capacity increase from \$11,220,809 in 2020 to \$11,945,110, an increase of 6.5%. The City is expecting another increase in our tax capacity in 2022, continuing to drive down city property tax rates.

One thing to be aware of when setting tax levies in Hutchinson is that the city's value (73%) and tax capacity (58%) is wrapped up mostly in our residential homesteaded property. As noted previously, the more commercial and industrial property a city has; the lower the tax burden will be on residential homes. Identifying opportunities to expand our commercial and industrial tax base will help to ease the tax burden not only to our residential properties but to all of our properties.

And with that, here in detail are more specifics regarding the 2022 municipal budget.

Tax Levy

The tax levy for the general fund has been set at \$5,605,566, up by \$174,777 compared to 2021, an increase of 3.2 percent. This will be the seventh straight increase to the general fund tax levy. The debt service levy for 2022 has been set at \$2,348,252; an increase of 6.7% and the first increase in six years to the debt service levy. The large increase in the debt service levy is associated with the additional debt taken out this year to finance the new police station that is being built. The combination of the general fund tax levy and the debt service levy for 2022 sets the total city portion of the tax levy at \$7,953,808, a 4.2% increase from 2021. The EDA and HRA tax levies are budgeted to increase by 9.0% and 4.0% respectively. Overall, the total tax levy impact to a Hutchinson resident has been set at \$8,380,162, up by \$349,058 from 2021, an increase of 4.3%. For comparison purposes, the 2021 total tax levy increased by 2.4% from 2020.

The main reasons behind the need for a tax levy increase is to cover costs associated with general wage and benefit increases and the new debt associated with the police station. Some of this is normal growth related to general wage and benefit increases, but there are some additional costs associated with the City increasing pay to our part-time seasonal employees along with some minor increases due to additional labor costs due to classification changes or changes in hours worked. Labor costs are and continue to be the biggest driver of our tax levy.

The total tax increase for next year will represent at least the ninth straight year of a municipal tax increase, which includes our general fund and debt fund levies. 2022 will represent the largest tax increase in twelve years. Since 2012, our total property tax levy impact has increased on an average basis by 2.2%. Even with the tax levy increase, the proposed estimated city tax rate for next year will be at 60.27%, down from 63.88% in 2021. This will be the eighth straight year in which Hutchinson residents will see its city tax rate decrease. A home valued at \$200,000 will see an estimated city tax increase of \$32 (3.1%) in 2022. For comparison purposes, a 0% tax levy increase would have resulted in a property tax decrease of eleven (\$11) dollars.

General Fund Revenues and Expenditures

The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund consists of the departments and functions necessary to conduct the day-to-day operations of the City. The general fund is balanced in 2022 with revenues of \$13,963,993 and expenditures of \$13,963,993. The need for additional budget reserves is not needed at this time due to a healthy general fund balance. 2020 audit numbers showed that the City had a general fund balance of \$8,165,497, approximately 59.6% of the general fund budget for 2021. The State Auditor has recommended to cities that their general fund balance should be in the range of 35% to 50%. The 2021 budget and year-end results are not expected to have a significant impact on the general fund balance.

Outside of the general fund tax levy increase, there were a couple of other minor changes to general fund revenues. Next year's general fund revenues include an additional \$50,000 in building permit revenue due to expected continued growth in our building community, and just over \$29,000 in additional revenue from charges for services due to increased rentals and fees within our park and recreation department. There is also an additional \$10,000 in compost fund transfers to the general fund due to a healthy fund balance and minimal capital outlay in the next few years. Local government aid (LGA) is expected to go up by \$65,732 in 2022 as we look to an established policy of a 50/50 allocation between the General Fund and Capital Fund when it comes to LGA dollars.

The general fund also includes a \$23,000 transfer from our self-insurance fund to help cover the City's employee HSA contribution costs, a decrease of \$23,000. This is the fourth year of a phase out of this contribution. We have about another 3-4 years of transfer money available to cover these costs and the city began preparing two years ago for the general fund to absorb these costs for the near future. Generally speaking, property taxes account for 40% of all general fund revenues in 2022; 20% comes from charges for service (DMV, recreation and community education fees, etc.); 20% comes from transfers-in (HUC, Liquor, Creekside, Utilities, etc.); and 13% from intergovernmental revenue (LGA, State Aid, etc.). The general fund revenues of \$13,963,993 are a budget increase of 2% from 2021.

With regard to general fund expenditures, the biggest reason for the increase derives from increases in employee salaries and benefits. Wages and benefits are expected to increase by \$197,872 in 2022. While the costs include the removal of the City's dispatch center operations (\$234,000 savings), the increased costs include the addition of one full-time employee, costs for annual performance reviews, and higher wages for seasonal/part-time staff. Most of these changes followed the adoption of a new pay plan after the City received results of its 2021 compensation study which recommended a 7% shift in the pay grid and higher wages to the City's seasonal/temporary/part-time wage scale. Wages and benefits account for 68% of all general fund expenditures in 2022. In regards to our salary and benefit package, the City continues to offer an attractive wage and benefit package to assist in the recruitment and retention of capable and well-qualified employees.

The general fund also includes \$25,000 in additional spending for our Vehicle and Equipment (Fleet) fund, and about \$52,000 in additional expenses related fuel costs and additional parts/equipment needs. Overall, public safety accounts for 33% of all budgeted expenditures in the general fund in 2022; 26% goes to general government; 24% goes to culture & recreation, and 15% goes to streets and highways. Those percentages are roughly the same as our 2021 budget. Overall, budgeted general fund expenditures increased by 2% from \$13,696,142 in 2021 to \$13,963,993 in 2022.

Public Enterprise Funds

Liquor Hutch, Creekside, water, wastewater, storm water, and refuse (garbage) funds all comprise the City's public enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to that of a private business enterprise. Public enterprise funds should be self-sufficient with user charges (revenues) supporting the expenditures. That is the case in Hutchinson, as our public enterprise funds remain healthy with sufficient fund balances. It is estimated that 2021 year-end numbers will show the liquor fund with an estimated cash balance of about \$520,000; the water fund with an estimated cash balance of about \$3.8 million; the wastewater fund with an estimated cash balance of about \$5.7 million; the storm sewer fund with an estimated cash balance of about \$1.3 million; the refuse fund with an estimated cash balance of about \$1.9 million; and the Creekside fund with an estimated cash balance of about \$2.4 million. Five of the six enterprise funds will have cash balances well above their targeted amount, which is based on 50% of their operating costs plus one year of debt service payments, except for the liquor fund.

Two of the six enterprise funds project sufficient revenue to cover the expenses outside of depreciation in 2022. The other four funds have planned deficits that will be touched on shortly. With that being said, revenues and expenses for next year are expected to remain relatively steady in the water, wastewater and refuse funds with none of those funds experiencing a rate increase. Garbage rates were last increased in 2008 with water and sewer rates last being

increased in 2011. Budgeted water revenues are set at \$3,190,635 in 2022, up 2.4% from 2021. Budgeted water expenses are set at \$4,934,524 in 2022, up 3.6% from 2021. Budgeted wastewater revenues are set at \$4,230,300 in 2022, up 0.8% from 2021. Budgeted wastewater expenses are set at \$5,605,145 in 2022, down 16.8% from 2021. The water fund is seeing an increased cost due to capital expenses planned for next year. Budgeted refuse revenues are set at \$1,339,300 in 2022, up 2.9% from 2021. Budgeted refuse expenses are set at \$2,600,482 in 2022, an increase of 18.7% from 2021. The large increase in expenses is for an upgrade of our processing system at Creekside. Budgeted storm water revenues are set at \$1,055,650 in 2022, up 3.1% from 2021. Budgeted storm water expenses are set at \$1,793,748 in 2022, up 3.6% from 2021. The storm water fund has budgeted for a rate increase of about 3.0%. The increase in storm water expenses is associated with some additional capital expenditures in 2022.

After a record year in 2020, Liquor Hutch continues to do well and is projecting revenue to continue to grow from \$6,811,500 in 2021 to \$7,427,000 (9%). Liquor Hutch is also projecting expenses to grow from \$6,847,446 in 2021 to \$7,427,158. This growth in expenses of 8.5% is due to basic wage and benefit increases and the cost of products. Creekside is projecting an increase in revenues from \$2,391,000 in 2021 to \$2,825,000, a 18.2% increase. The large increase is associated with bit con being available again to sell. Budgeted expenses are expected to increase slightly from \$3,030,746 in 2021 to \$3,070,356 (1.3%).

In the 2022 budget, only two of the City's enterprise funds (liquor and Creekside) are expected to see a positive cash flow. The other four funds are projected to see a negative cash flow. The four funds experiencing a negative cash flow were planned due to capital improvements, and already have healthy fund balances that can take on the loss. Liquor Hutch (\$550,000) and Creekside (\$120,000) continue to be a valuable asset to the community and will contribute \$670,000 to the general fund in 2022. Creekside will be providing an increase of \$10,000 in its transfer in 2022 due to capital projects coming off the books and a healthy fund balance. Overall, the enterprise funds are expected to transfer \$820,000 to the general fund in 2022. These fund transfers continue to assist the City as a means to soften the tax burden to the residents of Hutchinson. The City would have to raise its property taxes or lower its expenses by about 12% to replace this revenue if these transfers did not exist. Enterprise fund revenues account for about 5.9% of our total general fund revenue. When you include the money the City receives from Hutchinson Utilities (\$1,867,191), total enterprise money coming into the general fund is at \$2,687,191. This is 19.2% of our general fund revenue.

Debt Service Funds

Debt service funds are maintained to account for the payment of principal and interest related to debt issued by the City. Fund balances of these funds are restricted to debt service requirements and are not available for current expenditure purposes until the debt is retired. Debt service payments for next year will cost the City \$2,140,953, a 10.7% decrease from 2021 (\$2,398,115). Revenue collected for these payments will amount to \$2,547,722 of which \$2,348,252 will come from property taxes through our debt levy. Additional revenues for debt service payments come from fund balances, special assessments, interest, and construction fund transfers. Debt service related to water, sewer, and storm water are not included within the debt service funds, but are accounted for within those respective enterprise funds. The total long-term debt of the City for 2022 is at \$22,805,000, up from \$17,325,000 in 2021. The 2022 debt levy is greater than our debt payments due to the need to levy 2022 taxes to pay the February of 2023 debt service payment on the new police debt.

2022 will be the first year of an increase in our debt levy since 2016. The reason for this increase is to account for the added debt associated with the construction of a new police station.

The City Council increased their debt limit to account for the new police station. Noting that, other projects will still fall under the previous targeted debt plan.

Capital Improvement Plan

On an annual budgeting basis, the City develops a five-year Capital Improvement Plan (CIP) to assist in the financing of major capital needs of the city. The CIP is a budget document that realistically projects city needs, outlines means by which those needs can be met, and provides prioritization of those needs. The capital planning process provides the City with a framework to make decisions regarding current and future city needs considering the city's financial capability. The CIP commits the City to a long-term capital plan that ensures that expenditures can be made to add or replace capital items when needed, without significant fluctuations in the property tax levy. Capital planning helps the City in limiting significant tax increases, prevents peaks and valleys in its debt retirement program, and is an important factor in maintaining a strong bond rating. The plan is based upon numerous long-range planning documents that are updated regularly by several different committees and staff members.

Next year's five-year CIP is valued at \$52,598,278, a decrease from the previous year's \$57,085,996 five-year plan. The 2022 budget portion of that plan is set at \$18,740,266, an increase of 5.4% from our 2021-budgeted amount. The larger than normal dollar amount for next year is due to the second phase of construction on a new police station and a large improvement project at the ice arena. Overall, the increase in funding for the 5-year plan is to account for a new police station in 2022/23, and facility upgrades to the HATS facility and the water and wastewater plants. The five-year plan accounts for various investments throughout many different levels of city government. 40% of the five-year plan will go to investments in the City's infrastructure system (new construction, reclaims, partial reconstruction); 25% will be spent on enterprise related activities (Creekside, Liquor Hutch, water, wastewater, etc.); 13% will be spent on public safety improvements; with the remaining dollars being spent on various public works, park & recreation, and general government projects.

The largest projects slated for next year includes the hopeful conclusion of a new police station; facility improvements to water and wastewater facilities; several street upgrades around the south-central pond area; a HATS facility upgrade; and a new roof/façade at the ice arena. Funding for the five-year CIP will come from various sources. The largest revenue source over the next five years will come from borrowing to help pay for the capital needs at a cost of 32% of the CIP and from enterprise fund revenues (27%). Property taxes (19%), special assessments (8%), and State and Federal aid/grants (12%) make up the majority of the rest of the funding.

Conclusion

As with past years, developing budgets is an on-going process of balancing costs with the desired levels of services, needs and wants of the community, elected officials and department directors. Having to balance the wants of the community and sometimes their unwillingness to pay for those wants is always a challenging aspect of the city budgeting process. Budgets that require property tax increases are always difficult for me to recommend. Excessive taxes are an impediment to economic development and growth. Many residents will question the value of services they do not use. The difficult part as public policy makers is helping them to understand the overall value of those services to the community as a whole, and not as individuals. With that being said, I do not believe the proposed tax levy is excessive and history will show that the City has always been very conscientious when it comes to the tax burden it is willing to put on its residents. The 4.2% tax levy increase is below the statewide preliminary tax

levy increase average of 6.6% for cities in Minnesota. I believe the city staff does a great job of planning for the future keeping in mind the financial impact it may have on the City.

There are two reasons behind the proposed property tax increase for 2022. The first reason deals with costs associated with having reliable and talented employees, and the challenges that go with keeping them here. The events of the past two years, along with the wage study that was completed in 2021, pointed to the need to increase wages for all of our employees, and in particular, those that are seasonal, temporary or part-time in nature. The second reason for the increase is due the investment we are making into our future with the improvement of facilities. More specifically, the added debt that we have taken on with the construction of a new police facility. Because of these two reasons, I believe it is appropriate to recommend a higher than normal tax increase of 4.2% for 2022.

While 2020 was a year of survival and perseverance as we worked our way through COVID-19, 2021 was a year of hope with building towards the future. While we haven't completely made our way through COVID-19, I have a lot of hope for the future and I'm excited for what is in store for us. As I look to the year ahead of us, I know this community will continue to be resilient and I strongly believe that the year ahead of us will be better than the previous. There is a lot to be excited about and I look forward to what the future holds.

As I noted back in November, the State of the City is strong. We are recovering. We are growing, and we are setting our sites on being the most attractive regional center in outstate Minnesota. The greatest relief to a City's tax burden is growth and more importantly, growth within the commercial and industrial tax bases. We continue to grow those tax bases here in Hutchinson. This past year welcomed a new manufacturer to the community, Rite Way Conveyors, who already has undergone an expansion project. We also saw the opening of the Dollar General Store, North Star Counseling, Marshalls and the Highway 7 East Industrial Park.

The City's average monthly unemployment rates continue to remain low with an average monthly rate of 3.7% (through November) in 2021. These rates continue to remain lower than the State (3.9%) and Federal (5.5%) percentages. Vacancy rates for our market rate rental units also continue to be at historic lows and our median sales price of our residential homes continue to rise, having increased from \$186,000 last year to \$230,000 through November of 2021, the ninth straight year of an increase. Home resales continue to remain high and home foreclosures (lack thereof) continue to remain low. While home resales continue to remain high, we have seen a tighter housing market, which has resulted in new homes continuing to be constructed in town. Through October of this year, we have issued 29 building permits for new homes, representing the eighth straight year where we have issued 20 or more new home permits.

2021 also brought the conclusion of phase four and five of the Highfield Apartments and the next phase at Century Court West Townhomes. Along with the new homes being built, work also finished up on Tiger Elementary and work began on a new a new Police Station. We have had 256 new rental units open up over the past five years with an additional 36 units currently under construction. Along with the rental units, we have built over 150 new homes over the past five years and the 2020 census showed our population increased by 419 people to 14,599 (3% from 2010). The City has added over \$225 million in new value to the community over the past 5 years as well, and we are anticipating continued growth next year.

2022 looks to be just as exciting as 2021 and should continue the recent trend of investments within the community. 2022 should see the completion of the Century Avenue townhome

development along with a new business opening up in the old Best Buy location. The City is also expecting work to continue and hopefully finish on the new police station and the remodeling of West Elementary in 2022. The City is also expecting work to begin on a new splash pad for the community. On top of this, work may begin on a Civil Air Patrol building and a new housing development at the old medical clinic site. The City will continue to market the Industrial Park and we are hoping that some of the work that is taking place with our growth area study will spark interest in additional commercial/industrial or residential growth. We anticipate continued growth in new home construction as well with a hot housing market.

Finally, I would like to thank finance director Andy Reid and his staff within the finance department for all of their hard work, along with the department directors and the Mayor and City Council for your assistance in this budget planning process. Your involvement in this process and commitment to this community is valuable to the citizens of Hutchinson. We are blessed as a community to have those who work for us knowing the hard work they put into their job every day. The City is well positioned to handle the challenges of today and the future. I hope the information provided to you is useful in helping you understand the 2022 Hutchinson Municipal Budget and I look forward to what the upcoming year has in store for all of us!

Sincerely,

Matthew Jaunich
City Administrator

CITY OFFICIALS

The City of Hutchinson operates under its own Home Rule Charter. The City is governed by the Council, consisting of the mayor (2-year term) and four council members elected at large (4-year staggered terms). The Council exercises legislative authority and determines all matters of policy.

Council Members

Gary Forcier, Mayor
Mary Christensen
Dave Sebesta
Pat May
Chad Czmowski

Term Expires

2022
2022
2022
2022
2024

City Administrator

Matt Jaunich

Department Directors

Police	Tom Gifferson	Legal	Marc Sebor
Fire	Mike Schumann	Information Tech.	Tom Kloss
Public Works	Kent Exner	Human Resources	Brenda Ewing
Parks/Recreation	Lynn Neumann	Finance	Andy Reid
Planning	Dan Jochum	Motor Vehicle	Mary Filzen
EDA	Miles Seppelt	Liquor Store	Candice Woods
HRA	Judy Flemming	Compost/Refuse	Andy Kosek

City of Hutchinson Organizational Chart

Citizens of Hutchinson

Mayor and City Council

**City
Administrator**

Airport Commission
Bicycle/Pedestrian Advisory Committee
Charter Commission
City/School/Community Advisory Committee
Library Board
Economic Development Authority (EDA)
Housing & Redevelopment Authority (HRA)

Parks/Recreation/Comm Ed. Advisory Board
Planning Commission
Police Civil Service Commission
Senior Advisory Board
Sustainability Committee
Utilities Commission

**Economic
Development
Director**

**Human Resources
Director**

City Attorney

**Motor Vehicle
Supervisor**

**Information
Technology
Director**

**Compost
Manager**

**Public Works
Director &
City Engineer**

Public Works Manager
Water Supervisor
Wastewater Supervisor

**Finance
Director**

Asst. Fin Director

**PRCE
Director**

Rec Facilities/Oper Mgr
Rec Services Coordinator
Parks Supervisor

**Fire
Chief**

**Planning
Director**

Building Officials
Facilities Manager

**Liquor Sales
Manager**

**Police Chief /
Emergency
Management**

Lieutenant
Sergeants

City Employee Count

(Full-Time and Part-Time Only)

Department	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2022 / 2021 Change
City Administration	3.23	3.23	3.40	3.40	3.40	0.00
Finance	3.00	3.00	3.00	3.00	3.00	0.00
Motor Vehicle	3.94	3.74	3.74	3.53	3.92	0.39
Legal	1.50	1.50	1.50	1.50	1.50	0.00
Planning & Zoning	1.20	1.20	1.20	1.20	1.20	0.00
Information Technology	3.00	3.00	3.00	3.00	3.00	0.00
City Hall Building	1.00	1.00	1.00	1.00	1.00	0.00
Police	32.95	32.95	32.95	32.95	29.40	-3.55
Hospital Security	4.68	4.68	4.68	4.68	4.73	0.05
Fire	1.00	1.00	1.00	1.00	1.00	0.00
Building Inspections	3.43	3.70	3.14	3.24	3.24	0.00
Engineering	3.50	3.50	3.50	3.40	2.90	-0.50
Streets & Roadways	6.75	6.75	6.75	6.75	6.75	0.00
Park & Recreation Admin	2.40	2.40	2.40	2.40	2.40	0.00
Recreation	1.70	1.70	1.70	1.70	1.70	0.00
Civic Arena	1.15	1.15	1.15	1.15	1.25	0.10
Parks Department	6.00	6.00	6.83	7.00	7.00	0.00
Recreation Building	1.95	1.95	1.95	1.95	2.05	0.10
Waterpark	0.40	0.40	0.40	0.40	0.40	0.00
Event Center	2.54	2.54	2.54	2.54	2.32	-0.22
Senior Center	0.40	0.40	0.40	0.40	0.40	0.00
Library	0.00	0.00	0.00	0.00	0.00	0.00
Cemetery	1.00	1.00	1.00	1.00	1.00	0.00
Airport	0.50	0.50	0.50	0.50	0.50	0.00
General Fund	87.22	87.29	87.73	87.69	84.06	-3.63
Liquor	13.27	13.27	13.27	13.27	13.27	0.00
Compost	5.90	6.71	6.90	6.90	6.90	0.00
Refuse	2.50	2.50	2.50	2.50	2.88	0.38
Water	5.65	5.65	5.65	5.65	5.65	0.00
Sewer	7.95	7.95	7.95	7.95	7.95	0.00
Storm Water	2.95	2.95	2.95	2.95	2.95	0.00
Enterprise Funds	38.22	39.03	39.22	39.22	39.60	0.38
Economic Development Authority	1.00	1.00	1.36	1.36	1.36	0.00
Housing Redevelopment Authority	4.00	3.00	3.00	3.00	2.50	-0.50
Special Taxing Districts	5.00	4.00	4.36	4.36	3.86	-0.50
Total FTE	130.44	130.32	131.31	131.27	127.52	-3.75
Annual Change	3.76	(0.12)	0.99	(0.04)	(3.75)	

2022 Budget Process Timeline

City staff and councilmembers meet several times throughout the year to discuss city budgets. The timeline below represents the public meetings with city council, however there are many other staff meetings that occur as departmental budgets are being formulated and finalized.

- 1st Council workshop to review and discuss the initial general fund budget and debt levy. May 25, 2021
- 2nd Council workshop to review and discuss the preliminary 5-year Capital Improvement Plan. August 24, 2021
- 3rd Council workshop to review and discuss the preliminary general fund budget. September 14, 2021
- **Council approves Preliminary 2022 tax levies:** September 28, 2021
 - General Fund 3.3%, Debt Levy 16.2%
 - Total City Tax Levy 7.0%
 - HRA 4.0%, EDA 11.2%
 - Total City, HRA & EDA Levies 7.0%
- 4th Council workshop to review Enterprise Fund budgets and provide an update on the general fund budget. November 23, 2021
- **Truth in Taxation Public Hearing** December 7, 2021

The general fund budget was balanced with a 3.2% tax levy increase. The debt tax levy was reduced from the preliminary increase of 16.2% to 6.7%. The decrease was attributed to the delay in the new police facility construction, also delaying the 2022 debt issuance. The HRA and EDA levies are proposed to increase by 4.0% and 9.00%, with the EDA levy down slightly from September. The City's total tax levy increase is 4.3%.
- **Council approves Final 2022 budgets and tax levies:** December 28, 2021

2022 Tax Levy increases: General Fund 3.2%, Debt Levy 6.7% - Total City Tax Levy 4.2% HRA 4.0%, EDA 9.0% - Total City, HRA & EDA Levies 4.3%	Resolution # 15394 15395 & 15396
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2022 Annual Budget

Tax Levies & Tax Information

Tax Levy and Tax Impact for 2022

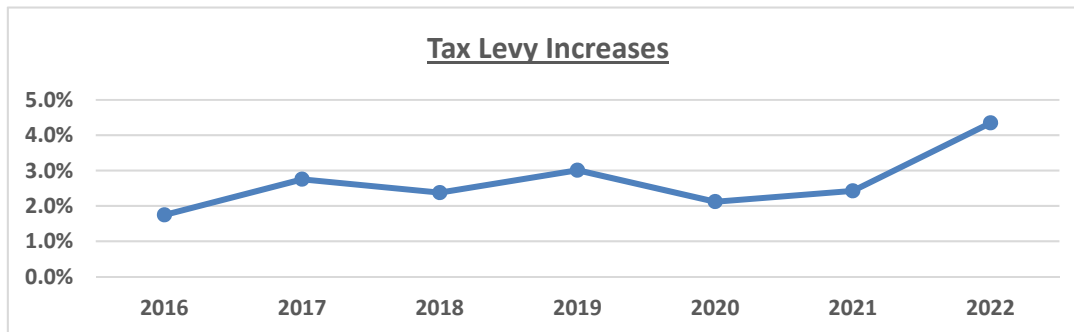
Tax Levy

The City's tax levy is comprised of the General fund levy and the Debt levy. The General fund is the City's main operating fund, providing core services to the public, such as police and fire, street maintenance, recreational activities and administrative services. This levy funds approximately 40% of the services provided by the General fund departments.

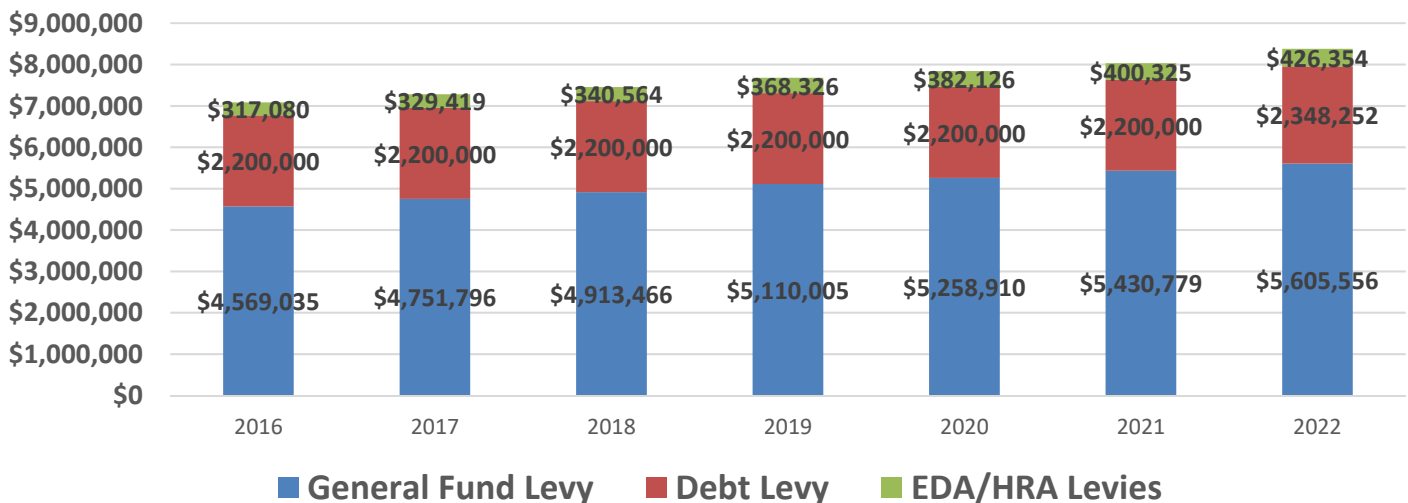
The Debt tax levy pays the annual debt service on the bonds issued by the City to finance annual roadway and infrastructure improvements in addition to facility improvements and equipment purchases. The debt service is partially paid by property owner special assessments. The significant increase to the 2022 Debt levy is due to issuing debt for the new police facility.

The City has two additional tax levies to fund the operations of the HRA and EDA. These levies are subject to limits set by Minnesota State Statute, based on a percentage of the City's estimated market value.

	<u>2021</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
General Fund Tax Levy	5,430,779	5,605,556	174,777	3.2%
Debt Tax Levy	2,200,000	2,348,252	148,252	6.7%
Total City Tax Levy	7,630,779	7,953,808	323,029	4.2%
HRA Tax Levy	200,000	208,000	8,000	4.0%
EDA Tax Levy	200,325	218,354	18,029	9.0%
Total Tax Levies	8,031,104	8,380,162	349,058	4.3%



Historical Tax Levies

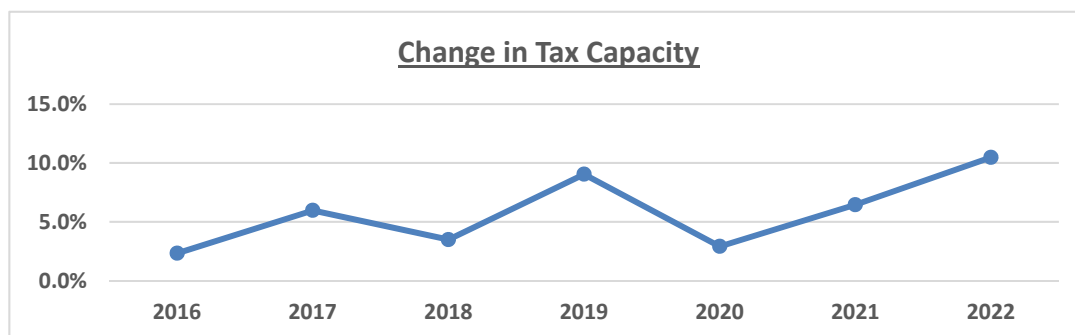


Tax Levy and Tax Impact for 2022

Tax Base

The tax base, or tax capacity, represents the taxable property value within the City. It is determined by applying the State-wide property tax class rates to the taxable value of every tax parcel in the city. The City's 2022 tax capacity is estimated at \$13,196,969, which is an increase of \$1,251,859 or 10.5%.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Tax Capacity	9,999,135	10,903,202	11,220,809	11,945,110	13,196,969
% Change	3.5%	9.0%	2.9%	6.5%	10.5%



Since property market values play a major role in determining tax capacity, it is important to discuss the current trends in valuations. The table below shows the estimated market values, as provided by the McLeod County Assessor's office. The 2021 valuations that are used to determine the 2022 tax capacity, increased by \$124,062,600 or 11.2%. Residential values, which account for 73% of the total market value, increased \$89,652,300 or 11.1%. Apartment values increased by \$30,669,600, or 40.6%, due in part to several multi-family complexes being constructed in the past year.

Barring an extended recession due to the COVID-19 pandemic, the city expects that existing residential valuations will continue to increase moderately over the next few years as the City's available housing stock is very low but demand remains high. We expect moderate increases in the city's tax capacity resulting from new value related to recent commercial and residential activity, in addition to expected valuation increases to existing residential properties.

Market Value History

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	677,723,600	738,358,400	768,924,200	810,755,800	900,408,100
Commercial/Industrial	191,228,500	200,045,000	203,784,200	212,718,300	216,581,400
Apartment	58,855,200	62,077,800	65,150,200	75,577,500	106,247,100
Agricultural	5,452,200	5,048,500	5,346,400	5,882,900	5,760,500
Total Market Value	933,259,500	1,005,529,700	1,043,205,000	1,104,934,500	1,228,997,100
% Change	3.8%	7.7%	3.7%	5.9%	11.2%

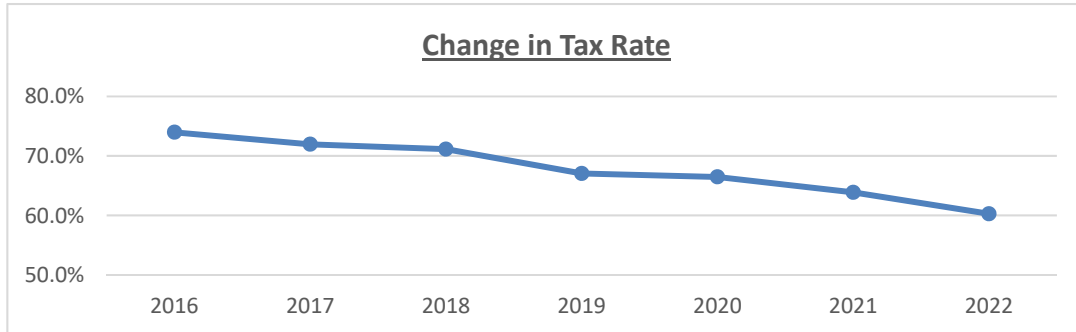
Tax Rate

The city's tax rate is determined by dividing the tax levy by the tax capacity. The 2022 tax rate is estimated at 60.270%, which is 3.6% lower than the 2021 tax rate. To determine an individual property's tax liability for city tax only, the city tax rate is applied to the property's net tax capacity.

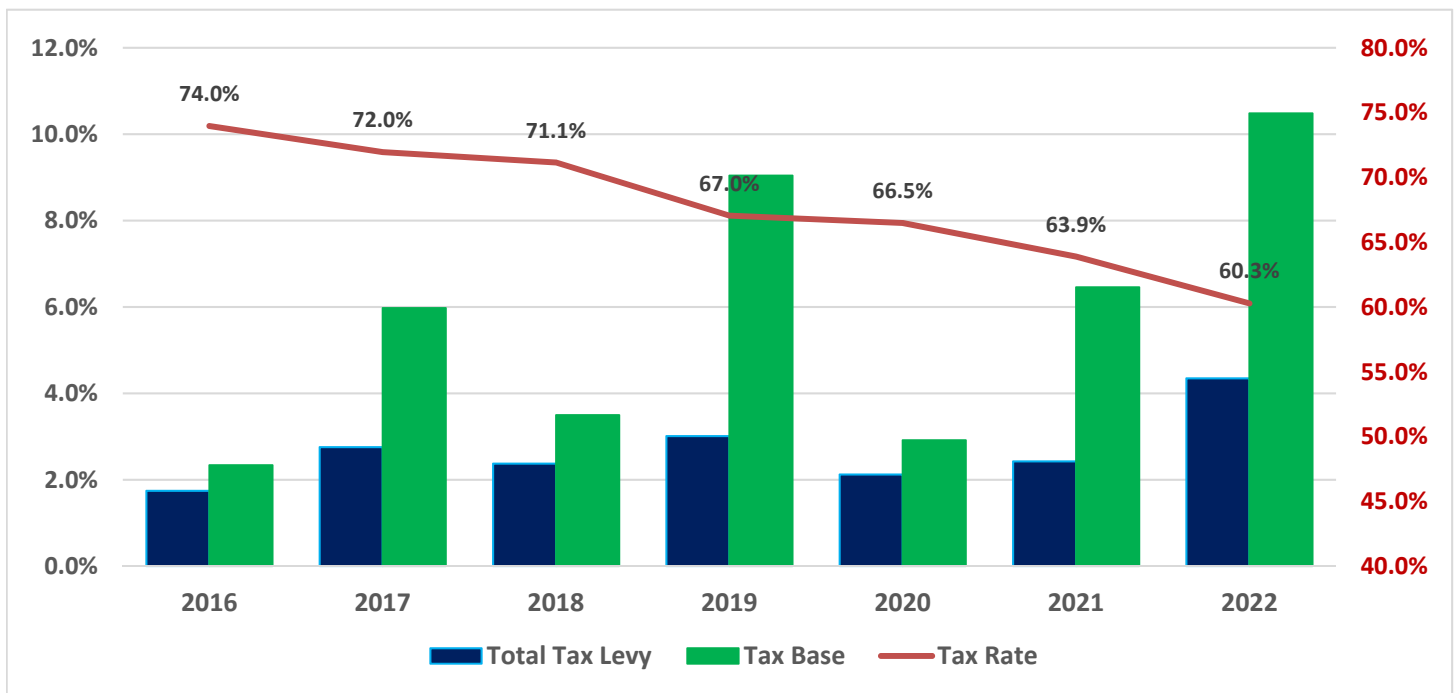
	<u>2021</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
City Tax Levy	7,630,779	7,953,808	323,029	4.2%
Tax Capacity	11,945,110	13,196,969	1,251,859	10.5%
City Tax Rate	63.882%	60.270%	-3.612%	-5.7%

Tax Levy and Tax Impact for 2022

The City's goal is to avoid large tax levy increases and in doing so it will explore increases in other revenue sources, in addition to potential expense reductions. Expense reductions, however, may affect the level of services currently provided to the city's residents and businesses.



When setting its tax levy, the City looks at several indicators, including inflationary rates and the City's tax base. Keeping tax increases lower than the growth in tax base results in a declining tax rate, which is evidenced by the City's tax rate since 2016. The 2022 tax rate is expected to decrease by approximately 3.6% due to the growth in the tax base (10.5%) outpacing the growth in the tax levy (4.2%).



Tax Levy and Tax Impact for 2022

Tax Impact

The median **residential** home valued at \$200,000 will pay an estimated \$1,090 in city taxes for 2022. This represents a \$32 increase *if* its market value increased 7.5% as shown in the example below. This residential property would potentially see a city tax reduction if its value increased at an amount less than 4.85%.

Estimated Tax Impact - Residential Property at Median Value

	2021	2022	Change	% Change
Estimated Market Value	\$186,000	\$200,000	\$14,000	7.5%
Homestead Exclusion	-\$20,500	-\$19,200	\$1,300	-6.3%
Net Taxable Value	\$165,500	\$180,800	\$15,300	9.2%
State Tax Class Rate	1.00%	1.00%		
Tax Capacity	\$1,655	\$1,808	\$153	9.2%
Estimated Tax Rate	63.882%	60.270%	-3.612%	-5.7%
Estimated City Tax	\$1,057	\$1,090	\$32	3.1%

A **commercial** building valued at \$145,000, with an estimated 5.1% increase in value from 2021, would likely see a minor decrease in its city taxes. This commercial property would potentially see a city tax increase if its value increased by more than 5.9%.

Estimated Tax Impact - Commercial Property with Value below \$150,000

	2021	2022	Change	% Change
Net Taxable Value	\$138,000	\$145,000	\$7,000	5.1%
State Tax Class Rate	1.50%	1.50%		
Tax Capacity	\$2,070	\$2,175	\$105	5.1%
Estimated Tax Rate	63.882%	60.270%	-3.612%	-5.7%
Estimated City Tax	\$1,322	\$1,311	-\$11	-0.9%

A **commercial** building valued at \$1,100,000, with an estimated 4.8% increase in value from 2021, would likely see a minor decrease in its city taxes. This commercial property would potentially see a city tax increase if its value increased by more than 5.75%.

Estimated Tax Impact - Commercial Property with Value above \$150,000

	2021	2022	Change	% Change
Net Taxable Value	\$1,050,000	\$1,100,000	\$50,000	4.8%
State Tax Class Rate				
1st \$150K at 1.50%	2,250	2,250		
Over \$150K at 2.00%	18,000	19,000		
Tax Capacity	\$20,250	\$21,250	\$1,000	4.9%
Estimated Tax Rate	63.882%	60.270%	-3.612%	-5.7%
Estimated City Tax	\$12,936	\$12,807	-\$129	-1.0%

Historical Tax Rate Variables

	2018	2019	2020	2021	2022 Est
City Tax Levy	7,113,466	7,310,005	7,458,910	7,630,779	7,953,808
Tax Capacity	9,999,135	10,903,202	11,220,809	11,945,110	13,196,969
Tax Rate	71.141%	67.045%	66.474%	63.882%	60.270%

Understanding Your Property Tax Bill

Why do we have property Taxes?

Local property taxes help fund local programs and services, such as public schools, fire and police protection, streets, parks, libraries, and more. Property taxes fund cities, towns, school districts, counties and other special taxing districts (i.e.: HRA and EDA).

What affects my property tax bill?

A number of things can affect your property tax bill, but local government spending and non-tax revenues will affect it the most. In general:

- Your property taxes may go up if local governments raise spending, receive less non-tax revenue (such as state aid), or if your taxable market value increases greater than the city's total tax base.
- Your property taxes may go down if local governments reduce spending, receive more non-tax revenue, or if your taxable market value increases at a lesser rate than the city's total tax base.

Each year through a budgeting process, local governments determine how much property tax revenue is needed to cover their spending, which is called the **levy**.

The value and classification (type) of property are used to determine your share of the levy. Other things, including programs that defer or reduce your property tax, also play a role.

How does my property value affect taxes?

The county assessor determines the **estimated market value** (EMV) and classification of your property on January 2 each year. The EMV does not directly affect your property tax bill. Instead, the **taxable market value** is used to calculate how much of the tax levy you will pay.

How does my property classification affect taxes?

The county assessor classifies your property according to how it is used (homestead, apartment, farm, commercial-industrial, etc.).

Each class of property is taxed at a different percentage of its value. These **classification (class) rates** are set by State law. Different class rates may result in some types of property paying a greater share of local property taxes than others. For example, commercial properties typically pay more than residential homesteads and agricultural properties.

<i>Classifications commonly found in City of Hutchinson</i>		
<u>Class Description</u>	<u>Valuation Tiers</u>	<u>Class Rate</u>
Residential Homestead	First \$500,000	1.00%
	Over \$500,000	1.25%
Commercial / Industrial	First \$150,000	1.50%
	Over \$150,000	2.00%
Agricultural Homestead	First \$2,140,000	0.50%
Residential Non-Homestead (Apartments) 4+ Units		1.25%
Residential Non-Homestead 1-3 Units		1.25%
Unimproved Residential Land		1.25%

$$\text{* Class Rate x Taxable Market Value = Tax Capacity}$$

Understanding Your Property Tax Bill

What is the Homestead Market Value Exclusion (HMVE)?

The HMVE, enacted in 2011, replaces the market value homestead credit (MVHC). The HMVE provides a tax reduction to all homesteads valued below \$413,800 by shifting a portion of the tax burden that would otherwise fall on the homestead to other types of property, such as commercial and industrial. The MVHC provided tax credits to homesteads, which resulted in local governments receiving less tax dollars than was levied. The program was originally created with the State funding the local governments for the shortfall created by the tax credits, however through budget cuts at the State level, local funding was cut and local governments were presented with a budget shortfall. The new HMVE program allows local governments to collect its full levy.

The HMVE formula basically provides property tax relief to homestead property owners by reducing the taxable market value, which ultimately reduces the property owner's tax liability. This results in a shifting of the tax burden to other property types. The formula to determine the homestead exclusion is as follows:

$$\begin{aligned} & \text{First \$76,000 of Homestead Value (full exclusion)} && \$76,000 \times 40\% \\ - & \text{Less: Homestead Value above \$76,000} && (\text{Total Market Value} - \$76,000) \times 9\% \\ = & \text{Equals: Homestead Market Value Exclusion Amount} \end{aligned}$$

<i>Example:</i> Homestead Property Estimated Market Value:	\$	250,000
Full Exclusion (\$76,000 of value x 40%)	\$	(30,400)
Less: 9% of Value above \$76,000	\$	15,700
Homestead Market Value Exclusion	\$	(14,700)
Taxable Market Value	\$	235,300

The full 40% exclusion applies to homestead properties valued at \$76,000, or less. Homestead properties valued higher than \$76,000 still receive an exclusion, however the exclusion is reduced incrementally as valuations increase above \$76,000, with no exclusion for homesteads valued higher than \$413,800.

Exclusion examples at varying market valuations:

	Full Exclusion	Partial Exclusion	No Exclusion
Homestead Property Estimated Market Value:	\$ 76,000	\$ 250,000	\$ 413,800
Full Exclusion (\$76,000 x 40%)	\$ (30,400)	\$ (30,400)	\$ (30,400)
Less: 9% of Value above \$76,000	\$ -	\$ 15,700	\$ 30,400
Homestead Market Value Exclusion	\$ (30,400)	\$ (14,700)	\$ -
Taxable Market Value	\$ 45,600	\$ 235,300	\$ 413,800

How are my taxes determined?

Your local jurisdiction determines how much property tax revenue is needed per the approved budget. Officials calculate the local tax levy by subtracting all non-property tax revenue from the total proposed budget.

$$\begin{aligned} & \text{Total Proposed Local Budget} \\ - & \text{Non-Property Tax Revenue (state aid, charges for services, enterprise transfers, etc.)} \\ = & \text{Property Tax Revenue Needed (Levy)} \end{aligned}$$

The levy is spread among all taxable properties according to their **tax capacity**. (A property's tax capacity is calculated by multiplying its taxable market value by its class rate)

$$\text{Tax Capacity} = \text{Taxable Market Value} \times \text{Class Rate}$$

The local property tax rate is calculated by dividing the property tax revenue needed, by the jurisdiction's total tax capacity.

$$\text{Local Tax Rate} = \frac{\text{Property Tax Revenue Needed (Levy)}}{\text{Total Tax Capacity (all properties)}}$$

Understanding Your Property Tax Bill

Finally, the county auditor calculates and applies any credits, voter-approved school referendum levies, and, for certain types of property, the state general tax.

By combining the above calculations, we get the **basic formula** to determine the tax due for an individual property.

Taxable Market Value	
x Class Rate	
= Tax Capacity	
x Local Tax Rate	
= Base Tax	
- Credits	
+ Referendum Levy Amounts	
+ State General Tax (if applicable)	
= Total Property Tax Payable	

Example Calculations to Determine the City of Hutchinson Portion of Your Tax Bill:

Residential Homestead Property:

	2020	2021	
Estimated Market Valuation	\$ 182,000	\$ 190,500	4.7%
Full Exclusion (\$76,000 x 40%)	\$ (30,400)	\$ (30,400)	
Less: 9% of Value above \$76,000	\$ 9,500	\$ 10,300	
Homestead Market Value Exclusion	\$ (20,900)	\$ (20,100)	
Taxable Market Value	\$ 161,100	\$ 170,400	5.8%
Property Classification Rate <i>Residential Homestead</i>	1.00%	1.00%	
Tax Capacity	\$ 1,611	\$ 1,704	
City of Hutchinson Tax Rate	66.474%	63.882%	-3.9%
City of Hutchinson Taxes Payable	\$ 1,071	\$ 1,089	1.6%

Commercial Industrial - Under \$150,000 Market Value

	2020	2021	
Estimated Market Valuation	\$ 120,200	\$ 148,700	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 120,200	\$ 148,700	23.7%
Property Classification Rate <i>Commercial value < \$150K</i>	1.50%	1.50%	
Tax Capacity	\$ 1,803	\$ 2,231	
City of Hutchinson Tax Rate	66.474%	63.882%	-3.9%
City of Hutchinson Taxes Payable	\$ 1,199	\$ 1,425	18.9%

Commercial Industrial - Over \$150,000 Market Value

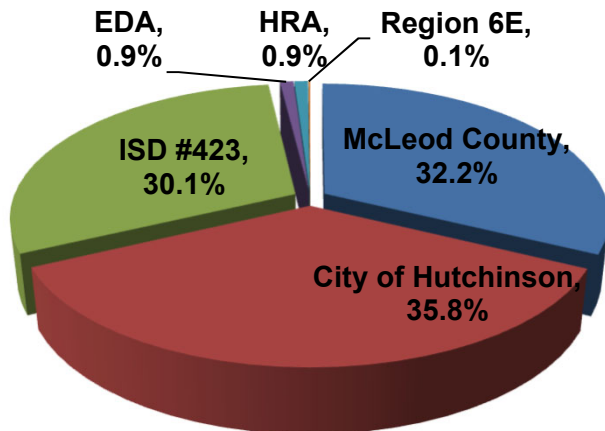
	2020	2021	
Estimated Market Valuation	\$ 497,800	\$ 518,100	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 497,800	\$ 518,100	4.1%
Property Classification Rate 1st \$150,000 @ 1.50%	2,250	2,250	
Over \$150,000 @ 2.00%	6,956	7,362	
Tax Capacity	\$ 9,206	\$ 9,612	
City of Hutchinson Tax Rate	66.474%	63.882%	-3.9%
City of Hutchinson Taxes Payable	\$ 6,120	\$ 6,140	0.3%

Understanding Your Property Tax Bill

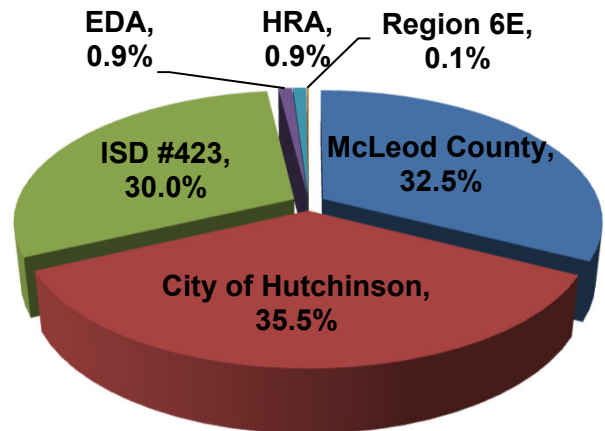
Tax Levies Applicable to City of Hutchinson Property Owners

- City of Hutchinson General Fund and Debt Levies - Hutchinson City Council approves final tax levies.
- Hutchinson Economic Development Authority Special Taxing District (EDA).
 - EDA Board recommends tax levy to Hutchinson City Council. City Council approves final tax levy.
 - Tax levy limited by Minnesota State statute 469.107, Subdivision 1.
- Hutchinson Housing & Redevelopment Authority Special Taxing District (HRA).
 - HRA Board recommends tax levy to Hutchinson City Council. City Council approves final tax levy.
 - Tax levy limited by Minnesota State statute 469.033, Subdivision 6.
- McLeod County - County Commissioners approve final tax levy.
- Independent School District #423 - School Board approves final tax levy.
- Region 6E - Regional Economic Development Commission servicing the Counties of:
 - Kandiyohi, McLeod, Meeker & Renville
- The State General Tax is applicable mainly to Commercial/Industrial properties.

2020 Property Tax Bill Breakdown



2021 Property Tax Bill Breakdown



Price of Government

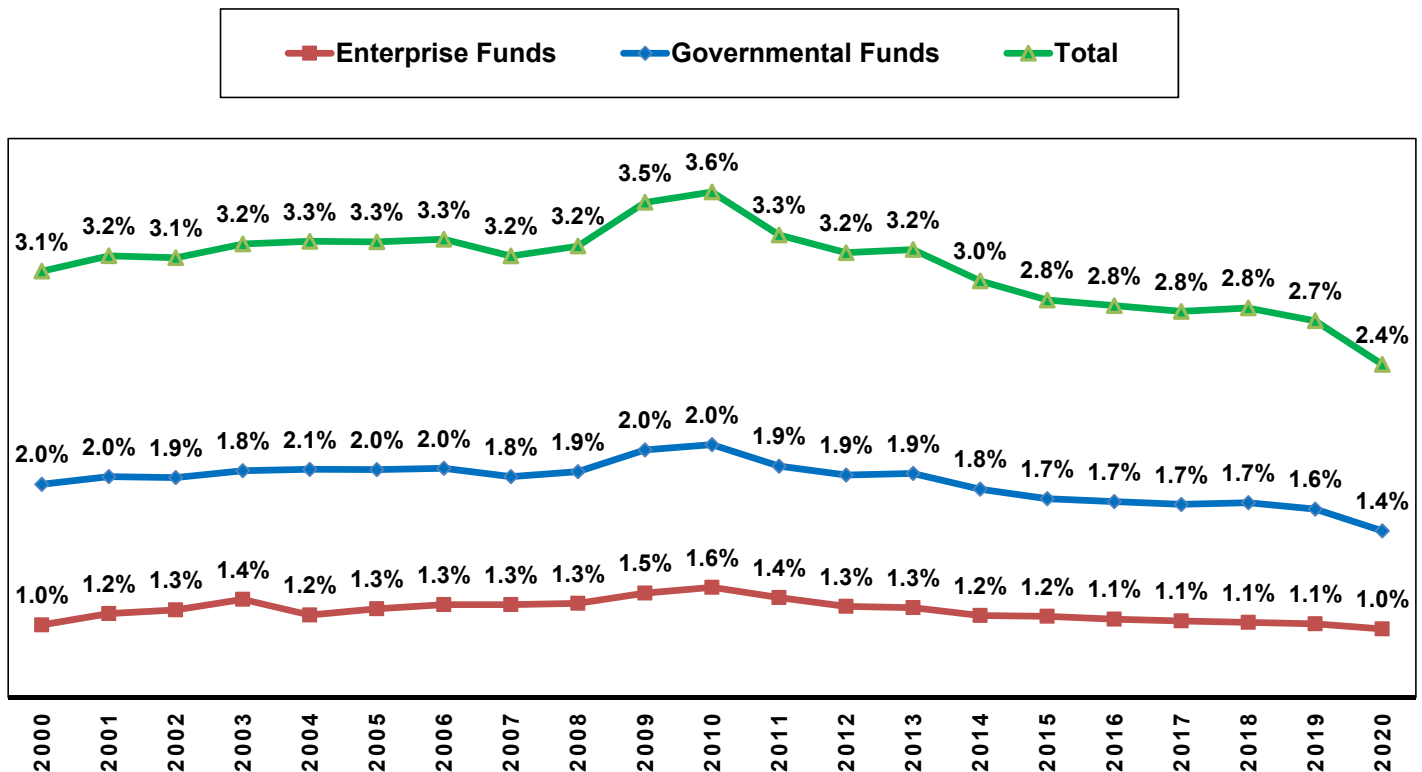
While reviewing the budget, it is helpful to keep in mind the concept of "Price of Government", which involves examining how much residents pay for City services compared to the estimated income in the community. This analysis allows the City to compare how much residents pay for those municipal services on an annual basis and how that amount has changed over time.

The graph below shows the City's price of government since 2000. The price has been stable throughout the analysis period but did increase during the recession to its highest level in 2010. Since 2010, the price has slowly decreased, indicating that personal income is growing at a faster rate than the cost of City services.

For 2020, Hutchinson citizens spent 1.4% of each dollar earned on the day to day operations of the City and 1.0% on the City's enterprise funds. In total, approximately 2.4% of each dollar earned by Hutchinson citizens was spent on City services. The large decrease for 2020's cost of government is attributed to the COVID-19 pandemic as Governmental revenues were adversely impacted by cancelled or postponed recreational programs and events.

The only enterprise funds included in this analysis are Water, Sewer, Storm Water and Refuse. The Liquor and Compost funds are excluded as they are business-type entities that are not necessarily utilized by every citizen.

Price of Government for the City of Hutchinson
(percent of every dollar earned going to pay for City services, excluding Electric & Gas Utilities)



Note: Data for 2021 was not available due to the lag in availability of U.S. Bureau of Economic Analysis Data



2022 Annual Budget

City Budget Summary

Budget Summary - All Budgeted Funds

The budget summary below consists of only those funds and departments which are highlighted in the following pages of this budget document. There are other minor funds that are not included, however the activity within those funds do not have a material impact as a result of being excluded from this summary.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	7,324,165	7,473,450	7,652,779	7,975,808	323,029	4.2%
Tax Increment Taxes	21,282	-	-	-	-	0.0%
Special Assessments	923,982	612,620	289,172	219,470	(69,702)	-24.1%
Local Sales Tax	1,537,844	1,571,978	1,474,000	1,624,000	150,000	10.2%
Other Taxes	299,388	279,336	305,000	320,000	15,000	4.9%
Licenses & Permits	541,355	524,393	391,600	454,900	63,300	16.2%
Intergovernmental Revenue	6,543,506	3,549,641	3,429,616	3,772,778	343,162	10.0%
Charges for Services	3,347,183	2,501,888	3,325,614	3,388,090	62,476	1.9%
Fines & Forfeitures	67,225	45,158	55,000	55,000	-	0.0%
Miscellaneous Revenue	2,408,989	1,870,070	1,096,350	1,127,100	30,750	2.8%
Transfers-In	3,777,206	4,659,144	5,591,341	4,275,504	(1,315,837)	-23.5%
Fund Balance	1,654,758	1,706,319	40,000	-	(40,000)	-100.0%
Bond Proceeds	2,810,979	2,409,686	11,750,000	6,800,000	(4,950,000)	-42.1%
Sales Revenue	16,561,144	18,709,772	16,986,200	18,057,550	1,071,350	6.3%
TOTAL REVENUES	47,819,006	45,913,456	52,386,672	48,070,200	(4,316,472)	-8.2%
EXPENDITURES:						
Wages & Benefits	11,896,177	11,794,556	12,730,237	13,112,736	382,499	3.0%
Supplies	2,014,418	1,788,614	1,943,417	2,032,749	89,332	4.6%
Services & Charges	6,091,658	6,003,923	6,782,633	6,891,537	108,904	1.6%
Miscellaneous Expenses	784,041	1,216,303	908,221	924,704	16,483	1.8%
Depreciation Expense	2,752,111	2,889,649	3,046,500	3,085,700	39,200	1.3%
Debt Service	3,548,625	3,291,662	5,798,376	5,483,644	(314,732)	-5.4%
Bond Issuance Costs	54,307	45,400	297,000	150,000	(147,000)	-49.5%
Transfers-Out	2,102,090	2,791,952	3,224,150	2,113,313	(1,110,837)	-34.5%
Capital Outlay	8,375,438	6,344,168	14,449,003	17,349,591	2,900,588	20.1%
Cost of Sales	5,762,779	7,127,128	6,068,102	6,790,500	722,398	11.9%
TOTAL EXPENDITURES	43,381,643	43,293,357	55,247,639	57,934,474	2,686,835	4.9%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	4,437,363	2,620,099	(2,860,967)	(9,864,274)	(7,003,307)	

2022 Budget Summary by Fund Type

	Total	General Fund	Enterprise Funds	Capital Project Funds	Debt Service Funds	Special Revenue Funds	Internal Service Funds
REVENUES:							
Property Taxes	7,975,808	5,617,556	-	10,000	2,348,252	-	-
Special Assessments	219,470	-	-	20,000	199,470	-	-
Local Sales Tax	1,624,000	-	1,624,000	-	-	-	-
Other Taxes	320,000	320,000	-	-	-	-	-
Licenses & Permits	454,900	443,600	11,300	-	-	-	-
Intergovernmental Revenue	3,772,778	1,744,821	12,500	1,684,205	-	331,252	-
Charges for Services	3,388,090	2,816,325	166,185	80,000	-	325,580	-
Fines & Forfeitures	55,000	55,000	-	-	-	-	-
Miscellaneous Revenue	1,127,100	256,500	196,350	460,000	50,000	44,250	120,000
Transfers-In	4,275,504	2,710,191	-	1,300,000	100,000	165,313	-
Fund Balance	-	-	-	-	-	-	-
Bond Proceeds	6,800,000	-	-	6,800,000	-	-	-
Sales Revenue	18,057,550	-	18,057,550	-	-	-	-
TOTAL REVENUES	48,070,200	13,963,993	20,067,885	10,354,205	2,697,722	866,395	120,000
EXPENDITURES:							
Wages & Benefits	13,112,736	9,443,650	3,526,297	-	-	142,789	-
Supplies	2,032,749	934,515	675,975	11,000	-	411,259	-
Services & Charges	6,891,537	2,756,429	2,927,650	975,000	-	218,458	14,000
Miscellaneous Expenses	924,704	714,086	90,200	18,000	-	11,618	90,800
Depreciation Expense	3,085,700	-	3,085,700	-	-	-	-
Debt Service	5,483,644	-	3,287,141	55,550	2,140,953	-	-
Bond Issuance Costs	150,000	-	-	150,000	-	-	-
Transfers-Out	2,113,313	110,313	875,000	1,105,000	-	-	23,000
Capital Outlay	17,349,591	5,000	4,172,950	13,110,554	-	61,087	-
Cost of Sales	6,790,500	-	6,790,500	-	-	-	-
TOTAL EXPENDITURES	57,934,474	13,963,993	25,431,413	15,425,104	2,140,953	845,211	127,800
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(9,864,274)	-	(5,363,528)	(5,070,899)	556,769	21,184	(7,800)

Budget Structure & Policy

The financial reporting and budgeting systems of the City are organized on a "**fund**" basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Funds are the control structures that ensure that public monies are spent only for authorized purposes within the amounts authorized. Funds are established to account for the different activities and legal restrictions that are associated with a particular government function.

The City's financial structure includes the following fund types:

- 1) Governmental Funds
- 2) Proprietary Funds
- 3) Component Units

Governmental Funds

Governmental funds are used to account for activities primarily supported by taxes, grants and similar revenue sources. The City budgets for the following governmental funds:

- **General Fund**

The General fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. It includes basic governmental services, such as Police, Fire, Parks and Recreation, Streets & Highways, Building Inspections, Cemetery, Airport and Administrative services.

- **Capital Improvement Projects Funds**

Capital Improvement Projects funds account for the acquisition or construction of major capital projects other than those financed by proprietary fund activities. The City informally budgets for the following Capital Improvement Project funds:

- | | |
|------------------------------|------------------------------|
| - Capital Projects fund | - Construction fund |
| - Community Improvement fund | - Equipment Replacement fund |

- **Debt Service funds**

Debt Service funds account for the payment of general obligation bond principal and interest from the City's debt tax levy and special assessment repayments from property owners. The debt generally finances improvements to the City's roadways, alleys, parking lots, bridges, trails, other public infrastructure, facilities and equipment.

- **Special Revenue funds**

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes other than debt service and capital improvement projects. The City informally budgets for the following Special Revenue funds:

- | | |
|--------------------------------|--------------------------|
| - Public Sites fund | - Rural Fire fund |
| - Tree Disease Mitigation fund | - H.A.T.S. Facility fund |

Proprietary Funds

Proprietary funds are used to account for activities that receive significant support from fees and charges. These funds are classified into two fund types; Enterprise funds and Internal Service funds.

- **Enterprise Funds**

Enterprise funds are used to account for those government operations that are financed and operated in a manner similar to private business. The City formally budgets for the following Enterprise funds:

- | | |
|----------------|--------------------|
| - Liquor fund | - Water fund |
| - Compost fund | - Sewer fund |
| - Refuse fund | - Storm Water fund |

- **Internal Service Funds**

Internal Service funds account for operations that provide services to other departments or agencies of the City, on a cost reimbursement basis. The City informally budgets for the following Internal Service funds:

- Self Insurance fund

Component Units

A component unit is a legally separate organization authorized by Minnesota statute for which the city council is financially accountable. They are classified as such because they have a separate board of directors approved by the city council and may not exercise any of the powers enumerated by the authorizing statutes without prior approval of the city council. They do not provide services entirely or almost entirely to the City and there is no debt that is expected to be repaid almost entirely with the City's resources. A tax levy, limited by state statute, is the main funding source for operations of each component unit.

The component units are discretely presented within the City's financial statements. Discretely presented essentially means that the component unit is reported within the City's combined financial statements as a separate column to emphasize that it is legally separate from the City. The City has two component units which are not included within this budget document. Budgets for each component unit are available upon request of the specific entity.

- ***Hutchinson Economic Development Authority (EDA)***
- ***Hutchinson Housing and Redevelopment Authority (HRA)***

The City has other funds which are not formally budgeted, including Special Revenue funds, Debt Service funds and Capital Improvement Project funds.

Basis of Accounting

The City is required to account for revenues and expenditures according to generally accepted accounting principles (GAAP). The budget was prepared using the following basis of accounting, which is consistent with the accounting methods used for financial reporting:

All governmental funds are maintained on a ***modified accrual basis*** with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. Proprietary funds are maintained on the ***accrual basis***. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the period in which the liability is incurred.

Financial Policies

The City has a responsibility to provide quality services to its residents and considers it important to do so in a fiscally responsible fashion designed to keep services and taxes as consistent as possible over time. The City approved a Financial Management Plan (Plan) that is designed to serve as the framework upon which consistent operations may be built and sustained, guides responsible use of municipal resources and contributes to the City's overall financial health. The Plan serves three main purposes:

- 1) The plan draws together the City's major financial policies into a single document.
- 2) The plan establishes principles to guide both staff and City Council members to make consistent and informed financial decisions.
- 3) The plan provides guidelines for ensuring and maintaining an appropriate level of funds, unreserved and reserved, to sustain the financial integrity of the City.

The objectives of the Financial Management Plan include:

- Provide both short term and long term future financial stability by ensuring adequate funding for the provision of services needed by the community.
- Protect the City Council's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- Prevent financial difficulties in the future.
- Provide sound principles to guide the decisions of the City Council and Administration.
- Employ revenue policies which prevent undue or unbalanced reliance on certain revenues, distribute the cost of municipal services fairly, and provide funding to operate desired programs.
- Provide essential public facilities and prevent deterioration of the City's public facilities and infrastructure.
- Protect and enhance the City's credit rating and prevent default on any municipal debt.
- Create a document that City staff and City Council Members can reference during financial planning, budget preparation and other financial management issues.

Portions of certain financial policies related to the budgetary formulation and compliance are summarized below. The entire policies are within the Financial Management Plan which is a supplemental document at the end of this budget.

Revenue Policy

The City will conservatively estimate and budget for its annual revenues using an objective, analytical process. All existing and potential revenue sources will be re-examined annually.

Revenue sources that are non-recurring in nature shall not be used to fund ongoing programs or operations of the City. This includes revenue such as sales of assets, settlement from a lawsuit, inter-fund transfers and other one-time payments. These revenue items should be used to build reserves or for projects that will result in long-term operating costs savings. Non-recurring revenue may also include grants and donations. These revenue sources should be dedicated to the use designated by the grantor or donor. The annual budget shall be prepared in a manner that eliminates, or minimizes, reliance on unpredictable or non-recurring revenues for on-going operating costs.

Property tax payments are the largest source of revenue in the City's General fund, accounting for approximately 40% of the total annual revenue. The City will strive to proactively avoid large increases in property taxes and will explore all other alternatives, including:

- Other policy options; debt management, fees & charges, cost allocation, expense cuts and use of reserves.
- Budget scenarios for a 0% tax levy increase, including potential reductions in service levels.
- Consideration will be given to staying within the amount of revenue generated by increased market value with no increase in the tax rate.

If after exhausting these alternatives, a tax increase is required, the goal of the City will be to keep any property tax rate increase at or below the prevailing inflation rate. City services will be funded to the maximum extent possible by the increases in market valuation (new tax base growth and valuation increases).

Possible factors for considering an increase in property tax include:

- Long-term protection of the City's infrastructure.
- Meeting legal mandates imposed by outside agencies.
- Maintaining adequate fund balance and reserve funds sufficient to the City's Fund Balance Policy.
- Funding City development and redevelopment projects that will clearly result in future tax base increases. The expenditures of development and redevelopment funds must be in accordance with a defined strategy as shown in the City's comprehensive plan, capital improvement plan, and other council documents.

Property tax increases to meet other purposes will be based on the following criteria:

- A clear expression of community need.
- The existence of community partnerships willing to share resources.
- Establishment of clearly defined objectives and measurements of success, including appropriate sunset provisions.
- Voter approved referendums for specific community needs or projects.

Operating Budget Policy

The City Administrator shall submit a balanced General fund budget that provides for all current expenditures with current revenues, matching ongoing operating expenses with the appropriate source of ongoing revenues, except in emergency situations or in the event of unforeseen needs.

The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' budgets.

Any inclusion of previous years' excess fund balance in the adopted budget will be intended for one-time or non-recurring expenses or projects.

The impact on the operating budget from any new programs or activities being proposed should be minimized by providing funding with newly created revenues wherever possible.

The City Administrator will ensure that a budgetary control system is in place to adhere to the adopted budget and will provide monthly reports comparing actual revenues and expenditures to the budgeted amounts. The legal level of budgetary control is at the department level within a fund

- Departments shall not exceed the budget within the four main expense categories without City Administrator approval. Specific expense items within a category may be over budget as long as the category in total does not exceed the budget. The main expense categories are as follows:
 - Wages & Benefits
 - Services & Charges
 - Supplies
 - Miscellaneous

- Surplus departmental revenue may not be used to justify overspending an expenditure without approval from the City Administrator.
- The City Administrator is authorized to approve a transfer of funds from one appropriation to another within the budget of any department of the City. Department means any city function organized under the direct control of a single department head. Such approval shall be made by written memorandum setting forth the reasons therefore.
- No officer or employee of the City shall place any order or make any purchase except for a purpose and to the amount authorized in the budget resolution, or as authorized by the City Administrator.

Fund Balance Policy

The City understands it has a responsibility to maintain prudent financial practices to ensure stable operations for the benefit of city residents and businesses. Fund balance reserves are an important component in ensuring the overall financial health of a community by giving the City cushion to meet contingency or cash flow timing needs.

The office of the State Auditor recommends that at year-end, local governments maintain an unrestricted fund balance in their general fund and special revenue funds of approximately 35 to 50% of fund operating revenues, or no less than five months of operating expenditures. While the bond rating agencies do not have recommended fund balance levels, the agencies look favorably on larger fund balances, which protect against contingencies and cash flow needs.

- **General Fund**
The City will maintain an unrestricted fund balance in the General fund of an amount not less than 40% of the next year's General fund budgeted expenditures. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aid, are received in the second half of the City's fiscal year.
- **Enterprise Funds**
It is the goal of each enterprise fund to cover the costs of operations, including depreciation and a transfer to the General fund, to maintain a financially healthy enterprise. The City will maintain cash reserves in the Enterprise funds at a minimum level equal to 50% of the annual operating costs plus one year of debt service payments.

Capital Improvement Plan

The City plans for capital improvements by preparing a five-year Capital Improvement Plan (CIP). The CIP serves as a valuable planning tool for the preservation and expansion of the City's capital assets, including facilities, infrastructure, amenities and equipment. It provides details of proposed improvements by department and year, along with the estimated cost and funding sources for the improvements. It is based upon several long-range planning documents that are updated regularly as identified by the Facilities Committee, Fleet Committee, Resource Allocation Committee, City staff and council members.

The CIP identifies projects that will support existing and projected needs in the following areas: transportation, public safety, parks & recreation, general government and enterprise fund operations. The CIP establishes a development program, which is used to maximize outside revenue sources and effectively plans for the growth and maintenance of the City's infrastructure.

The CIP is a planning document comprised of potential capital improvement projects known at a certain point in time. Projects are not approved simply by being included in the CIP as funding sources or City priorities may have changed. All capital projects are subject to the City's purchasing policy, requiring quotes/bids and approvals commensurate to the total cost.



2022 Annual Budget

General Fund

General Fund

The General fund is the City's primary operating fund, consisting of the departments and functions necessary for the day to day operations of the City. The main functions include Public Safety, Public Works, Culture & Recreation and General Government. A tax levy accounts for 40% of the revenues required to fund the general operations. Charges for Services and Transfers from enterprise funds are the next largest sources of revenue, at 20% and 19% of operating expenditures. On the expenditure side, employee wages and benefits account for 68% of the total general fund expenditures. Controlling wages and benefits is the largest challenge for the City's general fund and we are always looking for opportunities to keep costs as low as possible.

Budgetary Highlights for 2022

- The city council approved a 3.2% general fund tax levy increase for 2022.
- Licenses & Permits revenue increased \$63,300. Building permits account for \$50,500 of this increase as we continue to see growth in new housing and commercial activity.
- Intergovernmental Revenue increased \$28,033. The City changed the allocation of LGA between the General and Capital Projects funds for 2022, to a 50% split to each fund. This resulted in a \$65,700 increase to the General fund. The City's police dispatch services were transitioned to the County in 2021. As a result, the State's E911 funding of \$44,600 has been eliminated from the revenue budget.
- Transfers-In decreased \$13,000 mainly due to a planned \$23,000 reduction in the self insurance fund transfer. The city has been using self insurance monies to fund the city's contributions to employee HSA accounts. We are reducing that funding 20% annually over the five-year period of 2019-2023. This reduction was partially offset by a \$10,000 increase to the transfer amount from the Compost fund.
- Wages & Benefits increased \$197,872, or 2.1%. This is due to several contributing factors, including the normal wage increases for employees, increased workers compensation rates and a 5% decrease in health premiums. The 2021 compensation study resulted in an increase to our Seasonal employee pay rates in order to be competitive with other local employers. The employee pay grid was adjusted 7% to account for inflation over the past few years in addition to the anticipated inflationary impact on 2022.
- Miscellaneous Expenses includes \$25,000 of additional funding to our Vehicle and Equipment Replacement fund. Funding for vehicle replacements has been significantly deficient and moderate increases are needed over the next few years to get us to a sustainable level. Recent inflationary increases to replacement costs is also a concern.

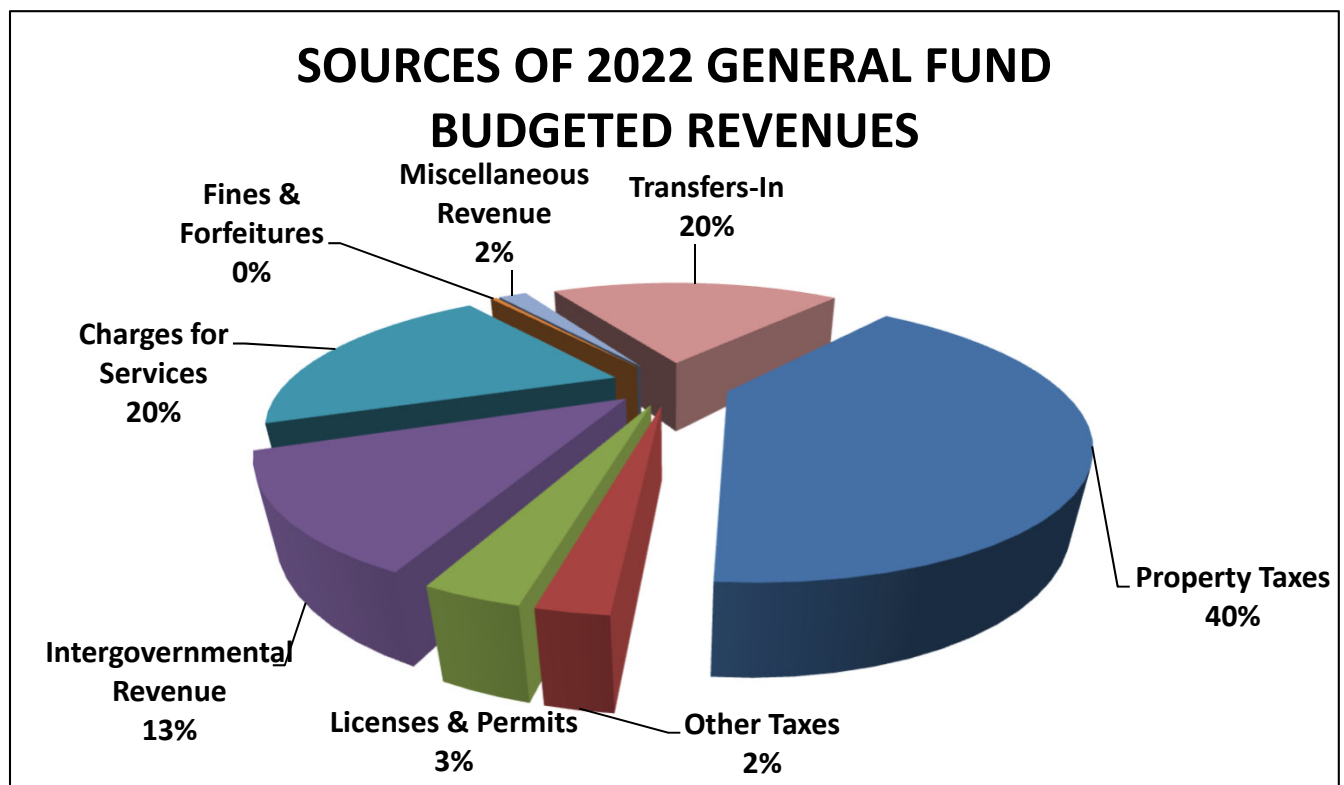
	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	5,114,081	5,267,063	5,442,779	5,617,556	174,777	3.2%
Other Taxes	299,388	279,336	305,000	320,000	15,000	4.9%
Licenses & Permits	529,600	511,768	380,300	443,600	63,300	16.6%
Intergovernmental Revenue	1,582,068	1,757,583	1,716,788	1,744,821	28,033	1.6%
Charges for Services	2,749,181	2,014,590	2,786,834	2,816,325	29,491	1.1%
Fines & Forfeitures	67,225	45,158	55,000	55,000	-	0.0%
Miscellaneous Revenue	469,125	404,027	246,250	256,500	10,250	4.2%
Transfers-In	2,497,116	2,666,192	2,723,191	2,710,191	(13,000)	-0.5%
Fund Balance	-	-	40,000	-	(40,000)	0.0%
TOTAL REVENUES	13,307,785	12,945,717	13,696,142	13,963,993	267,851	2.0%
EXPENDITURES:						
Wages & Benefits	8,790,219	8,537,132	9,245,778	9,443,650	197,872	2.1%
Supplies	867,129	681,900	882,622	934,515	51,893	5.9%
Services & Charges	2,578,133	2,462,576	2,755,282	2,756,429	1,147	0.0%
Miscellaneous Expenses	576,840	593,815	684,310	714,086	29,776	4.4%
Transfers-Out	101,970	105,000	108,150	110,313	2,163	2.0%
Capital Outlay	17,566	24,458	20,000	5,000	(15,000)	-75.0%
TOTAL EXPENDITURES	12,931,857	12,404,882	13,696,142	13,963,993	267,851	2.0%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	375,928	540,835	-	-	-	

General Fund

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	5,114,081	5,267,063	5,442,779	5,617,556	174,777	3.1%
Other Taxes	299,388	279,336	305,000	320,000	15,000	4.7%
Licenses & Permits						
Building Permits	459,575	441,859	316,500	367,000	50,500	13.8%
Liquor Licenses	28,817	21,726	26,350	31,000	4,650	15.0%
Other	41,209	48,183	37,450	45,600	8,150	17.9%
Total Licenses & Permits	529,600	511,768	380,300	443,600	63,300	14.3%
Intergovernmental Revenue						
Local Government Aid	1,100,252	1,268,473	1,268,473	1,334,205	65,732	4.9%
Police Pension Aid	207,616	203,985	203,985	202,236	(1,749)	-0.9%
Fire Relief Pension Aid	111,163	117,030	117,030	121,900	4,870	4.0%
Other	163,038	168,095	127,300	86,480	(40,820)	-47.2%
Total Intergovernmental	1,582,068	1,757,583	1,716,788	1,744,821	28,033	1.6%
Charges for Services						
Public Safety	448,429	402,204	465,549	469,582	4,033	0.9%
Recreation	1,115,909	473,813	1,143,818	1,177,971	34,153	2.9%
Streets & Highways	493,558	495,657	473,390	449,310	(24,080)	-5.4%
Other	691,285	642,915	704,077	719,462	15,385	2.1%
Total Charges for Services	2,749,181	2,014,590	2,786,834	2,816,325	29,491	1.0%
Fines & Forfeitures	67,225	45,158	55,000	55,000	-	0.0%
Miscellaneous Revenue	466,625	401,527	246,250	256,500	10,250	4.0%
Total Revenues	10,808,169	10,277,025	10,932,951	11,253,802	320,851	2.9%
EXPENDITURES:						
General Government	3,232,918	3,327,729	3,539,198	3,673,811	134,613	3.7%
Public Safety	4,453,288	4,416,757	4,660,916	4,632,831	(28,085)	-0.6%
Streets & Highways	1,984,823	1,977,877	1,946,481	1,961,463	14,982	0.8%
Culture & Recreation	2,895,292	2,319,872	3,171,536	3,294,614	123,078	3.7%
Miscellaneous	263,566	257,647	269,861	290,961	21,100	7.3%
Total Expenditures	12,829,887	12,299,882	13,587,992	13,853,680	265,688	1.9%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,021,718)	(2,022,857)	(2,655,041)	(2,599,878)	55,163	
OTHER FINANCING SOURCES / (USES)						
Transfers in						
Liquor fund	500,000	500,000	550,000	550,000	-	0.0%
Water & Sewer funds	120,000	120,000	150,000	150,000	-	0.0%
Compost fund	110,000	110,000	110,000	120,000	10,000	8.3%
Utilities Commission PILOT	1,675,116	1,867,192	1,867,191	1,867,191	-	0.0%
Other	92,000	69,000	46,000	23,000	(23,000)	-100.0%
Total Transfers in	2,497,116	2,666,192	2,723,191	2,710,191	(13,000)	-0.5%
Transfers out	(101,970)	(105,000)	(108,150)	(110,313)	(2,163)	2.0%
Sale of capital assets	2,500	2,500	-	-	-	0.0%
Fund Balance	-	-	40,000	-	(40,000)	0.0%
Total Other Financing Sources	2,397,646	2,563,692	2,655,041	2,599,878	(55,163)	-2.1%
Net Change in Fund Balance	375,928	540,835	-	-	-	

General Fund Revenue

<u>Revenue Summary</u>	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% of Total
Property Taxes	5,114,081	5,267,063	5,442,779	5,617,556	174,777	40.2%
Other Taxes	299,388	279,336	305,000	320,000	15,000	2.3%
Licenses & Permits	529,600	511,768	380,300	443,600	63,300	3.2%
Intergovernmental Revenue	1,582,068	1,757,583	1,716,788	1,744,821	28,033	12.5%
Charges for Services	2,749,181	2,014,590	2,786,834	2,816,325	29,491	20.2%
Fines & Forfeitures	67,225	45,158	55,000	55,000	-	0.4%
Miscellaneous Revenue	469,125	404,027	246,250	256,500	10,250	1.8%
Transfers-In	2,497,116	2,666,192	2,723,191	2,710,191	(13,000)	19.4%
Fund Balance	-	-	40,000	-	(40,000)	0.0%
Total	13,307,785	12,945,717	13,696,142	13,963,993	267,851	100.0%



Property Taxes

The City relies on property tax revenue to support the functions of general government, public safety, streets and roadways, recreation, library, event center, cemetery and airport. The city council approved a 3.2% general fund tax levy increase for 2022, increasing total current year tax revenue to \$5,605,556, which represents 40% of the total general fund revenues. The City expects to receive another \$12,000 of delinquent tax revenue annually.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Current Ad Valorem Taxes	5,094,085	5,237,728	5,430,779	5,605,556	174,777	3.2%
Delinquent Ad Valorem Taxes	19,996	29,335	12,000	12,000	-	0.0%
Total	5,114,081	5,267,063	5,442,779	5,617,556	174,777	3.2%

General Fund Revenue

Other Taxes

This revenue category consists of a 3% Lodging Tax for lodging operators and a 5% Cable TV Franchise Tax for companies providing cable TV services within the City. Ninety-Five percent (95%) of the Lodging tax collected by the City is paid to the Hutchinson Convention and Visitors Bureau to help fund its operations. The City retains the other 5% for administering the lodging tax. Fifty percent (50%) of the Cable TV Franchise tax collected by the City is paid to HCVN to fund the public cable programming and operations.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Hotel-Motel Tax	110,155	86,660	110,000	110,000	-	0.0%
Cable TV Franchise Fees	189,233	192,677	195,000	210,000	15,000	7.7%
Total	299,388	279,336	305,000	320,000	15,000	4.9%

Licenses & Permits

This revenue category includes Licenses for intoxicating and non-intoxicating beverages, tobacco, ATVs and animals. It also includes Permits for Building, Plumbing, Demolition, Planning & Zoning and Tree Applications. The 2022 budget includes a moderate increase due to the assumed continuation of Building activity and related permits.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Alcoholic Beverages	28,817	21,726	26,350	31,000	4,650	17.6%
Tobacco	2,640	2,902	3,000	3,000	-	0.0%
Building Permits	458,948	441,282	316,000	366,500	50,500	16.0%
Building Permit Surcharges	627	577	500	500	-	0.0%
Plumbing Permits	19,460	15,031	13,000	15,000	2,000	15.4%
Demolition Permits	1,175	2,500	1,500	1,500	-	0.0%
Planning & Zoning Fees	6,466	9,849	8,500	9,000	500	5.9%
Other Licenses	10,829	17,901	11,450	17,100	5,650	49.3%
Total	528,960	511,768	380,300	443,600	63,300	16.6%

Intergovernmental Revenue

This revenue category includes Local Government Aid (LGA), municipal state aid for street maintenance, aid for police and fire pensions, airport aid, and other aid for police training and E911 services.

The City's 2022 LGA is certified at \$2,646,397, which is an increase of \$22,013. The City allocates 50% of the LGA to its General fund and 50% to the Capital Projects fund. The LGA in the Capital Projects funds is utilized for General fund facility capital improvements and miscellaneous infrastructure maintenance. The City is able to maintain a more stable General fund budget and tax levy by funding capital improvements outside of the General fund.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Local Government Aid	1,100,252	1,268,473	1,268,473	1,334,205	65,732	5.2%
Police Training Reimbursement	21,872	21,641	20,500	20,500	-	0.0%
Municipal State Aid - Streets	29,280	29,280	29,000	29,280	280	1.0%
State E911	44,691	44,691	44,600	-	(44,600)	0.0%
Police Pension Aid	207,616	203,985	203,985	202,236	(1,749)	-0.9%
PERA Reimbursement	17,912	-	-	-	-	0.0%
Drug Task Force Grant	1,500	-	-	-	-	0.0%
Fire Relief Assoc Aid - State	111,163	117,030	117,030	121,900	4,870	4.2%
Airport Aid	26,727	23,761	26,200	26,200	-	0.0%
State Grants - Other	18,750	19,743	7,000	9,000	2,000	28.6%
Other Revenue	2,306	28,978	-	1,500	1,500	0.0%
Total	1,582,068	1,757,583	1,716,788	1,744,821	28,033	1.6%

General Fund Revenue

Charges for Services

This revenue category includes fees or rents related to engineering services, recreational activities, motor vehicle licensing & registration, cemetery burial plots, airport hangars and the community event center.

Also included is reimbursement from other entities for services provided by the City due to partnerships with ISD #423 and Hutchinson Utilities.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Motor Vehicle Fees	285,888	238,923	290,000	285,000	(5,000)	-1.7%
School Liaison Program	45,680	22,532	54,747	54,747	-	0.0%
Hospital Security Program	319,228	319,228	328,805	335,190	6,385	1.9%
Rental Inspection Fees	41,750	37,560	42,000	42,000	-	0.0%
Engineering Fees	474,551	487,309	465,890	440,710	(25,180)	-5.4%
Recreation Fees	505,871	277,726	494,000	530,000	36,000	7.3%
Park Fees	32,564	15,019	24,000	30,000	6,000	25.0%
Campground Fees	43,662	49,047	65,000	70,000	5,000	7.7%
Rental Charges	156,744	62,750	147,833	134,333	(13,500)	-9.1%
Community Education Reimb	68,776	79,661	69,685	61,338	(8,347)	-12.0%
Waterpark Fees	277,847	-	310,000	325,000	15,000	4.8%
Airport Rentals	73,347	89,307	86,000	94,000	8,000	9.3%
Cemetery Fees	101,564	89,245	101,000	101,000	-	0.0%
Senior Center Revenue	53,099	6,830	59,500	59,500	-	0.0%
HUC Personnel Reimb	170,927	170,927	170,927	180,512	9,585	5.6%
Other Revenues	97,683	68,527	77,447	72,995	(4,452)	-5.7%
Total	2,749,181	2,014,590	2,786,834	2,816,325	29,491	1.1%

Fines & Forfeitures

Court fines comprise this revenue category and consist of fines paid for traffic and criminal offenses occurring within the City of Hutchinson. This revenue represents only the City's portion of each fine with the State and County receiving their share of each fine as well.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Court Fines	67,225	45,158	55,000	55,000	-	0.0%
Total	67,225	45,158	55,000	55,000	-	0.0%

Miscellaneous Revenue

This revenue category includes investment interest income and reimbursement from ISD #423 for grounds maintenance services provided by the City. The line item titled Net Incr/Decr in FV of Invest is a required accounting entry to value the City's investments at year-end fair market values. Since the City holds its investments to maturity, this line item does not hold much value and can actually distort the City's revenues up or down. The City does not budget for this activity due to the dynamic economic variables involved.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Interest Earnings	119,386	94,694	80,000	80,000	-	0.0%
Net Incr/Decr in FV of Invest	114,711	93,581	-	-	-	0.0%
Refunds & Reimbursements	178,347	179,933	138,250	148,500	10,250	7.4%
Contrib/Donation-PrivateSource	51,573	31,782	27,500	27,500	-	0.0%
Other Revenue	5,109	3,129	500	500	-	0.0%
Total	469,125	403,119	246,250	256,500	10,250	4.2%

General Fund Revenue

Transfers-In

Transfers-in includes revenue from the City's enterprise funds to cover a portion of the services provided by the general fund. The City's general fund tax levy would be significantly higher without the transfers of excess profits.

The PILOT payment from Hutchinson Utilities (HUC) is based on 4.5% of its operating revenues. The amount is capped at a 2% annual increase with a floor to prevent the PILOT from decreasing. The 2022 budget did not increase since HUC's operating revenues decreased for 2020, which is the year used to determine the 2022 PILOT.

The transfer from the Compost fund was increased \$10,000 due to the continued, positive financial results.

The transfer from the Self Insurance fund helps cover the City's contributions to employee HSA accounts as part of the City's high-deductible health insurance plan. This funding is being reduced over a five year period, with the HSA contributions fully funded by the General fund in the year 2023.

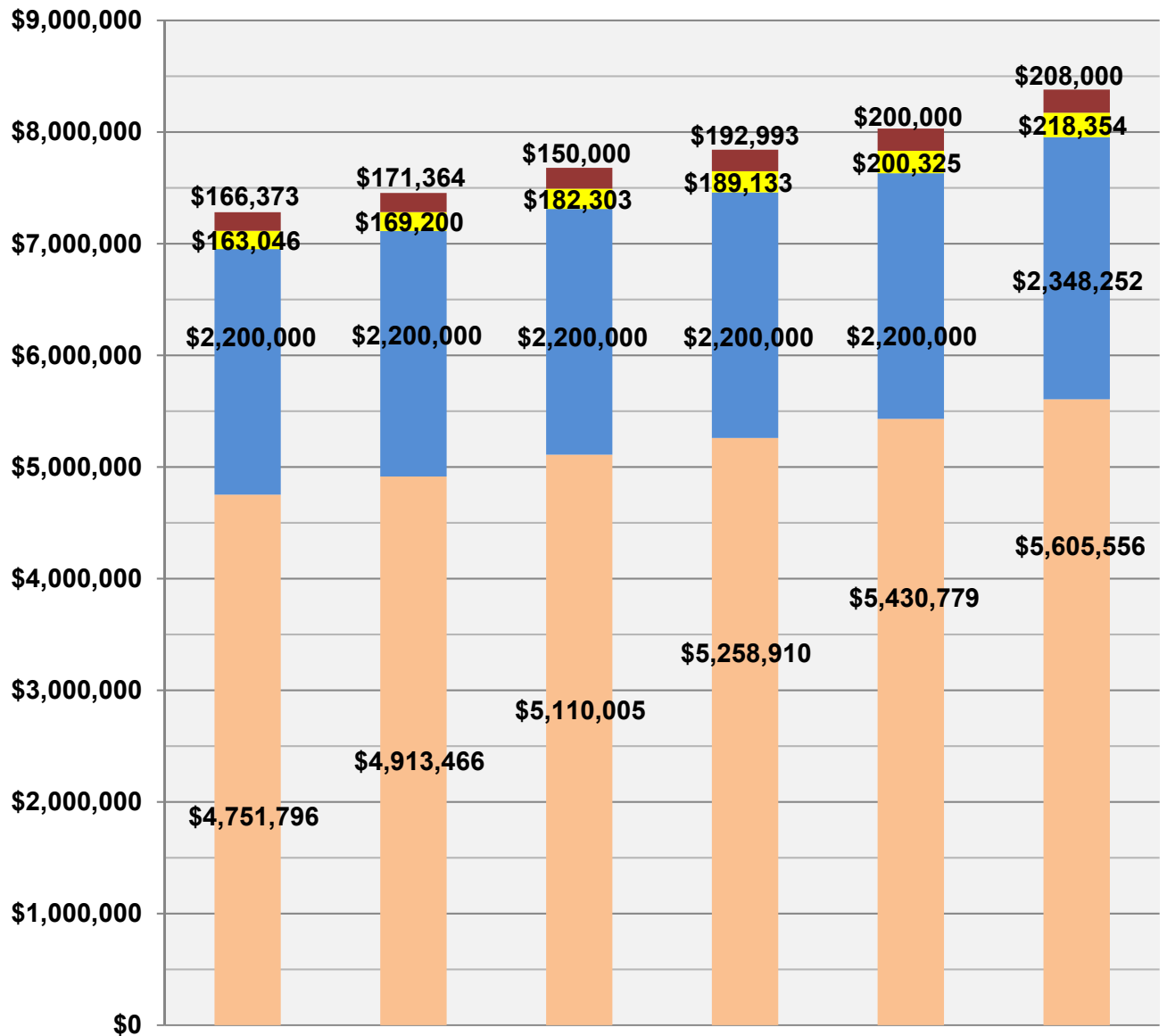
	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Transfer from Liquor Fund	500,000	500,000	550,000	550,000	-	0.0%
Transfer from Water/Sewer Fund	120,000	120,000	150,000	150,000	-	0.0%
Transfer from Compost Fund	110,000	110,000	110,000	120,000	10,000	9.1%
Transfer from HUC	1,675,116	1,867,192	1,867,191	1,867,191	-	0.0%
Transfer from Hospital	-	-	-	-	-	0.0%
Transfer from Self Insurance Fund	120,000	92,000	69,000	46,000	(23,000)	-33.3%
Other Transfer	(28,000)	(23,000)	(23,000)	(23,000)	-	0.0%
Total	2,497,116	2,666,192	2,723,191	2,710,191	(13,000)	-0.5%

Fund Balance (Reserves)

The 2022 budget does not include the use of reserves to fund expenditures.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
Fund Balance	-		40,000	-	(40,000)	0.0%
Total	-		40,000	-	(40,000)	0.0%

Total City Tax Levy Comparison 2017-2022



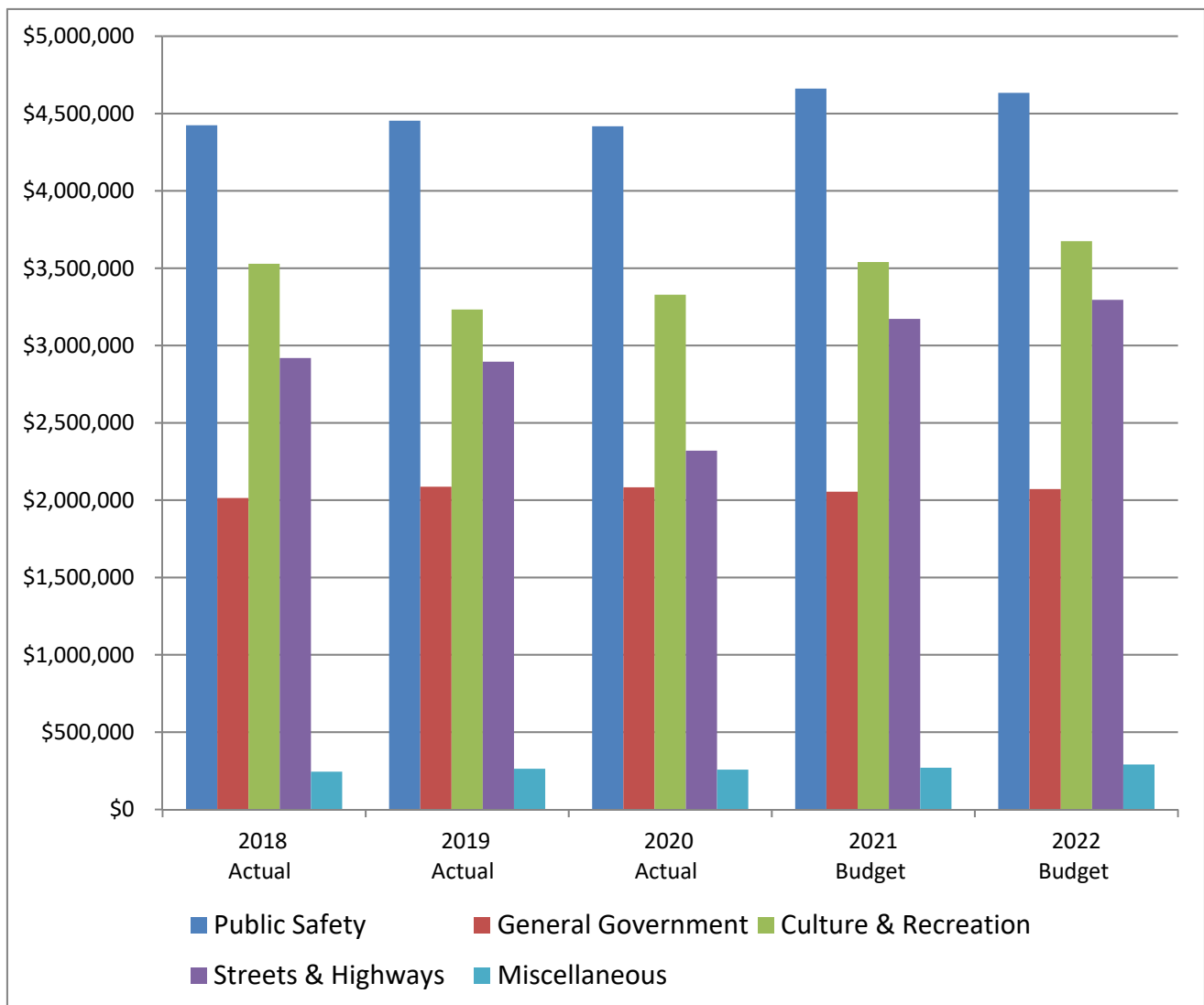
	2017	2018	2019	2020	2021	2021
General Fund	\$ 4,751,796	\$ 4,913,466	\$ 5,110,005	\$ 5,258,910	\$ 5,430,779	\$ 5,605,556
Debt Funds	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,348,252
EDA	\$ 163,046	\$ 169,200	\$ 182,303	\$ 189,133	\$ 200,325	\$ 218,354
HRA	\$ 166,373	\$ 171,364	\$ 186,023	\$ 192,993	\$ 200,000	\$ 208,000
Total Tax Levy	\$ 7,281,215	\$ 7,454,030	\$ 7,678,331	\$ 7,841,036	\$ 8,031,104	\$ 8,380,162

Annual Levy Change:

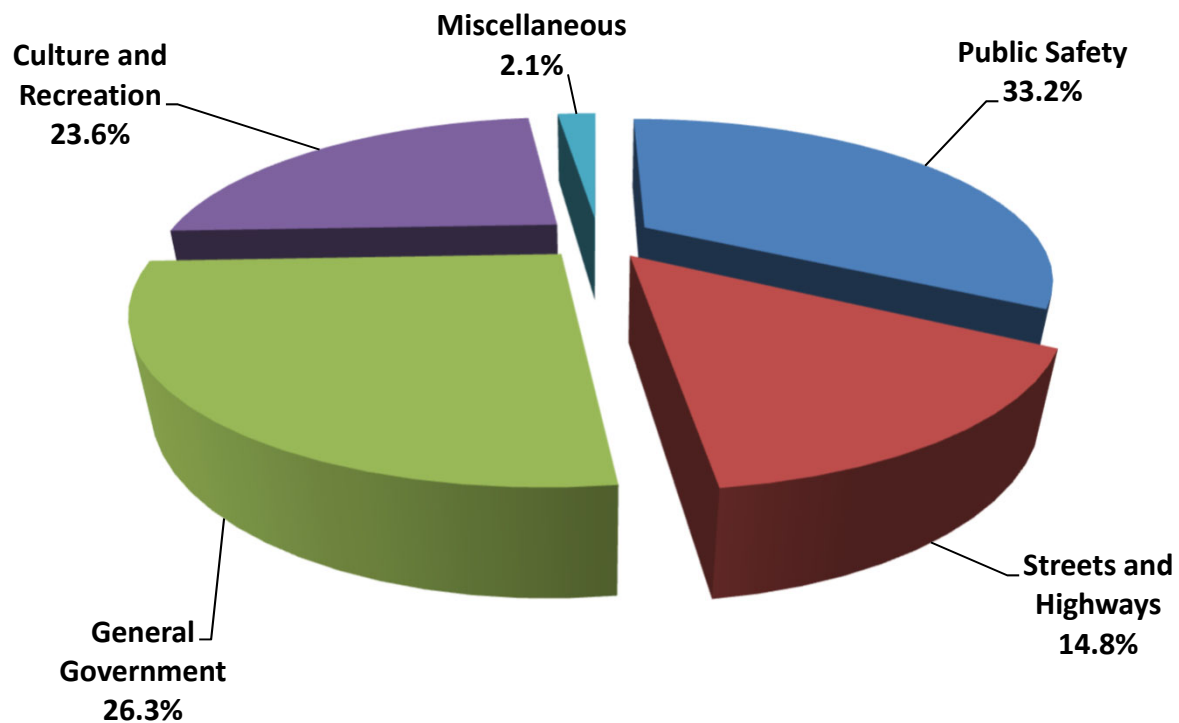
General Fund	4.0%	3.4%	4.0%	2.9%	3.3%	3.2%
Debt Funds	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%
EDA	3.9%	3.8%	7.7%	3.7%	5.9%	9.0%
HRA	3.9%	3.0%	8.6%	3.7%	3.6%	4.0%
Total Tax Levy	2.8%	2.4%	3.0%	2.1%	2.4%	4.3%

EXPENDITURE COMPARISON - GENERAL FUND

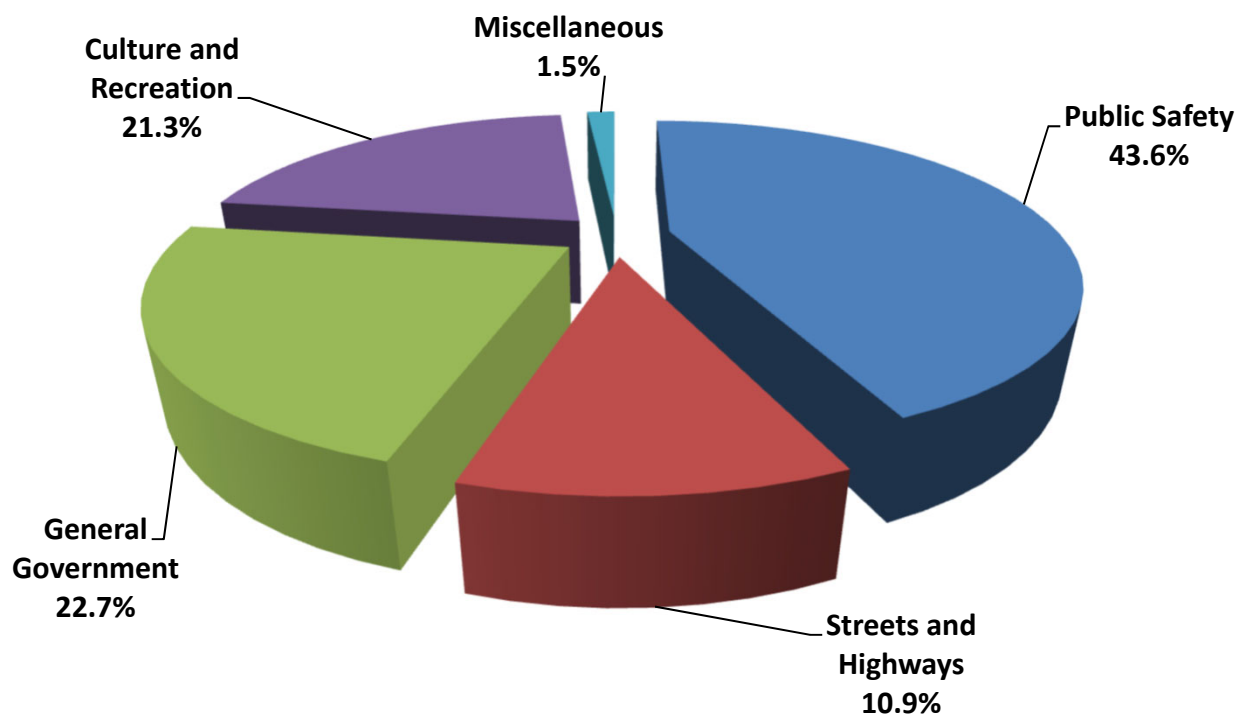
	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2022 Budget	% of Total
Public Safety	\$4,423,780	\$4,453,288	\$4,416,757	\$4,660,916	\$4,632,831	33.2%
Streets & Highways	\$2,013,786	\$2,086,793	\$2,082,877	\$2,054,631	\$2,071,776	14.8%
General Government	\$3,528,200	\$3,232,918	\$3,327,729	\$3,539,198	\$3,673,811	26.3%
Culture & Recreation	\$2,918,427	\$2,895,292	\$2,319,872	\$3,171,536	\$3,294,614	23.6%
Miscellaneous	\$243,704	\$263,566	\$257,647	\$269,861	\$290,961	2.1%
Total Expenditures	<u>\$13,127,898</u>	<u>\$12,931,857</u>	<u>\$12,404,882</u>	<u>\$13,696,142</u>	<u>\$13,963,993</u>	100.0%



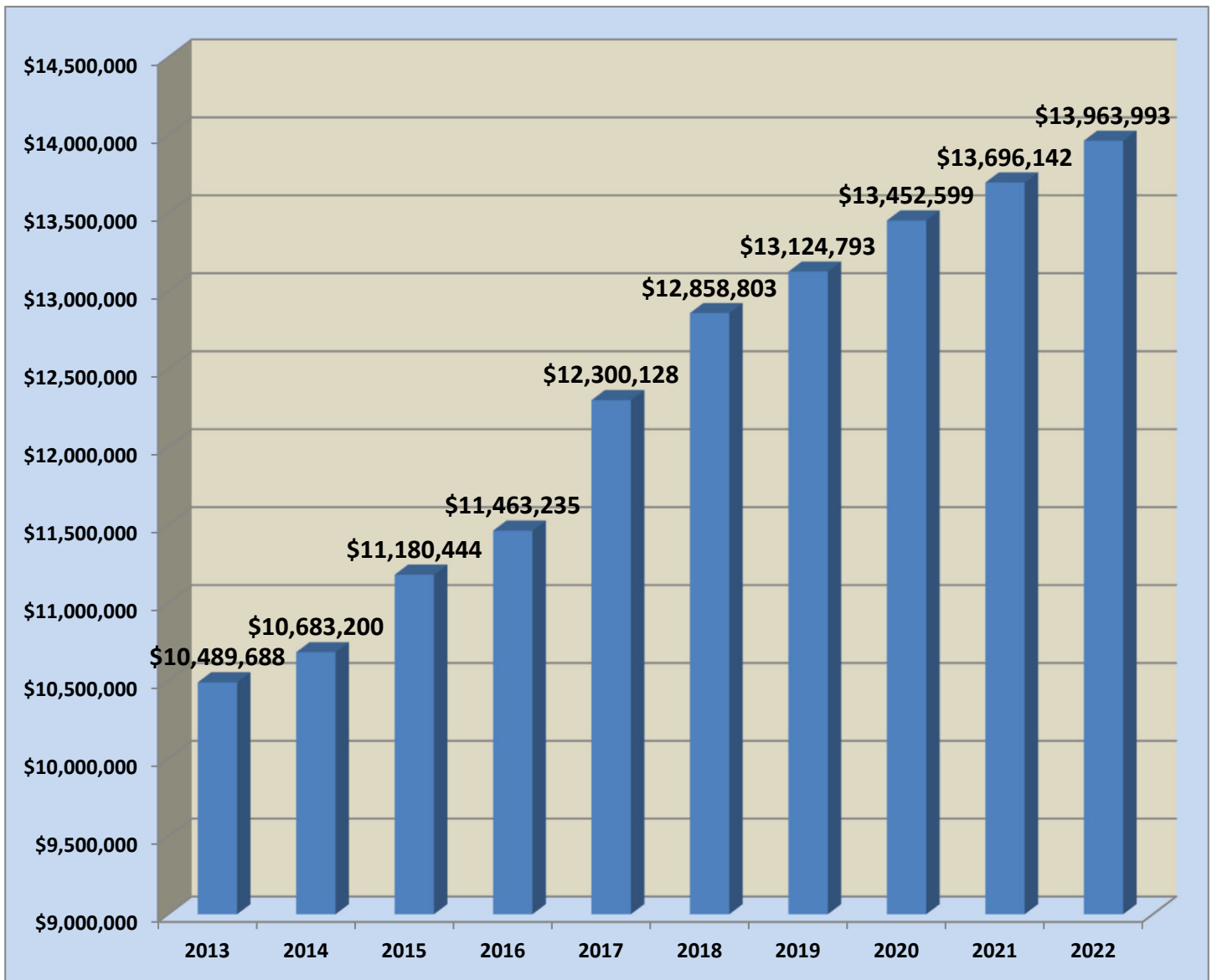
DISTRIBUTION OF 2022 GENERAL FUND BUDGETED EXPENDITURES



DISTRIBUTION OF 2022 GENERAL FUND WAGES & BENEFITS



HISTORICAL GENERAL FUND BUDGET



2014 - First year of the hospital security program. Expenditures offset by revenue received from hospital

2015 - Reorganization upon hiring a new city administrator. The finance director position was added back into the budget after several years of being combined into the city administrator position. Also increased expenses to address the city's ash trees in preparation for the ash borer infestation.

2017 - First year of operations for the new waterpark, with 2017 expenses of \$424,753.

2018 - An additional building inspector was added and the DMV increased hours to deal with the additional duties mandated by the State. Employer paid medical benefits increased 13%.

2020 - An additional parks maintenance employee was added and HR increased hours to deal with additional duties mandated by the Federal government.

GENERAL FUND NET REVENUE / (DEFICIT) BY DEPARTMENT

Department	2021 Budget	2022 Budget	Change
General Revenue [1]	\$ 9,868,293	\$ 10,117,952	\$ 249,659
Mayor & City Council	(50,099)	(50,077)	22
Administration	(438,536)	(449,542)	(11,006)
Elections	-	(18,700)	(18,700)
Finance	(381,419)	(401,870)	(20,451)
Motor Vehicle	59,759	8,840	(50,919)
Assessing	(61,152)	(61,205)	(53)
Legal	(278,617)	(285,434)	(6,817)
Planning	(139,802)	(145,014)	(5,212)
Information Services	(468,051)	(468,698)	(647)
City Hall	(187,879)	(191,649)	(3,770)
Unallocated Expenses	(911,695)	(937,750)	(26,055)
Subtotal - General Government	(2,857,491)	(3,001,099)	(143,608)
Police	(3,170,426)	(3,125,896)	44,530
Hospital Security	207	(26,489)	(26,696)
Emergency Management	(17,280)	(16,980)	300
Safety Committee	(11,210)	(11,370)	(160)
Fire	(346,563)	(388,499)	(41,936)
Protective Services	37,940	82,321	44,381
Subtotal - Public Safety	(3,507,332)	(3,486,913)	20,419
Engineering	-	-	-
Streets & Alleys	(1,550,741)	(1,583,186)	(32,445)
Subtotal - Streets & Highways	(1,550,741)	(1,583,186)	(32,445)
Park - Administration	(245,081)	(184,378)	60,703
Recreation	(98,935)	(99,033)	(98)
Senior Center	(24,215)	(27,296)	(3,081)
Civic Arena	(105,185)	(131,332)	(26,147)
Park Department	(796,819)	(857,254)	(60,435)
Recreation Building	(168,129)	(183,100)	(14,971)
Event Center	(168,109)	(171,357)	(3,248)
Evergreen Building - Senior Dining	(24,592)	(25,242)	(650)
Library	(222,820)	(230,492)	(7,672)
Waterpark	(45,833)	(71,659)	(25,826)
Subtotal - Culture & Recreation	(1,899,718)	(1,981,143)	(81,425)
Cemetery	(38,670)	(46,688)	(8,018)
Airport	(14,341)	(18,923)	(4,582)
Subtotal - Miscellaneous	(53,011)	(65,611)	(12,600)
NET REVENUE / (DEFICIT)	\$ -	\$ -	\$ -

[1] The majority of general fund departments do not have self-supporting revenues and therefore rely on tax revenue and other government aid to fund expenditures.

GENERAL FUND DEPARTMENT SUMMARIES

Department: Mayor & Council

General Government

The Mayor and City Council function as the legislative and policy making board of the City of Hutchinson. The Council adopts the annual budget, levies taxes to finance City services, sets city policies and establishes the overall vision for the City.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Wages & Benefits	\$ 38,864	\$ 36,453	\$ 42,339	\$ 42,317	\$ (22)	-0.1%
Supplies	19	-	100	100	-	0.0%
Services & Charges	4,114	1,158	4,560	4,560	-	0.0%
Miscellaneous Expenses	1,891	3,484	3,100	3,100	-	0.0%
Total	\$ 44,889	\$ 41,095	\$ 50,099	\$ 50,077	\$ (22)	0.0%
Revenue over/(under) Expenditures:	\$ (44,889)	\$ (41,095)	\$ (50,099)	\$ (50,077)	\$ 22	0.0%

Department: Administration

General Government

Implements the directives, resolutions, ordinances and policies of the City Council, provides administrative oversight and guidance to all City departments and provides long-term planning for the City in all areas. In addition, provides administrative support to the City Council and handles all human resource functions as they relate to hiring, benefits, employee training, etc.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 33,075	\$ 33,075	\$ 33,075	\$ 33,075	\$ -	0.0%
Fund Balance	-	-	20,000	-	(20,000)	0.0%
Total	\$ 33,075	\$ 33,075	\$ 53,075	\$ 33,075	\$ (20,000)	-37.7%
Expenditures:						
Wages & Benefits	\$ 391,347	\$ 423,351	\$ 449,241	\$ 460,562	\$ 11,321	2.5%
Supplies	152	287	1,000	1,000	-	0.0%
Services & Charges	27,136	6,598	39,270	18,855	(20,415)	-52.0%
Miscellaneous Expenses	2,068	1,824	2,100	2,200	100	4.8%
Total	\$ 420,703	\$ 432,060	\$ 491,611	\$ 482,617	\$ (8,994)	-1.8%
Revenue over/(under) Expenditures:	\$ (387,628)	\$ (398,985)	\$ (438,536)	\$ (449,542)	\$ (11,006)	2.5%

Department: Elections

General Government

The election department provides resources necessary to administer the election process for the City of Hutchinson. This includes election supplies, staff time to administer the election process and equipment needed to ensure accurate and efficient processing of election ballots and results. The 2022 budget reflects three elections in the year.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ -	\$ 180	\$ -	\$ -	\$ -	0.0%
Miscellaneous Revenues	8,649	8,819	-	-	-	0.0%
Total	\$ 8,649	\$ 8,999	\$ -	\$ -	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 8,153	\$ 24,587	\$ -	\$ 16,000	\$ 16,000	0.0%
Supplies	14,109	1,959	-	2,000	2,000	0.0%
Services & Charges	112	170	-	200	200	0.0%
Miscellaneous Expenses	-	762	-	500	500	0.0%
Total	\$ 22,374	\$ 27,478	\$ -	\$ 18,700	\$ 18,700	0.0%
Revenue over/(under) Expenditures:	\$ (13,725)	\$ (18,479)	\$ -	\$ (18,700)	\$ (18,700)	0.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Finance

General Government

The Finance Department functions as an internal service department for the various other departments within the City of Hutchinson. The department is responsible for all phases of budgetary planning, preparation and monitoring, contract control, the 5-year Capital Improvement Plan, debt financing, payroll, financial reporting, general ledger activity, cash receipting, cash disbursements, fixed assets, independent audit assistance, investment activity and all related accounting services.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 402	\$ 482	\$ 500	\$ 2,300	\$ 1,800	360.0%
Miscellaneous Revenues	371	27	250	-	(250)	0.0%
Total	\$ 773	\$ 509	\$ 750	\$ 2,300	\$ 1,550	206.7%
Expenditures:						
Wages & Benefits	\$ 281,701	\$ 280,741	\$ 302,959	\$ 324,820	\$ 21,861	7.2%
Supplies	10,307	5,215	575	500	(75)	-13.0%
Services & Charges	71,585	69,824	77,085	77,500	415	0.5%
Miscellaneous Expenses	978	1,034	1,550	1,350	(200)	-12.9%
Total	\$ 364,571	\$ 356,813	\$ 382,169	\$ 404,170	\$ 22,001	5.8%
Revenue over/(under) Expenditures:	\$ (363,798)	\$ (356,304)	\$ (381,419)	\$ (401,870)	\$ (20,451)	5.4%

Department: Motor Vehicle

General Government

Citizens are served at the motor vehicle department for all of their registration and transfer needs. This includes: DNR recreational watercraft, ATV and snowmobile registration and licensing. Fish and Game licenses are also electronically produced. In addition, the motor vehicle department assists the State in drivers' license and motor vehicle processing by performing federal background checks.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 305,098	\$ 251,790	\$ 310,500	\$ 304,500	\$ (6,000)	-1.9%
Miscellaneous Revenues	2,609	629	500	500	-	0.0%
Total	\$ 307,706	\$ 252,419	\$ 311,000	\$ 305,000	\$ (6,000)	-1.9%
Expenditures:						
Wages & Benefits	\$ 258,179	\$ 247,961	\$ 233,806	\$ 277,290	\$ 43,484	18.6%
Supplies	1,995	6,112	5,850	5,850	-	0.0%
Services & Charges	7,616	12,745	10,185	11,620	1,435	14.1%
Miscellaneous Expenses	1,031	1,058	1,400	1,400	-	0.0%
Total	\$ 268,820	\$ 267,875	\$ 251,241	\$ 296,160	\$ 44,919	17.9%
Revenue over/(under) Expenditures:	\$ 38,886	\$ (15,456)	\$ 59,759	\$ 8,840	\$ (50,919)	-85.2%

Department: Assessing

General Government

The Assessing Department accounts for the expenditures associated with contracting with McLeod County to provide property valuations for the City of Hutchinson.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Services & Charges	\$ 61,152	\$ 61,184	\$ 61,152	\$ 61,205	\$ 53	0.1%
Total	\$ 61,152	\$ 61,184	\$ 61,152	\$ 61,205	\$ 53	0.1%
Revenue over/(under) Expenditures:	\$ (61,152)	\$ (61,184)	\$ (61,152)	\$ (61,205)	\$ (53)	0.1%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Legal

General Government

The City Attorney serves as the legal counsel to the City of Hutchinson, Hutchinson Utilities Commission and Hutchinson Economic Development Authority.

As part of the prosecuting responsibilities, the City Attorney directs the criminal prosecution activities for petty misdemeanors, misdemeanors and those gross misdemeanors that fall within the jurisdiction of the City. The attorney also prosecutes City ordinance and other code violations.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Miscellaneous Revenues	\$ 627	\$ -	\$ 1,000	\$ 1,000	\$ -	0.0%
Charges for Services	42,000	42,000	42,300	42,300	-	0.0%
Total	\$ 42,627	\$ 42,000	\$ 43,300	\$ 43,300	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 220,469	\$ 224,517	\$ 233,137	\$ 237,404	\$ 4,267	1.8%
Supplies	28,599	15,244	27,400	27,400	-	0.0%
Services & Charges	55,831	43,885	59,380	61,930	2,550	4.3%
Miscellaneous Expenses	904	697	2,000	2,000	-	0.0%
Total	\$ 305,802	\$ 284,342	\$ 321,917	\$ 328,734	\$ 6,817	2.1%
Revenue over/(under) Expenditures:	\$ (263,175)	\$ (242,342)	\$ (278,617)	\$ (285,434)	\$ (6,817)	2.4%

Department: Planning

General Government

The planning and zoning function of the City is enabled by Minnesota State Statutes. The enabling legislation made it possible for cities to provide local regulations that ensured compliance with long range land use plans and specific policies as identified by that location.

The Planning department provides long range planning services and reviews land use plans for consistency with city plans. Demographic information, population growth and projections are monitored and planned for by this department. The Department also drafts policies and revises ordinances to implement the goals of the City Council regarding growth and development practices. The Department works closely with the Engineering, Housing and Redevelopment, and Economic Development departments.

Zoning is the regulation of property to ensure general health, safety, and welfare standards for the community. Staff assists residents and applicants with zoning requests, development requests and flood plain information. Staff coordinates efforts to communicate with the property owner or developer by arranging pre-development meetings to get questions answered at the beginning of the project. Department staff issues and reviews applications for Conditional Use Permits, Variances, Rezoning, Annexations, Lot Splits, Platting and Sign permits.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 24,377	\$ 26,171	\$ 24,500	\$ 25,500	\$ 1,000	4.1%
Total	\$ 24,377	\$ 26,171	\$ 24,500	\$ 25,500	\$ 1,000	4.1%
Expenditures:						
Wages & Benefits	\$ 144,364	\$ 147,109	\$ 153,162	\$ 159,324	\$ 6,162	4.0%
Supplies	297	274	750	750	-	0.0%
Services & Charges	7,179	6,453	9,340	9,340	-	0.0%
Miscellaneous Expenses	857	636	1,050	1,100	50	4.8%
Total	\$ 152,697	\$ 154,471	\$ 164,302	\$ 170,514	\$ 6,212	3.8%
Revenue over/(under) Expenditures:	\$ (128,320)	\$ (128,300)	\$ (139,802)	\$ (145,014)	\$ (5,212)	3.7%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Information Services

General Government

The Information Services department serves all departments within the City of Hutchinson including Hutchinson Utilities Commission. The department provides everything from high-end network support and security, to compliance with law enforcement networks, to basic software end-user training. IT also manages and provides mapping/GIS services for all departments including GPS support and map accuracy maintenance.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 119,852	\$ 119,852	\$ 119,852	\$ 129,437	\$ 9,585	8.0%
Miscellaneous Revenues	2,297	-	-	-	-	0.0%
Total	\$ 122,149	\$ 119,852	\$ 119,852	\$ 129,437	\$ 9,585	8.0%
Expenditures:						
Wages & Benefits	\$ 314,404	\$ 320,017	\$ 322,960	\$ 337,930	\$ 14,970	4.6%
Supplies	35,599	26,033	36,258	38,050	1,792	4.9%
Services & Charges	178,352	226,658	228,585	222,055	(6,530)	-2.9%
Miscellaneous Expenses	78	78	100	100	-	0.0%
Total	\$ 528,433	\$ 572,786	\$ 587,903	\$ 598,135	\$ 10,232	1.7%
Revenue over/(under) Expenditures:	\$ (406,283)	\$ (452,934)	\$ (468,051)	\$ (468,698)	\$ (647)	0.1%

Department: City Hall

General Government

The City Hall budget mainly accounts for the building's operating costs, including utilities, maintenance and janitorial services. The Facility Manager, who is accounted for within this department, provides maintenance oversight to all city facilities, resulting in operational efficiencies and cost-savings.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ -	0.0%
Miscellaneous Revenues	327	962	-	-	-	0.0%
Total	\$ 2,527	\$ 3,162	\$ 2,200	\$ 2,200	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 87,142	\$ 91,548	\$ 95,284	\$ 99,164	\$ 3,880	4.1%
Supplies	9,298	12,672	21,850	20,350	(1,500)	-6.9%
Services & Charges	63,261	65,989	72,295	73,685	1,390	1.9%
Miscellaneous Expenses	98	168	650	650	-	0.0%
Total	\$ 159,799	\$ 170,378	\$ 190,079	\$ 193,849	\$ 3,770	2.0%
Revenue over/(under) Expenditures:	\$ (157,271)	\$ (167,216)	\$ (187,879)	\$ (191,649)	\$ (3,770)	2.0%

Department: Emergency Management

Public Safety

The Emergency Management budget provides resources necessary to buy protective gear and supplies needed to respond to emergency situations. Supplies are inventoried and ready to be utilized in immediate situations when necessary. This department also addresses expenditures in relation to utilizing outside vendors and professional services when needed.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 570	\$ 39	\$ 1,000	\$ 500	\$ (500)	-50.0%
Services & Charges	17,153	11,712	16,280	16,480	200	1.2%
Miscellaneous Expenses	-	632	-	-	-	0.0%
Total	\$ 17,723	\$ 12,383	\$ 17,280	\$ 16,980	\$ (300)	-1.7%
Revenue over/(under) Expenditures:	\$ (17,723)	\$ (12,383)	\$ (17,280)	\$ (16,980)	\$ 300	-1.7%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Police

Public Safety

The Police Department provides protective services to the citizens within the community. This consists of responding to 911 calls, investigating crimes, providing first responder services and the direct administration of those functions.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 4,020	\$ 3,075	\$ 1,950	\$ 2,600	\$ 650	33.3%
Intergovernmental	278,307	283,865	270,585	225,736	(44,849)	-16.6%
Charges for Services	73,236	35,702	79,797	78,297	(1,500)	-1.9%
Fines & Forfeitures	67,225	45,158	55,000	55,000	-	0.0%
Miscellaneous Revenues	18,502	9,027	10,000	10,000	-	0.0%
Fund Balance	-	-	20,000	-	(20,000)	0.0%
Total	\$ 441,289	\$ 376,827	\$ 437,332	\$ 371,633	\$ (65,699)	-15.0%
Expenditures:						
Wages & Benefits	\$ 3,162,468	\$ 3,139,502	\$ 3,283,763	\$ 3,195,059	\$ (88,704)	-2.7%
Supplies	86,908	80,910	99,000	99,500	500	0.5%
Services & Charges	177,639	204,400	197,245	194,170	(3,075)	-1.6%
Miscellaneous Expenses	13,174	4,656	7,750	8,800	1,050	13.5%
Capital Outlay	-	6,458	20,000	-	(20,000)	0.0%
Total	\$ 3,440,189	\$ 3,435,927	\$ 3,607,758	\$ 3,497,529	\$ (110,229)	-3.1%
Revenue over/(under) Expenditures:	\$ (2,998,899)	\$ (3,059,100)	\$ (3,170,426)	\$ (3,125,896)	\$ 44,530	-1.4%

Department: Hospital Security

Public Safety

The Hospital Security budget tracks all expenditures incurred by the City to provide security services to the local hospital, Hutchinson Health. The contract for services includes a reimbursement to the City that can be escalated annually as costs increase. This separate department provides a mechanism to monitor costs and give city leaders the necessary information to support any potential revenue increases needed from the hospital.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 319,228	\$ 319,228	\$ 328,805	\$ 335,190	\$ 6,385	1.9%
Miscellaneous Revenues	-	-	-	-	-	0.0%
Total	\$ 319,228	\$ 319,228	\$ 328,805	\$ 335,190	\$ 6,385	1.9%
Expenditures:						
Wages & Benefits	\$ 300,957	\$ 317,232	\$ 325,598	\$ 358,679	\$ 33,081	10.2%
Supplies	343	742	1,500	1,500	-	0.0%
Services & Charges	1,452	-	1,000	1,500	500	50.0%
Miscellaneous Expenses	-	-	500	-	(500)	0.0%
Total	\$ 302,751	\$ 317,974	\$ 328,598	\$ 361,679	\$ 33,081	10.1%
Revenue over/(under) Expenditures:	\$ 16,477	\$ 1,254	\$ 207	\$ (26,489)	\$ (26,696)	-12896.6%

Department: Safety Committee

Public Safety

The Safety Committee budget addresses consulting costs which provide monthly safety training meetings for the City of Hutchinson employees, including all enterprise funds as well as Hutchinson Utilities employees. Ongoing safety training is an important factor in helping to keep employees and the community safe as well as maintaining a low level of accident claims reported to the City's insurance company. A direct impact of a safe work environment is a stable workers' compensation premium.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 1,147	\$ -	\$ -	\$ -	\$ -	0.0%
Services & Charges	\$ 8,632	\$ 9,037	\$ 9,500	\$ 9,650	\$ 150	1.6%
Miscellaneous Expenses	945	916	1,710	1,720	10	0.6%
Total	\$ 10,724	\$ 9,953	\$ 11,210	\$ 11,370	\$ 160	1.4%
Revenue over/(under) Expenditures:	\$ (10,724)	\$ (9,953)	\$ (11,210)	\$ (11,370)	\$ (160)	1.4%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Fire

Public Safety

The Fire department provides three basic services to the community of Hutchinson, 1) Responding to Calls, 2) Safety & Fire Inspections and 3) Prevention & Education. The latter two areas help to address and minimize potential problems and risks before a response is needed. The Fire department also serves the townships of Acoma, Boon Lake, Cedar Mills, Collins, Ellsworth, Hassan Valley, Hutchinson and Lynn, along with the cities of Biscay and Cedar Mills. The rural entities reimburse the City for a portion of the Fire department's operating expenses within the Rural Fire fund, which is a special revenue fund.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 15,513	\$ 1,572	\$ 5,500	\$ 5,500	\$ -	0.0%
Charges for Services	14,685	11,294	14,947	14,595	(352)	-2.4%
Miscellaneous Revenues	3,164	14,255	2,500	2,500	-	0.0%
Total	\$ 33,362	\$ 27,120	\$ 22,947	\$ 22,595	\$ (352)	-1.5%
Expenditures:						
Wages & Benefits	\$ 234,960	\$ 244,468	\$ 234,760	\$ 257,041	\$ 22,281	9.5%
Supplies	45,103	36,967	51,700	56,200	4,500	8.7%
Services & Charges	67,384	69,177	76,650	93,162	16,512	21.5%
Miscellaneous Expenses	5,230	3,476	6,400	4,691	(1,709)	-26.7%
Total	\$ 352,677	\$ 354,087	\$ 369,510	\$ 411,094	\$ 41,584	11.3%
Revenue over/(under) Expenditures:	\$ (319,315)	\$ (326,966)	\$ (346,563)	\$ (388,499)	\$ (41,936)	12.1%

Department: Protective Inspections

Public Safety

The Protective Inspections department offers services that provide minimum standards to safeguard health, property, and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings within the City. This Department issues permits for Building, Plumbing, Fire suppression, and Mechanical projects. Building Code enforcement is not optional to the City as Minnesota Statutes require the program and there are several areas of responsibility for this program area. The main objective is to provide inspections for construction to ensure compliance with the building code. The rental inspection program is another major function of this department. Each year the department coordinates and conducts inspections on approximately one-third of the city's rental properties, looking for life and safety hazards in addition to code violations. The department also reviews plans, manages phone inquiries, and provides interaction with the public both in the field and in city hall.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 465,282	\$ 448,881	\$ 320,000	\$ 372,000	\$ 52,000	16.3%
Charges for Services	44,780	38,560	44,500	44,500	-	0.0%
Miscellaneous Revenues	828	-	-	-	-	0.0%
Total	\$ 510,890	\$ 487,441	\$ 364,500	\$ 416,500	\$ 52,000	14.3%
Expenditures:						
Wages & Benefits	\$ 308,890	\$ 272,584	\$ 293,045	\$ 307,389	\$ 14,344	4.9%
Supplies	6,129	4,072	6,575	7,425	850	12.9%
Services & Charges	13,945	9,246	26,040	18,465	(7,575)	-29.1%
Miscellaneous Expenses	261	532	900	900	-	0.0%
Total	\$ 329,225	\$ 286,435	\$ 326,560	\$ 334,179	\$ 7,619	2.3%
Revenue over/(under) Expenditures:	\$ 181,665	\$ 201,006	\$ 37,940	\$ 82,321	\$ 44,381	117.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Engineering

Streets & Highways

The Engineering Department provides services to improve, maintain and monitor the City's investment in necessary transportation and utility infrastructure. Specific services delivered by Engineering staff include project planning, design, management and construction inspection, property assessment administration, private development reviews, storm water utility management, and environmental/regulatory activities. Engineering staff also continues to develop and maintain relationships with other City departments, McLeod County, Mn/DOT, local/state legislators and others to encourage partnerships for future projects.

The engineering fees generated to support this department are based on a percentage of the annual roadway and infrastructure improvement costs as set forth in the City's annual fee schedule. The fees are financed by several sources, including municipal state aid, enterprise funds, other city funds, special assessments to property owners and the City's annual general obligation bond issuance.

The 2022 Wages & Benefits decreased by \$25,475 due to a retirement.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 475,710	\$ 488,077	\$ 465,890	\$ 441,310	\$ (24,580)	-5.3%
Total	\$ 475,710	\$ 488,077	\$ 465,890	\$ 441,310	\$ (24,580)	-5.3%
Expenditures:						
Wages & Benefits	\$ 385,914	\$ 412,003	\$ 380,435	\$ 354,960	\$ (25,475)	-6.7%
Supplies	6,740	6,231	8,700	8,700	-	0.0%
Services & Charges	79,894	76,040	72,805	73,800	995	1.4%
Miscellaneous Expenses	2,507	2,719	3,950	3,850	(100)	-2.5%
Total	\$ 475,055	\$ 496,992	\$ 465,890	\$ 441,310	\$ (24,580)	-5.3%
Revenue over/(under) Expenditures:	\$ 655	\$ (8,915)	\$ -	\$ -	\$ -	0.0%

Department: Streets & Alleys

Streets & Highways

Streets & Alleys is responsible for maintaining a network of over 74 miles of City streets that has been growing at around 1.5% over the last two decades, over 6 miles of alleys and 12 municipal parking lots. The department is also responsible for snow removal, bridge maintenance, facility maintenance, forestry services, traffic control, mosquito control, and other municipal services. Staff from Streets & Alleys also assist other departments with equipment operation and a variety of maintenance activities.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 600	\$ 6,360	\$ -	\$ 5,000	\$ 5,000	0.0%
Intergovernmental	30,280	38,867	29,000	31,280	2,280	7.9%
Charges for Services	29,348	5,000	5,000	5,000	-	0.0%
Miscellaneous Revenues	14,910	12,540	4,000	6,000	2,000	50.0%
Transfers-In	73,692	-	-	-	-	0.0%
Total	\$ 148,830	\$ 62,767	\$ 38,000	\$ 47,280	\$ 9,280	24.4%
Expenditures:						
Wages & Benefits	\$ 613,978	\$ 615,062	\$ 650,314	\$ 677,478	\$ 27,164	4.2%
Supplies	262,528	252,479	228,500	243,350	14,850	6.5%
Services & Charges	631,109	602,524	598,377	591,325	(7,052)	-1.2%
Transfers-Out	101,970	105,000	108,150	110,313	2,163	2.0%
Miscellaneous Expenses	2,152	1,820	3,400	3,000	(400)	-11.8%
Capital Outlay	-	9,000	-	5,000	5,000	0.0%
Total	\$ 1,611,737	\$ 1,585,884	\$ 1,588,741	\$ 1,630,466	\$ 41,725	2.6%
Revenue over/(under) Expenditures:	\$ (1,462,908)	\$ (1,523,117)	\$ (1,550,741)	\$ (1,583,186)	\$ (32,445)	2.1%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Park/Recreation Administration

Culture & Recreation

The Administration function serves as the connecting point for the joint powers agreement between the City and ISD #423. The PRCE Director wages and benefits are shared 50/50 with the School District. Cost sharing functions including registration, brochures, technology and postage, which are funded through the administrative budget.
The 2022 Wages & Benefits decreased by \$58,100 due to a retirement.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 77,717	\$ 79,661	\$ 69,685	\$ 61,338	\$ (8,347)	-12.0%
Miscellaneous Revenues	5,023	543	4,000	4,000	-	0.0%
Total	\$ 82,739	\$ 80,204	\$ 73,685	\$ 65,338	\$ (8,347)	-11.3%
Expenditures:						
Wages & Benefits	\$ 216,223	\$ 226,420	\$ 258,216	\$ 200,116	\$ (58,100)	-22.5%
Supplies	1,280	763	1,700	1,700	-	0.0%
Services & Charges	41,759	40,268	57,450	46,500	(10,950)	-19.1%
Miscellaneous Expenses	1,309	1,451	1,400	1,400	-	0.0%
Total	\$ 260,572	\$ 268,902	\$ 318,766	\$ 249,716	\$ (69,050)	-21.7%
Revenue over/(under) Expenditures:	\$ (177,833)	\$ (188,698)	\$ (245,081)	\$ (184,378)	\$ 60,703	-24.8%

Department: Recreation

Culture & Recreation

The Recreation function involves programming specifically designed to serve both youth and adults. A key area of service includes the many tournaments hosted by the department. All of the cooperative programming with youth associations is managed through the recreation services budget.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 139,711	\$ 45,031	\$ 149,500	\$ 167,500	\$ 18,000	12.0%
Miscellaneous Revenues	19,133	14,330	12,000	12,000	-	0.0%
Total	\$ 158,844	\$ 59,361	\$ 161,500	\$ 179,500	\$ 18,000	11.1%
Expenditures:						
Wages & Benefits	\$ 152,035	\$ 147,624	\$ 173,735	\$ 177,833	\$ 4,098	2.4%
Supplies	42,359	16,825	47,500	49,500	2,000	4.2%
Services & Charges	35,048	19,149	38,400	50,400	12,000	31.3%
Miscellaneous Expenses	605	610	800	800	-	0.0%
Total	\$ 230,046	\$ 184,208	\$ 260,435	\$ 278,533	\$ 18,098	6.9%
Revenue over/(under) Expenditures:	\$ (71,202)	\$ (124,847)	\$ (98,935)	\$ (99,033)	\$ (98)	0.1%

Department: Senior Citizen Center

Culture & Recreation

The Senior Citizen Center budget provides operating funds to serve senior and adaptive recreational programs, using the Hutchinson Event Center as its home. Both programs provide social, recreational and educational opportunities for program users. Direct costs for programs are funded primarily through user fees.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 57,690	\$ 10,246	\$ 63,500	\$ 63,500	\$ -	0.0%
Miscellaneous Revenues	7,584	4,994	6,000	6,000	-	0.0%
Total	\$ 65,274	\$ 15,239	\$ 69,500	\$ 69,500	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 37,075	\$ 36,557	\$ 42,865	\$ 45,171	\$ 2,306	5.4%
Supplies	1,786	1,466	6,250	6,250	-	0.0%
Services & Charges	49,148	9,674	44,600	45,375	775	1.7%
Total	\$ 88,009	\$ 47,697	\$ 93,715	\$ 96,796	\$ 3,081	3.3%
Revenue over/(under) Expenditures:	\$ (22,735)	\$ (32,457)	\$ (24,215)	\$ (27,296)	\$ (3,081)	12.7%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Civic Arena

Culture & Recreation

The Burich Arena, which consists of two rinks, is home to all ice related activities and some dry-floor activities. Hutchinson youth hockey and figure skating make up the bulk of the facility's usage. The ice season runs from the beginning of October until March. In the summer, one rink typically has ice for a three to five week period. Artificial turf is installed in the east rink at the end of the hockey season allowing for additional programs such as soccer, lacrosse and baseball activities.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 281,240	\$ 212,126	\$ 268,000	\$ 280,000	\$ 12,000	4.5%
Miscellaneous Revenues	7,200	-	-	-	-	0.0%
Total	\$ 288,440	\$ 212,126	\$ 268,000	\$ 280,000	\$ 12,000	4.5%
Expenditures:						
Wages & Benefits	\$ 173,551	\$ 145,241	\$ 170,233	\$ 185,942	\$ 15,709	9.2%
Supplies	32,412	21,902	32,452	44,390	11,938	36.8%
Services & Charges	159,637	130,919	169,000	179,500	10,500	6.2%
Miscellaneous Expenses	1,770	1,887	1,500	1,500	-	0.0%
Total	\$ 367,371	\$ 299,949	\$ 373,185	\$ 411,332	\$ 38,147	10.2%
Revenue over/(under) Expenditures:	\$ (78,931)	\$ (87,823)	\$ (105,185)	\$ (131,332)	\$ (26,147)	24.9%

Department: Park Department

Culture & Recreation

The Parks Department manages 37 parks covering over 400 acres of open space, including a municipal campground. The department maintains 22 multi-use fields serving football, softball, baseball, soccer and lacrosse. Joint maintenance agreements between ISD #423 and Hutchinson Public Utilities are managed through this budget function.

The large increase in Wages & Benefits is due to hourly rate increases for the many summer seasonal employees needed to properly maintain the City's parklands.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 79,696	\$ 64,066	\$ 92,000	\$ 102,000	\$ 10,000	10.9%
Miscellaneous Revenues	119,534	119,300	106,000	113,500	7,500	7.1%
Total	\$ 199,230	\$ 183,366	\$ 198,000	\$ 215,500	\$ 17,500	8.8%
Expenditures:						
Wages & Benefits	\$ 587,305	\$ 560,524	\$ 678,569	\$ 741,704	\$ 63,135	9.3%
Supplies	153,705	147,186	171,350	182,850	11,500	6.7%
Services & Charges	151,513	133,675	144,200	147,500	3,300	2.3%
Miscellaneous Expenses	790	597	700	700	-	0.0%
Capital Outlay	8,200	9,000	-	-	-	0.0%
Total	\$ 901,513	\$ 850,983	\$ 994,819	\$ 1,072,754	\$ 77,935	7.8%
Revenue over/(under) Expenditures:	\$ (702,283)	\$ (667,617)	\$ (796,819)	\$ (857,254)	\$ (60,435)	7.6%

Department: Recreation Building

Culture & Recreation

Adult and youth volleyball and basketball are two of the building's primary uses. The building is host to several weekend tournaments, bringing thousands of people into Hutchinson each year. In addition, indoor playground and open gym time is provided on a regular basis.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 79,774	\$ 21,254	\$ 80,000	\$ 82,500	\$ 2,500	3.1%
Miscellaneous Revenues	-	875	-	-	-	0.0%
Total	\$ 79,774	\$ 22,129	\$ 80,000	\$ 82,500	\$ 2,500	3.1%
Expenditures:						
Wages & Benefits	\$ 173,439	\$ 141,006	\$ 186,532	\$ 203,600	\$ 17,068	9.2%
Supplies	15,738	10,471	14,997	15,200	203	1.4%
Services & Charges	44,152	25,587	45,600	45,800	200	0.4%
Miscellaneous Expenses	645	450	1,000	1,000	-	0.0%
Total	\$ 233,975	\$ 177,513	\$ 248,129	\$ 265,600	\$ 17,471	7.0%
Revenue over/(under) Expenditures:	\$ (154,200)	\$ (155,384)	\$ (168,129)	\$ (183,100)	\$ (14,971)	8.9%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Event Center

Culture & Recreation

The Hutchinson Event Center is a community owned facility for multi-purpose functions, including weddings, business meetings, trade shows, banquets and other large gatherings. The Hutchinson Seniors and Adaptive Recreation participants are anchor programs. The facility is also host to other city department functions.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 102,352	\$ 35,297	\$ 105,000	\$ 90,000	\$ (15,000)	-14.3%
Miscellaneous Revenues	-	-	-	-	-	0.0%
Total	\$ 102,352	\$ 35,297	\$ 105,000	\$ 90,000	\$ (15,000)	-14.3%
Expenditures:						
Wages & Benefits	\$ 179,472	\$ 158,985	\$ 190,284	\$ 179,732	\$ (10,552)	-5.5%
Supplies	6,885	4,531	9,575	9,575	-	0.0%
Services & Charges	60,643	63,422	73,050	71,850	(1,200)	-1.6%
Miscellaneous Expenses	165	160	200	200	-	0.0%
Total	\$ 247,165	\$ 227,098	\$ 273,109	\$ 261,357	\$ (11,752)	-4.3%
Revenue over/(under) Expenditures:	\$ (144,814)	\$ (191,802)	\$ (168,109)	\$ (171,357)	\$ (3,248)	1.9%

Department: Evergreen Building

Culture & Recreation

Department staff provides maintenance, custodial and repair services for the Evergreen Senior Dining Center located in the lower level of Evergreen Senior Apartments at 115 Jefferson Street E. The Center distributes daily meals for the regional senior nutrition program and is also available to rent for special events and meetings. City staff manages the building lease for the senior dining program, the budget for operations of the space, building improvements and repairs and provides limited grounds maintenance.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 1,500	\$ -	\$ -	\$ -	\$ -	0.0%
Charges for Services	5,602	6,133	6,133	6,133	-	0.0%
Miscellaneous Revenues	52	42	-	-	-	0.0%
Total	\$ 7,154	\$ 6,175	\$ 6,133	\$ 6,133	\$ -	0.0%
Expenditures:						
Supplies	\$ 3,328	\$ 548	\$ 5,050	\$ 5,200	\$ 150	3.0%
Services & Charges	24,257	15,992	25,675	26,175	500	1.9%
Total	\$ 27,585	\$ 16,540	\$ 30,725	\$ 31,375	\$ 650	2.1%
Revenue over/(under) Expenditures:	\$ (20,431)	\$ (10,365)	\$ (24,592)	\$ (25,242)	\$ (650)	2.6%

Department: Library

Culture & Recreation

The Hutchinson Public Library makes the world of knowledge and ideas accessible to the community by providing resources for the residents' educational, informational, cultural and recreational needs. A collection of over 50,000 books, magazines, audiobooks and videos are maintained to meet the needs of patrons, from toddlers to senior citizens. The Pioneerland Library System On-line catalog, available 24/7, provides further access to books in libraries in a 4-state area. Computers offering free internet access as well as wireless service are available to patrons at the library. Children programming offers a wealth of opportunities for new readers to develop their reading skills as they develop a lifelong love of reading.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 3,491	\$ 2,375	\$ 3,300	\$ 3,300	\$ -	0.0%
Services & Charges	215,759	206,261	219,420	227,092	7,672	3.5%
Miscellaneous Expenses	35	-	100	100	-	0.0%
Total	\$ 219,285	\$ 208,636	\$ 222,820	\$ 230,492	\$ 7,672	3.4%
Revenue over/(under) Expenditures:	\$ (219,285)	\$ (208,636)	\$ (222,820)	\$ (230,492)	\$ (7,672)	3.4%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Waterpark	Culture & Recreation
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The waterpark, which opened in May 2017, features tube and body slides, a lazy river, splash pad, zip line, lap pool, climbing wall, a renovated bathhouse and a concession area. The facility is available for morning lap swim and lazy river walk and can also be rented for special events. The facility was closed in 2020 due to the COVID-19 pandemic.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 277,126	\$ -	\$ 310,000	\$ 325,000	\$ 15,000	4.8%
Miscellaneous Revenues	1,017	1,000	-	-	-	0.0%
Total	\$ 278,143	\$ 1,000	\$ 310,000	\$ 325,000	\$ 15,000	4.8%
Expenditures:						
Wages & Benefits	\$ 217,447	\$ 23,766	\$ 240,515	\$ 275,459	\$ 34,944	14.5%
Supplies	59,262	204	73,190	75,750	2,560	3.5%
Services & Charges	42,180	13,134	41,078	44,400	3,322	8.1%
Miscellaneous Expenses	880	1,242	1,050	1,050	-	0.0%
Total	\$ 319,770	\$ 38,346	\$ 355,833	\$ 396,659	\$ 40,826	11.5%
Revenue over/(under) Expenditures:	\$ (41,627)	\$ (37,346)	\$ (45,833)	\$ (71,659)	\$ (25,826)	56.3%

Department: Cemetery	Miscellaneous
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Oakland Cemetery was established in 1857 upon the death of a four-year old boy. Legend has it that the mother of the boy would not allow him to be buried out on the prairie where his grave may be disturbed. Oakland Cemetery continues to demand the highest standards in maintenance and development. It is the Cemetery's goal to provide a quiet and beautiful cemetery that protects the community's heritage while being respectful of those buried there and their families.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 100,164	\$ 83,980	\$ 99,650	\$ 99,150	\$ (500)	-0.5%
Total	\$ 100,164	\$ 83,980	\$ 99,650	\$ 99,150	\$ (500)	-0.5%
Expenditures:						
Wages & Benefits	\$ 78,669	\$ 88,674	\$ 89,285	\$ 95,303	\$ 6,018	6.7%
Supplies	18,747	14,245	16,775	17,375	600	3.6%
Services & Charges	32,425	35,247	32,060	32,935	875	2.7%
Miscellaneous Expenses	381	885	200	225	25	12.5%
Capital Outlay	9,366	-	-	-	-	0.0%
Total	\$ 139,589	\$ 139,051	\$ 138,320	\$ 145,838	\$ 7,518	5.4%
Revenue over/(under) Expenditures:	\$ (39,425)	\$ (55,071)	\$ (38,670)	\$ (46,688)	\$ (8,018)	20.7%

Department: Airport	Miscellaneous
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Hutchinson Municipal Airport (known as Butler Field) is located on the south side of the City along State Highway 15, just south of Airport Road. The airport is named after Ken Butler, an area aviation pioneer and Minnesota Aviation Hall of Fame inductee. Services are provided by ASI Jet, who provides aircraft fuel, maintenance and other aviation services.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 26,727	\$ 47,390	\$ 26,200	\$ 26,200	\$ -	0.0%
Charges for Services	73,347	89,307	86,000	94,000	8,000	9.3%
Miscellaneous Revenues	8,395	6,100	5,000	6,000	1,000	20.0%
Total	\$ 108,469	\$ 142,796	\$ 117,200	\$ 126,200	\$ 9,000	7.7%
Expenditures:						
Wages & Benefits	\$ 38,978	\$ 28,935	\$ 32,516	\$ 46,473	\$ 13,957	42.9%
Supplies	18,291	12,003	9,725	10,250	525	5.4%
Services & Charges	53,885	63,096	67,750	69,400	1,650	2.4%
Miscellaneous Expenses	12,823	14,561	21,550	19,000	(2,550)	-11.8%
Total	\$ 123,977	\$ 118,596	\$ 131,541	\$ 145,123	\$ 13,582	10.3%
Revenue over/(under) Expenditures:	\$ (15,509)	\$ 24,201	\$ (14,341)	\$ (18,923)	\$ (4,582)	32.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: General Revenue

General Government

The General Revenue department accounts for revenue that is not directly related to the operations of a specific general fund department. The largest revenue source in this department is the general fund tax levy which increased 3.2% for 2022 operations. Other revenue includes the Local Government Aid (LGA), transfers from Enterprise Funds and the PILOT payment from Hutchinson Utilities.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Taxes	\$ 5,114,081	\$ 5,267,063	\$ 5,442,779	\$ 5,617,556	\$ 174,777	3.2%
Other Taxes	299,388	279,336	305,000	320,000	15,000	4.9%
Licenses & Permits	35,321	27,281	33,850	38,500	4,650	13.7%
Intergovernmental	1,118,580	1,268,859	1,268,473	1,334,205	65,732	5.2%
Charges for Services	15,147	20,050	10,000	12,500	2,500	25.0%
Miscellaneous Revenues	240,175	190,018	85,000	85,000	-	0.0%
Transfers-In	2,423,424	2,666,192	2,723,191	2,710,191	(13,000)	-0.5%
Total	\$ 9,246,117	\$ 9,718,800	\$ 9,868,293	\$ 10,117,952	\$ 249,659	2.5%
Revenue over/(under) Expenditures:	\$ 9,246,117	\$ 9,718,800	\$ 9,868,293	\$ 10,117,952	\$ 249,659	2.5%

Department: Unallocated General Expense

General Government

The Unallocated General Expense department accounts for expenditures that are not directly related to the operations of a specific general fund department. The majority of expenditures are comprised of General Liability Insurance premiums, annual funding of the Equipment Replacement Fund for general fund vehicles and equipment, the contributions to the Fire Relief Association pension fund, the Lodging Tax reimbursement to the Hutchinson Convention & Visitor Bureau and the Cable TV Franchise Tax reimbursement to HCVN to fund operations of the local cable TV programming.

Miscellaneous Expenses for the 2022 budget, includes a \$30,000 tax abatement payment. Uponor is a manufacturing company that received public financing assistance to purchase and operate a 235,000 square foot vacant building within the city. Also included in the 2022 Miscellaneous Expenses is a \$25,000 increase to the City's vehicle and equipment replacement fund. Our vehicle funding has been insufficient over the past several years and that issue has been compounded in the past year with significant inflationary increases to prices.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 111,163	\$ 117,030	\$ 117,030	\$ 121,900	\$ 4,870	4.2%
Miscellaneous Revenues	8,728	20,567	10,000	10,000	-	0.0%
Transfers-In	-	-	-	-	-	0.0%
Total	\$ 119,891	\$ 137,597	\$ 127,030	\$ 131,900	\$ 4,870	3.8%
Expenditures:						
Wages & Benefits	\$ 184,237	\$ 182,266	\$ 182,225	\$ 186,900	\$ 4,675	2.6%
Supplies	-	144	-	-	-	0.0%
Services & Charges	194,180	229,354	237,250	230,000	(7,250)	-3.1%
Miscellaneous Expenses	525,262	547,483	619,250	652,750	33,500	5.4%
Total	\$ 903,678	\$ 959,247	\$ 1,038,725	\$ 1,069,650	\$ 30,925	3.0%
Revenue over/(under) Expenditures:	\$ (783,788)	\$ (821,650)	\$ (911,695)	\$ (937,750)	\$ (26,055)	2.9%

General Fund - Five Year Forecast

During the annual budget process, city staff and council review a five-year forecast of general fund operations. The forecast is useful for discussions and planning of future tax levies, aligning charges for services with the cost of providing those services, determining the appropriate level or use of fund balance, and for other planning purposes. It's important to understand that the financial forecast is based on detailed assumptions made at a certain point in time and that actual results will vary.

The current five-year forecast indicates that tax levy increases of 5.0% to 5.5% may be needed to balance expenditures in future years. The City can mitigate those levy increases with increases to other revenue sources and/or by holding expenditure increases where possible. Employee health benefits continue to be an annual challenge within the budget as it can fluctuate from no increase to a double-digit increase in the matter of one year. The forecast includes an annual increase assumption of 7.5%.

Fund balance serves as an indicator of the City's financial health. The Minnesota State Auditor recommends that cities maintain a fund balance of 35% to 50%, and city policy requires a minimum of 40%. The forecast below shows that the City should be able to maintain a very healthy fund balance over the next five years, above the state auditor's recommendation. This provides flexibility to utilize fund balance for public emergencies, temporary budgetary needs or for other one-time needs.

	Budget 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027
<u>REVENUES:</u>						
Taxes	\$ 5,617,556	\$ 5,938,289	\$ 6,311,688	\$ 6,636,004	\$ 7,012,418	\$ 7,340,892
Other Taxes	320,000	323,200	326,432	329,696	332,993	336,323
Licenses & Permits	443,600	418,600	393,600	393,600	393,600	393,600
Intergovernmental Revenue	1,744,821	1,744,821	1,744,821	1,744,821	1,744,821	1,744,821
Charges for Services	2,816,325	2,855,401	2,895,933	2,937,455	2,980,013	3,023,641
Fines & Forfeitures	55,000	55,000	55,000	55,000	55,000	55,000
Miscellaneous Revenues	256,500	259,470	262,498	265,588	268,739	271,953
Transfers-In	2,710,191	2,724,535	2,762,626	2,801,479	2,841,109	2,881,531
Fund Balance	-	-	-	-	-	-
TOTAL REVENUES	\$ 13,963,993	\$ 14,319,316	\$ 14,752,598	\$ 15,163,643	\$ 15,628,693	\$ 16,047,761
<u>EXPENDITURES</u>						
Wages & Benefits	\$ 9,443,650	\$ 9,746,122	\$ 10,094,942	\$ 10,425,993	\$ 10,804,576	\$ 11,166,668
Supplies	934,515	943,168	955,962	964,861	977,949	987,091
Services & Charges	2,756,429	2,768,673	2,807,224	2,846,053	2,885,985	2,926,219
Miscellaneous Expenses	714,086	742,731	772,439	801,194	831,025	834,900
Transfers-Out	110,313	113,622	117,031	120,542	124,158	127,883
Capital Outlay	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	\$ 13,963,993	\$ 14,319,316	\$ 14,752,598	\$ 15,163,643	\$ 15,628,693	\$ 16,047,761
NET REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Estimated Tax Levy % Increase	3.2%	5.9%	6.3%	5.1%	5.7%	4.7%
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Estimated Prior Year Fund Balance	8,350,000	8,559,000	8,773,800	8,995,100	9,222,600	9,457,000
Expected Surplus/(Deficit)	209,000	214,800	221,300	227,500	234,400	240,700
Estimated Fund Balance	8,559,000	8,773,800	8,995,100	9,222,600	9,457,000	9,697,700
Fund Balance %	59.8%	59.5%	59.3%	59.0%	58.9%	59.0%
<i>City Policy: 40% Minimum</i>	5,727,726	5,901,039	6,065,457	6,251,477	6,419,104	6,579,582
<i>Excess Over 40% Minimum</i>	2,831,274	2,872,761	2,929,643	2,971,123	3,037,896	3,118,118



2022 Annual Budget

Enterprise Funds

Enterprise Funds - 2022 Budget Summary

Enterprise funds are used to account for those government operations that are financed and operated in a manner similar to private business. The funds are self-supported by customer fees for product or services. The fees shall be determined at a level that fully covers the total direct and indirect costs, including operating expenses, capital expenditures and debt service payments.

The City has the following Enterprise funds:

- **Liquor fund** - accounts for the operations of the City's retail liquor store.
- **Compost fund** - accounts for the operations of the City's compost facility.
- **Refuse fund** - accounts for the operations of the City's residential refuse disposal.
- **Water fund** - accounts for the operations of the City-owned water system.
- **Wastewater fund** - accounts for the operations of the City-owned wastewater system.
- **Storm Water fund** - accounts for the operations of the City's storm water system.
- **Hutchinson Utilities Commission** - accounts for the operations of the City's electric and gas systems.
HUC is governed by a separate board of commissioners and is budgeted separately from the City's other funds.

Enterprise funds are maintained on the accrual basis. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the period in which the liability is incurred.

Activity for the Debt Service principal payments and Capital Outlay are budgeted as expenditures simply for a cash flow presentation. In reality, those two items are recorded in the balance sheet as a reduction to the bond payable and as an increase to fixed assets.

	Total	Liquor	Compost	Refuse	Water	Wastewater	Storm Water
REVENUES:							
Sales Revenue	18,057,550	7,424,000	2,706,000	1,311,800	2,264,950	3,314,300	1,036,500
Local Sales Tax	1,624,000	-	-	-	812,000	812,000	-
Licenses & Permits	11,300	-	-	-	-	6,500	4,800
Intergovernmental Revenue	12,500	-	-	12,500	-	-	-
Charges for Services	166,185	-	87,000	-	71,685	7,500	-
Miscellaneous Revenue	196,350	3,000	32,000	15,000	42,000	90,000	14,350
TOTAL REVENUES	20,067,885	7,427,000	2,825,000	1,339,300	3,190,635	4,230,300	1,055,650
EXPENDITURES:							
Wages & Benefits	3,526,297	812,108	808,198	259,732	579,241	776,934	290,084
Supplies	675,975	21,100	129,000	59,900	168,150	246,500	51,325
Services & Charges	2,927,650	285,550	304,850	848,350	507,750	769,000	212,150
Miscellaneous Expenses	90,200	6,700	11,000	1,000	13,500	40,000	18,000
Depreciation Expense	3,085,700	70,700	278,000	169,000	1,132,000	1,182,000	254,000
Debt Service	3,287,141	-	73,808	-	1,465,433	1,526,311	221,589
Transfers-Out	875,000	550,000	120,000	55,000	70,000	80,000	-
Capital Outlay	4,172,950	15,000	221,000	1,207,500	998,450	984,400	746,600
Cost of Sales	6,790,500	5,666,000	1,124,500	-	-	-	-
TOTAL EXPENDITURES	25,431,413	7,427,158	3,070,356	2,600,482	4,934,524	5,605,145	1,793,748
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(5,363,528)	(158)	(245,356)	(1,261,182)	(1,743,889)	(1,374,845)	(738,098)

Liquor Fund

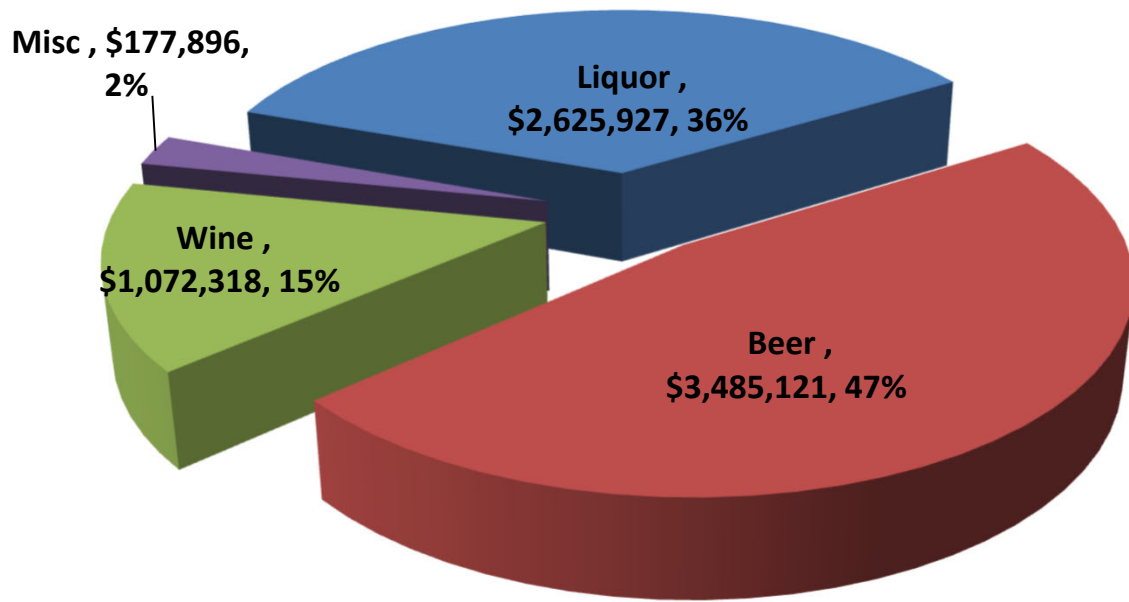
The Liquor Fund functions as a control mechanism for the sale of alcohol within the community and as a revenue source for the City of Hutchinson's General fund. While all alcohol sellers should practice responsible sales, such as not selling to minors or intoxicated individuals, the Liquor Hutch takes these responsibilities further by aggressively training employees to prevent underage access to alcohol and working closely with law enforcement to reflect community values. In addition, profits generated by the Liquor store are used to support many essential city functions.

Budgetary Highlights for 2022

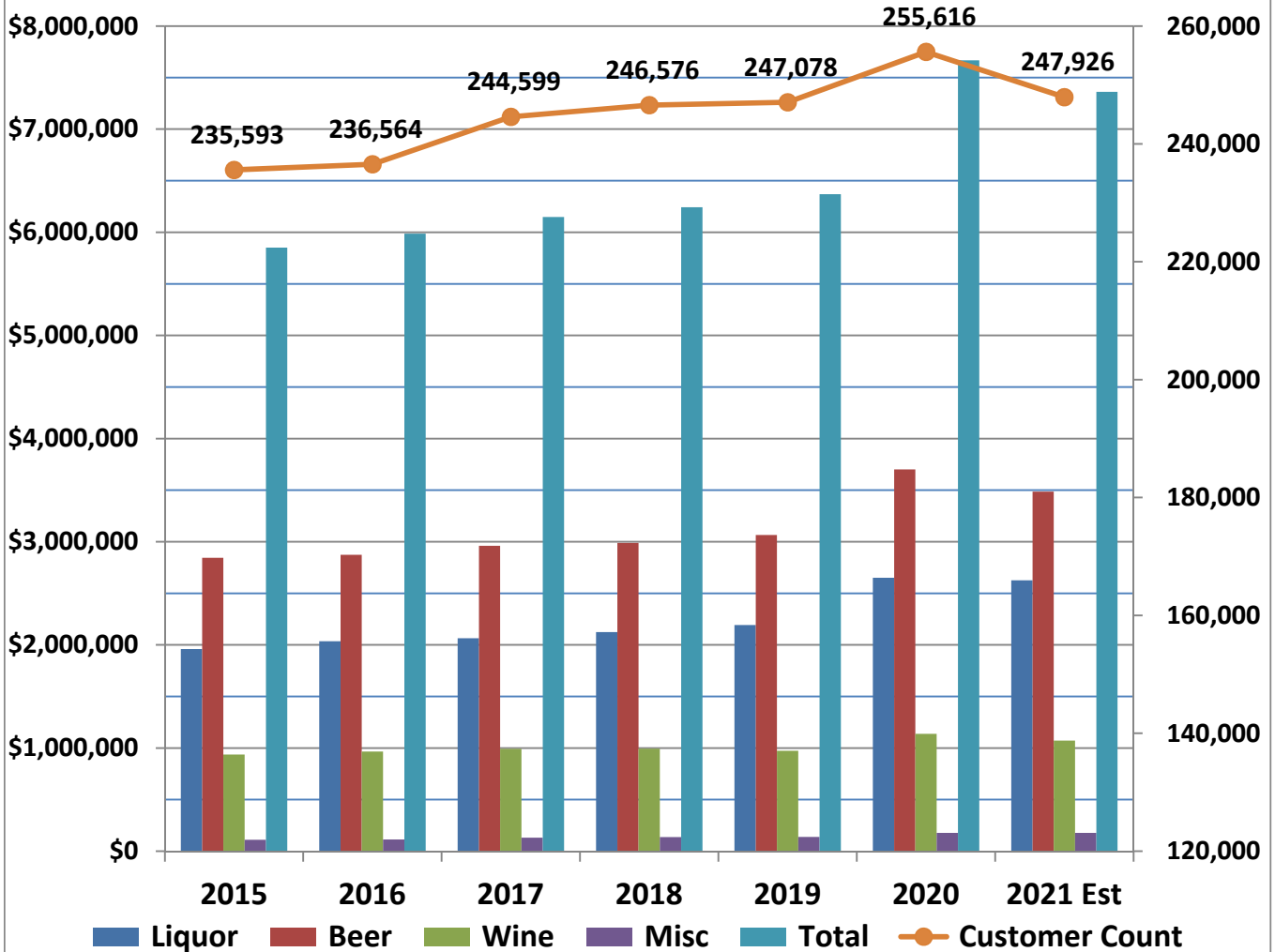
- The Liquor fund had record sales revenue in 2020 due to the COVID-19 pandemic. We cautiously budgeted the 2021 sales based on a pre-pandemic "normal" year but continued to see higher than normal sales; down about 4% from 2020. This led us to be more aggressive with the 2022 budgeted sale revenue, which is projected to increase 9% over the 2021 budgeted amount and a 1% over our 2021 forecasted sales revenue.
- Cost of Sales is the largest expenditure and is based on the level of sales revenue, factoring in a budgeted gross margin of 23.7% for 2022.
- The Transfer-Out expenditure is the Liquor fund's transfer of excess profits to the General fund. The 2022 General fund tax levy is 10% lower because of the Liquor store's profits.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Sales - Liquor	2,192,137	2,650,150	2,348,000	2,652,000	304,000	12.9%
Sales - Beer	3,065,322	3,701,735	3,283,000	3,520,000	237,000	7.2%
Sales - Wine	973,796	1,137,685	1,033,000	1,072,000	39,000	3.8%
Sales - Other	138,121	177,025	145,000	180,000	35,000	24.1%
Total Sales	6,369,376	7,666,596	6,809,000	7,424,000	615,000	9.0%
Miscellaneous Revenue	3,133	3,351	2,500	3,000	500	20.0%
TOTAL REVENUES	6,372,509	7,669,947	6,811,500	7,427,000	615,500	9.0%
EXPENDITURES:						
Cost of Sales	4,813,307	5,849,740	5,159,602	5,666,000	506,398	9.8%
Wages & Benefits	655,122	711,882	757,179	812,108	54,929	7.3%
Supplies	20,763	17,483	22,600	21,100	(1,500)	-6.6%
Services & Charges	239,015	274,594	259,365	285,550	26,185	10.1%
Miscellaneous Expenses	6,209	5,836	6,700	6,700	-	0.0%
Depreciation Expense	82,633	80,937	77,000	70,700	(6,300)	-8.2%
Capital Outlay	-	-	15,000	15,000	-	0.0%
Debt Service	9,825	4,792	-	-	-	0.0%
Transfers-Out	500,000	500,000	550,000	550,000	-	0.0%
TOTAL EXPENDITURES	6,326,874	7,445,262	6,847,446	7,427,158	579,712	8.5%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	45,635	224,685	(35,946)	(158)	35,788	

2021 Forecasted Liquor Sales by Category



Liquor Sales compared to Customer Count



Compost Fund

Creekside provides citizens a drop-off site for recyclable and reusable waste materials such as logs, brush, concrete, blacktop and organic yard waste at no charge. Fees may apply to commercial customers. With these materials, Creekside produces, markets, and distributes quality bulk and bagged compost as well as a variety of bulk and bagged colored mulches to local customers and to distributors with a current sales territory of 13 states from the Midwest to the Intermountain West. Creekside also supplies horticultural materials, along with aggregates, to various City departmental projects at reduced cost.

Budgetary Highlights for 2022

- The 2022 production model assumes an 8.4% increase in the sale of bagged product and a 150.4% increase in the sale of bulk product. The main reason for the substantial bulk sales increase is the fact that Creekside's bitcon inventory was depleted throughout 2021 but has been restored for 2022. Bitcon is a crushed aggregate of asphalt and concrete that is in high demand by local construction and roadway improvement contractors. Creekside contracts for the crushing when the volume of asphalt/concrete is large enough to provide a finished product at a reasonable price point.
- The largest expense driver is Cost of Sales. This includes the costs involved in creating compost, buying other materials required in our bagged product and the inventory supplies used in the bagging process.
- Capital Outlay for 2022 consists of bituminous improvements (\$75,000), a used semi-tractor (\$75,000), loading dock improvements (\$20,000) and bagging line improvements (\$51,000).
- Debt Service of \$73,808 is the annual principal and interest for the compost turner with a finance term of 2019-2025. Prior financing for a wood grinder expired in 2021, resulting in the decreased debt expenditure for the 2022 budget.
- The Transfer-Out expenditure is the Compost fund's transfer of excess profits to the General fund. The transfer amount was increased \$10,000 for 2022 due to the healthy performance of this fund.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Sales - Bagged Product	1,743,895	2,348,938	1,939,000	2,101,500	162,500	8.4%
Sales - Bulk Product	383,369	401,197	140,000	350,500	210,500	150.4%
Sales - Other	192,260	272,596	210,000	254,000	44,000	21.0%
Total Sales	2,319,524	3,022,730	2,289,000	2,706,000	417,000	18.2%
Charges for Services	100,855	86,324	70,000	87,000	17,000	24.3%
Miscellaneous Revenue	167,776	131,988	32,000	32,000	-	0.0%
TOTAL REVENUES	2,588,155	3,241,042	2,391,000	2,825,000	434,000	18.2%
					434,000	
EXPENDITURES:						
Cost of Sales	1,572,982	2,009,465	1,582,500	1,837,000	254,500	16.1%
Inventory Cost Adjustment	(623,510)	(732,076)	(674,000)	(712,500)	(38,500)	5.7%
Wages & Benefits	701,324	737,874	798,104	808,198	10,094	1.3%
Supplies	120,423	124,261	123,500	129,000	5,500	4.5%
Services & Charges	299,027	290,078	259,000	304,850	45,850	17.7%
Miscellaneous Expenses	12,970	13,124	11,000	11,000	-	0.0%
Depreciation Expense	226,622	263,490	282,500	278,000	(4,500)	-1.6%
Capital Outlay	-	-	376,500	221,000	(155,500)	-41.3%
Debt Service	13,910	14,411	161,642	73,808	(87,834)	-54.3%
Transfers-Out	110,000	110,000	110,000	120,000	10,000	9.1%
TOTAL EXPENDITURES	2,433,748	2,830,627	3,030,746	3,070,356	39,610	1.3%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	154,407	410,415	(639,746)	(245,356)	394,390	

Refuse Fund

The City of Hutchinson, through the Refuse fund, charges local residents a monthly garbage fee for the disposal of waste material and source-separated compostable material. Both materials are collected by a third-party refuse hauler who is contracted by the City for residential services only. The waste material is disposed at a local landfill at the expense of the Refuse fund based on a cost per ton contract rate. The source-separated material is composted into a soil product which is marketed and sold by Creekside. The garbage fees charged to residents are used to pay the contracted hauling service, landfill disposal charges and expenditures for the source-separated operations, including building improvements and capital equipment purchases. The City handles all customer service duties related to the residential refuse service.

Budgetary Highlights for 2022

- The 2022 budget assumes that refuse rates do not increase. The last increase was in 2008 (6%).
- The biodegradable-bag program where residents can receive free bio-bags for their composting needs is helping to divert waste from the landfill. The annual cost of the bio-bags is \$26,500 with some minor staff time involved in administering the program.
- The refuse hauling contract is the largest expenditure in this fund and is budgeted at \$586,500 for 2022. The contract rate is adjusted every six months for any increase in the Consumer Price Index, capped at 2% for each adjustment. West Central Sanitation is the current residential refuse hauler with a contract through September 30, 2025.
- The cost to dispose of an estimated 2,761 tons of waste material at the local landfill is budgeted for 2022 at \$175,000. This includes the weekly residential refuse material in addition to the hard goods pick up which is done twice per year.
- Capital Outlay for 2022 includes \$837,500 to upgrade the current SSOM composting system and equipment. This was planned in 2021 but was ultimately delayed due to MPCA permitting delays. Other capital costs include a new wheel loader (\$190,000), a new roll-off truck chassis (\$130,000) and bituminous improvements (\$50,000).
- The Transfer-Out of \$55,000 to the Tree Disease Mitigation fund serves as the funding source for the City's efforts in dealing with diseased trees. City Council approved annual funding of \$55,000, starting in 2010, mainly in anticipation of the Emerald Ash Borer and the impact it would have on the City's ash tree population. The plan has since been revised to address all tree diseases.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Refuse Sales	1,237,112	1,258,988	1,269,600	1,311,800	42,200	3.3%
Intergovernmental Revenue	12,959	12,827	12,500	12,500	-	0.0%
Miscellaneous Revenue	72,900	46,606	20,000	15,000	(5,000)	-25.0%
TOTAL REVENUES	1,322,971	1,318,422	1,302,100	1,339,300	37,200	2.9%
EXPENDITURES:						
Wages & Benefits	186,576	203,005	225,933	259,732	33,799	15.0%
Supplies	47,219	52,538	64,400	59,900	(4,500)	-7.0%
Services & Charges	791,930	796,800	817,220	848,350	31,130	3.8%
Miscellaneous Expenses	840	19,079	1,000	1,000	-	0.0%
Depreciation Expense	132,576	135,386	162,000	169,000	7,000	4.3%
Capital Outlay	-	-	865,500	1,207,500	342,000	39.5%
Transfers-Out	55,000	55,000	55,000	55,000	-	0.0%
TOTAL EXPENDITURES	1,214,141	1,261,808	2,191,053	2,600,482	409,429	18.7%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	108,830	56,613	(888,953)	(1,261,182)	(372,229)	

Water Fund

The City of Hutchinson utilizes five wells, drawing groundwater from the Quaternary Buried Artesian aquifer, to annually provide over 500 million gallons of safe drinking water to the community. The City's water treatment combines biological filtration and reverse osmosis technologies. The City's water distribution consists of a 1.5 million gallon water reservoir, three 500,000 gallon water towers, over 4,800 water meters with automated meter reading transmitters, more than 70 miles of water mains and over 900 fire hydrants for community fire protection.

Budgetary Highlights for 2022

- Local Sales Tax collected during the COVID-19 pandemic has been very strong and continues to increase throughout 2021. As a result, we increased the 2022 budgeted revenue moderately. The local sales tax revenue is dedicated to the retirement of outstanding debt and is split 50/50 with the Wastewater fund.
- The 2022 budget assumes no increase in water rates. The last rate increase was in 2011 (5%).
- Capital Outlay for 2022 includes \$400,000 for a large-scale water meter replacement project. This is the first of a three-year project with similar expenditure amounts each year. Water tower rehabilitation is also planned at a cost of \$200,000. The remaining expenditures are for roadway infrastructure improvements and other water plant improvements as detailed on the 5-year Capital Improvement Plan.
- The budgeted Transfer-Out expenditure of \$70,000 is the Water fund's transfer to the General fund.

The transfers-out for the years with Actual results include amounts transferred to the City's Construction fund to finance the Water system infrastructure installed during the annual street improvement process. These transfers are budgeted as Capital Outlay.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Local Sales Tax	768,922	785,989	737,000	812,000	75,000	10.2%
Water Sales	2,347,413	2,515,481	2,264,950	2,264,950	-	0.0%
Charges for Services	55,850	62,918	65,700	71,685	5,985	9.1%
Miscellaneous Revenue	163,485	114,004	47,000	42,000	(5,000)	-10.6%
Fund Balance	711,418	720,174	-	-	-	0.0%
TOTAL REVENUES	4,047,088	4,198,567	3,114,650	3,190,635	75,985	2.4%
EXPENDITURES:						
Wages & Benefits	514,533	508,632	546,882	579,241	32,359	5.9%
Supplies	150,203	149,729	140,150	168,150	28,000	20.0%
Services & Charges	556,713	556,132	500,950	507,750	6,800	1.4%
Miscellaneous Expenses	8,278	9,051	15,000	13,500	(1,500)	-10.0%
Depreciation Expense	1,078,696	1,115,771	1,160,000	1,132,000	(28,000)	-2.4%
Debt Service	314,227	222,064	1,465,215	1,465,433	218	0.0%
Capital Outlay	-	-	865,219	998,450	133,231	15.4%
Transfers-Out	432,750	263,442	70,000	70,000	-	0.0%
TOTAL EXPENDITURES	3,055,400	2,824,821	4,763,416	4,934,524	171,108	3.6%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	991,688	1,373,746	(1,648,766)	(1,743,889)	(95,123)	

Wastewater Fund

The Wastewater Department is responsible for processing the City's wastewater and discharging clean water into the environment. The Facility is designed to treat an average wet weather flow of 5.43 MGD and an average dry weather flow of 3.67 MGD. There are 13 lift stations and over 95 miles of gravity sanitary sewer lines throughout the city. The treatment facility has several features which allow it to meet the City's specific needs for variable flow and operational flexibility. Biological and Membrane Bioreactor (MRB) processes are used to remove impurities from the wastewater and achieve a level of treatment well above that which is mandated by the Minnesota Pollution Control Agency (MPCA).

Budgetary Highlights for 2022

- Local Sales Tax collected during the COVID-19 pandemic has been very strong and continues to increase throughout 2021. As a result, we increased the 2022 budgeted revenue moderately. The local sales tax revenue is dedicated to the retirement of outstanding debt and is split 50/50 with the Water fund.
- The 2022 budget assumes no increase in wastewater rates. The last rate increase was in 2011 (5%).
- The 2022 budget assumes a moderate decrease in sales revenues attributed to reduced flow from industrial customers.
- Capital Outlay for 2022 includes \$509,400 for improvements to the east ditch. Also included is \$250,000 for improvements to one lift station and a lift station building. The remaining expenditures are for roadway infrastructure improvements and other wastewater plant improvements as detailed on the 5-year Capital Improvement Plan.
- The budgeted Transfer-Out expenditure of \$80,000 is the Wastewater fund's transfer to the General fund.

The transfers-out for the years with Actual results include amounts transferred to the City's Construction fund to finance the Wastewater system infrastructure installed during the annual street improvement process. These transfers are budgeted as Capital Outlay.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Local Sales Tax	768,922	785,989	737,000	812,000	75,000	10.2%
Wastewater Sales	3,342,103	3,275,182	3,350,150	3,314,300	(35,850)	-1.1%
Licenses & Permits	6,500	6,000	6,500	6,500	-	0.0%
Charges for Services	5,030	7,225	7,500	7,500	-	0.0%
Miscellaneous Revenue	283,143	227,539	97,500	90,000	(7,500)	-7.7%
Fund Balance	307,968	239,247	-	-	-	0.0%
TOTAL REVENUES	4,713,666	4,541,181	4,198,650	4,230,300	31,650	0.8%
EXPENDITURES:						
Wages & Benefits	693,772	720,438	752,715	776,934	24,219	3.2%
Supplies	219,334	189,615	225,000	246,500	21,500	9.6%
Services & Charges	834,436	614,598	762,200	769,000	6,800	0.9%
Miscellaneous Expenses	32,857	29,987	40,000	40,000	-	0.0%
Depreciation Expense	1,053,799	1,080,629	1,125,000	1,182,000	57,000	5.1%
Debt Service	241,833	175,609	1,389,965	1,526,311	136,346	9.8%
Capital Outlay	-	-	2,358,219	984,400	(1,373,819)	-58.3%
Transfers-Out	96,132	248,248	80,000	80,000	-	0.0%
TOTAL EXPENDITURES	3,172,163	3,059,125	6,733,099	5,605,145	(1,127,954)	-16.8%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	1,541,503	1,482,057	(2,534,449)	(1,374,845)	1,159,604	

Storm Water Fund

The Storm Water fund is a dedicated source of funding used to manage the City's storm water system. As a result of development, there are fewer places for storm water to seep naturally into the ground. Rooftops, driveways, parking lots and streets generate runoff, which makes its way to lakes and streams while picking up pollutants along the way. Regulations exist to protect water quality and quantity. Management of regulations, street sweeping, maintenance of existing systems, removing sediment and attention to localized drainage problems are made possible by Storm Water revenue. It continues to be the City's practice to use roughly half of the storm water revenues to address capital projects and half for on-going maintenance costs.

Budgetary Highlights for 2022

- The 2022 budget includes a 3.0% increase in storm water utility rates.
- The City's leaf vacuuming program is accounted for in this fund. Annual expenses for the program include tractor rentals, fuel, equipment repairs and maintenance, and employee wages and benefits. Capital investment in the vacuum trailers is also funded by storm water funds.
- Street sweeping is another main operation funded by storm water utility fees, reducing the amount of sediment and debris going into the storm water system. Annual expenses include fuel, repairs and maintenance on the street sweeper and employee wages and benefits.
- The majority of Capital Outlay is related to the completion of the Linden Park retention pond. The pond was constructed in 2018/19 and the neighboring streets on the west side will be connected in 2022. Once complete, the pond will alleviate severe drainage issues in the south-central portion of the city. Smaller improvements to other storm water ponds are also budgeted, as detailed on the 5-year Capital Improvement Plan.
- The transfers-out for the years with Actual results include amounts transferred to the City's Construction fund to finance the Storm Water system infrastructure installed during the annual street improvement process. These transfers are budgeted as Capital Outlay.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Storm Water Sales	945,616	970,795	1,003,500	1,036,500	33,000	3.3%
Licenses & Permits	5,255	6,625	4,800	4,800	-	0.0%
Miscellaneous Revenue	73,715	38,494	15,350	14,350	(1,000)	-6.5%
Fund Balance	635,372	746,898	-	-	-	0.0%
TOTAL REVENUES	1,659,958	1,762,812	1,023,650	1,055,650	32,000	3.1%
EXPENDITURES:						
Wages & Benefits	235,916	250,061	276,724	290,084	13,360	4.8%
Supplies	45,064	50,611	35,425	51,325	15,900	44.9%
Services & Charges	155,193	238,024	196,350	212,150	15,800	8.0%
Miscellaneous Expenses	22,296	8,362	18,000	18,000	-	0.0%
Depreciation Expense	177,785	213,436	240,000	254,000	14,000	5.8%
Debt Service	57,152	54,355	225,789	221,589	(4,200)	-1.9%
Capital Outlay	-	-	739,000	746,600	7,600	1.0%
Transfers-Out	635,117	521,195	-	-	-	0.0%
TOTAL EXPENDITURES	1,328,523	1,336,043	1,731,288	1,793,748	62,460	3.6%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	331,435	426,769	(707,638)	(738,098)	(30,460)	



2022 Annual Budget

Other Governmental Funds

Other Governmental Funds - 2022 Budget Summary

Governmental Funds include the General fund, Debt Service funds, and Capital Project funds. All governmental funds are maintained on a modified accrual basis with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Capital Improvement Projects funds account for the acquisition or construction of major capital projects other than those financed by proprietary fund activities. The City has the following Capital Improvement Project funds:

- **Capital Projects fund** - accounts for improvements to General fund facilities, miscellaneous city infrastructure and other projects that do not have other funding sources.
- **Community Improvement fund** - accounts for projects of a "community" nature in addition to public arts projects.
- **Equipment Replacement fund** - accounts for vehicle/equipment acquisitions and dispositions for the general fund.
- **Construction fund** - accounts for the annual roadway and infrastructure improvement projects.

Debt Service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The debt generally finances improvements to the City's streets, alleys, parking lots, bridges, trails and other public infrastructure.

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes other than debt service and capital projects. The City has the following Special Revenue funds:

- **Public Sites fund** - accounts for improvements to City parks and parkland equipment.
- **Tree Disease Mitigation fund** - accounts for operations related to treating or removing diseased trees.
- **Rural Fire fund** - accounts for the City's operating costs attributed to rural fire calls and allocated to the participating rural towns and townships.
- **H.A.T.S. Facility fund** - accounts for the operations of the transportation maintenance facility that operates under a joint powers agreement between the State, McLeod County and City.

	Total	Capital Improv Projects	Debt Service	Public Sites	Tree Disease Mitigation	Rural Fire	HATS Facility
REVENUES:							
Property Taxes	2,358,252	10,000	2,348,252	-	-	-	-
Special Assessments	219,470	20,000	199,470	-	-	-	-
Intergovernmental Revenue	2,015,457	1,684,205	-	-	-	135,000	196,252
Charges for Services	405,580	80,000	-	10,000	-	-	315,580
Miscellaneous Revenue	554,250	460,000	50,000	5,000	5,000	250	34,000
Transfers-In	1,565,313	1,300,000	100,000	-	55,000	-	110,313
Bond Proceeds	6,800,000	6,800,000	-	-	-	-	-
TOTAL REVENUES	13,918,322	10,354,205	2,697,722	15,000	60,000	135,250	656,145
EXPENDITURES:							
Wages & Benefits	142,789	-	-	-	3,000	95,531	44,258
Supplies	422,259	11,000	-	5,000	5,000	21,834	379,425
Services & Charges	1,193,458	975,000	-	2,000	35,000	15,633	165,825
Miscellaneous Expenses	29,618	18,000	-	4,000	-	2,068	5,550
Debt Service	2,196,503	55,550	2,140,953	-	-	-	-
Bond Issuance Costs	150,000	150,000	-	-	-	-	-
Transfers-Out	1,105,000	1,105,000	-	-	-	-	-
Capital Outlay	13,171,641	13,110,554	-	-	-	-	61,087
TOTAL EXPENDITURES	18,411,268	15,425,104	2,140,953	11,000	43,000	135,066	656,145
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(4,492,946)	(5,070,899)	556,769	4,000	17,000	184	-

Capital Projects Fund

The Capital Projects fund accounts mainly for improvements to General Fund facilities, miscellaneous city infrastructure (trails, bridges, retaining walls, street light poles, alleys, etc) and other projects as approved by city council. Planning expenses related to potential improvement projects and the City's comprehensive plan are also accounted for in this fund. The funding sources include Local Government Aid (LGA), transfers-in from other funds, grants and a portion of the annual bond proceeds.

The Facilities Plan, which addresses General fund facility improvements, is a major component within this fund. The plan annually assigns \$700,000 of LGA for facility improvements needs and \$50,000 for playground equipment replacements. Another \$400,000 of LGA is annually assigned for miscellaneous infrastructure maintenance and street preservation efforts.

Budgetary Highlights for 2022

- Tax revenue is related to excess Tax Increment Financing (TIF) dollars. Per State Statute, excess TIF dollars generated by a TIF district can be used for any general city purpose.
- Intergovernmental revenues includes 50% of the LGA dollars received from the State, with the other 50% being used for General fund operations. Total LGA for 2022 was certified at \$2,668,410, or a \$22,013 increase from 2021.
- Charges for Services includes bond proceeds dedicated to updating the City's comprehensive plan and to fund other plans or studies authorized by city council or the city administrator.
- Services & Charges includes \$400,000 for maintenance to city infrastructure, such as roadways, alleys, trails and retaining walls. Another \$25,000 is anticipated for various planning and studies.
- Debt Service in past years consisted of an annual \$30,000 payment to the McLeod Rail Authority as part of the City's lease agreement for use of certain parkland along the rail corridor. The final lease payment was in 2020.
- The 2022 Capital Outlay includes \$1,600,000 for roof and HVAC replacements in the east ice rink at the Civic Arena.
See the City's 5-year Capital Plan for a full listing of planned improvements.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	10,083	6,388	10,000	10,000	-	0.0%
Intergovernmental Revenue	1,354,561	1,354,396	1,377,924	1,334,205	(43,719)	-3.2%
Charges for Services	79,092	90,662	70,000	80,000	10,000	14.3%
Miscellaneous Revenue	197,405	79,828	20,000	30,000	10,000	50.0%
Transfers-In	-	-	-	-	-	0.0%
TOTAL REVENUES	1,641,140	1,531,274	1,477,924	1,454,205	(23,719)	-1.6%
EXPENDITURES:						
Supplies	44,124	207,330	10,000	10,000	-	0.0%
Services & Charges	390,657	426,154	425,000	425,000	-	0.0%
Debt Service	30,000	30,000	-	-	-	0.0%
Transfers-Out	5,000	1,814	5,000	5,000	-	0.0%
Capital Outlay	1,054,129	1,175,823	775,000	1,715,000	940,000	121.3%
TOTAL EXPENDITURES	1,523,910	1,841,122	1,215,000	2,155,000	940,000	77.4%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	117,231	(309,848)	262,924	(700,795)	(963,719)	

Equipment Replacement Fund

The Equipment Replacement fund accounts for the acquisitions and dispositions of General fund fleet and equipment. The Fleet Committee meets a few times each year to review departmental requests, prioritize needs and plan for future purchases. The Fleet Committee is charged with extending the useful lives on equipment, reviewing the utilization of existing equipment to justify the need, promoting partnerships to share equipment with other departments and exploring energy-efficient options where practical.

Budgetary Highlights for 2022

- The main funding source for General fund fleet and equipment is an annual payment from the General fund. The payment for 2022 is budgeted at \$350,000, which is an increase of \$25,000 to address the current shortfall in our replacement funding.
- Property taxes were levied within this fund to repay the debt service on the 2016 G.O. bonds that were issued to replace several pieces of heavy equipment, such as snow plows and wheel loaders. The debt term ends in February 2022 with the 2021 tax levy used to make the final payment. Property tax revenue is therefore eliminated within this fund for 2022.
- Miscellaneous Revenue includes the proceeds from disposition of General fund fleet and equipment, in addition to interest earnings.
- The 2022 capital outlay consists of replacing the following equipment:

Building Inspections - 1/2 ton pickup truck	\$23,718
Engineering - SUV	\$29,500
Parks - Administrative hybrid car	\$30,000
Parks - Skid steer loader	\$55,200
Police - Squad Car	\$51,000
Cemetery - Grasshopper mower 27hp	\$12,700
Public Works - 1-ton truck with dump box	\$46,200
Public Works - Used Tandem-axle dump truck	\$64,700
Public Works - Snow Plow Truck	\$235,000
Total	\$548,018
- Miscellaneous Expenses include costs to dispose of vehicles and equipment.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	336,420	167,160	58,905	-	(58,905)	0.0%
Equipment Funding	275,000	275,000	325,000	350,000	25,000	7.7%
Miscellaneous Revenue	163,038	171,764	30,000	30,000	-	0.0%
TOTAL REVENUES	774,458	613,924	413,905	380,000	(33,905)	-8.2%
EXPENDITURES:						
Capital Outlay	300,332	636,053	500,400	548,100	47,700	9.5%
Debt Service	335,941	314,717	157,650	55,550	(102,100)	-64.8%
Miscellaneous Expenses	2,985	75,850	3,000	3,000	-	0.0%
TOTAL EXPENDITURES	639,258	1,026,619	661,050	606,650	(54,400)	-8.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	135,200	(412,695)	(247,145)	(226,650)	20,495	

Debt service requirements to maturity for existing bond issue:

Year	Interest	Principal	Total	Remaining Debt
2022	550	55,000	55,550	-

Community Improvement Fund

The Community Improvement fund mainly accounts for special projects of a "community" nature that may be approved by city council from time to time. The funding sources consist mainly of retired Debt Service funds, grants and donations from private entities.

Support of public arts is a function of this fund. City council renewed its commitment to the local Center for the Arts at \$15,000 annually over the three years of 2021 through 2023.

In 2018, the City received a \$6.2M buyout from the local hospital, which represented the present value of the remaining 20 years of a 30-year lease agreement between the two parties. The buyout was triggered by the hospital joining the Health Partners network. The City Council committed \$3,000,000 of those buyout funds to the construction of a new police facility project. The Council also committed \$500,000 for future costs related to a lakes and river basin restoration project. The remaining buyout funds have been assigned within the Community Improvement fund for future projects that City Council may approve.

Budgetary Highlights for 2022

- Special Assessment revenue is from the payment of delinquent special assessments related to retired debt service funds that have been closed into the Community Improvement fund.
- Miscellaneous Revenues consist mainly of interest income earned on cash and investments, and donations from other entities. Interest income is expected to decrease significantly as the \$3,000,000 commitment to the Police Facility is transferred out of this fund.
- There is no Transfer-In revenue for 2022 as the next debt service fund closure will not occur until 2023.
- The Capital Outlay for 2022 includes monies for three potential projects; \$500,000 for a new splash pad, \$37,454 for improvements to Fireman's Park and \$10,000 for a wayfinding, interpretive signage project.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Special Assessments	19,892	7,218	20,000	20,000	-	0.0%
Miscellaneous Revenue	172,266	111,360	50,000	50,000	-	0.0%
Transfers-In	-	10,000	100,000	-	(100,000)	0.0%
TOTAL REVENUES	192,158	128,578	170,000	70,000	(100,000)	-58.8%
EXPENDITURES:						
Supplies	3,943	757	-	1,000	1,000	0.0%
Services & Charges	62,653	110,815	50,000	50,000	-	0.0%
Miscellaneous Expenses	15,000	329,485	15,000	15,000	-	0.0%
Transfers-Out	-	908,253	2,000,000	1,000,000	(1,000,000)	-50.0%
Capital Outlay	24,570	-	90,000	547,454	457,454	508.3%
TOTAL EXPENDITURES	106,166	1,349,311	2,155,000	1,613,454	(541,546)	-25.1%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	85,992	(1,220,733)	(1,985,000)	(1,543,454)	441,546	

Construction Fund

The Construction fund accounts for the costs related to the annual street and infrastructure improvements projects. The annual project list is recommended by the Resource Allocation Committee each year and approved by city council. The main funding sources include general obligation special assessment bond proceeds (debt), state and federal aid, grants and transfers-in from Water, Sewer, Storm Water and other funds.

Special assessment dollars are only recognized in this fund when substantial assessments are agreed to be prepaid entirely upfront by the property owner and therefore not financed through the bonding process. Otherwise special assessment dollars are accounted for in the Debt Service funds as a source of revenue for the annual debt service payments.

Budgetary Highlights for 2022

- The City's planned project for 2022 is to finalize the South-Central drainage project. The Linden Park retention pond was built in 2018 to alleviate the substantial flooding issues in that area of the city. The 2022 project will connect the streets on the west side of the pond to the system, in addition to improvements to those roadways. The streets on the east side of the pond were connected to the new system in 2020.
- Intergovernmental revenue is for Federal Aid, Municipal State Aid and other grants expected to be utilized on the year's projects.
- Transfers-In relate to the anticipated contributions from the Water, Sewer and Storm Water funds towards the utility infrastructure installed during the projects that service those funds operations.
- Services and Charges consist of the fees to engineer and administer the construction projects.
- Transfers-Out represent the fund balance being closed into the Debt Service fund. This typically occurs one year later when all projects have been finalized.
- Capital outlay consists of the actual improvement costs for the approved projects.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Bond Proceeds	2,810,979	2,409,686	2,500,000	2,300,000	(200,000)	-8.0%
Special Assessments	-	60,000	-	-	-	0.0%
Intergovernmental Revenue	3,283,385	100,445	-	350,000	350,000	0.0%
Miscellaneous Revenue	1,908	-	-	-	-	0.0%
Transfers-In	1,043,999	912,885	500,000	300,000	(200,000)	-40.0%
TOTAL REVENUES	7,140,271	3,483,017	3,000,000	2,950,000	(50,000)	-1.7%
EXPENDITURES:						
Services & Charges	-	4,752	550,000	500,000	(50,000)	-9.1%
Transfers-Out	74,121	-	100,000	100,000	-	0.0%
Capital Outlay	6,904,666	3,671,164	2,290,000	2,300,000	10,000	0.4%
Bond Issuance Costs	54,307	45,400	60,000	50,000	(10,000)	-16.7%
TOTAL EXPENDITURES	7,033,094	3,721,316	3,000,000	2,950,000	(50,000)	-1.7%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	107,177	(238,299)	-	-	-	

Police Facility Construction Fund

This Construction fund was created in 2019 to track the sources and uses of funds related to the new police facility. The City began discussions in 2018 regarding the need for a new facility and a property search was started in 2019. A vacant grocery building was purchased in April 2020, directly adjacent to the city-owned liquor store on Washington Avenue. Design work for the new facility started in 2019 with a final design approved in early 2021. The old grocery building was demolished in the fall of 2021 with construction of the new facility commencing shortly thereafter. Occupancy of the new facility will likely be in late 2022 or early 2023.

The cost of the new facility is estimated at approximately \$14,000,000, which includes land acquisition and preliminary costs. The majority of the costs will be financed by General Obligation Capital Improvement Plan bonds issued in 2021 and 2022. City reserves will also be used as approved by the city council.

Budgetary Highlights for 2022

- Bond proceeds for 2022 includes the estimated amount needed to complete the project.
- Transfers-In represents reserves committed within the Community Improvement fund to be applied towards the new facility.
- Capital Outlay for 2022 is an estimate based on project completion through December 31, 2021.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Bond Proceeds	-	-	9,250,000	4,500,000	(4,750,000)	-51.4%
Transfers-In	-	908,253	2,000,000	1,000,000	(1,000,000)	-50.0%
TOTAL REVENUES	-	908,253	11,250,000	5,500,000	(5,750,000)	-51.1%
EXPENDITURES:						
Capital Outlay	49,116	816,327	5,500,000	8,000,000	2,500,000	45.5%
Bond Issuance Costs	-	-	237,000	100,000	(137,000)	-57.8%
Miscellaneous Expenses	-	41,749	-	-	-	0.0%
TOTAL EXPENDITURES	49,116	858,075	5,737,000	8,100,000	2,363,000	41.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(49,116)	50,178	5,513,000	(2,600,000)	(8,113,000)	

Debt Fund

The Debt Service fund is a mechanism to account for the debt service payments related to the City's General Obligation bonds. Each year the City issues bonds to finance roadway and infrastructure improvements. These bonds are repaid by special assessments levied on benefitting properties and by the City's debt tax levy. The City issued G.O. Capital Improvement Plan bonds in 2021, and will again in 2022, to finance the new police facility. These bonds will be repaid entirely by the City's debt levy, which increased significantly in 2022 due to the new police facility debt. The City did take action to mitigate the increase by using cash reserves to retire existing debt issued in 2009 through 2013, with interest rates at more than twice the amount as the rates on the 2021 debt for the police facility. Nearly half of the \$3,000,000 of reserves that were set aside in the Community Improvement fund for the police facility were used for the early debt retirement.

When a Construction fund has fully accounted for its improvement project costs, the remaining cash balance is transferred into the Debt fund to be used for debt service payments on that specific bond issuance. This activity is accounted for as "Transfer-In" revenue within the debt fund.

When the debt service for a specific bond issue has been retired, that Debt fund is closed with any remaining cash being transferred into the Community Improvement fund to be used at the City Council's discretion. This activity is accounted for as a "Transfer-Out" expenditure within the debt fund.

Note: Debt Service related to the Water, Sewer, Stormwater and Electric/Gas operations are not included in this fund and are accounted for within those respective funds.

Budgetary Highlights for 2022

- The property taxes levied in 2022 increased significantly due to the additional debt issued to finance the new police facility.
- An estimated \$100,000 of cash balance from closing the 2021 Construction fund is budgeted as a Transfer-in for 2022.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	1,863,580	2,032,840	2,141,095	2,348,252	207,157	9.7%
Tax Increment Taxes	21,282	-	-	-	-	0.0%
Special Assessments	904,090	545,402	269,172	199,470	(69,702)	-25.9%
Miscellaneous Revenue	90,353	61,186	50,000	50,000	-	0.0%
Transfers-In	74,121	-	100,000	100,000	-	0.0%
TOTAL REVENUES	2,953,426	2,639,428	2,560,267	2,697,722	137,455	5.4%
EXPENDITURES:						
Debt Service	2,545,737	2,475,716	2,398,115	2,140,953	(257,162)	-10.7%
Transfers-Out	-	-	100,000	-	(100,000)	0.0%
TOTAL EXPENDITURES	2,545,737	2,475,716	2,498,115	2,140,953	(357,162)	-14.3%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	407,689	163,712	62,152	556,769	494,617	

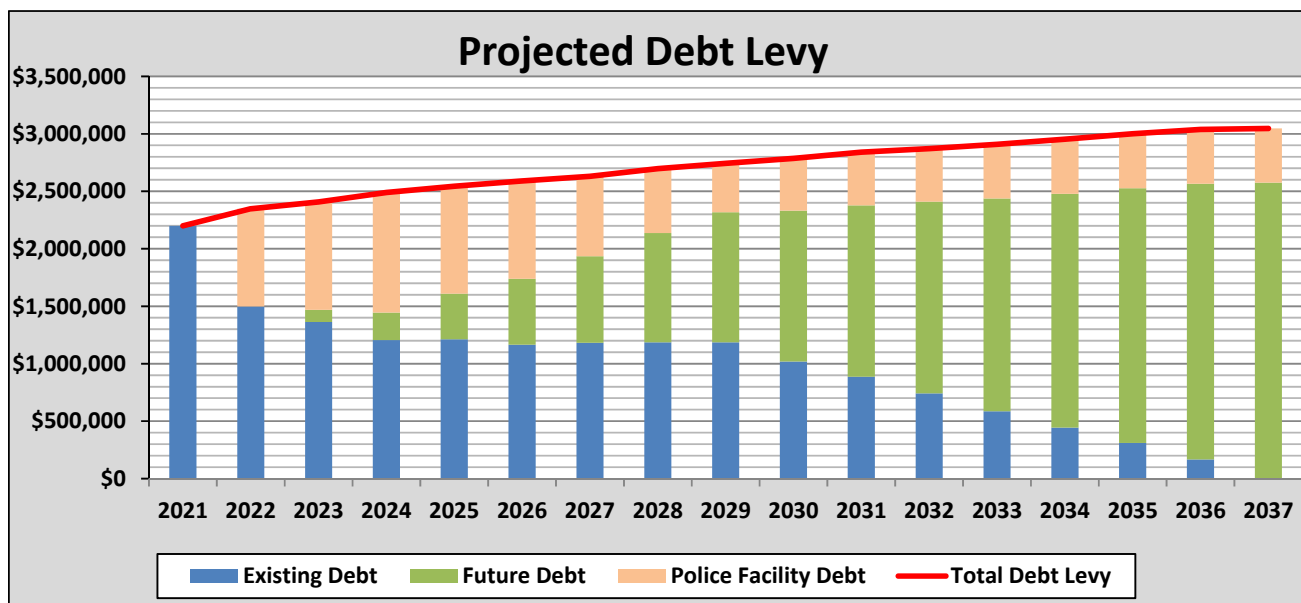
General Obligation Bonds

2022 annual debt service listed by debt issue:

Debt Series	Maturity	2022 Debt Service Payments			Remaining Debt
		Interest	Principal	Total	
2008	2/1/2023	3,575	110,000	113,575	110,000
2013	2/1/2029	32,245	165,000	197,245	935,000
2014	2/1/2030	32,825	180,000	212,825	1,110,000
2015	2/1/2031	37,430	150,000	187,430	1,295,000
2016	2/1/2032	33,450	175,000	208,450	1,585,000
2017	2/1/2033	51,300	160,000	211,300	1,735,000
2018	2/1/2034	67,400	255,000	322,400	1,835,000
2019	2/1/2035	64,088	225,000	289,088	2,285,000
2020	2/1/2036	21,630	110,000	131,630	2,295,000
2021	2/1/2037	69,588	-	69,588	2,300,000
2021-PD	2/1/2052	197,422	-	197,422	7,320,000
Total		610,953	1,530,000	2,140,953	22,805,000

Debt service requirements for existing bond issues:

	Interest	Principal	Total	Remaining Debt
2023	573,368	2,155,000	2,728,368	20,650,000
2024	510,710	2,105,000	2,615,710	18,545,000
2025	450,648	1,905,000	2,355,648	16,640,000
2026	395,924	1,795,000	2,190,924	14,845,000
2027	343,655	1,755,000	2,098,655	13,090,000
2028	293,416	1,620,000	1,913,416	11,470,000
2029	247,048	1,520,000	1,767,048	9,950,000
2030	205,951	1,375,000	1,580,951	8,575,000
2031	172,023	1,190,000	1,362,023	7,385,000
2032	143,470	1,075,000	1,218,470	6,310,000
2033	120,103	870,000	990,103	5,440,000
2034	102,514	720,000	822,514	4,720,000
2035	89,311	595,000	684,311	4,125,000
2036	79,393	480,000	559,393	3,645,000
2037	71,513	350,000	421,513	3,295,000
Total	4,343,950	22,805,000	27,148,950	



Rural Fire Fund

Through a cooperative effort with several townships and small towns in close proximity to the City of Hutchinson, a portion of the City's general fund Fire department operating costs are funded by those rural entities. The general fund expenses related to the City's fire department are allocated to the rural fire department fund based on the previous year's percentage of rural fire calls compared to the total fire calls by the City fire department. The 2021 budget is based on a 35% rural call rate. These entities also share in the funding of a portion of the City's fire response fleet, however that activity is not reflected within this fund. This cooperative concept affords these rural entities access to expensive equipment at a lower cost than providing the service on their own.

The participating entities are the townships of Acoma, Boon Lake, Cedar Mills, Collins, Ellsworth, Hassan Valley, Hutchinson and Lynn, along with the cities of Biscay and Cedar Mills.

Budgetary Highlights for 2022

- Intergovernmental Revenue is the annual funding received from the participating rural entities to cover the fund's expenditures. The total funding amount is allocated among the entities based on respective tax capacities. The entities fund their share of expenses by levying property taxes within their township or city along with their other budgetary needs.

A budget meeting is held each February in which the city presents a proposed Rural Fire budget to the rural representatives. The annual funding amount is set by a majority vote. Other discussion and action items may involve vehicle or equipment purchases.

- Wages & Benefits are based on set contributions for the fire chief and officers. The volunteer firefighter wages are based on actual hours called to rural incidents in addition to an allocation of training hours.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	125,000	130,000	130,000	135,000	5,000	3.8%
Miscellaneous Revenue	1,280	2,585	250	250	-	0.0%
TOTAL REVENUES	126,280	132,585	130,250	135,250	5,000	3.8%
EXPENDITURES:						
Wages & Benefits	80,048	86,552	84,953	95,531	10,578	12.5%
Supplies	22,089	20,665	23,295	21,834	(1,461)	-6.3%
Services & Charges	17,765	16,064	14,741	15,633	892	6.1%
Miscellaneous Expenses	1,071	2,237	2,261	2,068	(193)	-8.5%
TOTAL EXPENDITURES	120,973	125,518	125,250	135,066	9,816	7.8%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	5,308	7,067	5,000	184	(4,816)	

H.A.T.S. Facility Fund

The Hutchinson Area Transportation System (HATS) facility operates under a Joint Powers Agreement between the State of Minnesota, McLeod County and the City of Hutchinson. The operations of the fund are governed by a Joint Powers Board with representation from each entity. The City of Hutchinson serves as the fiscal agent handling the administrative duties for the facility. This facility houses Public Works employees for each entity and has storage capacity for various vehicles, equipment and machinery.

A fueling system is also in place at this facility to service the fueling needs of each entity. The majority of the Charges for Services revenue is comprised of fuel sold to the various entities while the majority of the Supplies expense is related to the purchase of fuel.

Budgetary Highlights for 2022

- Intergovernmental Revenue is the State and County contributions toward the operating and capital improvement costs of the facility.
- Charges for Services represents the receipts from the various governmental departments utilizing the facility's refueling system.
- Transfers-In is the City's contribution from the General fund toward operating and capital improvement costs of the facility.
- Wages & Benefits includes 0.5 FTE of city labor for light maintenance duties.
- The majority of the Supplies category is the cost of fuel for the refueling system. With the fairly stable price of fuel over recent years, the fluctuation in cost has been due to demand. Years with heavier snowfall results in higher fuel consumption as snow plows and other equipment are utilized more than usual.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	181,280	186,800	192,404	196,252	3,848	2.0%
Charges for Services	339,690	225,574	315,580	315,580	-	0.0%
Miscellaneous Revenue	40,034	40,618	32,500	34,000	1,500	4.6%
Transfers-In	101,970	105,000	108,150	110,313	2,163	2.0%
TOTAL REVENUES	662,974	557,992	648,634	656,145	7,511	1.2%
EXPENDITURES:						
Wages & Benefits	36,383	36,157	38,969	44,258	5,289	13.6%
Supplies	431,266	286,930	379,425	379,425	-	0.0%
Services & Charges	141,269	138,281	170,525	165,825	(4,700)	-2.8%
Miscellaneous Expenses	5,035	5,045	5,550	5,550	-	0.0%
Capital Outlay	-	-	54,165	61,087	6,922	12.8%
TOTAL EXPENDITURES	613,953	466,413	648,634	656,145	7,511	1.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	49,021	91,579	-	-	-	

Public Sites Fund

The Public Sites fund accounts mainly for parkland improvements, maintenance of the police memorial park, art projects and other projects that may be approved by the city council. The primary funding sources include parkland dedication fees included as a component of building permits, in addition to donations and grants. Local organizations have been great partners with the city in recent years, donating significant amount of funds to replace obsolete playground equipment and improve other park infrastructure.

Budgetary Highlights for 2022

- Charges for Services includes agricultural rental revenue for city property in addition to parkland dedication fees.
- Miscellaneous Revenues includes an assumption for interest earnings. Prior year revenue includes donations from private organizations for playground replacements or park improvements.
- Services & Charges includes any maintenance costs of public art.
- Miscellaneous Expenses includes property taxes paid on the City's agricultural property being leased to third parties.
- There are no planned Capital Outlay projects for 2022.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	4,253	7,589	-	-	-	0.0%
Charges for Services	17,485	14,595	10,000	10,000	-	0.0%
Miscellaneous Revenue	84,776	23,913	5,000	5,000	-	0.0%
Transfers-In	5,000	1,814	5,000	-	(5,000)	0.0%
TOTAL REVENUES	111,515	47,912	20,000	15,000	(5,000)	-25.0%
EXPENDITURES:						
Supplies	5,288	2,000	5,000	5,000	-	0.0%
Services & Charges	16,789	10,323	2,000	2,000	-	0.0%
Miscellaneous Expenses	6,941	5,788	4,000	4,000	-	0.0%
Capital Outlay	25,060	20,344	-	-	-	0.0%
Transfers-Out	-	10,000	-	-	-	0.0%
TOTAL EXPENDITURES	54,077	48,455	11,000	11,000	-	0.0%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	57,437	(543)	9,000	4,000	(5,000)	

Tree Disease Mitigation Fund

This special revenue fund was created to account for the operations related to treating and removing diseased trees from the City's urban forest. In 2010, the city council formally authorized an annual \$55,000 transfer from the Refuse fund, essentially setting funds aside for the eventual arrival of the emerald ash borer. The purpose has since been modified to include all tree diseases. Initially, the monies were transferred into General fund reserves but as the fund balance grew, it began to distort the General fund's true fund balance. This special revenue fund was created in 2018 as a means to separately account for the efforts related to tree diseases.

Ash trees account for approximately 15% of the total trees on city-owned property as evidenced in the table below.

	<u>Total Trees</u>	<u>Ash Trees</u>	<u>% Ash</u>
Boulevard Trees	8,202	1,312	16%
City Park Trees	3,993	639	16%
City Cemetery Trees	778	23	3%
Other Trees	318	50	16%
Totals	13,291	2,024	15%

Budgetary Highlights for 2022

- Transfers-In represents the annual funding from the Refuse fund, as approved by City Council.
- Miscellaneous Revenue consists of interest earnings.
- Annual expenditures are planned at \$43,000. These expenditures mainly include the cost of removing trees that are diseased, or susceptible to disease, and replacing with other tree species.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Transfers-In	55,000	55,000	55,000	55,000	-	0.0%
Miscellaneous Revenue	15,995	12,036	7,000	5,000	(2,000)	-28.6%
TOTAL REVENUES	70,995	67,036	62,000	60,000	(2,000)	-3.2%
EXPENDITURES:						
Wages & Benefits	2,284	2,822	3,000	3,000	-	0.0%
Supplies	37,573	4,794	32,000	5,000	(27,000)	-84.4%
Services & Charges	-	51,081	5,000	35,000	30,000	600.0%
TOTAL EXPENDITURES	39,857	58,697	40,000	43,000	3,000	7.5%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	31,138	8,339	22,000	17,000	(5,000)	



2022 Annual Budget

Internal Service Funds

Self Insurance Fund

Internal Service funds account for operations that provide services to other departments or agencies of the City, on a cost reimbursement basis. Internal Service funds are maintained on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which the liability is incurred. The City informally budgets for its only Internal Service fund; the Self Insurance Fund.

The Self Insurance Fund primarily accounts for the self-funded dental benefits offered to City employees. The revenues consist of premiums paid for dental coverage while the majority of expenditures relate to employee dental claims. Other expenditures include the cost for a third party to administer the dental claims and costs related to the City's wellness and employee assistance programs. The wellness program is designed to educate City employees to live healthier lifestyles which may in turn lower healthcare costs and ultimately result in lower premiums.

Budgetary Highlights for 2022

- Dental Premiums consist of the amounts paid for dental coverage by both the employee and the City. The employee pays 20% of the premium cost while the City pays 80%. Premiums rates were not adjusted for 2022.
- Dental Claims include actual benefits paid for covered employees and their dependents, if family coverage is elected. All claims are processed by a third party administrator. The annual administrative fee is estimated at \$8,000 for 2022 and is budgeted within the Services & Charges line item.
- The annual fee for the employee assistance program is estimated at \$4,500 for 2022 and is budgeted within the Services & Charges line item.
- The Transfer-Out of \$23,000 was approved by City Council to fund a portion of the City's HSA contributions within the General fund. In 2019, council approved a 5-year plan to eliminate the self insurance funding of the HSA contributions by reducing the transfer 20% each year. The funding for 2022 represents 20% of the city's full cost of the employee HSAs. The General fund will fully fund its HSA contributions in 2023.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Dental Premiums	115,312	114,233	110,000	114,000	4,000	3.6%
Miscellaneous Revenue	18,345	11,537	6,000	6,000	-	0.0%
TOTAL REVENUES	133,656	125,770	116,000	120,000	4,000	3.4%
EXPENDITURES:						
Dental Claims	87,919	73,522	100,000	90,000	(10,000)	-10.0%
Services & Charges	8,078	13,652	15,000	14,000	(1,000)	-6.7%
Miscellaneous Expenses	4,800	3,374	2,400	800	(1,600)	-66.7%
Transfers-Out	92,000	69,000	46,000	23,000	(23,000)	-50.0%
TOTAL EXPENDITURES	192,797	159,548	163,400	127,800	(35,600)	-21.8%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(59,141)	(33,778)	(47,400)	(7,800)	39,600	



2022 Annual Budget

**5-Year Capital
Improvement Plan**

CITY OF HUTCHINSON - CAPITAL PLAN

Administrative Summary

VISIONS AND GOALS

The City plans for capital improvements by preparing a five-year Capital Improvement Plan (CIP). The CIP serves as a valuable planning tool for the preservation and expansion of the City's capital assets, including facilities, infrastructure, amenities and equipment. It provides details of proposed improvements by department and year, along with the estimated cost and funding sources for the improvements. It is based upon several long-range planning documents that are updated regularly as identified by the Facilities Committee, Fleet Committee, Resource Allocation Committee, City staff and council members.

The CIP identifies projects that will support existing and projected needs in the following areas: transportation, public safety, parks & recreation, general government and enterprise fund operations. The CIP establishes a development program, which is used to maximize outside revenue sources and effectively plans for the growth and maintenance of the City's infrastructure.

POLICIES

Criteria identified for inclusion of capital items in the CIP plan are as follows:

- 1) Capital Item must have a minimum cost of \$10,000
- 2) Project must define year proposed
- 3) Funding source should be identified
- 4) Detail should include annual operating costs or savings for proposed capital item
- 5) Department priority should be established
- 6) Must have a useful life of three years or greater

The plan encompasses projects using the following priority levels:

Priority 1: (Urgent) Projects currently underway or those that are considered essential to the departments of City operations, and should not be delayed beyond the year requested. Failure to fund these projects will seriously jeopardize City's ability to provide service to the residents and/or expose the City to a potential liability and negative legal exposure.

Priority 2: (Very Important) Projects that are needed by a department or the City to improve or maintain their operations, and to delay would cause deterioration or further deterioration of their current operation and/or level of service to the residents of the City. These should not be delayed beyond the year requested.

Priority 3: (Important) Projects that are needed by a department or the City to improve or maintain their operations, and should be done as soon as funds can reasonably be made available.

Priority 4: (Less Important) Projects, which are desirable, but needing further study.

Priority 5: (Future Consideration) Projects, which sometime in the future will need to be funded to maintain operations, safety or infrastructure desired within the community.

CIP PROCESS

1. Finance distributes CIP forms and the prior year's data to departments for updating.
2. Departments add, remove and update CIP data from the prior year's report.
3. Finance updates the CIP database with recommendations made by the department directors and the Fleet, Facility and Resource Allocation committees.
4. Initial draft is reviewed with City Administrator and Department directors; corrections or adjustments are made.
5. Preliminary CIP plan is submitted to City council by August 1st.
6. Final CIP plan is reviewed and adopted by City council by year-end.

PROCESS CALENDAR

April/May - Departments work on updating the CIP. Any new capital items should be requested at this time. The Facilities, Fleet and Resource Allocation Committees begin meeting to review and prioritize potential improvement projects.

June/July - Departments return updated CIP items. The Facilities and Fleet Committees submit a recommended five year plan to the City Administrator. An initial CIP draft is reviewed with Department directors and corrections or adjustments are made. Current year CIP items are incorporated into the early stages of the budgeting process during this time frame.

August 1st – Per Section 7.05 of the Hutchinson City Charter, the City Administrator shall submit to the council a preliminary CIP Plan no later than August 1 of each year.

October/November – Departments and Finance make final adjustments to the preliminary CIP.

December 31 - Final CIP plan is adopted by City council prior to year-end.

CAPITAL PROJECT APPROVAL

The CIP is a planning document comprised of potential capital improvement projects known at a certain point in time. Projects are not approved simply by being included in the CIP as funding sources or City priorities may have changed. All capital projects are subject to the City's purchasing policy, requiring quotes/bids and approvals commensurate to the total cost.

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2022 thru 2026

DEPARTMENT SUMMARY

Department	2022	2023	2024	2025	2026	Total
Administration	25,000					25,000
Airport			450,000	250,000		700,000
Building Inspections	23,800					23,800
Cemetery	22,700	10,000	10,000	10,000	60,300	113,000
City Center	50,000	250,000	190,000	350,000	50,000	890,000
Civic Arena	1,600,000		185,000			1,785,000
Compost	221,000	375,000	225,000	25,000	197,000	1,043,000
Engineering	29,500			31,700		61,200
Event Center					670,000	670,000
Fire			80,000	44,100	175,000	299,100
Information Technology		19,226		46,805		66,031
Infrastructure Improvements	3,266,762	4,150,989	4,561,465	4,935,906	4,344,146	21,259,268
Library			100,000			100,000
Parks	717,654	107,100	142,900	754,800	684,000	2,406,454
Police	6,051,000	105,700	97,000		168,600	6,422,300
Public Works	2,700,000	65,000	35,000	100,000		2,900,000
Refuse	1,207,500	292,000			105,000	1,604,500
Senior Dining			9,500			9,500
Storm Water	746,600	125,000	130,000	778,000	450,000	2,229,600
Streets	345,900	395,300	450,100	374,700	84,500	1,650,500
Wastewater	954,400	1,458,500	835,000	864,600	1,011,850	5,124,350
Water	778,450	747,225	743,000	600,000	347,000	3,215,675
TOTAL	18,740,266	8,101,040	8,243,965	9,165,611	8,347,396	52,598,278

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2022 thru 2026

PROJECTS BY DEPARTMENT

Department	Project #	Priority	2022	2023	2024	2025	2026	Total
Administration								
Wayfinding/Interpretive Signage Project	ADMIN-1901	4	10,000					10,000
New Election Equipment	ADMIN-2201	2	15,000					15,000
Administration Total			25,000					25,000
Airport								
Pavement repairs & maintenance	AIR 03	3			450,000			450,000
EA Crosswind Runway 8/26	AIR 2501	2				100,000		100,000
Hangar Predesign	AIR 2502	2				150,000		150,000
Airport Total					450,000	250,000		700,000
Building Inspections								
New truck for Facility Manager	BLDG 2001	4	23,800					23,800
Building Inspections Total			23,800					23,800
Cemetery								
Fencing & Roadways	CEM 01	3	10,000	10,000	10,000	10,000	10,000	50,000
Toolcat 5600	CEMT 412	3					50,300	50,300
Cemetery mower	CEMT 883	3	12,700					12,700
Cemetery Total			22,700	10,000	10,000	10,000	60,300	113,000
City Center								
City Center Security Remodel	C.CTR-1701	3				300,000		300,000
Parking Lot improvements	C.CTR-2301	3		200,000				200,000
City Center Roof improvements	C.CTR-2302	2			140,000			140,000
Facility Plan - Miscellaneous Maintenance	C.CTR-FAC	3	50,000	50,000	50,000	50,000	50,000	250,000
City Center Total			50,000	250,000	190,000	350,000	50,000	890,000
Civic Arena								
Replace East Rink Roof & HVAC	CA-1502	1	1,600,000					1,600,000
Replace East dasher boards	CA-1505	3			185,000			185,000
Civic Arena Total			1,600,000		185,000			1,785,000
Compost								
Bituminous Improvements	COMP-2003	2	75,000					75,000
Office Expansion	COMP-2201	2		150,000				150,000
Semi Tractor	COMP-2202	3	75,000					75,000
Loading Dock Improvements	COMP-2203	2	20,000					20,000
Bagger Dust Collection System	COMP-2204	2	35,000					35,000
Bagging Line Air Compressor	COMP-2205	3	16,000					16,000
New Wheel Loader	COMP-2301	3		180,000				180,000

Department	Project #	Priority	2022	2023	2024	2025	2026	Total
Portable Shrink Wrapping Machine	COMP-2302	4		45,000				45,000
Cold Storage Expansion	COMP-2401	3			75,000			75,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3			150,000			150,000
Flatbed Trailer (Used)	COMP-2501	4				25,000		25,000
Wheel Loader	COMP-2601	2					197,000	197,000
Compost Total			221,000	375,000	225,000	25,000	197,000	1,043,000
Engineering								
Replace SUV	ENGR 686	3	29,500					29,500
1/2 ton work truck	ENGR 945	3				31,700		31,700
Engineering Total			29,500			31,700		61,200
Event Center								
Event Center Carpet	EC-1901	3					90,000	90,000
Event Center RTU Replacement	EC-2601	3					200,000	200,000
Event Center Roof Improvements	EC-2602	3					175,000	175,000
Event Center AV Equipment	EC-2603	3					175,000	175,000
Event Center LED Upgrade	EC-2604	3					15,000	15,000
Event Center Interior Décor	EC-2605	3					15,000	15,000
Event Center Total							670,000	670,000
Fire								
Exhaust Capture System	FD-1801	3					55,000	55,000
Fire Hall Roof improvements	FD-2302	2			80,000			80,000
Portable Radio Replacements	FD-2601	2					120,000	120,000
New Command Vehicle	FD-688	3				44,100		44,100
Fire Total					80,000	44,100	175,000	299,100
Information Technology								
Large UPS for Server Room	IT-2301	3		19,226				19,226
Core Servers Upgrade	IT-2501	3				46,805		46,805
Information Technology Total				19,226		46,805		66,031
Infrastructure Improvements								
School Rd NW (Golf Course-North High)	Overlay 22-1	3	256,242					256,242
Century Ave SW (Dale-Boston)	Overlay 22-2	3	340,568					340,568
5th Ave SE (Bridge - Hwy 22)	Overlay 25-1	3				667,694		667,694
Edmonton Ave SE (Sherwood St SE-Jefferson St SE)	Overlay 26-1	3					276,326	276,326
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 26-2	3					143,910	143,910
Blackbird/Blackhawk/Bluejay	Overlay 26-3	3					102,966	102,966
Linden Ave SW (Dale-Harrington)	Partial 22-1	3	803,538					803,538
Sunset St SW (SGR-Linden)	Partial 22-2	3	717,568					717,568
Neal Ave SW (Keith-Sunset)	Partial 22-3	3	323,846					323,846
Dale St SW (SGR-Roberts)	Partial 23-1	3		1,668,205				1,668,205
Roberts Rd SW (Alan-Dale)	Partial 23-2	3		1,259,343				1,259,343
Washington Ave W (Lynn-Main)	Partial 24-1	3			1,241,460			1,241,460
2nd Ave SW (Franklin-Main)	Partial 24-2	3			180,000			180,000
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3				2,236,942		2,236,942
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3		382,767				382,767
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3		283,852				283,852
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3		181,822				181,822
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3			960,740			960,740

Department	Project #	Priority	2022	2023	2024	2025	2026	Total
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 24-2	3			461,565			461,565
1st Ave NE (Main-Adams)	Reclaim 24-3	3			371,900			371,900
1st Ave SE (Main-Adams)	Reclaim 24-4	3			371,900			371,900
3rd Ave SE (Main-Adams)	Reclaim 24-5	3			371,900			371,900
Grove St SW (2nd-Washington)	Reclaim 24-6	3			227,000			227,000
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3				575,684		575,684
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				264,805		264,805
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				238,457		238,457
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				108,602		108,602
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				101,555		101,555
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				76,686		76,686
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				40,481		40,481
McDonald Dr SW (Lakewood - School)	Reclaim 26-1	3					807,619	807,619
Harrington St SW (Linden-4th Ave SW	Reclaim 26-2	3					524,243	524,243
Merrill St SW (Linden-4th Ave SW)	Reclaim 26-3	3					516,814	516,814
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3					412,533	412,533
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					331,970	331,970
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 26-6	3					176,670	176,670
Southview Ct SW (Linden-Sunset)	Reclaim 26-7	2					120,501	120,501
Sunset St SW (Linden-Southview)	Reclaim 26-8	3					98,045	98,045
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 26-9	3					87,075	87,075
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 26-91	3					45,474	45,474
Pavement sealing/Seal coating	SCFS/RP	3	250,000			250,000	250,000	750,000
Trunk Hwy 15 trail improvements	TRAIL 22-1	3	200,000					200,000
Bluff St/Northwoods trail	Trail 26-1	4					450,000	450,000
LED streetlight retrofits	UTL 90	3	375,000	375,000	375,000	375,000		1,500,000
Infrastructure Improvements Total			3,266,762	4,150,989	4,561,465	4,935,906	4,344,146	21,259,268

Library

Library Decor/Fixture Upgrade & Carpet Replace	LIB-1901	3			100,000			100,000
Library Total					100,000			100,000

Parks

Skid steer loader S250	PARK-032	4	55,200					55,200
Wide-area mower	PARK-082	2					71,300	71,300
1/2 Ton 4X2 Pickup	PARK-127	4	30,000					30,000
Oddfellows Park - Playground Replacement	PARK-2101	3	40,000					40,000
Skid steer loader S250	PARK-211	4				58,000		58,000
Masonic West River - Playground Replacement	PARK-2202	3		65,000				65,000
Splash Pad	PARK-2203	3	500,000					500,000
Northwoods Park - Playground Replacement	PARK-2301	3			25,000			25,000
South Park - Playground Replacement	PARK-2302	3			25,000			25,000
Kiwanis - Playground Replacement	PARK-2401	3	20,000					20,000
Shady Ridge Park - Playground Replacement	PARK-2402	3				20,000		20,000
Tartan Park- Playground Replacements	PARK-2502	3			25,000			25,000
Firemans Park - Playground Replacement	PARK-2503	3	72,454					72,454
Roberts & VMF Parks Lighting Improvements	PARK-2504	3				650,000		650,000
Driftriders Playground Install	PARK-2601	3					40,000	40,000
Masonic West River Campground Expansion	PARK-2602	5					500,000	500,000
Wide-area Mower	PARK-302	2			67,900			67,900
Tractor w/cab	PARK-357	3					45,300	45,300
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	4		42,100				42,100
1/4 Ton 4X2 Pickup	PARK-528	4					27,400	27,400
1/2 Ton 4X2 Pickup	PARK-954	4				26,800		26,800

Department	Project #	Priority	2022	2023	2024	2025	2026	Total
Parks Total			717,654	107,100	142,900	754,800	684,000	2,406,454
Police								
Trailer, enclosed tandem	PD-2003	4		11,100				11,100
New Police Facility	PD-2004	2	6,000,000					6,000,000
Replace Equinox	PD-2101	3					33,300	33,300
Replace Equinox	PD-2102	3					33,300	33,300
SUV, Suburban 4x4	PD-SQ4	2					51,000	51,000
Squad car #1 replacement	PD-SQD1	2	51,000					51,000
Squad car #2 replacement	PD-SQD2	2		47,300				47,300
Squad car #3 replacement	PD-SQD3	2			48,500			48,500
Squad car #5 replacement	PD-SQD5	2					51,000	51,000
Squad car #6 replacement	PD-SQD6	2		47,300				47,300
Squad car #7 replacement	PD-SQD7	2			48,500			48,500
Police Total			6,051,000	105,700	97,000		168,600	6,422,300
Public Works								
Stormceptor for outdoor wash area	HATS-02	3		65,000				65,000
Pond cleaning/excavation	HATS-04	3			35,000			35,000
Wash bay improvements	HATS-05	3				100,000		100,000
HATS Storage building, fuel site	HATS-08	3	2,700,000					2,700,000
Public Works Total			2,700,000	65,000	35,000	100,000		2,900,000
Refuse								
Roll-off Truck Chassis	REFS-2002	1	130,000					130,000
Bi-Fold Door Replacement	REFS-2003	2		42,000				42,000
TMR Mixer	REFS-2102	2	120,000					120,000
Tractor (TMR mixer power unit)	REFS-2103	2	150,000					150,000
Airlift Separator	REFS-2104	3	60,000					60,000
Site Preparation - New SSOM Operations	REFS-2105	3	297,500					297,500
Curing Pad Expansion	REFS-2106	2	210,000					210,000
Wheel loader replacement	REFS-2201	2	190,000					190,000
Office Expansion	REFS-2202	2		150,000				150,000
Bituminous Improvements	REFS-2203	2	50,000					50,000
Scale Improvements & Relocation	REFS-2301	3		100,000				100,000
Half-ton pickup	REFS-2601	3					40,000	40,000
Skidsteer Loader	REFS-2602	3					65,000	65,000
Refuse Total			1,207,500	292,000			105,000	1,604,500
Senior Dining								
Senior Dining Roof improvements	Sr Dine-2302	2			9,500			9,500
Senior Dining Total					9,500			9,500
Storm Water								
SC Trunk Storm (local storm sewer)	New const 03	3	652,100					652,100
SW34 pond improvement	STWT 2201	3	64,500					64,500
SW63 pond improvement	STWT 2202	3	30,000					30,000
8th Ave NW drainage improvement	STWT 2301	3		75,000				75,000
Pond SW2 improvements	STWT 2401	3			80,000			80,000
Michigan St NE area drainage improvement	STWT 2501	3				500,000		500,000
Leaf vacuum (2)	STWT LEAF	3				228,000		228,000
Sherwood drainage improvements	STWT-2601	3					400,000	400,000

Department	Project #	Priority	2022	2023	2024	2025	2026	Total
Street Infrastructure Improvements	STWT-INF	3		50,000	50,000	50,000	50,000	200,000
Storm Water Total			746,600	125,000	130,000	778,000	450,000	2,229,600
Streets								
Asphalt Zipper milling machine	STRT 074	3				66,000		66,000
Asphalt Premix Heater w/trailer	STRT 113	3					48,800	48,800
1-ton 4x4 truck	STRT 170	3				55,700		55,700
Truck, tandem	STRT 218	3			67,900			67,900
1-ton 4x2 truck with dump	STRT 289	3	46,200					46,200
Truck, single axel (short) w/hooklift	STRT 441	3			246,900			246,900
Truck, single axel w/ dump	STRT 522	3	235,000					235,000
Snowplow truck	STRT 613	3		240,800				240,800
Grasshopper mower 72"	STRT 626	3			18,200			18,200
1 ton truck 4x4	STRT 660	3		48,000				48,000
Brush Chipper	STRT 688	3		58,500				58,500
1/2 ton pickup	STRT 775	3					35,700	35,700
Truck single axel (long) w/hooklift	STRT 781	3				253,000		253,000
1 ton flatbed truck	STRT 835	3		48,000				48,000
1-ton flatbed truck	STRT 837	3			49,200			49,200
1-ton Service truck	STRT 857	3			67,900			67,900
Tandem-axle Dump Truck	STRT 972	3	64,700					64,700
Streets Total			345,900	395,300	450,100	374,700	84,500	1,650,500
Wastewater								
Collection system infrastructure	WWTF 21-25	2	80,000	80,000	85,000	85,000	85,000	415,000
Biosolids Spreader	WWTF 218	2	35,000					35,000
East ditch final Aire-02 install & optimization	WWTF 22-1	1	509,400					509,400
Digester aeration & mixation rehab	WWTF 22-2	1		505,100				505,100
HATS LS MCC Building	WWTF 22-5	2	100,000					100,000
Belt press thickener 2 overhaul/replace	WWTF 23-1	1		424,600				424,600
Receiving/Bulk water station	WWTF 23-2	1		200,000				200,000
Lift Station repairs/upgrades (Hwy 15 LS)	WWTF 23-3	2	150,000					150,000
MBR fin bubble diffuser system replacement	WWTF 23-5	2		110,200				110,200
Building #100 roof replacement	WWTF 23-6	2		43,600				43,600
Building #90 Boiler/Controls replacement	WWTF 24-1	2			150,000			150,000
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 24-2	2		95,000				95,000
MBR perm pump #1 replacement	WWTF 24-3	2			90,000			90,000
Thickener feed pump #1 replacement	WWTF 24-4	2			40,000			40,000
Belt press thickener 1 overhaul/replace	WWTF 25-1	1				424,600		424,600
Replace ox ditch RAS pumps & check valves	WWTF 25-2	2				200,000		200,000
Lift Station repairs/upgrade (Campbell LS)	WWTF 25-3	2			70,000			70,000
EQ basin liner replacement	WWTF 25-4	2				70,000		70,000
Lift Station repairs & upgrades (Elementary)	WWTF 25-5	2				85,000		85,000
Lift Station repairs & upgrades (Stoney Pt)	WWTF 26-1	2					105,000	105,000
Clarifier dome replacement	WWTF 26-2	3					342,250	342,250
Clarifier rake mechanism & drive replacement	WWTF 26-3	2					339,500	339,500
WWTF buildings 50,60 & 80 roof replace	WWTF 26-4	2					140,100	140,100
Vactor Truck & Jetting Trailer	WWTF 648	3			400,000			400,000
1/2 Ton 4x4 work truck	WWTF 760	3	80,000					80,000
Wastewater Total			954,400	1,458,500	835,000	864,600	1,011,850	5,124,350
Water								
1/2 ton work truck	WATR 072	3			28,000			28,000
Water tower rehabilitation (Century Ave)	WATR 22-2	3	200,000					200,000

Department	Project #	Priority	2022	2023	2024	2025	2026	Total
Water Meter Replacement	WATR 22-24	3	400,000	400,000	400,000			1,200,000
Well 4 Recovery Treatment	WATR 22-3	3	50,000					50,000
Concentrate piping replacement	WATR 22-5	1	55,000					55,000
Security system replacements	WATR 22-6	2	38,450					38,450
Biofilter air injectors	WATR 22-7	2	20,000					20,000
Permeate flush pump VFD's	WATR 22-8	3	15,000					15,000
Bulk Fill station	WATR 23-1	3		100,000				100,000
Well 7 Rehabilitation	WATR 24-1	3			65,000			65,000
Well 7 Recovery Treatment	WATR 24-2	3			50,000			50,000
Membrane replacement	WATR 25-1	3				400,000		400,000
Well 4 Rehabilitation	WATR 26-1	2					65,000	65,000
Well 6 Rehabilitation	WATR 26-2	2					65,000	65,000
Scissors Lift	WATR 26-3	3					17,000	17,000
1/2 ton work truck	WATR 484	3		29,725				29,725
Mower replacement	WATR 793	3		17,500				17,500
Street Infrastructure Improvements	WATR-INF	3		200,000	200,000	200,000	200,000	800,000
Water Total			778,450	747,225	743,000	600,000	347,000	3,215,675
GRAND TOTAL			18,740,266	8,101,040	8,243,965	9,165,611	8,347,396	52,598,278

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2022 thru 2026

FUNDING SOURCE SUMMARY

Source	2022	2023	2024	2025	2026	Total
Airport Construction Fund			22,500	17,500		40,000
Capital Projects Fund	25,000	10,000	10,000	10,000	130,000	185,000
Capital Projects Fund - Facilities Plan	1,650,000	250,000	564,500	1,000,000	775,000	4,239,500
Capital Projects Fund - Misc Infrastructure Maint	250,000			250,000	250,000	750,000
Capital Projects Fund - Playground Plan	80,000	65,000	75,000	20,000	40,000	280,000
Community Improvement Fund	547,454				500,000	1,047,454
Compost Fund	221,000	375,473	225,000	26,151	197,000	1,044,624
Cooperative Agreement - EDA/HRA		552		1,343		1,895
Cooperative Agreement - HUC	375,000	379,649	375,000	386,701		1,516,350
Donations	15,000					15,000
Equipment Replacement - Heavy Fleet	235,000	240,800	246,900	253,000		975,700
Equipment Replacement - Small Fleet	313,100	302,300	368,100	282,300	447,400	1,713,200
G.O. Capital Improvement Plan Bonds	6,000,000					6,000,000
G.O. Improv Bonds - Debt Tax Levy	1,854,620	1,987,492	2,222,466	2,076,487	2,853,935	10,995,000
G.O. Stormwater Bonds	182,150					182,150
General Fund		10,952		26,279		37,231
Grants - Federal			405,000	225,000		630,000
Grants - McLeod County		20,800	11,200	32,000		64,000
Grants - Other	2,700,000					2,700,000
Grants - State	200,000	20,800	11,200	39,500		271,500
HATS Fund (City only)		23,400	12,600	36,000		72,000
Liquor Fund		630		1,535		2,165
Municipal State Aid	150,000	500,000	522,500	850,000	200,000	2,222,500
Refuse Fund	1,207,500	292,000			105,000	1,604,500
Special Assessments	155,000	986,419	1,129,082	1,092,962	832,179	4,195,642
Storm Water Utility Fund	596,592	276,040	297,459	923,727	533,196	2,627,014
Wastewater Fund	984,400	1,535,043	918,729	939,959	1,074,268	5,452,399
Water Fund	998,450	823,690	826,729	675,167	409,418	3,733,454
GRAND TOTAL	18,740,266	8,101,040	8,243,965	9,165,611	8,347,396	52,598,278

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2022 thru 2026

PROJECTS BY FUNDING SOURCE

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Airport Construction Fund								
Pavement repairs & maintenance	AIR 03	3			22,500			22,500
EA Crosswind Runway 8/26	AIR 2501	2				10,000		10,000
Hangar Predesign	AIR 2502	2				7,500		7,500
Airport Construction Fund Total					22,500	17,500		40,000
Capital Projects Fund								
New Election Equipment	ADMIN-2201	2	15,000					15,000
Fencing & Roadways	CEM 01	3	10,000	10,000	10,000	10,000	10,000	50,000
Portable Radio Replacements	FD-2601	2					120,000	120,000
Capital Projects Fund Total			25,000	10,000	10,000	10,000	130,000	185,000
Capital Projects Fund - Facilities Plan								
City Center Security Remodel	C.CTR-1701	3				300,000		300,000
Parking Lot improvements	C.CTR-2301	3		200,000				200,000
City Center Roof improvements	C.CTR-2302	2			140,000			140,000
Facility Plan - Miscellaneous Maintenance	C.CTR-FAC	3	50,000	50,000	50,000	50,000	50,000	250,000
Replace East Rink Roof & HVAC	CA-1502	1	1,600,000					1,600,000
Replace East dasher boards	CA-1505	3			185,000			185,000
Event Center Carpet	EC-1901	3					90,000	90,000
Event Center RTU Replacement	EC-2601	3					200,000	200,000
Event Center Roof Improvements	EC-2602	3					175,000	175,000
Event Center AV Equipment	EC-2603	3					175,000	175,000
Event Center LED Upgrade	EC-2604	3					15,000	15,000
Event Center Interior Décor	EC-2605	3					15,000	15,000
Exhaust Capture System	FD-1801	3					55,000	55,000
Fire Hall Roof improvements	FD-2302	2			80,000			80,000
Library Decor/Fixture Upgrade & Carpet Replace	LIB-1901	3			100,000			100,000
Roberts & VMF Parks Lighting Improvements	PARK-2504	3				650,000		650,000
Senior Dining Roof improvements	Sr Dine-2302	2			9,500			9,500
Capital Projects Fund - Facilities Plan Total			1,650,000	250,000	564,500	1,000,000	775,000	4,239,500
Capital Projects Fund - Misc Infrastr								
Pavement sealing/Seal coating	SCFS/RP	3	250,000			250,000	250,000	750,000
Capital Projects Fund - Misc Infrastructure Maint Total			250,000			250,000	250,000	750,000
Capital Projects Fund - Playground Pl								
Oddfellows Park - Playground Replacement	PARK-2101	3	40,000					40,000

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Masonic West River - Playground Replacement	PARK-2202	3		65,000				65,000
Northwoods Park - Playground Replacement	PARK-2301	3			25,000			25,000
South Park - Playground Replacement	PARK-2302	3			25,000			25,000
Kiwanis - Playground Replacement	PARK-2401	3	20,000					20,000
Shady Ridge Park - Playground Replacement	PARK-2402	3				20,000		20,000
Tartan Park- Playground Replacements	PARK-2502	3			25,000			25,000
Firemans Park - Playground Replacement	PARK-2503	3	20,000					20,000
Driftriders Playground Install	PARK-2601	3					40,000	40,000
Capital Projects Fund - Playground Plan Total			80,000	65,000	75,000	20,000	40,000	280,000

Community Improvement Fund

Wayfinding/Interpretive Signage Project	ADMIN-1901	4	10,000					10,000
Splash Pad	PARK-2203	3	500,000					500,000
Firemans Park - Playground Replacement	PARK-2503	3	37,454					37,454
Masonic West River Campground Expansion	PARK-2602	5					500,000	500,000
Community Improvement Fund Total			547,454				500,000	1,047,454

Compost Fund

Bituminous Improvements	COMP-2003	2	75,000					75,000
Office Expansion	COMP-2201	2		150,000				150,000
Semi Tractor	COMP-2202	3	75,000					75,000
Loading Dock Improvements	COMP-2203	2	20,000					20,000
Bagger Dust Collection System	COMP-2204	2	35,000					35,000
Bagging Line Air Compressor	COMP-2205	3	16,000					16,000
New Wheel Loader	COMP-2301	3		180,000				180,000
Portable Shrink Wrapping Machine	COMP-2302	4		45,000				45,000
Cold Storage Expansion	COMP-2401	3			75,000			75,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3			150,000			150,000
Flatbed Trailer (Used)	COMP-2501	4				25,000		25,000
Wheel Loader	COMP-2601	2					197,000	197,000
Large UPS for Server Room	IT-2301	3		473				473
Core Servers Upgrade	IT-2501	3				1,151		1,151
Compost Fund Total			221,000	375,473	225,000	26,151	197,000	1,044,624

Cooperative Agreement - EDA/HRA

Large UPS for Server Room	IT-2301	3		552				552
Core Servers Upgrade	IT-2501	3				1,343		1,343
Cooperative Agreement - EDA/HRA Total				552		1,343		1,895

Cooperative Agreement - HUC

Large UPS for Server Room	IT-2301	3		4,649				4,649
Core Servers Upgrade	IT-2501	3				11,701		11,701
LED streetlight retrofits	UTL 90	3	375,000	375,000	375,000	375,000		1,500,000
Cooperative Agreement - HUC Total			375,000	379,649	375,000	386,701		1,516,350

Donations

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Firemans Park - Playground Replacement	PARK-2503	3	15,000					15,000
Donations Total			15,000					15,000

Equipment Replacement - Heavy Fleet

Truck, single axel (short) w/hooklift	STRT 441	3			246,900			246,900
Truck, single axel w/ dump	STRT 522	3	235,000					235,000
Snowplow truck	STRT 613	3		240,800				240,800
Truck single axel (long) w/hooklift	STRT 781	3				253,000		253,000
Equipment Replacement - Heavy Fleet Total			235,000	240,800	246,900	253,000		975,700

Equipment Replacement - Small Fleet

New truck for Facility Manager	BLDG 2001	4	23,800					23,800
Toolcat 5600	CEMT 412	3					50,300	50,300
Cemetery mower	CEMT 883	3	12,700					12,700
Replace SUV	ENGR 686	3	29,500					29,500
1/2 ton work truck	ENGR 945	3				31,700		31,700
New Command Vehicle	FD-688	3				44,100		44,100
Skid steer loader S250	PARK-032	4	55,200					55,200
Wide-area mower	PARK-082	2					71,300	71,300
1/2 Ton 4X2 Pickup	PARK-127	4	30,000					30,000
Skid steer loader S250	PARK-211	4				58,000		58,000
Wide-area Mower	PARK-302	2			67,900			67,900
Tractor w/cab	PARK-357	3					45,300	45,300
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	4		42,100				42,100
1/4 Ton 4X2 Pickup	PARK-528	4					27,400	27,400
1/2 Ton 4X2 Pickup	PARK-954	4				26,800		26,800
Trailer, enclosed tandem	PD-2003	4		11,100				11,100
Replace Equinox	PD-2101	3					33,300	33,300
Replace Equinox	PD-2102	3					33,300	33,300
SUV, Suburban 4x4	PD-SQ4	2					51,000	51,000
Squad car #1 replacement	PD-SQD1	2	51,000					51,000
Squad car #2 replacement	PD-SQD2	2		47,300				47,300
Squad car #3 replacement	PD-SQD3	2			48,500			48,500
Squad car #5 replacement	PD-SQD5	2					51,000	51,000
Squad car #6 replacement	PD-SQD6	2		47,300				47,300
Squad car #7 replacement	PD-SQD7	2			48,500			48,500
Asphalt Zipper milling machine	STRT 074	3				66,000		66,000
Asphalt Premix Heater w/trailer	STRT 113	3					48,800	48,800
1-ton 4x4 truck	STRT 170	3				55,700		55,700
Truck, tandem	STRT 218	3			67,900			67,900
1-ton 4x2 truck with dump	STRT 289	3	46,200					46,200
Grasshopper mower 72"	STRT 626	3			18,200			18,200
1 ton truck 4x4	STRT 660	3		48,000				48,000
Brush Chipper	STRT 688	3		58,500				58,500
1/2 ton pickup	STRT 775	3					35,700	35,700
1 ton flatbed truck	STRT 835	3		48,000				48,000
1-ton flatbed truck	STRT 837	3			49,200			49,200
1-ton Service truck	STRT 857	3			67,900			67,900
Tandem-axle Dump Truck	STRT 972	3	64,700					64,700

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Equipment Replacement - Small Fleet Total			313,100	302,300	368,100	282,300	447,400	1,713,200
G.O. Capital Improvement Plan Bond								
New Police Facility	PD-2004	2	6,000,000					6,000,000
G.O. Capital Improvement Plan Bonds Total			6,000,000					6,000,000
G.O. Improv Bonds - Debt Tax Levy								
School Rd NW (Golf Course-North High)	Overlay 22-1	3	206,242					206,242
Century Ave SW (Dale-Boston)	Overlay 22-2	3	240,568					240,568
5th Ave SE (Bridge - Hwy 22)	Overlay 25-1	3				517,694		517,694
Edmonton Ave SE (Sherwood St SE-Jefferson St SE)	Overlay 26-1	3					151,326	151,326
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 26-2	3					68,910	68,910
Blackbird/Blackhawk/Bluejay	Overlay 26-3	3					102,966	102,966
Linden Ave SW (Dale-Harrington)	Partial 22-1	3	595,005					595,005
Sunset St SW (SGR-Linden)	Partial 22-2	3	560,049					560,049
Neal Ave SW (Keith-Sunset)	Partial 22-3	3	252,756					252,756
Dale St SW (SGR-Roberts)	Partial 23-1	3		767,698				767,698
Roberts Rd SW (Alan-Dale)	Partial 23-2	3		693,759				693,759
Washington Ave W (Lynn-Main)	Partial 24-1	3			331,779			331,779
2nd Ave SW (Franklin-Main)	Partial 24-2	3			120,600			120,600
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3				686,903		686,903
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3		237,316				237,316
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3		175,989				175,989
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3		112,730				112,730
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3			595,658			595,658
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 24-2	3			286,170			286,170
1st Ave NE (Main-Adams)	Reclaim 24-3	3			249,173			249,173
1st Ave SE (Main-Adams)	Reclaim 24-4	3			249,173			249,173
3rd Ave SE (Main-Adams)	Reclaim 24-5	3			249,173			249,173
Grove St SW (2nd-Washington)	Reclaim 24-6	3			140,740			140,740
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3				356,924		356,924
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				164,180		164,180
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				147,844		147,844
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				67,334		67,334
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				62,965		62,965
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				47,545		47,545
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				25,098		25,098
McDonald Dr SW (Lakewood - School)	Reclaim 26-1	3					500,724	500,724
Harrington St SW (Linden-4th Ave SW)	Reclaim 26-2	3					398,424	398,424
Merrill St SW (Linden-4th Ave SW)	Reclaim 26-3	3					392,779	392,779
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3					255,770	255,770
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					205,822	205,822
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 26-6	3					109,536	109,536
Southview Ct SW (Linden-Sunset)	Reclaim 26-7	2					74,711	74,711
Sunset St SW (Linden-Southview)	Reclaim 26-8	3					60,787	60,787
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 26-9	3					53,985	53,985
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 26-9	3					28,195	28,195
Bluff St/Northwoods trail	Trail 26-1	4					450,000	450,000

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
G.O. Improv Bonds - Debt Tax Levy Total			1,854,620	1,987,492	2,222,466	2,076,487	2,853,935	10,995,000
G.O. Stormwater Bonds								
SC Trunk Storm (local storm sewer)	New const 03	3	182,150					182,150
G.O. Stormwater Bonds Total			182,150					182,150
General Fund								
Large UPS for Server Room	IT-2301	3		10,952				10,952
Core Servers Upgrade	IT-2501	3				26,279		26,279
General Fund Total				10,952		26,279		37,231
Grants - Federal								
Pavement repairs & maintenance	AIR 03	3			405,000			405,000
EA Crosswind Runway 8/26	AIR 2501	2				90,000		90,000
Hangar Predesign	AIR 2502	2				135,000		135,000
Grants - Federal Total					405,000	225,000		630,000
Grants - McLeod County								
Stormceptor for outdoor wash area	HATS-02	3		20,800				20,800
Pond cleaning/excavation	HATS-04	3			11,200			11,200
Wash bay improvements	HATS-05	3				32,000		32,000
Grants - McLeod County Total				20,800	11,200	32,000		64,000
Grants - Other								
HATS Storage building, fuel site	HATS-08	3	2,700,000					2,700,000
Grants - Other Total			2,700,000					2,700,000
Grants - State								
Hangar Predesign	AIR 2502	2				7,500		7,500
Stormceptor for outdoor wash area	HATS-02	3		20,800				20,800
Pond cleaning/excavation	HATS-04	3			11,200			11,200
Wash bay improvements	HATS-05	3				32,000		32,000
Trunk Hwy 15 trail improvements	TRAIL 22-1	3	200,000					200,000
Grants - State Total			200,000	20,800	11,200	39,500		271,500
HATS Fund (City only)								
Stormceptor for outdoor wash area	HATS-02	3		23,400				23,400
Pond cleaning/excavation	HATS-04	3			12,600			12,600
Wash bay improvements	HATS-05	3				36,000		36,000
HATS Fund (City only) Total				23,400	12,600	36,000		72,000
Liquor Fund								
Large UPS for Server Room	IT-2301	3		630				630

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Core Servers Upgrade	IT-2501	3				1,535		1,535
Liquor Fund Total				630		1,535		2,165
Municipal State Aid								
Pavement repairs & maintenance	AIR 03	3			22,500			22,500
School Rd NW (Golf Course-North High)	Overlay 22-1	3	50,000					50,000
Century Ave SW (Dale-Boston)	Overlay 22-2	3	100,000					100,000
5th Ave SE (Bridge - Hwy 22)	Overlay 25-1	3				150,000		150,000
Edmonton Ave SE (Sherwood St SE-Jefferson St SE)	Overlay 26-1	3					125,000	125,000
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 26-2	3					75,000	75,000
Dale St SW (SGR-Roberts)	Partial 23-1	3		350,000				350,000
Roberts Rd SW (Alan-Dale)	Partial 23-2	3		150,000				150,000
Washington Ave W (Lynn-Main)	Partial 24-1	3			500,000			500,000
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3				700,000		700,000
Municipal State Aid Total			150,000	500,000	522,500	850,000	200,000	2,222,500
Refuse Fund								
Roll-off Truck Chassis	REFS-2002	1	130,000					130,000
Bi-Fold Door Replacement	REFS-2003	2		42,000				42,000
TMR Mixer	REFS-2102	2	120,000					120,000
Tractor (TMR mixer power unit)	REFS-2103	2	150,000					150,000
Airlift Separator	REFS-2104	3	60,000					60,000
Site Preparation - New SSOM Operations	REFS-2105	3	297,500					297,500
Curing Pad Expansion	REFS-2106	2	210,000					210,000
Wheel loader replacement	REFS-2201	2	190,000					190,000
Office Expansion	REFS-2202	2		150,000				150,000
Bituminous Improvements	REFS-2203	2	50,000					50,000
Scale Improvements & Relocation	REFS-2301	3		100,000				100,000
Half-ton pickup	REFS-2601	3					40,000	40,000
Skidsteer Loader	REFS-2602	3					65,000	65,000
Refuse Fund Total			1,207,500	292,000			105,000	1,604,500
Special Assessments								
Linden Ave SW (Dale-Harrington)	Partial 22-1	3	67,508					67,508
Sunset St SW (SGR-Linden)	Partial 22-2	3	60,285					60,285
Neal Ave SW (Keith-Sunset)	Partial 22-3	3	27,207					27,207
Dale St SW (SGR-Roberts)	Partial 23-1	3		417,051				417,051
Roberts Rd SW (Alan-Dale)	Partial 23-2	3		314,836				314,836
Washington Ave W (Lynn-Main)	Partial 24-1	3			310,365			310,365
2nd Ave SW (Franklin-Main)	Partial 24-2	3			45,000			45,000
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3				671,083		671,083
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3		114,830				114,830
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3		85,155				85,155
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3		54,547				54,547
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3			288,222			288,222
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 24-2	3			138,470			138,470
1st Ave NE (Main-Adams)	Reclaim 24-3	3			92,975			92,975
1st Ave SE (Main-Adams)	Reclaim 24-4	3			92,975			92,975
3rd Ave SE (Main-Adams)	Reclaim 24-5	3			92,975			92,975
Grove St SW (2nd-Washington)	Reclaim 24-6	3			68,100			68,100
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3				172,705		172,705

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				79,441		79,441
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				71,537		71,537
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				32,580		32,580
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				30,466		30,466
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				23,006		23,006
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				12,144		12,144
McDonald Dr SW (Lakewood - School)	Reclaim 26-1	3					242,286	242,286
Harrington St SW (Linden-4th Ave SW)	Reclaim 26-2	3					104,849	104,849
Merrill St SW (Linden-4th Ave SW)	Reclaim 26-3	3					103,363	103,363
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3					123,760	123,760
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					99,591	99,591
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 26-6	3					53,001	53,001
Southview Ct SW (Linden-Sunset)	Reclaim 26-7	2					36,150	36,150
Sunset St SW (Linden-Southview)	Reclaim 26-8	3					29,414	29,414
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 26-9	3					26,123	26,123
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 2691	3					13,642	13,642
Special Assessments Total			155,000	986,419	1,129,082	1,092,962	832,179	4,195,642

Storm Water Utility Fund

SC Trunk Storm (local storm sewer)	New const 03	3	469,950					469,950
Linden Ave SW (Dale-Harrington)	Partial 22-1	3	32,142					32,142
Dale St SW (SGR-Roberts)	Partial 23-1	3		66,728				66,728
Roberts Rd SW (Alan-Dale)	Partial 23-2	3		50,374				50,374
Washington Ave W (Lynn-Main)	Partial 24-1	3			49,658			49,658
2nd Ave SW (Franklin-Main)	Partial 24-2	3			7,200			7,200
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3				89,478		89,478
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3		15,311				15,311
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3		11,354				11,354
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3		7,273				7,273
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3			38,430			38,430
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 24-2	3			18,463			18,463
1st Ave NE (Main-Adams)	Reclaim 24-3	3			14,876			14,876
1st Ave SE (Main-Adams)	Reclaim 24-4	3			14,876			14,876
3rd Ave SE (Main-Adams)	Reclaim 24-5	3			14,876			14,876
Grove St SW (2nd-Washington)	Reclaim 24-6	3			9,080			9,080
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3				23,027		23,027
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				10,592		10,592
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				9,538		9,538
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				4,344		4,344
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				4,062		4,062
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				3,067		3,067
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				1,619		1,619
McDonald Dr SW (Lakewood - School)	Reclaim 26-1	3					32,305	32,305
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3					16,501	16,501
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					13,279	13,279
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 26-6	3					7,067	7,067
Southview Ct SW (Linden-Sunset)	Reclaim 26-7	2					4,820	4,820
Sunset St SW (Linden-Southview)	Reclaim 26-8	3					3,922	3,922
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 26-9	3					3,483	3,483
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 2691	3					1,819	1,819
SW34 pond improvement	STWT 2201	3	64,500					64,500
SW63 pond improvement	STWT 2202	3	30,000					30,000
8th Ave NW drainage improvement	STWT 2301	3		75,000				75,000
Pond SW2 improvements	STWT 2401	3			80,000			80,000

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Michigan St NE area drainage improvement	STWT 2501	3				500,000		500,000
Leaf vacuum (2)	STWT LEAF	3				228,000		228,000
Sherwood drainage improvements	STWT-2601	3					400,000	400,000
Street Infrastructure Improvements	STWT-INF	3		50,000	50,000	50,000	50,000	200,000
Storm Water Utility Fund Total			596,592	276,040	297,459	923,727	533,196	2,627,014

Wastewater Fund

Large UPS for Server Room	IT-2301	3		1,024				1,024
Core Servers Upgrade	IT-2501	3				2,494		2,494
Linden Ave SW (Dale-Harrington)	Partial 22-1	3	13,066					13,066
Sunset St SW (SGR-Linden)	Partial 22-2	3	11,668					11,668
Neal Ave SW (Keith-Sunset)	Partial 22-3	3	5,266					5,266
Dale St SW (SGR-Roberts)	Partial 23-1	3		33,364				33,364
Roberts Rd SW (Alan-Dale)	Partial 23-2	3		25,187				25,187
Washington Ave W (Lynn-Main)	Partial 24-1	3			24,829			24,829
2nd Ave SW (Franklin-Main)	Partial 24-2	3			3,600			3,600
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3				44,739		44,739
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3		7,655				7,655
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3		5,677				5,677
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3		3,636				3,636
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3			19,215			19,215
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 24-2	3			9,231			9,231
1st Ave NE (Main-Adams)	Reclaim 24-3	3			7,438			7,438
1st Ave SE (Main-Adams)	Reclaim 24-4	3			7,438			7,438
3rd Ave SE (Main-Adams)	Reclaim 24-5	3			7,438			7,438
Grove St SW (2nd-Washington)	Reclaim 24-6	3			4,540			4,540
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3				11,514		11,514
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				5,296		5,296
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				4,769		4,769
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				2,172		2,172
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				2,031		2,031
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				1,534		1,534
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				810		810
McDonald Dr SW (Lakewood - School)	Reclaim 26-1	3					16,152	16,152
Harrington St SW (Linden-4th Ave SW)	Reclaim 26-2	3					10,485	10,485
Merrill St SW (Linden-4th Ave SW)	Reclaim 26-3	3					10,336	10,336
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3					8,251	8,251
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					6,639	6,639
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 26-6	3					3,533	3,533
Southview Ct SW (Linden-Sunset)	Reclaim 26-7	2					2,410	2,410
Sunset St SW (Linden-Southview)	Reclaim 26-8	3					1,961	1,961
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 26-9	3					1,742	1,742
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 2691	3					909	909
Collection system infrastructure	WWTF 21-25	2	80,000	80,000	85,000	85,000	85,000	415,000
Biosolids Spreader	WWTF 218	2	35,000					35,000
East ditch final Aire-02 install & optimization	WWTF 22-1	1	509,400					509,400
Digester aeration & mixation rehab	WWTF 22-2	1		505,100				505,100
HATS LS MCC Building	WWTF 22-5	2	100,000					100,000
Belt press thickener 2 overhaul/replace	WWTF 23-1	1		424,600				424,600
Receiving/Bulk water station	WWTF 23-2	1		200,000				200,000
Lift Station repairs/upgrades (Hwy 15 LS)	WWTF 23-3	2	150,000					150,000
MBR fin bubble diffuser system replacement	WWTF 23-5	2		110,200				110,200
Building #100 roof replacement	WWTF 23-6	2		43,600				43,600
Building #90 Boiler/Controls replacement	WWTF 24-1	2			150,000			150,000

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 24-2	2		95,000				95,000
MBR perm pump #1 replacement	WWTF 24-3	2			90,000			90,000
Thickener feed pump #1 replacement	WWTF 24-4	2			40,000			40,000
Belt press thickener 1 overhaul/replace	WWTF 25-1	1				424,600		424,600
Replace ox ditch RAS pumps & check valves	WWTF 25-2	2				200,000		200,000
Lift Station repairs/upgrade (Campbell LS)	WWTF 25-3	2			70,000			70,000
EQ basin liner replacement	WWTF 25-4	2				70,000		70,000
Lift Station repairs & upgrades (Elementary)	WWTF 25-5	2				85,000		85,000
Lift Station repairs & upgrades (Stoney Pt)	WWTF 26-1	2					105,000	105,000
Clarifier dome replacement	WWTF 26-2	3					342,250	342,250
Clarifier rake mechanism & drive replacement	WWTF 26-3	2					339,500	339,500
WWTF buildings 50,60 & 80 roof replace	WWTF 26-4	2					140,100	140,100
Vactor Truck & Jetting Trailer	WWTF 648	3			400,000			400,000
1/2 Ton 4x4 work truck	WWTF 760	3	80,000					80,000
Wastewater Fund Total			984,400	1,535,043	918,729	939,959	1,074,268	5,452,399

Water Fund

Large UPS for Server Room	IT-2301	3		946				946
Core Servers Upgrade	IT-2501	3				2,302		2,302
Linden Ave SW (Dale-Harrington)	Partial 22-1	3	95,817					95,817
Sunset St SW (SGR-Linden)	Partial 22-2	3	85,566					85,566
Neal Ave SW (Keith-Sunset)	Partial 22-3	3	38,617					38,617
Dale St SW (SGR-Roberts)	Partial 23-1	3		33,364				33,364
Roberts Rd SW (Alan-Dale)	Partial 23-2	3		25,187				25,187
Washington Ave W (Lynn-Main)	Partial 24-1	3			24,829			24,829
2nd Ave SW (Franklin-Main)	Partial 24-2	3			3,600			3,600
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3				44,739		44,739
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3		7,655				7,655
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3		5,677				5,677
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3		3,636				3,636
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3			19,215			19,215
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 24-2	3			9,231			9,231
1st Ave NE (Main-Adams)	Reclaim 24-3	3			7,438			7,438
1st Ave SE (Main-Adams)	Reclaim 24-4	3			7,438			7,438
3rd Ave SE (Main-Adams)	Reclaim 24-5	3			7,438			7,438
Grove St SW (2nd-Washington)	Reclaim 24-6	3			4,540			4,540
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3				11,514		11,514
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				5,296		5,296
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				4,769		4,769
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				2,172		2,172
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				2,031		2,031
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				1,534		1,534
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				810		810
McDonald Dr SW (Lakewood - School)	Reclaim 26-1	3					16,152	16,152
Harrington St SW (Linden-4th Ave SW)	Reclaim 26-2	3					10,485	10,485
Merrill St SW (Linden-4th Ave SW)	Reclaim 26-3	3					10,336	10,336
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3					8,251	8,251
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					6,639	6,639
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 26-6	3					3,533	3,533
Southview Ct SW (Linden-Sunset)	Reclaim 26-7	2					2,410	2,410
Sunset St SW (Linden-Southview)	Reclaim 26-8	3					1,961	1,961
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 26-9	3					1,742	1,742
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 2691	3					909	909
1/2 ton work truck	WATR 072	3			28,000			28,000

Source	Project #	Priority	2022	2023	2024	2025	2026	Total
Water tower rehabilitation (Century Ave)	WATR 22-2	3	200,000					200,000
Water Meter Replacement	WATR 22-24	3	400,000	400,000	400,000			1,200,000
Well 4 Recovery Treatment	WATR 22-3	3	50,000					50,000
Concentrate piping replacement	WATR 22-5	1	55,000					55,000
Security system replacements	WATR 22-6	2	38,450					38,450
Biofilter air injectors	WATR 22-7	2	20,000					20,000
Permeate flush pump VFD's	WATR 22-8	3	15,000					15,000
Bulk Fill station	WATR 23-1	3		100,000				100,000
Well 7 Rehabilitation	WATR 24-1	3			65,000			65,000
Well 7 Recovery Treatment	WATR 24-2	3			50,000			50,000
Membrane replacement	WATR 25-1	3				400,000		400,000
Well 4 Rehabilitation	WATR 26-1	2					65,000	65,000
Well 6 Rehabilitation	WATR 26-2	2					65,000	65,000
Scissors Lift	WATR 26-3	3					17,000	17,000
1/2 ton work truck	WATR 484	3		29,725				29,725
Mower replacement	WATR 793	3		17,500				17,500
Street Infrastructure Improvements	WATR-INF	3		200,000	200,000	200,000	200,000	800,000
Water Fund Total			998,450	823,690	826,729	675,167	409,418	3,733,454
GRAND TOTAL			18,740,266	8,101,040	8,243,965	9,165,611	8,347,396	52,598,278



2022 Annual Budget

Fee Schedule

City of Hutchinson

2022 Fee Schedule

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City of Hutchinson
2022 Fee Schedule

Fee Type		2022 Fees	Notes	2021 Fees	% Change	Last Change
Building/Plumbing/Mechanical Permits						
Fixed Fees:						
1 & 2 Family Residential Reroofing		\$60.00	plus surcharge fee	\$50.00	20.0%	2011
1 & 2 Family Residential Residing		\$60.00	plus surcharge fee	\$50.00	20.0%	2011
1 & 2 Family Residential Window/Door Replacement		\$60.00	plus surcharge fee	\$50.00	20.0%	2011
Manufactured (Mobile) Home Install		\$185.00	plus surcharge fee. Separate mechanical & plumbing permit required.	\$185.00	0.0%	2011
Utility Sheds		\$60.00	under 200 sq. ft - surcharge does not apply.	\$50.00	20.0%	2011
		\$21.29 /sq.ft.	Sheds over 200 sq. ft. valuation of \$21.29 / sq. ft.	\$21.29 /sq.ft.	0.0%	2016
Moving Permit		\$175.00	plus surcharge fee, includes excavation permit fee, if applicable	\$175.00	0.0%	2011
Demolition Permit		\$60.00	Residential remodels & accessory structures	\$50.00	20.0%	2015
		\$125.00	Residential demolition	\$125.00		
		\$250.00	Commercial demolition	\$250.00		
Residential Square Foot Valuation:						
Dwellings		\$116.22 /sq.ft.	Rate x Sq. Ft. to arrive at the Construction Valuation which is used to calculate the actual fee (see fee rates under Construction Valuation) Example: 100 sq. ft. 3-Season Porch Construction Valuation = \$81.35 x 100 sq. ft Construction Valuation = <u>\$8,135</u> Fee (\$2,001 - \$25,000 valuation range) 1st \$2,000 of value: \$ 80.17 Remaining value \$6,135/1000 x \$15.44 <u>\$ 94.72</u> Total Fee: \$174.89	\$100.26 /sq.ft.	15.9%	2016
Basements		\$20.00 /sq.ft.		\$10.00 /sq.ft.	100.0%	2011
Unfinished		\$20.65 /sq.ft.		\$20.00 /sq.ft.	3.2%	2011
Porches		\$81.35 /sq.ft.		\$70.18 /sq.ft.	15.9%	2016
3 Season Porch		\$116.22 /sq.ft.		\$100.26 /sq.ft.	15.9%	2016
4 Season Porch		\$46.49 /sq.ft.		\$40.10 /sq.ft.	15.9%	2016
Screened Porch						
Garages		\$45.64 /sq.ft.		\$38.56 /sq.ft.	18.4%	2016
Attached		\$25.10 /sq.ft.		\$21.29 /sq.ft.	17.9%	2016
Detached						
Gazebo		\$25.00 /sq.ft.		\$19.00 /sq.ft.	31.6%	2011
Deck		\$25.00 /sq.ft.	\$10.00 /sq.ft.	150.0%	2015	
Construction Valuation:						
\$1 - \$1,200		\$52.37	minimum valuation and permit amount	\$52.37	0.0%	2017
\$1,201 - \$2,000		\$55.68	for the first \$1,200 plus \$3.36 for each additional \$100 or fraction thereof to and including \$2,000	\$55.68	0.0%	2017
\$2,001 - \$25,000		\$80.17	for the first \$2,000 plus \$15.44 for each additional \$1,000 or fraction thereof to and including \$25,000	\$80.17	0.0%	2017
\$25,001 - \$50,000		\$452.92	for the first \$25,000 plus \$11.14 for each additional \$1,000 or fraction thereof to and including \$50,000	\$452.92	0.0%	2017
\$50,001 - \$100,000		\$745.23	for the first \$50,000 plus \$7.72 for each additional \$1,000 or fraction thereof to and including \$100,000	\$745.23	0.0%	2017
\$100,001 - \$500,000		\$1,150.39	for the first \$100,000 plus \$6.17 for each additional \$1,000 or fraction thereof to and including \$500,000	\$1,150.39	0.0%	2017
\$500,001 - \$1,000,000		\$3,743.47	for the first \$500,000 plus \$5.25 for each additional \$1,000 or fraction thereof to and including \$1,000,000	\$3,743.47	0.0%	2017

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
\$1,000,001 and Up	\$6,492.83	for the first \$1,000,000 plus \$3.48 for each additional \$1,000 or fraction thereof.	\$6,492.83	0.0%	2017
Penalty Fee		Double the Permit Fee - per City Administrator's memo of 5-17-88			
Refund Policy		Refunds may be available at the discretion of the Building Official.			
Plumbing Permit Fees:					
Fixture of Item Fee	\$12.00	\$12 per roughed-in fixture or item. Minimum of \$50.00	\$12.00	0.0%	2011
Mechanical Permit Fees:					
Gas Conversion Connection (<i>switch</i>)	\$125.00	plus surcharge fee	\$125.00	0.0%	2011
Gas Appliance Replacement	\$50.00	plus surcharge fee	\$50.00	0.0%	2011
Mechanical Fee	1.25%	Valuation X 1.25% - plus State surcharge. Minimum of \$50.00 plus State surcharge.	1.25%	0.0%	2011
Miscellaneous Fees:					
Rental registration/inspection	\$20.00 /unit	Initial inspection and 1 follow up inspection, if needed	\$20.00 /unit	0.0%	2016
Rental Unit Reinspection	\$50.00 /unit Double the cost of previous inspection	Second follow-up inspection Subsequent additional/follow-up inspections	\$50.00 /unit Double the cost of previous inspection		
Failure to Appear at Scheduled Rental Inspection	\$50.00	Fee for not showing up at scheduled inspection	\$50.00	0.0%	2011
Rental Complaint Inspection	\$50.00		\$50.00	0.0%	2011
Existing Home Inspection (FMHA)	\$75.00		\$75.00	0.0%	2011
Parkland Dedication		Per subdivision ordinance			
Temporary Certificate of Occupancy	Refundable Deposit	Add'l staff time and follow-up is required for temp C.O.s. Deposit of \$500.00 required and will be refunded if final within timeframe established by Building Department	Refundable Deposit		
Temporary Permits, including footing and foundation permits and preconstruction demolition	\$125.00	Temporary permits allow limited work to be done prior to complete plan submittal and review	\$125.00	0.0%	2011
All other non-specified inspections*	\$60.00	Minimum fee plus State surcharge * or the total hourly costs of the jurisdiction, whichever is the greatest. The cost shall include supervision, overhead equipment, hourly wages, and fringe benefits of the employees involved.	\$60.00	0.0%	2011
Fire Sprinkler Fees:					
New or Additional Fire Sprinkler Systems	1.25%	Fee is equal to 1.25% (.0125) of the total fire sprinkler contract amount, plus a State surcharge. Minimum of \$50 plus State surcharge.	1.25%	0.0%	2011

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Creekside					
Gate Fee:					
McLeod County resident leaves, grass clippings, and brush (under 6" in diameter)	No Charge	ID required; Only Compostable bags accepted NO plastic bags or garbage	No Charge		2001
McLeod County resident wood waste includes brush and logs	No Charge	Must be free of dirt and garbage NO root balls accepted	No Charge		2001
McLeod County Residential Pallet, Crate & Demo Wood	Not Accepted	No painted, stained or treated wood accepted Must be free of plastic and paper	No Charge		2001
Commercial Yardwaste - commingled or separated	\$12.00 /ton	Commingled yardwaste and brush mixed Compostable bags only, no plastic bags	\$12.00 /ton	0.0%	2018
Commercial Source Separated Organics	\$42.00 /ton	Prior approval of acceptance of materials is required Non-compostables not accepted; other fees may apply	\$38.00 /ton	10.5%	2018
Commercial Woodwaste; includes brush and logs	No Charge	Must be free of dirt and garbage NO root balls accepted	No Charge		2018
Commercial Pallets, Crates and Demo Wood	Not Accepted	No painted, stained or treated wood accepted Must be free of plastic and paper	\$30.00 /ton		2018
Stump Chip Disposal	No Charge		No Charge		2001
Concrete and Asphalt (Clean)	No Charge	As determined by Creekside staff review Must be free of dirt, clay, rebar and other contaminants	No Charge		2001
Concrete and Asphalt (Dirty)	\$10.00 /ton	As determined by Creekside staff review	\$10.00 /ton	0.0%	2018
Reinforced Concrete Structures	\$35.00 /ton	Includes reinforced concrete pipe (RCP), manholes, catch basins, etc.	\$35.00 /ton	0.0%	2018
Certified Scale Ticket	\$10.00 /ea	Per ticket issued. Customers/trucks may record their own weights for no charge.	\$10.00 /ea	0.0%	2019
Equipment Rates:					
Horizontal Wood Grinder	Governmental Rate	Includes operator, wheel loader to feed grinder and fuel. Machine repairs as a result of damage from contamination in customer's feedstock will be billable to customer	\$367.50 /hr	4.8%	2018
	Rate for all other Customers		\$525.00 /hr	4.8%	2018
Wheel Loader	Governmental Rate	Operator and fuel included	\$85.00 /hr	11.8%	2018
	Rate for all other Customers		\$110.00 /hr	9.1%	2018
Trommel Screener	Governmental Rate	Operator, fuel and equipment to feed screener are not included in this rate. Mandatory training at delivery/pick-up.	\$95.00 /hr	10.5%	2018
	Rate for all other Customers		\$135.00 /hr	11.1%	2018
65' Radial Stacking Conveyor	\$18.00 /hr	Operator and fuel not included	\$18.00 /hr	0.0%	2018
Portable Light Tower Rental	\$100.00 /event	Cost is per unit; two units available to rent	\$50.00 /event	100.0%	2018
Mobilization Charges	\$115.00 /hr	Roundtrip for delivery and pickup of equipment to and from customer's job site	\$100.00 /hr	15.0%	2018

City of Hutchinson
2022 Fee Schedule

Fee Type		2022 Fees	Notes	2021 Fees	% Change	Last Change
Event Center						
Great Room:	Monday - Thursday	\$350.00	Seating up to 525 dinner or 1,100 theatre	\$350.00	0.0%	2017
	Friday, Saturday, Holidays	\$700.00		\$700.00	0.0%	2017
	Sunday	\$475.00		\$475.00	0.0%	2018
	Linen Service Fee	\$95.00		\$95.00	0.0%	2013
	Wedding / Quinceanara	\$2,500.00	All-inclusive fee	2,500.00	0.0%	2018
Half Great Room:	Monday - Thursday	\$190.00	Seating up to 250 dinner or 550 theatre	\$190.00	0.0%	2018
	Friday, Saturday, Holidays	\$450.00		\$450.00	0.0%	2018
	Sunday	\$300.00		\$300.00	0.0%	2018
	Linen Service Fee	\$50.00		\$50.00	0.0%	2013
	Wedding / Quinceanara	\$1,600.00	All-inclusive fee	1,600.00	0.0%	2018
Quarter Great Room:	Monday - Thursday	\$100.00	Seating up to 100 dinner or 125 theatre	\$100.00	0.0%	2017
	Friday, Saturday, Holidays	\$225.00		\$225.00	0.0%	2014
	Sunday	\$175.00		\$175.00	0.0%	2017
	Linen Service Fee	\$25.00		\$25.00	0.0%	2013
	Wedding / Quinceanara	\$700.00	All-inclusive fee	\$700.00	0.0%	2019
Meeting Room:	Ambassador	\$25.00	Seating for 40 - two hour minimum	\$25.00	0.0%	2017
	Westlund	\$25.00		\$25.00	0.0%	2017
	McCormick	\$25.00		\$25.00	0.0%	2017
Program Room:	Cash Wise	\$125.00	Seating for 75 - two hour minimum	\$125.00	0.0%	2013
	MidCountry	\$25.00	Seating for 15 - two hour minimum	\$25.00	0.0%	2018
	Stearns	\$25.00	Seating for 15 - two hour minimum	\$25.00	0.0%	2018
	Hoefer	\$25.00	Seating for 15 - two hour minimum	\$25.00	0.0%	2018
LCD Projector 3500 Lumen		\$325.00		\$325.00	0.0%	2018
LCD Projector 1100 Lumen		\$125.00		\$125.00	0.0%	2018
Overhead Projector		\$30.00		\$30.00	0.0%	2018
Slide Projector		\$30.00		\$30.00	0.0%	2018
Front Truss Screen 9X12		\$90.00		\$90.00	0.0%	2018
Rear Truss Screen 9X13		\$125.00		\$125.00	0.0%	2018
Podium		\$12.00		\$12.00	0.0%	2018
Podium with Microphone		\$40.00		\$40.00	0.0%	2018
Wireless Microphone		\$40.00		\$40.00	0.0%	2018
TV & VCR Lap top		\$35.00		\$35.00	0.0%	2018
VCR/DVD/CD Player		\$25.00		\$25.00	0.0%	2018
Internet Connection		\$0.00	No Charge	\$0.00	0.0%	2018
Piano		\$30.00		\$30.00	0.0%	2018

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Security	\$57 /hr/officer	For events with alcohol, we require at least one Hutchinson police officer on duty until the end of the event (minimum of 4 hours). For groups of 250 or more, a second officer may be required for the final 4 hours of the event. The fee for each officer is \$51/hr. Please refer to "Rental Policy".	\$57 /hr/officer	0.0%	2018
Refundable Damage Deposit	\$300 /event		\$300 /event	0.0%	2014
White Board/Stand 3X4	\$14.00 /day		\$14.00 /day	0.0%	2018
White Board/Stand 4X6	\$17.00 /day		\$17.00 /day	0.0%	2018
Coffee	\$15.00 /30 cups \$20.00 /50 cups	Hutchinson Event Center catered events Non HEC catered events	\$15.00 /30 cups \$20.00 /50 cups	0.0% 0.0%	2014 2014
Tripod Screen 6'	\$15.00 /day		\$15.00 /day	0.0%	2018
Tripod Screen 8'	\$20.00 /day		\$20.00 /day	0.0%	2018
Food Fee-Large Group	\$80.00 /day		\$80.00 /day	0.0%	2017
Food Fee-Small Group	\$50.00 /day		\$50.00 /day	0.0%	2014
China/Flatware	\$1.00 /place setting	Food vendor may add additional fees	\$1.00 /place setting	0.0%	2013
Draper Easels	\$8.00 /day		\$8.00 /day	0.0%	2018
Speaker Phone	\$25.00 /day		\$25.00 /day	0.0%	2018

Evergreen Senior Dining

Dining Room & Kitchenette	\$100.00		\$100.00	0.0%	2009
Carpeted Room	\$60.00		\$60.00	0.0%	2009
After Hours Open or Lock-up	\$50.00		\$50.00	0.0%	2007
Damage Deposit	\$100.00	Separate check to be returned when keys are returned and if rooms are cleaned up and no damage has occurred	\$100.00	0.0%	2007

Finance

Returned check from the bank (NSF or Closed Account)	\$30.00	Covers bank charge	Set by State Statute	\$30.00	0.0%	2010
Online Payments ACH, Credit Card or Bank Checks	\$30.00	Covers bank charge	Set by State Statute	\$30.00		2018
Lodging Tax - City of Hutchinson	3.00%	per City ordinance 116.01	Set by City Ordinance	3.00%	0.0%	1989
Lodging Tax - penalty for late payment	10.00%	per City ordinance 116.22	Set by City Ordinance	10.00%	0.0%	1989
Local Option Sales Tax:						
Local Sales Tax Rate	0.50%	On retail sales made within, or delivered within, the city limits of Hutchinson. The tax applies to sales that are taxable under the Minnesota sales and use tax laws.	0.50%	0.0%		2012
Local Excise Tax	\$20.00	Per new or used vehicle sold by a dealer located within Hutchinson, in lieu of the Local Sales Tax Rate.	\$20.00	0.0%		2012
Local Excise Tax - Late Fee	10.00%	Dealers are required to report excise tax by the 15th day of the following month. The late fee shall be imposed if not paid by the 20th day of the following month.	10.00%	0.0%		2017
Tax Increment Financing (TIF) Application Fee - as approved by the Hutchinson EDA on 11/28/2018	\$15,000.00	Developers must pay an application fee to cover the legal and consultant costs in establishing a new TIF district. Any unused monies will be returned to the developer.	15,000.00	0.0%		2019

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Fire Department					
2021 fee changes as recommended by the McLeod County Fire Chief's Association, for consistency purposes					
Fire Engine	\$250.00 /hr	each hour on scene	\$250.00 /hr	0.0%	2021
Platform Truck (Ladder)	\$350.00 /hr	each hour on scene	\$350.00 /hr	0.0%	2014
Water Tanker Truck	\$175.00 /hr	each hour on scene	\$175.00 /hr	0.0%	2021
Grass Truck/Unit	\$150.00 /hr	each hour on scene	\$150.00 /hr	0.0%	2021
Utility Truck with 2 Firefighters	\$100.00 /hr	each hour on scene	100.00		
ATV/UTV with 2 Firefighters	\$150.00 /hr	each hour on scene	150.00		
Boat with 2 to 4 Firefighters	\$150.00 /hr	each hour on scene	150.00		
Air Supply Unit	\$75.00 /hr	each hour on scene	75.00		
Rescue	\$200.00 /hr	each hour on scene - previously was for the first hour	\$200.00 /hr	0.0%	2014
	\$200.00 /hr	Each hour after the first hour on scene	\$200.00 /hr	0.0%	2021
HERT Trailer (Haz-Mat)	\$50.00 /hr		\$50.00 /hr	0.0%	2010
Incident Commander (IC)	\$50.00 /hr	each hour on scene	\$50.00 /hr	0.0%	2014
Certified Firefighter	\$30.00 /hr	each hour on scene	\$30.00 /hr	0.0%	2014
Repeat False Alarm (ie: faulty alarm systems)	\$500.00 /occurrence	Calculation based on the apparatus and labor charges per each hour on scene	500.00		2017
Fire Safety Inspection	\$50.00	Daycare/Foster Care units, Basic Commercial and Residential include one free re-inspection	\$50.00	0.0%	2017
Fire Incident Reports (paper or electronic copies)	\$0.25 /page N/A	pictures included in report	\$0.25 N/A	0.0%	2021 2017
Fireworks:		Fees are the Maximum amount allowed by State Statute			
Fireworks Only Business & Tent Sales	\$350.00 (Jan 1 - Dec 31)	License fee is non-refundable, cannot be prorated, and cannot be waived	\$350.00 (Jan 1 - Dec 31)	0.0%	2010
Other retailers	\$100.00 (Jan 1 - Dec 31)	License fee is non-refundable, cannot be prorated, and cannot be waived	\$100.00 (Jan 1 - Dec 31)	0.0%	2010
HRA					
Pre Energy Audit / Post Energy Audit	Variable	Current Contractor Fee	\$650.00	0.0%	2020
Subordination Request Processing Fee	\$100.00		\$100.00	0.0%	2003
Duplicate Document Fee	\$50.00		\$50.00	0.0%	2007
CRPI Rehab Loan Processing:					
Loan Administrative Fee	\$2,600.00		\$2,600.00	0.0%	2015
Loan Document Preparation	\$350.00	Owner match to CRPI	\$350.00	0.0%	2015
GMHF & CRV Gap Loan Admin Fee	\$500.00		\$500.00	0.0%	2017
SCDP Rental Rehab Project Loan Admin Fee	15.00%	% of SCDP Loan	13.00%	15.4%	2015
HRA Entry Cost Loan Admin Fee	\$400.00		\$400.00	0.0%	2014
Revolving New Const. Gap Loan Admin Fee	\$700.00		\$700.00	0.0%	2016
Credit Report Fee: Single	\$20.00		\$20.00	0.0%	2019
Joint	\$40.00		\$20.00	100.0%	2019
Lead Risk Assessment					
Single Family housing (1-4 units)	\$475.00	single request	\$475.00	0.0%	2016
	\$450.00	per unit, 2 or more requests at a time	\$450.00	0.0%	2008

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Lead Clearance Testing	\$250.00	for one unit	\$250.00	0.0%	2016
	\$75.00	for additional units up to 4 units	\$75.00	0.0%	2016
City Deferred Grants Administration Fee (TIF)	10.00%	% of loan amount	10.00%	0.0%	2016
FUF/CFUF & HHILP Title Search Fee	\$50.00		\$50.00	0.0%	2017
FUF/CFUF & HHILP Loan Document Preparation Fee	\$50.00		\$50.00	0.0%	2008
FUF/CFUF & HHILP Loan Origination Fee	1.00%	% of loan amount	1.00%	0.0%	2008
HRA HILP Loan Application Fee	\$350.00		\$350.00	0.0%	2016
Housing Quality Standards (HQS) Inspection Fee	\$600.00		\$600.00	0.0%	2017

Legal

Attorney's Fees for Litigation	\$150.00 /hr	Charged per 1/4 hour	\$150.00 /hr	0.0%	2019
Paralegal's Fees for Litigation	\$75.00 /hr	Charged per 1/4 hour	\$75.00 /hr	0.0%	2019
Contract Review Fee	\$150.00 /hr	Charged per 1/4 hour	\$150.00 /hr	0.0%	2019
Attorney's Fees for Rental Registration Prosecution	\$150.00 /hr	Charged per 1/4 hour	\$150.00 /hr	0.0%	2019
Paralegal's Fees for Rental Registration Prosecution	\$75.00 /hr	Charged per 1/4 hour	\$75.00 /hr	0.0%	2019
Dangerous Dog Designation Hearing	Up to \$1,000.00		Up to \$1,000.00	0.0%	2008

Licenses

Carnival	\$525.00	Refundable deposit	\$525.00	0.0%	2009
Dance Permit (short term)	\$55.00		\$55.00	0.0%	2009
Food Cart	\$125.00	Annual License	\$125.00	0.0%	2013
	\$30.00	Temporary License - for up to 3 consecutive days	30.00	0.0%	2020
Garbage & Refuse Haulers:					
Commercial	\$125.00	January 1 - December 31	\$125.00	0.0%	2009
Residential	\$125.00	January 1 - December 31	\$125.00	0.0%	2009
Recycling	\$55.00	January 1 - December 31	\$55.00	0.0%	2009
Recycling	\$30.00 /day	Per Day	\$30.00 /day	0.0%	2009
Massage Services	\$175.00	January 1 - December 31	\$175.00	0.0%	2009
Peddler/Solicitor/Transient Merchant	\$125.00	Annual License	\$125.00	0.0%	2009
	\$30.00	Temporary License - for up to 3 consecutive days	30.00	0.0%	2020
Pawn Shops and Precious Metal Dealers	\$125.00	January 1 - December 31	\$125.00	0.0%	2009
Second Hand Goods Dealers	\$125.00	January 1 - December 31	\$125.00	0.0%	2009
Short-Term Gambling	\$30.00	Short Term	\$30.00	0.0%	2009
Shows/Exhibitions	\$100.00	Short Term	\$100.00	0.0%	2010
Tattoo License	\$175.00	January 1 - December 31	\$175.00	0.0%	2009
Taxi Cab License (per cab)	\$5.00 /cab	January 1 - December 31	\$5.00 /cab	0.0%	2009
Tobacco License	\$175.00	January 1 - December 31	\$175.00	0.0%	2009

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Liquor Licenses: * The 2021 annual fees were reduced 50% due to Minnesota State ordered business closures related to the COVID-19 pandemic					
Club Liquor License		<i>Club fees are currently at maximum amount per State Statute</i>			
Under 200 Members	\$300.00	January 1 - December 31	\$150.00	100.0%	2009
201 - 500 Members	\$500.00	January 1 - December 31	\$250.00	100.0%	2009
501 - 1000 Members	\$650.00	January 1 - December 31	\$325.00	100.0%	2009
1001 - 2000 Members	\$800.00	January 1 - December 31	\$400.00	100.0%	2009
2001 - 4000 Members	\$1,000.00	January 1 - December 31	\$500.00	100.0%	2009
4001 - 6000 Members	\$2,000.00	January 1 - December 31	\$1,000.00	100.0%	2009
Over 6000 Members	\$3,000.00	January 1 - December 31	\$1,500.00	100.0%	2009
Consumption & Display	\$250.00	January 1 - December 31 Set by statute; max of \$300	\$125.00	100.0%	2012
	\$25.00 /event	Temporary	\$25.00 /event	0.0%	2012
Wine License	\$425.00	January 1 - December 31 Set by statute; max of \$1,000	\$212.50	100.0%	2009
On-Sale Intoxicating Malt Liquor & Wine License	\$600.00	January 1 - December 31	\$300.00	100.0%	2009
On-Sale Intoxicating Liquor License	\$2,000.00	January 1 - December 31 (prorate; refundable)	\$1,000.00	100.0%	2015
On-Sale Sunday Intoxicating Liquor License	\$125.00	January 1 - December 31 Set by statute; max of \$200	\$62.50	100.0%	2009
	\$100.00	Temporary License (One Day)	\$100.00	0.0%	2009
On-Sale 3.2 Malt Liquor License	\$425.00	January 1 - December 31 (nonrefundable)	\$212.50	100.0%	2009
	\$75.00	Short Term (up to seven days in a calendar year)	\$75.00	0.0%	2013
Off-Sale 3.2 Malt Liquor License	\$300.00	January 1 - December 31 (nonrefundable)	\$150.00	100.0%	2009
Temporary Liquor License	\$125.00		\$125.00	0.0%	2013
Intoxicating Liquor Investigations	\$375.00	Nonrefundable	\$375.00	0.0%	2009
3.2 Malt Liquor Investigations	\$125.00	Nonrefundable	\$125.00	0.0%	2009
Caterer's Permit	\$100.00	Per Event	\$100.00	0.0%	2010
	\$300.00	Annual	\$150.00	100.0%	2010
Brewer (off-sale)	\$375.00	Annual	\$187.50	100.0%	2014
Brew pub off-sale	\$375.00	Annual	\$187.50	100.0%	2014
Taproom (on-sale)	\$600.00	Annual	\$300.00	100.0%	2014
Mapping and Printing					
Comprehensive Plan		<i>Website copy available free of charge</i>			
Book	\$25.00		\$25.00	0.0%	2009
DC	\$15.00		\$15.00	0.0%	2009
Color Copy with Foldouts	\$75.00	Four books	\$75.00	0.0%	2009
Subdivision Ordinance	\$20.00		\$20.00	0.0%	2009
Zoning Manual	\$20.00		\$20.00	0.0%	2009
Zoning/Shoreland/Subdivision Manual	\$40.00		\$40.00	0.0%	2009
Joint Planning Area Zoning Manual	\$20.00		\$20.00	0.0%	2009
Subdivision Agreement	\$1.00 /page		\$1.00 /page	0.0%	2009
8 1/2" X 11" - Black & White print	\$0.25 /page		\$0.25 /page	0.0%	2009
8 1/2" X 11" - Color print	\$1.50 /page		\$1.50 /page	0.0%	2009
Legal or Tabloid Size - Black & White print	\$1.00 /page		\$1.00 /page	0.0%	2009
Legal or Tabloid Size - Color print	\$3.00 /page		\$3.00 /page	0.0%	2009
18" X 24" - Black & White print	\$1.50 /page		\$1.50 /page	0.0%	2009

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
18" X 24" - Color print	\$4.50 /page		\$4.50 /page	0.0%	2009
24" X 36" - Black & White print	\$3.00 /page		\$3.00 /page	0.0%	2009
24" X 36" - Color print	\$9.00 /page	Small city zoning map	\$9.00 /page	0.0%	2009
36" X 36" - Black & White print	\$4.50 /page		\$4.50 /page	0.0%	2009
36" X 36" - Color print	\$14.00 /page		\$14.00 /page	0.0%	2009
36" X 48" - Black & White print	\$6.00 /page		\$6.00 /page	0.0%	2009
36" X 48" - Color print	\$18.00 /page		\$18.00 /page	0.0%	2009
Roll Paper Printing	\$1.50 /sq.ft.		\$1.50 /sq.ft.	0.0%	2009
Specialty Map preparation	\$27.50 /hr	Map printing at charges noted above; one hour minimum, 1/4 hour increments thereafter; must be approved by the City IT Director	\$27.50 /hr	0.0%	2009
8 1/2" X 11"	\$5.00	Color orthophoto prints	\$5.00	0.0%	2009
Legal or Tabloid	\$9.00	Color orthophoto prints	\$9.00	0.0%	2009
18" X 24"	\$20.00	Color orthophoto prints	\$20.00	0.0%	2009
24" X 36"	\$30.00	Color orthophoto prints	\$30.00	0.0%	2009
36" X 36"	\$40.00	Color orthophoto prints	\$40.00	0.0%	2009
36" X 48"	\$50.00	Color orthophoto prints	\$50.00	0.0%	2009
Digital Data Orthophoto	\$550 /sq.mile	Minimum charge of \$550.00	\$550 /sq.mile	0.0%	2009
Digital Data Contours	\$550 /sq.mile	Minimum charge of \$550.00	\$550 /sq.mile	0.0%	2009
Digital Data Planimetrics	\$250 /sq.mile	Minimum charge of \$250.00	\$250 /sq.mile	0.0%	2009

- Purchase a combination of all three data sets for \$1,350 /sq. mile not to exceed a maximum charge of \$18,100
- Special mapping requests = Data Price + \$50 /hr
- All data is provided in Arcview Shape File format on a CD
- An additional \$50 charge will be applied to digital data converted to a .dxf format for CAD systems
- The City reserves the right to waive fees by Council direction for other governmental organizations. Commercial-type printing of private,

Parks, Recreation & Community Education

Aquatic Center:

Daily Admission	All Swimmers	\$8.00		\$7.00	14.3%	2018
	24 months and younger	FREE		FREE		2017
	Spectators	\$4.00		\$4.00	0.0%	2017
	After 5pm	\$5.00		\$5.00	0.0%	2017
	Morning Fitness	\$5.00	morning fitness, lap swim, river walking	\$4.00	25.0%	2017
Season Pass	Individual	\$100.00	includes morning fitness, lap swim, river walking	\$90.00	11.1%	2017
	Each additional family member	\$40.00	example: \$220 for a family of four (\$100+\$40+\$40+\$40)	\$35.00	14.3%	2018
	Senior (age 60 years+)	\$85.00	includes morning fitness, lap swim, river walking	\$75.00	13.3%	2017
	Each additional senior family	\$25.00	example: \$110 for a family of two seniors (\$85+\$25)	\$20.00	25.0%	2017
Discount Tickets	12 admissions	\$72.00		\$60.00	20.0%	2017
Rentals	Party Tent Rentals	\$20.00	for 2 hours	\$20.00	0.0%	2017

City of Hutchinson
2022 Fee Schedule

Fee Type		2022 Fees	Notes	2021 Fees	% Change	Last Change
Youth Sports/Activities:						
Adaptive Recreation		\$5.00 /session	per session	\$5.00 /session	0.0%	2017
T-Ball / Tiger Ball (PreK - Grade 2)		\$45.00	12 sessions	\$40.00	12.5%	2013
Girls Fastpitch Softball (Grades 3 - 12)		\$200.00	30 sessions	\$40.00	200.0%	2013
Baseball (Grades 3 - 8)		Fee to Association	14 sessions - Association determines the fee	Fee to Association		
Basketball:	Preschool	\$35.00	7 sessions	30.00	16.7%	2021
	K - Grade 2	\$40.00	7 sessions	35.00	14.3%	2021
	Grades 3 - 4	\$55.00	14 sessions	50.00	10.0%	2021
	Grades 5 - 6	Fee to Association	24 sessions - Association determines the fee	Fee to Association		
Football:	Flag	\$35.00	6 sessions	\$30.00	16.7%	2013
	Tackle	\$80.00	14 sessions	\$75.00	6.7%	2019
Soccer:	Indoor	\$35.00	6 sessions	\$30.00	16.7%	2019
	Outdoor: Grades K-3	\$35.00	6 sessions	\$30.00	16.7%	2019
	Outdoor: Grades 4-6	\$50.00	12 sessions	\$45.00	11.1%	2019
Figure Skating:	Tots-Delta	\$84.00	14 sessions	\$84.00	0.0%	2018
	Sunday Practice	\$88.00	14 sessions	\$88.00	0.0%	2018
Open Skating Pass:	Students/Seniors	\$50.00		\$50.00	0.0%	2018
	Adults	\$60.00		\$60.00	0.0%	2018
	Families	\$80.00		\$80.00	0.0%	2018
Open Skating:	Sunday	\$3.00 /day	per youth per day	\$3.00 /day	0.0%	2018
	Non-School Days	\$4.00 /day	per adult per day	\$4.00 /day	0.0%	2018
	School Days	\$3.00 /day	per adult per day	\$3.00 /day	0.0%	2018
	School Days	\$4.00 /day	per family per day	\$4.00 /day	0.0%	2018
	Family Hour	\$4.00 /day	per adults	\$4.00 /day	0.0%	2018
	Family Hour	\$6.00 /day	per family	\$6.00 /day	0.0%	2018
Swimming Lessons		\$50.00	10 lessons	\$45.00	11.1%	2017
Adult Sports:						
Men's Basketball		\$13.00	per game per team	\$13.00	0.0%	2019
Slowpitch Softball (Umpired Leagues)		\$13.00	per game per team	\$13.00	0.0%	2019
Volleyball:	Co-Rec	\$13.00	per match per team	\$13.00	0.0%	2019
	Sand	\$75.00	per team 10 matches	\$75.00	0.0%	2019
	Women's	\$13.00	per match per team	\$13.00	0.0%	2019
Open Basketball		\$3.00	per person	\$3.00	0.0%	2018
Open Hockey		\$5.00 /day	per person per day	\$5.00 /day	0.0%	2001
Other Fees:						
West River Park Camping:						
Tents		\$15.00		\$15.00	0.0%	2017
Electric Hook-Up		\$25.00		\$25.00	0.0%	2017
Water, Sewer, Electric		\$35.00		\$35.00	0.0%	2020
Field Rental		\$20.00	1 1/2 hours	\$20.00	0.0%	2020

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
VMF Field: Day Game	\$45.00	per game	\$45.00	0.0%	2017
Night Game	\$90.00	per game	\$90.00	0.0%	2017
Shelter reservation Non-Electrical	\$30.00	per day	\$30.00	0.0%	2020
Electrial	\$50.00	per day	\$50.00	0.0%	2020
Depot building rental - 25 Adams St SE	\$75.00	4 hour rental	\$60.00	25.0%	2018
	\$15.00	per additional hour	\$15.00	0.0%	2018
Depot pavilion rental - 25 Adams St SE	\$50.00	per rental (required to also rent depot building)	\$0.00	0.0%	
Church rental - 105 2nd Ave SE	\$50.00 /hr	2 hour minimum	\$50.00	0.0%	2016
Bleachers	\$25.00	per 3 rows	\$25.00	0.0%	2019
Picnic Tables	\$15.00	With three-day rental, will move tables; four table minimum	\$15.00	0.0%	2016
Garden Plot	\$40.00	10' x 20'	\$35.00	14.3%	2009
Open Gym Daily	\$3.00	per person	\$3.00	0.0%	2014
Open Gym Punch Pass	\$25.00	per 10 visits	\$45.00	-44.4%	2014
Indoor Playground: Child	\$3.00	per child	\$3.00	0.0%	2018
Family	\$4.00	per family	\$4.00	0.0%	2018
Family Playground Pass	\$60.00		\$50.00	20.0%	2018
Civic Arena (dry floor):					
First Full Day	\$600.00	per day	\$600.00	0.0%	2001
Half Day	\$350.00	1/2 day	\$350.00	0.0%	2010
Additional Day	\$300.00	each additional day	\$300.00	0.0%	2001
Turf	\$60.00	per hour	\$60.00	0.0%	2013
Youth	\$40.00 /hr	per hour	\$40.00 /hr	0.0%	2013
Rec Center: Basketball Rental	\$20.00	per court per hour	\$20.00	0.0%	2013
Volleyball Rental	\$20.00	for either one or two courts per hour	\$20.00	0.0%	2019
Pickleball Rental	\$10.00	per court per hour	\$0.00	0.0%	2022
Swimming Pool	\$300.00	per hour	\$300.00	0.0%	2018
Gym	\$500.00	per day	\$500.00	0.0%	2017
Gym	\$40.00	per hour	\$40.00	0.0%	2013
Pool Office	\$100.00	per day	\$100.00	0.0%	2018
Concession Stand (without equipment)	\$150.00	per day	\$150.00	0.0%	2018
Concession Stand (with equipment)	\$200.00	per day	\$200.00	0.0%	2018
Lobby	\$20.00	per hour	\$20.00	0.0%	2019
Civic Arena: Ice Time	\$185.00 /hr	per hour	\$185.00 /hr	0.0%	2021
Summer Ice	\$185.00 /hr	per hour	\$185.00 /hr	0.0%	2021
Roberts Park Tournament Fee	\$50.00	per field per day	\$50.00	0.0%	2019
Transfers	\$5.00	per person per class	\$5.00	0.0%	2019
Cancellations	\$5.00	deducted from refund	\$5.00	0.0%	2019
Team Fees Are Non-Refundable					

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Plan Review					
Staff noted these fees are tied to value. As values increase, so do the fees.					
Plan Review is 65% of the building permit fee Plan Review Fee for similar plans is 25% of Building Permit Fee (per MN Rule 1300.0160) All other non-specified valuations to be determined by Building Official.					
State Surcharge Fee:					
Permits with Fixed Fees	\$1.00	Surcharge for mobile home, demolition, moving, excavation, residential reroof, residential reside, residential window or door replacement, and utility sheds over 200 sq.ft.	\$1.00	0.0%	2011
Valuation up to \$1,000,000	Mil (.0005) X Valuations	Mil (.0005) X Valuations up to \$1,000,000	Mil (.0005) X Valuations		2011
\$1,000,000 to \$2,000,000	Valuation - \$1,000,000 X .0004 + \$500.00	Valuation - \$1,000,000 X .0004 + \$500.00	Valuation - \$1,000,000 X .0004 + \$500.00		2011
\$2,000,000 to \$3,000,000	Valuation - \$2,000,000 X .0003 + \$900.00	Valuation - \$2,000,000 X .0003 + \$900.00	Valuation - \$2,000,000 X .0003 + \$900.00		2011
\$3,000,000 to \$4,000,000	Valuation - \$3,000,000 X .0002 + \$1,200.00	Valuation - \$3,000,000 X .0002 + \$1,200.00	Valuation - \$3,000,000 X .0002 + \$1,200.00		2011
\$4,000,000 to \$5,000,000	Valuation - \$4,000,000 X .0001 + \$1,400.00	Valuation - \$4,000,000 X .0001 + \$1,400.00	Valuation - \$4,000,000 X .0001 + \$1,400.00		2011
\$5,000,000 and over	Valuation - \$5,000,000 X .00005 + \$1,500.00	Valuation - \$5,000,000 X .00005 + \$1,500.00	Valuation - \$5,000,000 X .00005 + \$1,500.00		2011
Planning and Land Use					
After the Fact	Double permit fee		Double permit fee		
Annexation	\$450.00 + \$5 per acre	Includes annexation fee to be paid to State	\$450.00 + \$5 per acre	0.0%	2011
Comprehensive Plan Amendment	\$350.00		\$350.00	0.0%	2017
Commercial Parking Lot	\$150.00	Overlay	\$150.00	0.0%	2016
	\$300.00	Reconstruction	\$300.00	0.0%	2016
Rezoning	\$425.00	Includes recording fees	\$425.00	0.0%	2017
Vacation of street, alley, or easement	\$375.00	Includes recording fees	\$375.00	0.0%	2011
Lot Splits (Single and Two Family)	\$225.00	Includes recording fees	\$225.00	0.0%	2017
Lot Splits (Multiple Family, Commercial, Industrial)	\$300.00	Includes recording fees	\$300.00	0.0%	2017
Planned Unit Development	\$600.00	Includes recording fees	\$600.00	0.0%	2017

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Platting: Preliminary Plat	\$450.00	Plus recording and legal fees	\$450.00	0.0%	2017
Final Plat	+ \$10 per lot \$250.00 + \$10 per lot	Plus recording and legal fees	+ \$10 per lot \$250.00 + \$10 per lot	0.0%	2017
Residential Curb Cut, Driveway Apron, and Hard Surfacing Driveway Permit	\$50.00		\$50.00	0.0%	2011
Site Plan	\$400.00		\$400.00	0.0%	2017
Special Meeting	Double permit fee	Includes \$30 payment to Planning Commissioners in attendance	Double permit fee		
Trees	\$300.00	Per tree	\$300.00	0.0%	2012
Variances	\$350.00	Includes recording fees	\$350.00	0.0%	2017
Zoning Letters Non-Flood Zoning Letters	\$75.00	Per property address	\$75.00	0.0%	2019
Flood Zoning Letters	\$75.00	Per property address	\$75.00	0.0%	2019
Conditional Use Permits	\$350.00	Includes recording fees	\$350.00	0.0%	2017
Fence Permit	\$50.00		\$50.00	0.0%	2011
Portable/Temporary Sign Permit	\$60.00	Per permit, three permits per calendar year	\$60.00	0.0%	2011
Sandwich Board Sign Permit	\$60.00	Per year	\$60.00	0.0%	2011
Sign Permit	\$1.00 /sq.ft. \$60.00 minimum	Per square foot with a minimum fee of \$60.00	\$1.00 /sq.ft. \$60.00 minimum	0.0%	2011

NOTE: Application fees include public hearing publication, preparation of maps, public notice mailings, agenda preparation, meetings, site visits, filing fees for the County, administrative expenses, etc.

Police Department

Animal License Tag (Dog/Cat)	\$10.00	Cost is waived if pet is spayed, neutered or implanted with a microchip.	\$10.00	0.0%	2007
ATV / Golf Cart Licenses	\$45.00	3 year license	\$45.00	0.0%	2016
Bicycle Licenses	\$5.00		\$5.00	0.0%	2007
Dangerous Dog Designation Registration	\$50.00		\$50.00	0.0%	2009
Animal Impound	\$50.00		\$50.00	0.0%	2007
Animal Maintenance/Kennel Fee:					
Initial kennel fee - first day	\$35.00	applies to both cats and dogs	\$35.00	0.0%	2015
Dogs - kennel fee after first day	\$16.00 /day	per day following the initial kennel fee	\$16.00 /day	0.0%	2015
Cats - kennel fee after first day	\$11.00 /day	per day following the initial kennel fee	\$11.00 /day	0.0%	2015
Vaccination fee	\$5.00	applies to both cats and dogs	\$5.00	0.0%	2015
Testing fee	\$41.00	applies to cats only	\$25.00	64.0%	2015
Audio/Video Magnetic Media	\$30.00 /item	Per item	\$30.00 /item	0.0%	2007
Citizen Weapon Storage	\$1.00 /day	New state law allows citizens to bring personal weapons into the Police Department for safekeeping.	\$1.00 /day	0.0%	2015
Court Ordered Breath Tests	\$25.00 /week	Per week	\$25.00 /week	0.0%	2007
Finger Printing	\$30.00		\$20.00	50.0%	2007
Photographs	\$2.00 /page	Per page	\$2.00 /page	0.0%	2007

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Police Report Copies: Walk In	\$0.25 /page	Per page	\$0.25 /page	0.0%	2007
Mail or Fax	\$5.00		\$5.00	0.0%	2007
Police Service of Papers	\$45.00		\$45.00	0.0%	2015
Vehicle Impound Storage	\$10.00 /day	Per day	\$10.00 /day	0.0%	2007
<i>The following are court assessed fees for violation of specific ordinances</i>					
ATV Traffic Control Regulations	\$125.00	73.15	\$125.00	0.0%	2012
City Parking Lots & Ramps	\$25.00	72.08	\$25.00	0.0%	2012
Dog at Large	\$50.00	Ordinance No. 93.18	\$50.00	0.0%	2012
Dog Without License	\$25.00	93.18	\$25.00	0.0%	2012
Drive through private property to avoid traffic control device	\$85.00	71.08	\$85.00	0.0%	2012
Emergency Parking Prohibition	\$100.00	72.05	\$100.00	0.0%	2012
Equipment Requirements/Muffler	\$50.00	73.03	\$50.00	0.0%	2012
Excessive Vehicle Noise Prohibited	\$85.00	71.11	\$85.00	0.0%	2012
Fail to Remove Animal Waste	\$30.00	93.01	\$30.00	0.0%	2012
Fire Lanes; Rush Hour Traffic	\$50.00	72.13	\$50.00	0.0%	2012
Loading Zone	\$25.00	72.09	\$25.00	0.0%	2012
Motor-home/Trailer/Rec vehicle park restriction	\$25.00	72.07	\$25.00	0.0%	2012
Motorized Scooters	\$85.00	73.17	\$85.00	0.0%	2012
No Burning Permit in Possession	\$100.00	92.62	\$100.00	0.0%	2012
No Parking	\$25.00	Ordinance No. 72.04 (b) 3	\$25.00	0.0%	2012
No Parking-Bike Lane	\$25.00	70.05	\$25.00	0.0%	2012
No Parking-Snow Emergency	\$50.00	72.15	\$50.00	0.0%	2012
Nuisance Parking	\$25.00	Ordinance No. 92.19	\$25.00	0.0%	2012
Parallel Parking	\$25.00	72.02	\$25.00	0.0%	2012
Parking for Advertising or Sale Prohibited	\$50.00	72.11	\$50.00	0.0%	2012
Parking/Standing/Stopping Prohibited	\$25.00	72.01	\$25.00	0.0%	2012
Physically Handicapped Parking	\$200.00	72.12	\$200.00	0.0%	2012
Possession of uncased loaded firearm	\$125.00	130.05	\$125.00	0.0%	2012
Residential zoning district violation	\$40.00	154.056	\$40.00	0.0%	2012
Traffic Congestion Street/Restriction/Exemption	\$25.00	71.06	\$25.00	0.0%	2012
Truck Parking Restricted	\$25.00	72.06	\$25.00	0.0%	2012
Use of Bike/Skateboards/Rollerskates/Like	\$25.00	73.31	\$25.00	0.0%	2012
U-Turns Restriction	\$25.00	71.04	\$25.00	0.0%	2012
Vehicle repair on street/public parking lot restriction	\$85.00	72.1	\$85.00	0.0%	2012
Violate Angle Parking Ordinance	\$25.00	72.03	\$25.00	0.0%	2012
Violate motorized golf cart ordinance	\$50.00	73.16	\$50.00	0.0%	2012
Violation of Time Limit Parking	\$25.00	72.04	\$25.00	0.0%	2012
Water Shortages/Rest Use/Hours	\$100.00	Ordinance No. 52.06	\$100.00	0.0%	2012

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Public Works					
Engineering:					
* Design Review	3.00%	Review of site and grading plans and/or plans and specifications prepared by developer, or preliminary engineering of reconstruction plans.	3.00%	0.0%	2002
Final Design	6.00%	Preparation of project plans and specifications in-house.	6.00%	0.0%	2002
Construction Review and Staking	6.00%	Includes on-site and off-site construction services. Private developers must provide survey control and may complete this work with a consultant approved by the City and pay these costs directly.	6.00%	0.0%	2002
* Preliminary Development	1.00%	Plan review, City approval process, and preparation of developer, subdivision and/or development agreements.	1.00%	0.0%	2002
Contact Administration	2.00%	Assessment roll preparation, MN Statute 429 review, and contract administration and review.	2.00%	0.0%	2002
* Comprehensive Planning	2.00%	Comprehensive/infrastructure/system planning and improvement project studies/reports.	2.00%	0.0%	2014
Topographic Mapping	1.00%	GIS system and topographic mapping administration.	1.00%	0.0%	2014
* Housing needs fund	1.00%	Funding for HRA program supporting housing needs within the community. The HRA Board may waive this fee on projects meeting HRA Housing goals. Not applied to reconstruction or trunk utility improvements.	1.00%	0.0%	2002
Standard City Rate:					
Redevelopment/Newly Annexed	21.00%	Redevelopment and newly annexed (does not include "Housing Needs Fund")	21.00%	0.0%	2014
New Development	22.00%	New development (includes "Housing Needs Fund"). The City retains the right to approve which projects will be completed utilizing municipal financing based on guidelines approved by the City Council.	22.00%	0.0%	2014
Developer Designed & Financed Rate	7.00%	Minimum rate, including all items noted with asterisk (*). Private development projects utilizing more City services will be charged based on rates noted above. Hutchinson HRA may waive the 1% Housing Needs Fund fee based on low-income housing being included in the project.	7.00%	0.0%	2014
Engineering: Plans & Specs (paper)	\$80.00	Per set fee	\$80.00	0.0%	2002
Engineering: Plans & Specs (download set)	\$30.00	Per set fee	\$30.00	0.0%	2019
<p align="center"><i>The City retains the right to engage a consultant to complete a portion of the Engineering and Project Administration. The developer shall have the preliminary and final plat approved prior to work commencing on final design. Financial assurance or bonding may be required for improvement being completed by private developers. The developer shall meet all design standards and financial surety requirements of the City.</i></p>					

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Typical Residential Improvement Assessment Rates:					
Total street reconstruction	\$80.00	Per adjusted front foot	\$80.00	0.0%	2010
Partial street reconstruction	\$65.00	Per adjusted front foot	\$65.00	0.0%	2013
Street rehabilitation	\$52.50	Per adjusted front foot	\$52.50	0.0%	2013
Mill/overlay of street	\$30.00	Per adjusted front foot	\$30.00	0.0%	2010
Water service lateral	\$3,000.00	or based on actual construction costs	\$3,000.00	0.0%	2010
Sewer service lateral	\$3,000.00	or based on actual construction costs	\$3,000.00	0.0%	2010
SAC (Sewer Availability Charge)	\$2,300.00	Residential per MCES criteria & Commercial/Industrial per MCES with initial unit + 50% of additional units	\$2,300.00	0.0%	2011
WAC (Water Availability Charge)	\$1,750.00	Residential per MCES criteria & Commercial/Industrial per MCES with initial unit + 50% of additional units	\$1,750.00	0.0%	2011
Assessment Search	\$30.00		\$30.00	0.0%	2011
Water Rates:					
Base charge	\$7.35	Per water meter	\$7.35	0.0%	2011
Usage (Residential, Retail, Commercial, Industrial)					
To 150,000 gallons per month	\$4.34		\$4.34	0.0%	2011
151,000 to 3,000,000 gallons per month	\$3.18		\$3.18	0.0%	2011
Over 3,000,000 gallons per month	\$2.36		\$2.36	0.0%	2011
Water Service Repair	\$0.50	Per water meter per month	\$0.50	0.0%	2011
State Drinking Water Service Connection Fee	\$0.81	Per water meter per month - State required fee	\$0.81	0.0%	2020
Bulk water	\$45.00	Deposit for key rental	\$45.00	0.0%	2011
Key rental fee (Month or partial month)	\$45.00	Month or partial month	\$45.00	0.0%	2011
Lost key	\$585.00		\$585.00	0.0%	2011
Set up fee	\$25.00	Set up fee for putting a metered valve onto a hydrant for bulk water loading / use	\$25.00	0.0%	2016
Per load	\$20.00	South Park loaded by City staff	\$20.00	0.0%	2011
Per load	\$20.00	2 load/day, hydrant fills	\$20.00	0.0%	2011
Load Charge	\$8.00	per 1,000 gallon (rounded to nearest 1,000 ga.) \$20 minimum	\$8.00	0.0%	2015
Disconnect/Reconnecting Accounts					
Delinquent Account Penalties	5.00%	Assessed to outstanding balance	5.00%	0.0%	2011
Scheduled - Snowbirds or Foreclosures	\$30.00	\$30 for disconnect; \$30 for reconnect	\$30.00	0.0%	2011
Delinquent Accounts - Disconnect	\$40.00	\$40 for disconnect; \$40 for reconnect	\$40.00	0.0%	2011
		The \$40 disconnect fee applies to all accounts that do not pay by noon on the disconnect due date unless a payment arrangement is granted by the City prior to the noon.			
Reconnect after hours/weekends/holiday	\$100.00		\$100.00	0.0%	2011

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Water Meter Fees:					
3/4" X 5/8"	\$365.00	Connections and flanges included	\$318.00	14.8%	2021
1"	\$470.00	* meter pricing includes water meter transmitter	\$404.00	16.3%	2021
1.5" Compound	\$1,815.00		\$1,555.00	16.7%	2020
1.5" Turbo	\$1,332.00		\$1,154.00	15.4%	2020
2" Compound	\$2,057.00	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$1,792.00	14.8%	2020
2" Turbo	\$1,542.00		\$1,339.00	15.2%	2020
3" Compound	\$2,561.00		\$2,225.00	15.1%	2020
3" Turbo	\$1,868.00		\$1,643.00	13.7%	2020
4" Compound	\$4,220.00		\$3,708.00	13.8%	2020
4" Turbo	\$3,369.00	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$2,997.00	12.4%	2020
6" Compound	\$7,229.00		\$6,275.00	15.2%	2020
6" Turbo	\$5,947.00		\$5,125.00	16.0%	2020
Water meter testing fee	\$50.00	Plus all direct costs for testing by others	\$50.00	0.0%	2012
Water meter transmitter	\$178.00	As needed, determined by the Water Dept.	\$150.00	18.7%	2020
Telecommunications Application Fee:					
Telecommunication permit application	\$775.00		\$775.00	0.0%	2012
Lease rates	Negotiated		Negotiated		
Right-of-Way Permit Fees:					
Excavation (<5,000 SF)	\$35.00		\$35.00	0.0%	2012
Excavation (>5,000 SF to <1 acre)	\$100.00		\$100.00	0.0%	2020
Excavation (1-5 acres)	\$200.00		\$200.00	0.0%	2020
Excavation (>5 acres)	\$300.00		\$300.00	0.0%	2020
City utility/drainage connection excavation	\$35.00		\$35.00	0.0%	2020
Linear project (per 1,000 LF)	\$50.00		\$50.00	0.0%	2020
Obstruction	\$50.00		\$50.00	0.0%	2020
Small wireless facility (up to 5)	\$500.00		\$500.00	0.0%	2020
Sewer Rates: (will be reevaluated upon receipt of NPDES permit renewal)					
Base charge (CATEGORY A)	\$6.41	Per connection	\$6.41	0.0%	2011
Usage (CATEGORY A)	\$6.42	Based upon January/February 30 day avg water usage	\$6.42	0.0%	2011
Base charge (CATEGORY B)	\$6.41	Per connection	\$6.41	0.0%	2011
Usage (CATEGORY B)	\$5.75	Based upon January/February 30 day avg water usage	\$5.75	0.0%	2011
Load charges:					
Biochemical Oxygen Demand (BOD)	\$0.43	Greater than 140 mg/l	\$0.43	0.0%	2010
Total Kjeldahl Nitrogen (TKN)	\$1.16	Greater than 50 mg/l	\$1.16	0.0%	2010
Suspended Solids	\$0.40	Greater than 310 mg/l	\$0.40	0.0%	2010
Phosphorous (P)	\$5.82	Greater than 6 mg/l	\$5.82	0.0%	2010

City of Hutchinson
2022 Fee Schedule

Fee Type		2022 Fees	Notes	2021 Fees	% Change	Last Change
Industrial Pretreatment Program Fees: (will be reevaluated upon receipt of NPDES permit renewal)						
New permit application fee						
	Sewer users < 25,000 gals/day & Haulers	\$100.00	Permit application fee	\$100.00	0.0%	2006
	Sewer users > 25,000 gals/day	\$400.00	Permit application fee	\$400.00	0.0%	2006
Annual Permit Fee	Haulers	\$100.00	per year	\$100.00	0.0%	2006
	Sewer Users < 25,000 gals/day	\$700.00	per year	\$700.00	0.0%	2006
	Sewer Users 25,000 to 100,000 gals/day	\$1,400.00	per year	\$1,400.00	0.0%	2006
	Sewer Users > 100,000 gals/day	\$2,100.00	per year	\$2,100.00	0.0%	2006
	Annual site inspection fee	\$100.00		\$100.00	0.0%	2006
Sampling and Lab costs		at Cost		at Cost		2006
State and Legal Costs		at Cost		at Cost		2006
Limits Exceedance Fees		\$150.00	per pollutant per sampling period	\$150.00	0.0%	2006
Hauling Waste Fees						
Portable Toilets Waste						
	Truck tipping fee	\$6.00	per 100 gallons	\$6.00	0.0%	2006
Municipal WWTP Sludge						
	Truck tipping fee	\$50.00	per truck load	\$50.00	0.0%	2006
	Sludge volume fee	\$325.00	per dry ton	\$325.00	0.0%	2006
Garbage Rates:						
Weekly service	30-gallon container	\$20.12	per month charge	\$20.12	0.0%	2008
	60-gallon container	\$29.02	per month charge	\$29.02	0.0%	2008
	90-gallon container	\$39.92	per month charge	\$39.92	0.0%	2008
Bi-weekly service	30-gallon container	\$14.16	per month charge (60 & 90 gallon containers not available)	\$14.16	0.0%	2008
Weekly valet service	30-gallon container	\$28.46	per month charge	\$28.46	0.0%	2008
	60-gallon container	\$37.36	per month charge	\$37.36	0.0%	2008
	90-gallon container	\$48.26	per month charge	\$48.26	0.0%	2008
Senior Citizens/Low Income Rate						
	Bi-weekly standard service	\$14.16	30-gallon container; per month charge	\$14.16	0.0%	2008
	Bi-weekly valet service (low income)	\$19.79	30-gallon container, per month charge	\$19.79	0.0%	2008
	Senior citizen reduced rate (low income)	\$2.50	per month charge	\$2.50	0.0%	2008
	Senior citizen reduced valet	\$10.84	per month charge	\$10.84	0.0%	2008
	Senior citizen reduced bi-weekly valet	\$6.67	per month charge	\$6.67	0.0%	2008
Cart delivery fee		\$10.00		\$10.00	0.0%	2007
Stickers for extra garbage bag service		\$2.00	stickers available at City Center Administration window	\$2.00	0.0%	2007
Compost Carts	First 95 gallon cart	\$0.00	free service	\$0.00	0.0%	2007
	Second 95 gallon cart (optional)	\$100.00	annual billing - not to be prorated if cancelled within year	\$100.00	0.0%	2016

City of Hutchinson
2022 Fee Schedule

Fee Type		2022 Fees	Notes	2021 Fees	% Change	Last Change
Storm Water Utility:						
Golf Course, Park, Open Space		\$6.28		\$6.10	3.0%	2021
Single & Two-Family Residential		\$4.85		\$4.71	3.0%	2021
Public/Private School & Institutional		\$24.38		\$23.67	3.0%	2021
Multi-Family Residential & Church		\$34.66		\$33.65	3.0%	2021
Commercial & Industrial		\$62.01		\$60.20	3.0%	2021
Lots 1 to 2 acres		\$8.39		\$8.15	2.9%	2021
Lots 2 to 3 acres		\$14.64		\$14.21	3.0%	2021
Lots 3 to 4 acres		\$20.88		\$20.27	3.0%	2021
Lots 4 to 5 acres		\$27.14		\$26.35	3.0%	2021
Lots over 5 acres			See Resolution No. 11637			
Drainage/Erosion Control permit		\$35.00	Drainage connection	\$35.00	0.0%	2012
		\$35.00	< 5,000 SF disturbed	\$35.00	0.0%	2012
		\$100.00	5,000 SF - 1 acre disturbed	\$100.00	0.0%	2012
		\$200.00	1 to 5 acres disturbed	\$200.00	0.0%	2012
		\$300.00	More than 5 acres disturbed	\$300.00	0.0%	2012
Cemetery:						
Flush marker	Grave space	\$825.00		\$825.00	0.0%	2021
	Cremation grave space	\$460.00		\$450.00	2.2%	2017
Upright memorial	Grave space	\$1,080.00		\$1,080.00	0.0%	2021
	Cremation grave space	\$1,100.00		\$1,080.00	1.9%	2017
Second right of interment		\$450.00		\$450.00	0.0%	2021
Baby section grave space		\$145.00		\$145.00	0.0%	2021
Columbarium Niches		\$1,800.00	all niches	\$1,800.00	0.0%	2020
Replacement Bronze Plaque		\$395.00		\$395.00	0.0%	2021
Family Estate Property		\$20,000.00	beginning at \$20,000	\$20,000.00	0.0%	2021
Interments	Weekday	\$825.00	Non-Winter	\$825.00	0.0%	2021
	Weekday	\$970.00	Winter	\$970.00	0.0%	2021
	Weekday Baby	\$315.00	Non-Winter	\$315.00	0.0%	2021
	Weekday Baby	\$630.00	Winter	\$630.00	0.0%	2021
	Weekday cremation in-ground inurnment	\$435.00	Non-Winter	\$435.00	0.0%	2021
	Weekday cremation in-ground inurnment	\$560.00	Winter	\$560.00	0.0%	2021
	Weekend/Holiday	\$1,080.00	Non-Winter	\$1,080.00	0.0%	2021
	Weekend/Holiday	\$1,195.00	Winter	\$1,195.00	0.0%	2021
	Weekend/Baby	\$565.00	Non-Winter	\$565.00	0.0%	2021
	Weekend/Baby	\$680.00	Winter	\$680.00	0.0%	2021
	Weekend cremation in-ground inurnment	\$685.00	Non-Winter	\$685.00	0.0%	2021
	Weekend cremation in-ground inurnment	\$805.00	Winter	\$805.00	0.0%	2021
Inurnments (Columbaria)	Weekday	\$390.00	Non-Winter	\$390.00	0.0%	2021
	Weekday	\$510.00	Winter	\$510.00	0.0%	2021
	Weekend/Holiday	\$630.00	Non-Winter	\$630.00	0.0%	2021
	Weekend/holiday	\$735.00	Winter	\$735.00	0.0%	2021
Disinterment		\$1,725.00	Disinterment	\$1,725.00	0.0%	2021

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Vaulted cremains (additional charge)	\$250.00		\$250.00	0.0%	2021
Companion urn	\$240.00		\$240.00	0.0%	2019
Pot stands Upright	\$40.00		\$35.00	14.3%	2019
Saddle mount	\$25.00		\$20.00	25.0%	2019
Late charges	\$225.00	funerals arrive after 4pm	\$225.00	0.0%	2021
	\$60.00	funerals arrive more than 30 minutes late	60.00	0.0%	2021
	\$100.00	funerals arrive more than 60 minutes late	100.00	0.0%	2021
Holding vault fee	\$140.00	fee	\$140.00	0.0%	2021
Recording fee (not interred at Oakland Cemetery)	\$85.00	permanent record	\$85.00	0.0%	2021
Stone setting permit	\$85.00	permit	\$85.00	0.0%	2021
Stone washing	\$50.00	per hour, 1/2 hour minimum	\$50.00	0.0%	2019
Cemetery deed transfer	\$15.00	Rate set by Statute	\$15.00	0.0%	2008
Chapel rental	\$285.00	Per 1/2 day	\$285.00	0.0%	2021
Commemorative Bench Program					
Single bronze plaque	\$575.00		\$575.00	0.0%	2021
Double bronze plaque	\$795.00		\$795.00	0.0%	2021
Engraved name/date per space	\$285.00		\$285.00	0.0%	2021
No memorial on bench; placed by Cemetery	\$2,625.00	Prices starting at	\$2,625.00	0.0%	2021
Recording fee	\$85.00		\$85.00	0.0%	2021
Affidavit of Ownership	\$85.00	Claim of ownership by decent of title	\$85.00	0.0%	2021
H.A.T.S. Facility: Fuel Charges	\$0.12	Fuel system maintenance, fuel treatment, equip wash bay	\$0.12	0.0%	2009
Airport:					
City-owned hangars: Hangars #1/9-1/18	\$50.00	Per month. Airport Commission schedule	\$50.00	0.0%	2020
Hangars #1/19	\$270.00	Per month. Airport Commission schedule	\$250.00	8.0%	2021
Hangars #2/1-2/8	\$90.00	Per month. Airport Commission schedule	\$90.00	0.0%	2020
Hangars #3/2-3/4; 3/6-3/8	\$125.00	Per month. Airport Commission schedule	\$125.00	0.0%	2020
Hangars #3/1 & 3/5	\$300.00	Per month. Airport Commission schedule	\$270.00	11.1%	2021
Hangars #4/1-4/8	\$120.00	Per month. Airport Commission schedule	\$120.00	0.0%	2020
Hangars #5/1-5/8	\$190.00	Per month. Airport Commission schedule	\$190.00	0.0%	2020
City-owned storage spaces - Hangar #4	\$47.50	Per month. Adjusted to \$1.00/SF annual cost	\$47.50	0.0%	2020
City-owned storage spaces - Hangar #5	\$56.25	Per month. Adjusted to \$1.00/SF annual cost	\$56.25	0.0%	2020
Privately-owned hangar spaces:					
General Aviation	\$0.0410	per sq. ft. every other year	\$0.0400	2.5%	2020
Commercial	\$0.1380	per sq. ft. every other year	\$0.1350	2.2%	2020

City of Hutchinson
2022 Fee Schedule

Fee Type	2022 Fees	Notes	2021 Fees	% Change	Last Change
Operations & Maintenance:					
Labor rate - operator/laborer	\$60.00 /hr	Add \$20/hr for premium/overtime pay	\$60.00 /hr	0.0%	2021
Labor rate - supervisor	\$75.00 /hr	Add \$20/hr for premium/overtime pay	75.00	0.0%	2021
Administrative fee	\$50.00		\$50.00	0.0%	2010
Mailbox reimbursement	\$285.00	Reimbursement to property owners for damaged mailbox not repaired by City staff.	\$285.00	0.0%	2021
Asphalt patching material	\$350.00 /ton	Per ton (up to 3 ton)	\$350.00 /ton	0.0%	2021
Other materials	Quoted		Quoted		
Equipment rental rates	Quoted	See most recent FEMA reimbursement rates + 20% + Operator cost + Fuel surcharge	Quoted		



2022 Annual Budget

Compensation Plan

RESOLUTION NO. 15380

CITY OF HUTCHINSON 2022 COMPENSATION PLAN

RESOLUTION ADOPTING THE PLAN, POSITION CLASSIFICATION ASSIGNMENT TABLE AND PAY GRID EFFECTIVE JANUARY 1, 2022

WHEREAS, the City Council has considered the existing classification of positions for the City of Hutchinson and the current economic conditions,

BE IT RESOLVED, that a Compensation Plan is hereby adopted. All positions covered by this Resolution shall be grouped in grades having a definite range of difficulty and responsibility. For each position there shall be a title; and there shall be shown examples of work which are illustrative of duties of positions, as well as requirements as to knowledge, abilities and skills necessary for performance of the work; and a statement of experience and training desirable for recruitment into a position.

A. Plan Objectives

- To establish and maintain a compensation plan that enables the City of Hutchinson to be highly competitive within our defined market.
- To lead or exceed the market in attracting and retaining qualified, reliable and motivated employees who are committed to quality and excellence for those we serve.
- To ensure, subject to the financial condition of the City, that employees receive fair and equitable compensation in relation to their individual contributions to the City's success.
- To follow the principles of pay equity in establishing and maintaining pay relationships among positions based on the categories of the Keystone Job Leveling System.
- To ensure program flexibility necessary to meet changing economic, competitive, technological, and regulatory conditions encountered by the City.
- To balance compensation and benefit needs with available resources.

B. Plan Structure

The compensation plan specifies salary range minimums and maximums. The intent of each salary grade is to fall within 80% and 120% of identified market for positions within the grade. (See Attachment B)

Each numbered pay grade in the basic table consists of the following:

1. **Salary Minimum:** The lowest amount paid to an employee in a specific job grade or class. No employee will receive less than the minimum rate. (80% of market)
2. **Salary Mid-point/Market Rate:** The middle of the salary range. (100% of market)
3. **Salary Maximum:** The highest amount paid to an employee in a specific job grade or class. No employee will be paid a base rate above the maximum of the salary range. (120% of market).

C. Open Salary Range

The City shall adopt an Open Salary Range compensation plan that will allow for maximum flexibility and in-range salary administration since there are not defined or pre-calculated

“steps”. Employee movement within the pay grade range to which their position is assigned is based solely on performance. The open salary range concept rewards good and exceptional performers and advances employees to the market rate more quickly. (See item I. [4])

D. Position Classification Assignment

The position assignment table shall assign all of the various positions to the appropriate pay grade (See Attachment A).

The City Administrator and Human Resources Director may jointly approve a reclassification of a position provided the reclassification does not exceed two grades upward or two grades downward from the current pay grade. To initiate consideration of this type of reclassification, the department director shall submit in writing the specific reasons for the reclassification.

Any changes to the classification of a position of more than two pay grades shall be approved by the City Council. Requests for reclassification are normally brought before the Council with the annual budget process, and at other times of the year, as needed. To initiate such a reclassification request, the department director shall submit a written request for consideration to the City Administrator and the Human Resources Director. The request shall include a description of significant or considerable changes to the position that warrant a reclassification. The City Administrator and Human Resources Director will determine if the reclassification request is to be forwarded to the City Council for consideration.

E. Allocation of New Positions

When a new position is created for which no appropriate description exists or when the duties of an existing position are sufficiently changed so that no appropriate description exists, the City Council, after recommendation of the Human Resources Director, shall cause an appropriate job description-specification to be written for said position.

F. Pay Grades

1. Exempt Employees

Each position is assigned a pay grade. The normal beginning rate for a new employee will be the minimum rate. After satisfactory completion of the required probationary period, an increase may be granted as warranted by the annual performance appraisal. Thereafter, consideration for increases may be given annually on a standardized date established by the City. The City Administrator reserves the discretion to adjust individual rates within the assigned pay grades as required. The Council will determine any pay increase for the City Administrator.

2. Non-Exempt Employees

Each position is assigned a pay grade. The normal beginning rate for a new employee will be the minimum rate. After satisfactory completion of the required probationary period, an increase may be granted as warranted by the annual performance appraisal. Thereafter, consideration for increases may be given annually on a standardized date established by the City. The City Administrator reserves the discretion to adjust individual rates within the assigned pay grades as required.

3. Police Patrol Positions

The position of full time police patrol officer is assigned to Grade 160 on the pay plan. Temporary assignments will be made from these positions as needed for the investigative function for the department. With said assignment, there will be an additional \$200.00 per month premium on top of the employee's patrol officer pay grid assignment.

4. Part-Time Liquor Store Clerk, Part-Time Custodial and Part-Time Compost Site Monitor Positions

As of January 1, 2022, the part-time positions of liquor store clerk, custodian, and compost site monitor have been placed in the City of Hutchinson Part Time/Seasonal/Temporary Position Compensation Plan.

The City Administrator and the Human Resources Director, as directed by the Administrator, shall maintain the discretion to hire at any point within the range based on the qualifications, experience, market conditions or other relevant factors, to secure the best candidate for the position.

G. Promotion, Position Reclassification, and Demotion Pay Rate Adjustment

1. When an employee is promoted or the position to which they are appointed is reclassified upward, the employee's pay rate will be adjusted as follows:
 - a. If the promotion or reclassification results in a one grade adjustment upward, the employee shall be compensated within the higher salary range at a rate that is equal to the compa ratio of the employee's pay rate in their current range.
 - b. If the promotion or reclassification results in more than a one grade adjustment upward, the employee's pay rate will be adjusted by using one of the following methods:
 - i. To at least the minimum of the higher salary range for classified staff positions; or
 - ii. If the employee's current pay rate is at or above the minimum of the promotional or reclassified position, the pay rate may be increased to a level within the salary range or budgeted pay rate amount that is equitable, based on the employee's related experience, qualifications and the pay rates of the other employees in the same position; or, the appropriate pay rate based on market conditions and competition. Generally, this pay rate increase ranges from 5% to 10%; or,
 - iii. To a level within the higher salary range that is equal to the compa ratio of the employee's pay rate in the current range if the increase does not exceed 10%.
2. When an employee is demoted or the position to which they are appointed is reclassified downward, the employee's salary will be adjusted as follows:
 - a. If the employee's current pay rate is within the salary range of the resulting position, the pay rate will remain unchanged.
 - b. If the employee's current pay rate is above the maximum of the salary range, the current pay rate may be maintained, but frozen until the pay rate falls within the

salary range as a result of adjustments to the pay grid, or may be lowered to the maximum pay rate of the lower pay grade.

When making salary adjustment decisions, the following may be considered:

- market condition trends, such as inflation and the current salary rates for the external market
- employee performance to reward increased productivity and performance improvements
- available resources, salary maximums, and other restrictions to ensure that the increase is allowable and that funds exist to cover it

The City Administrator will normally discuss the proposed pay adjustment with the director/department head and the Human Resources Director. The City Administrator must approve any pay rate adjustment due to promotion, reclassification or demotion and may vary from this policy and approve a different pay rate adjustment, per his/her discretion.

Definitions

Promotion - A promotion is the appointment of a current, active regular employee to a position in a higher salary range than the one to which the position is presently assigned. Most promotions will occur as a result of a job posting or a departmental reorganization. A promotion is also advancement to a position that requires performing accountabilities of increased complexity or responsibility.

Demotion - A demotion is the appointment of a current, active regular employee to a position in a lower salary range than the one to which the position is presently assigned. Most demotions will occur as a result of a departmental reorganization or disciplinary action. A demotion is also an appointment to a position that requires performing accountabilities of decreased complexity or responsibility.

Reclassification – A reclassification is the placement of a current position in a higher or lower salary grade because the position evaluation criteria have changed and now meet the requirements of a higher or lower pay grade.

H. Apprenticeship Program

The City has implemented an apprenticeship program for those Water and Wastewater Department positions subject to identified employee development including required licensures/demonstrated skills, experience /longevity, and maturation in a position that directly affect the department's ability to deliver municipal services.

I. Performance Evaluations

1. For all regular full time and part time employees, a performance appraisal or evaluation will be made on, at minimum, an annual basis and per city policy No. 3.08. An evaluation made by the employee's supervisor shall be submitted in writing to the employee and to the City Administrator/Human Resources Director. All evaluations will be forwarded to Human Resources for filing in the employee files.
2. Evaluations shall be based upon the performance of the individual in the position measured against established job performance criteria. Such criteria may include level of knowledge, skills, ability, and quality of work, personal work traits, compliance with established City or departmental rules and regulations or any other criteria that is indicative of performance.

- The performance appraisal process is the application of performance standards to past performance. In appraising an employee, these are the basic levels of performance:

Outstanding Performer - Performance is exceptional in all areas and is recognizable as being far superior to others.

Exceeds Expectations - Results clearly exceed most positions requirements. Performance is of high quality and is achieved on a consistent basis.

Solid Performer - Competent and dependable level of performance. Meets performance standards of the job.

Needs Improvement - Performance is deficient in certain area(s). Improvement is necessary.

Unsatisfactory - Results are generally unacceptable and require immediate improvement.

4. Results

The results of the employee's evaluation will normally have the following effect on his/her salary per the following Merit Increase Guide:

Merit Guide Chart						
Pay Level Within Grade						
Compa Ratio	80-88	88.1-96	96.1-104	104.1-112	112.1-116	116.1-120
Performance Rating	Minimum	Lower Middle	Midpoint (Competitive Market)	Upper Middle	Maximum	Maximum
Outstanding Performer (4.51 - 5)	7%	6%	5%	4%	3%	2%
Exceeds Expectations (3.51 - 4.5)	6%	5%	4%	3%	2%	1%
Solid Performer (2.51 - 3.5)	5%	4%	3%	2%	1%	0%
Needs Improvement (1.51 - 2.5)	2%	0%	0%	0%	0%	0%
Unsatisfactory (0 - 1.5)	0%	0%	0%	0%	0%	0%
NOTE: 1) % increase may not result in a pay rate higher than the maximum noted on the pay grid						

**Compa-ratio refers to the location of the individual in the range relative to the market.*

Merit/performance increases for eligible regular full time and regular part time employees will be effective on the first date of the first full pay period commencing on or after March 1, except for newly hired employees. For 2022, the effective date is Sunday, March 6, 2022. New employees are eligible for consideration for a merit/performance increase after one year of continuous employment, generally, the first year anniversary date. In subsequent years, eligible employees will be eligible for consideration for the merit/performance increase as specified previously and at the discretion of the department director. Application of merit/performance increases for employees appointed to the positions of full time police patrol officer and police sergeant is subject to collective bargaining.

5. Market Conditions

Notwithstanding any language to the contrary, the City Council retains the right to deviate

from the pay plan when, in the sole judgment of the City Council, market conditions or other circumstances dictate such a decision.

The City Administrator and Human Resources Director maintain final approval responsibility for salary increases.

J. Annual Market Adjustment Consideration

As part of the budget preparation process, an annual market adjustment to the existing pay grid, expressed as a percentage increase, is recommended to the City Council for review and consideration for approval.

In determining a recommendation for an annual market adjustment, at least the following information shall be considered:

1. U.S., Midwest, and Minneapolis/St. Paul consumer price index changes (CPIU & CPIW)
2. Employment cost data
3. Social Security and PERA calculation of cost of living increase
4. Unemployment rate
5. Employee turnover rate
6. Legislative growth factor constraints

An approved market adjustment is applied only to the City Pay Grid, and no individual market increases will be granted in 2022. If an adjustment to the pay grid results in a regular employee's wages being below the minimum rate of the grid, the wages for the affected employee(s) will be increased to the newly established minimum rate effective January 1st.

K. Modification of the Plan

The City Council reserves the right to modify any or all of the components or to vary from any of the components of the Compensation Plan at its discretion and at any time.

L. Review of the Plan

As often as necessary to assure continued correct classification, the Position Evaluation and Compensation Plan shall be reviewed by the Human Resources Director and necessary adjustments recommended to the City Council. It is recommended that a comprehensive review be completed at least every five years.

M. Filing of the Plan

Upon adoption of the Resolution, a copy of the Compensation Plan approved by the City Council shall be placed on file with the City Administrator. The plan so filed and subsequently adjusted by the Council shall be the Compensation Plan of the City.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTCHINSON

That the following tables are hereby adopted as the City Position Classification Table and Pay Grid, to be reviewed from time to time, as appropriate.

CITY OF HUTCHINSON
2022 Position Classification Table

Grade	Position	Grade	Position
110	PT Adaptive Recreation Coordinator	150	Parks Maintenance Specialist
110	PT Office Specialist - Event Center	150	Sales & Marketing Specialist
110	PT PRCE Receptionist	150	IT Technician
120	Administrative Secretary - Public Works	160	Arborist
120	Licensing Clerk FT/PT	160	Building Inspector
120	PRCE Office Specialist - FT	160	City Clerk/Paralegal
120	Recreation Facility Maintenance Technician	160	Maintenance Lead Operator
120	PT Recreation Specialist/Concessions Coordinator	160	Police Officer - FT/PT
120	Utility Billing Specialist		
120	Water/Wastewater Technician	170	Recreation Services Coordinator
120	Planning/Building/EDA Technician	170	Senior Engineering Specialist
		170	Server/Network Technician
130	Compost Laborer		
130	Hospital Security Guard - FT/PT	180	Building Official
130	Human Resources/Administrative Technician	180	Facilities Manager
130	Planning and Building Administrative Specialist	180	Motor Vehicle Deputy Registrar
130	Police Administrative Specialist	180	Parks Supervisor
130	Police Supplemental Services Specialist	180	Police Sergeant
130	Public Works Maintenance Operator	180	Project/Environmental/Regulatory Manager
130	Wastewater Maintenance Operator	180	Recreation Facilities Operations Manager
130	Water Plant Operator		
		190	Police Lieutenant
140	Compost Equipment Operator	190	Assistant Finance Director
140	Compost Operations Specialist	190	Wastewater Supervisor
140	Engineering Administrative Specialist	190	Water Supervisor
140	Lab Technician/Wastewater Operator		
140	Parks Maintenance Equipment Operator	200	Compost Manager
140	Payroll/Benefits Specialist	200	Economic Development Director
140	Plant Equipment Mechanic II	200	Fire Chief
140	Police Investigations Specialist	200	Liquor Sales Manager
140	PRCE Facilities Operations Specialist	200	Public Works Manager
140	Senior Accounting Specialist		
140	Senior Liquor Sales Clerk	220	Finance Director
140	Senior Public Works Maintenance Operator	220	Human Resources Director
140	Senior Water Plant Operator	220	Information Technology Director
140	Senior Wastewater Operator	220	Parks/Recreation/Community Ed (PRCE) Director
		220	Planning Director
150	Compost Coordinator		
150	Inspector	230	City Attorney
150	Engineering Specialist	230	Police Chief/Emergency Management Director
150	Equipment Mechanic	230	Public Works Director/City Engineer
150	Event Center/Senior Center Programmer		
		260	City Administrator

2022 Hutchinson Pay Grid			
Grade	MIN	MID/ MARKET	MAX
	80%	100%	120%
260	\$54.71	\$68.39	\$82.07
250	\$51.57	\$64.46	\$77.35
240	\$48.90	\$61.12	\$73.34
230	\$46.70	\$58.38	\$70.06
220	\$42.58	\$53.22	\$63.86
210	\$40.38	\$50.48	\$60.58
200	\$38.42	\$48.03	\$57.64
190	\$34.78	\$43.48	\$52.18
180	\$32.11	\$40.14	\$48.17
170	\$29.38	\$36.72	\$44.06
160	\$27.98	\$34.97	\$41.96
150	\$25.78	\$32.23	\$38.68
140	\$24.34	\$30.42	\$36.50
130	\$22.62	\$28.28	\$33.94
120	\$20.67	\$25.84	\$31.01
110	\$17.99	\$22.49	\$26.99
100	\$16.05	\$20.06	\$24.07

Adopted by the City Council this _____ day of _____, 2021. (This replaces Resolution No. 15261)

ATTEST:

Gary Forcier, Mayor

Matthew Jaunich, City Administrator

Attachment B



2022 Annual Budget

Financial Management Plan

PURPOSE

The City of Hutchinson (City) has a responsibility to provide quality services to its residents and considers it important to do so in a fiscally responsible fashion designed to keep services and taxes as consistent as possible over time. This Financial Management Plan (Plan) is designed to serve as the framework upon which consistent operations may be built and sustained, which guides responsible use of municipal resources and contributes to the City's overall financial health.

This Plan serves three main purposes:

1. It draws together the City's major financial policies in a single document.
2. The plan establishes principles to guide both staff and City Council members to make consistent and informed financial decisions.
3. The plan provides guidelines for ensuring and maintaining an appropriate level of funds, unreserved and reserved, to sustain the financial integrity of the City.

The objectives of this Plan are:

- To provide both short term and long term future financial stability by ensuring adequate funding for the provision of services needed by the community;
- To protect the City Council's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies;
- Prevent financial difficulties in the future;
- To provide sound principles to guide the decisions of the City Council and Administration;
- To employ revenue policies which prevent undue or unbalanced reliance on certain revenues, distribute the cost of municipal services fairly, and provide funding to operate desired programs;
- To provide essential public facilities and prevent deterioration of the City's public facilities and infrastructure;
- To protect and enhance the City's credit rating and prevent default on any municipal debt;
- To create a document that City staff and City Council Members can reference during financial planning, budget preparation and other financial management issues.
- **The financial management plan will be reviewed annually during the city's budgeting process.**

CASH AND INVESTMENTS

PURPOSE

The purpose of this policy is to establish specific guidelines the City of Hutchinson will use in the investment of City funds. It will be the responsibility of the City Administrator, or his designee, to invest City Funds in order to attain the highest market rate of return with the maximum security while meeting the daily cash flow demands of the City and protecting the capital of the overall portfolio. Investments will be made in accordance with all state and local statutes governing the investment of public funds.

SCOPE

The City Administrator, or his designee, is responsible for the investing of all financial assets of the City of Hutchinson, excluding pension funds. These funds are accounted for in the City's Comprehensive Annual Financial Report and include the following:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Economic Development Authority

PRUDENCE

Investments shall be made with judgment and care, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with this policy, with MN Statutes, Chapter 118A, and exercising due diligences shall be relieved of personal responsibility for an individual security's risk or market price change, provided that reasonable action is taken to control adverse developments and unexpected deviations are reported in a timely manner.

OBJECTIVE

- 1) **Safety** – Safety of principal is of critical importance to the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
 - a. Credit Risk – the risk of loss due to failure of the security issuer or backer, will be minimized by:
 - i. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business in accordance with this policy under Authorized Financial Dealers and Institutions.
 - ii. Limiting investments to the types of securities listed in this policy under Authorized and Suitable Investments.
 - iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Insurance or collateral may be required to ensure return of principal.

- b. **Interest Rate Risk** – the risk that the market value of securities in the portfolio will fall due to changes in market interest rates will be minimized to:
 - i. Provide for liquidity by reviewing cash flow requirements and making investments to meet the shorter cash flow needs, thereby avoiding the need to sell securities in the open market prior to maturity.
 - ii. Manage the annual maturity of the overall portfolio to be consistent with the risk of the City.

- 2) **Liquidity** – The City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements reasonably anticipated. The portfolio will be structured to emphasize liquidity and consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio may be placed in money market mutual funds or local government investment pools that offer same day liquidity for short-term funds.
- 3) **Yield** – The City’s investment portfolio shall be designed with the objective of attaining a market rate of return. The core of investments is limited to low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
 - a. A security with declining credit may be sold early to minimize loss of principal.
 - b. A security swap would improve the quality, yield, or target duration in the portfolio.
 - c. Liquidity needs of the portfolio require that the security be sold.

DELEGATION OF AUTHORITY

Authority to manage the City’s investment program is derived from MS 118A which authorizes the City to invest any funds not presently needed for other purposes. This law applies to all types of funds not presently needed, including all general, special revenue, permanent, trust or other funds regardless of source or purpose. Under this chapter, a city may invest idle funds in state or national banks, savings and loan associations, or credit unions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the policy.

Management responsibility for the investment program is hereby delegated to the City Administrator, or his designee, who shall be responsible for all transactions. The City Administrator, or his designee, shall establish procedures for the operation of the investment program, consistent with this policy. Such procedures may include delegation of authority to persons responsible for investment transactions.

ETHICS AND CONFLICTS OF INTEREST

The City Administrator and Finance staff involved in the investment process shall refrain from conducting personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment staff shall annually disclose to the City Council any material financial interests as required by state statute. Investment staff shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales, and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City Council will annually approve by resolution the depositories and a list of financial institutions authorized to provide investment services.

- 1) Only approved security broker/dealers, selected by creditworthiness, shall be utilized, with a minimum of \$10,000,000 capital and at least five years of operation.
- 2) Financial institutions must be qualified as a “depository” by the City Council; these may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).
- 3) All investments must be insured or registered, or securities must be held by the City or its agent in the City’s name.
- 4) No public deposit shall be made except in a qualified public depository, as established by state laws.
- 5) When investments purchased by the City are held in safekeeping by a broker/dealer, they must provide asset protection of \$500,000 through Securities Investor Protection Corporations (SIPC), and at least another \$2,000,000 Supplemental Insurance Protection, provided by the broker dealer.
- 6) Before engaging in investment transactions with the City, the supervising officer at the securities broker/dealer shall submit a certification of “Notification to Broker and Certification by Broker Pursuant to MN Statute 118A”. Said certification will state that the broker/dealer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts or risk to public funds that might arise out of business transactions between the securities broker/dealer firm and the City. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the City’s funds.

AUTHORIZED AND SUITABLE INVESTMENTS

It shall be the policy of the City that available funds be invested to the best rates obtainable at the time of investment in conformance with the legal and administrative guideline outlined herein. US Treasury Obligations and Federal Agency Securities will be given preference when the yields are equal to or greater than alternative investments.

The investments of the City will be made in accordance with Minnesota Statutes, section 118A, which lists all permissible investments for municipalities.

COLLATERAL

Interest-bearing deposits in authorized depositories must be fully insured or collateralized.

Collateralization will be required on Certificates of Deposits (where the dollar amount is in excess of FDIC coverage). In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of the market value of principal and accrued interest. When the pledged collateral consists of notes secured by first mortgages, the collateral level will be 140% of the market value of principal and accrued interest. Collateral shall be deposited in the name of the City, subject to release by the City Administrator.

SAFEKEEPING AND CUSTODY

Securities purchased shall be held by a third party trustee as a safekeeping agent and in a segregated account for the City’s benefit. The investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the City listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information. The financial service provider that executes the transaction on the City’s behalf shall deliver all securities on a delivery versus payment method (DVP) to the designated third party. Delivery versus payment (DVP) is a way of controlling the risk to which securities market participants are exposed. Delivery of securities (i.e. the change in their ownership) is done simultaneously with payment. This

means that neither the buyer nor the seller is exposed to the risk that the other will default. The City may not invest in securities that are uninsured. Securities will be held in the City's designated accounts.

Investments, contracts and agreements may be held in safekeeping with:

- Any Federal Reserve bank;
- Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased.

DIVERSIFICATION

The City Administrator or investment designee will attempt to diversify its investments according to type and maturity. The City will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields. Diversification strategies shall be determined and revised periodically by the City Council for all funds.

1) Institutions – Diversity between financial institutions used.

- a. The City Administrator or investment designee will attempt to diversify its investments equally amongst investment companies, keeping in mind that some temporary fluctuations may occur throughout the year (i.e. tax settlement in June, GO Bonds for projects, etc.).
- b. No funds may be invested in any single investment company in excess of the amount insured by it.

2) Maturities – Diversity in length of maturities

- a. Investments shall be made to assure that funds are constantly available to meet immediate payment requirements.
- b. No investments shall be made with a term of more than 10 years.

3) Investments – The City should maintain a diversity of investments.

- a. Depending on market conditions, with the exception of US Treasury Securities, authorized pools, and Federal Agencies (backed by the full faith and credit of the US Government or its agencies), no more than 50% of the City's total investment portfolio may be invested in any one of the following: Certificates of Deposit or Commercial Paper.

POOLING OF INVESTMENTS

The City shall pool excess cash from all funds into one investment account in order to maximize the amount of monies available for investment. Monthly investment earnings shall be allocated among the various funds based on monthly cash balances.

PRIOR POLICY

The policy above supersedes the prior city policy #1.14.

Cash Controls & Procedures Policy

PURPOSE:

To provide reasonable controls for the handling and safeguarding of monies received in the course of operations at various City facilities, and to protect City assets and minimize the potential for theft, fraud and discrepancies in cash transaction records. The purpose of this policy is also to protect City employees from inappropriate charges of mishandling of funds by defining his/her responsibilities in the cash handling process.

Cash Systems and Records

All cash received in the course of operations, including concessions sales, must be entered into the City's point-of-sale (POS) system. Each transaction type will have a preset code within the POS system with predetermined prices set up per City approved pricing amounts. Separate cash drawers shall be maintained at each point-of-sale location and shall be integrated with the POS system for formal accounting of each transaction.

All employees authorized to receive cash shall have a separate user ID and password to gain access to the POS system. Employees shall not share POS access information with others.

Daily reports will be generated from the POS system and forwarded to Finance on a weekly basis along with the daily cash proofs for each cash drawer and the daily bank deposit proof. Finance will reconcile submitted documentation to the bank records.

Safeguarding of Cash

The facility will have a cash safe with either a combination or key lock. Access to the safe shall be restricted to City approved managers. The combination or key shall be changed periodically due to turnover of authorized personnel or if theft occurs. The cash safe shall be located within a secure room or office with access limited only to authorized personnel. Ideally, the office shall have computerized records of access based on an employee access card.

Transporting and counting of monies within the facility must always be done by two authorized employees and never by only one employee. Cash and deposit counts must always be performed within the secure office and documented by each of the two employees. Signatures by each employee on a daily cash log represents approval of the cash count and bank deposit. Discrepancies between the cash counts and the actual bank deposit shall be directly addressed to the two employees evidenced on the cash log and the manager of the facility, or their designees.

Employees may be subject to disciplinary action or termination due to cash discrepancies or theft.

Daily Cash Handling Process

1) Cash Drawer start-up cash

- a. Each morning prior to opening for business, the facility manager, or the designee, shall prepare each cash drawer with the preapproved amount of cash and coin.
- b. Cash drawers shall remain in the secure location until the start of business.
- c. Each employee working a cash drawer shall recount the start-up cash and sign off on the daily cash log sheet.
- d. The manager on duty shall walk each employee to the appropriate cash register and verify that the cash drawer is placed in service and that the employee logs into the POS system.
 - i. Cash drawers shall never be transported by only one employee.

2) Cash Transactions

- a. All cash and credit transactions must be entered through the POS system.
 - i. Acceptance of personal checks will be prohibited at certain facilities. Those facilities shall have a sign posted informing customers of this policy.
- b. A receipt shall be offered to the customer after every transaction.
- c. Only the approved managers shall have system authority to process refunds, returns, voids or over-rings.

3) Cash Drawer Count and Reconciliation

- a. At the end of each employee's shift, the manager on duty shall verify that the employee logs off the POS system.
- b. The manager shall remove the cash drawer and walk with the employee to the secure office.
- c. The cash drawer shall be counted immediately by the employee in the direct presence of the manager and documented on the daily cash log.
 - i. The cash count shall be compared to a cash register report from the POS system and any discrepancy shall be noted.
- d. The manager shall recount the cash drawer and evidence the cash count on the daily cash log.
 - i. Any discrepancies in count between the employee and manager shall be reconciled prior to finalizing the daily cash log.
 - ii. If employee and manager are in agreement, both parties sign the daily cash log and the monies and log sheet are placed in the safe by the manager prior to the employee leaving the secure room.

4) Bank Deposit Preparation

- a. The shift manager, in the presence of the facility manager, or the designee, shall prepare a total daily bank deposit based on the daily cash logs of each cash drawer.
 - i. The facility manager, or the designee, verifies that each cash log sheet is properly approved by employee and shift manager.
 - ii. The facility manager, or the designee, recounts the cash and verifies that the total deposit amount is in agreement with the totals of each daily cash log.
- b. Start-up cash for the following day's cash drawers are deducted from the daily deposit.
 - i. The start-up cash is placed in a bank bag and stored in the safe for the subsequent day cash drawers.
- c. The shift manager and facility manager, or their designees, sign the deposit slip, make a copy for Finance Department, and place the monies and deposit slip in the bank deposit bag.
 - i. The deposit bag is placed in the safe, witnessed by both employees.

5) Transporting Daily Deposit to the Bank

- a. For deposits made at night, an on-duty police officer shall be called to the facility to transport the shift manager, or the designee, and deposit bag to the bank. The deposit bag shall be removed from the safe with the police officer present as witness. If the police are unavailable, two authorized employees shall deliver the deposit to the bank.
- b. For deposits made during the day, it is preferable to have two employees deliver the deposit to the bank.

6) Daily Reports to Finance

- a. The facility manager, or the designee, shall be responsible for forwarding the following information to the Finance Department:
 - i. Approved Daily Cash Logs

- ii. Daily POS system report with subtotals by cash register
 - 1. POS reports shall be only for the operations of one specific department.
 - iii. Copy of the approved Daily Bank Deposit slip
 - 1. The facility's deposit shall be made separately from any other related departmental operations (i.e.: Aquatic Center deposits shall be separate from Recreation deposits)
 - iv. Any other reports as may be determined from time to time.
- b. Finance shall reconcile facility reports to the bank statement.

Other Cash Controls

- 1) Currency larger than a twenty-dollar bill (\$20) shall be inspected for any signs of being counterfeit.
- 2) Only cash or credit cards will be accepted at certain facilities.
- 3) Credit cards will be processed at the point-of-sale and must not leave the customer's sight. In no instance will credit card information be written down by City staff or retained in any fashion.
- 4) A receipt is required to be given to the customer for every transaction.

Cash Operations without a POS System

Some City operations may be conducted in a location where it is not feasible to have a POS system to account for cash transactions, such as the Roberts Park concession building and offsite events for the liquor store. This policy is still applicable in those instances with the exception of reconciling the receipts to a POS system report. Daily cash count sheets must still be maintained and approved, and deposits shall be made on the next business day. If possible, two employees shall be present when counting the cash and creating the deposit slip.

Policy Compliance

All employees of the City of Hutchinson, primarily Liquor Hutch and the Aquatic Center, who are responsible for cash transactions shall be subject to the procedures within this document. The Finance department acknowledges that certain aspects of this policy may not be practical for all situations. A deviation from policy may be approved if it is determined that that such deviation does not present a material risk of mishandling or misreporting cash activity. Any deviation from this policy must be approved by the Finance Director.

The City's Finance department shall reserve the right to create an internal audit process and to perform audits as determined necessary.

REVENUE POLICY

PURPOSE

The City of Hutchinson is committed to maintaining a revenue system that meets the City's immediate and long-term service delivery needs, protects the City's creditworthiness, and follows best practices for administration and collection.

REVENUE STRUCTURE AND SOURCES

The City will strive to maintain a stable and diverse revenue system to reduce the effects of short-term fluctuations in any one revenue source. Services having a city-wide benefit shall be financed with revenue sources generated from a broad base, such as property taxes, state aids and transfers from enterprise funds. Services where the customer determines the use shall be financed with user fees, charges and assessments related to the level of service provided.

1) Property Taxes

Property tax payments are the largest source of revenue in the City's General fund, accounting for approximately 40% of the total annual revenue. The City will strive to proactively avoid large increases in property taxes and will explore all other alternatives, including:

- Other policy options (debt management, fees & charges, cost allocation, expenditure cuts and use of reserves).
- Budget scenarios for a 0% tax levy, including potential reductions in service levels.
- Consideration will be given to staying within the amount of revenue generated by increased market value with no increase in the tax rate.

If after exhausting these alternatives, a tax increase is required, the goal of the City will be to keep any property tax rate increase at or below the prevailing inflation rate. City services will be funded to the maximum extent possible by the increases in market valuation (i.e.; new tax base growth and valuation increases).

Possible factors for considering an increase in property tax include:

- Long-term protection of the City's infrastructure.
- Meeting legal mandates imposed by outside agencies.
- Maintaining adequate fund balance and reserve funds sufficient to the City's Fund Balance Policy.
- Funding City development and redevelopment projects that will clearly result in future tax base increases. The expenditures of development and redevelopment funds must be in accordance with a defined strategy as shown in the City's comprehensive plan, capital improvement plan, and other council documents.

Property tax increases to meet other purposes will be based on the following criteria:

- A clear expression of community need.
- The existence of community partnerships willing to share resources.
- Establishment of clearly defined objectives and measurements of success, including appropriate sunset provisions.
- Voter approved referendums for specific community needs/projects.

2) Fees and Charges

The City will establish fees and charges for services when the cost of services can be allocated equitably among service users.

a. General Fund

Tax dollars should support essential City services that benefit and are available to everyone in the community (such as parks, police and fire protection). For services that largely or solely benefit individuals, the City should recover full or partial costs of service delivery through user fees. The user fees must not exceed the full cost of providing the service.

b. Enterprise Fund User Fees

Customer or user fees for services/products provided by an enterprise fund shall be determined at a level that fully covers the total direct and indirect costs, including operating expenses, capital expenditures and debt service. The fees shall also provide for a positive cash flow and adequate working capital.

c. Fee Schedule

The City's fee schedule shall document all fees charged, or assessed, for services provided to users or customers. Departments shall review existing fees as part of the annual budgeting process to ensure that fees keep pace with changes in the service delivery costs as well as changes in methods or levels of service delivery. Fees for new services shall also be determined in a manner that equitably charges the user for the service provided. Administration and Finance shall compile a preliminary fee schedule and present to city council for review by October 31 of each year with final approval of the schedule-taking place by December 31 of each year.

REVENUE ESTIMATES

The City will conservatively estimate and budget for its annual revenues using an objective, analytical process. All existing and potential revenue sources will be re-examined annually.

NON-RECURRING REVENUES

Revenue sources that are non-recurring in nature shall not be used to fund ongoing programs or operations of the City. This includes revenue such as sales of assets, settlement from a lawsuit, inter-fund transfers and other one-time payments. These revenue items should be used to build reserves or for projects that will result in long-term operating costs savings.

Non-recurring revenue may also include grants and donations. These revenue sources should be dedicated to the use designated by the grantor or donor.

The annual budget shall be prepared in a manner that eliminates, or minimizes, reliance on unpredictable or non-recurring revenues for on-going operating costs.

OPERATING BUDGET

PURPOSE:

The objective of the operating budget policy is to ensure that sufficient information is available to decision makers to provide for adequate levels of funding for essential City services at reasonable costs.

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The “operating budget” is the City’s annual financial operating plan. The annual budget includes all operating departments of the general fund, other governmental funds and proprietary funds.

The budget will provide for adequate maintenance of city facilities and equipment and for their orderly replacement.

The following funds are included within the City’s annual budget:

GOVERNMENTAL FUNDS:

- 1) **General Fund**, which accounts for all financial resources except those required to be accounted for in another fund, and include basic governmental services, such as Police, Fire, Parks and Recreation, Streets and Highways, Building Inspections, Cemetery, Airport and Administrative services.
- 2) **Special Revenue Funds**, which account for revenues that are legally restricted or committed to a specific purpose other than debt service and capital projects. The City currently budgets for the Economic Development Authority and the H.A.T.S. Facility funds. (See exhibit A)
- 3) **Debt Service Funds**, which are used to account for the payment of general obligation bond principal and interest from the City’s debt tax levy and special assessment bond principal and interest from special assessment levies.
- 4) **Capital Projects Funds**, which are used to account for the acquisition or construction of major capital projects other than those financed by proprietary fund activities.

PROPRIETARY FUNDS:

Proprietary funds will be self-supporting and user rates or fees will be reviewed annually and adjusted if necessary to ensure adequate funding of operating and capital expenses.

- 1) **Enterprise Funds**, which include the City’s “business-type” activities. The City budgets for the Liquor, Water, Wastewater, Storm Water, Compost and Refuse funds.
- 2) **Internal Service Funds**, which account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City budgets for the Equipment Replacement and Self-Insurance funds.

BASIS OF ACCOUNTING AND OF BUDGETING:

The City accounts and budgets for all **Governmental Funds** using the modified accrual basis of accounting. This basis means that revenue is realized in the accounting period in which it becomes available and measurable, while the expenditures are recognized in the accounting period in which they are incurred. Exceptions to the modified accrual basis include:

- Grants, which are considered revenue when awarded, not received; and
- Principal and interest on long-term debt, which are recognized when paid.

The City's **Proprietary Funds** are accounted and budgeted using the full-accrual basis of accounting. Under this method, revenues are realized when they are earned and measurable, while expenses are recognized when they are incurred regardless of timing or related cash flows. The basis for preparing the budget is the same as the basis for accounting except for principal payments on long-term debt and capital outlay expense, which are treated as budgeted expenses.

BALANCED BUDGET:

The City Administrator shall submit a balanced General fund budget that provides for all current expenditures with current revenues, matching ongoing operating expenses with the appropriate source of ongoing revenues, except in emergency situations or in the event of unforeseen needs.

The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' budgets.

Any inclusion of previous years' excess fund balance in the adopted budget will be intended for one-time or non-recurring expenses or projects.

The impact on the operating budget from any new programs or activities being proposed should be minimized by providing funding with newly created revenues wherever possible.

BUDGETARY CONTROLS:

The City Administrator will ensure that a budgetary control system is in place to adhere to the adopted budget and will provide monthly reports comparing actual revenues and expenditures to the budgeted amounts. The legal level of budgetary control is at the department level within a fund.

- 1) Departments shall not exceed the budget within the four main expense categories without City Administrator approval. Specific expense items within a category may be over budget as long as the category in total does not exceed the budget. The main expense categories are as follows:
 - a. Wages & Benefits
 - b. Supplies
 - c. Services & Charges
 - d. Miscellaneous
- 2) Surplus departmental revenue may not be used to justify overspending an expenditure without approval from the City Administrator.
- 3) The City Administrator is authorized to approve a transfer of funds from one appropriation to another within the budget of any department of the City. Department means any city function organized under the direct control of a single department head. Such approval shall be made by written memorandum setting forth the reasons therefore.
- 4) No officer or employee of the City shall place any order or make any purchase except for a purpose and to the amount authorized in the budget resolution, or as authorized by the City Administrator.

CAPITAL IMPROVEMENT PLAN:

The City Administrator will coordinate the development of the Capital Improvement Plan with the development of the operating budget. Costs associated with new capital improvements will be tracked for each project and included in future budget forecasts.

PUBLIC HEARING:

The City's budgeting process allows for public input at various budget workshops as well as the annual Truth in Taxation hearing.

FUND BALANCE

Policy Overview:

Fund Balance is defined as the difference between assets and liabilities reported in a governmental fund. It is essentially the accumulation of all prior years' net surpluses and/or deficits of revenues over expenditures.

The City of Hutchinson (City) understands it has a responsibility to maintain prudent financial practices to ensure stable operations for the benefit of city residents and businesses. Fund balance reserves are an important component in ensuring the overall financial health of a community by giving the City cushion to meet contingency or cash flow timing needs.

The office of the State Auditor recommends that at year-end, local governments maintain an unrestricted fund balance in their general fund and special revenue funds of approximately 35 to 50% of fund operating revenues, or no less than five months of operating expenditures. While the bond rating agencies do not have recommended fund balance levels, the agencies look favorably on larger fund balances, which protect against contingencies and cash flow needs.

The purpose of this policy is to establish specific guidelines the City will use to classify fund balances into categories based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

Classification of Fund Balance:

Annual financial statements shall be prepared in accordance with generally accepted accounting principles establishing fund balance at the end of each year into the following categories:

1) Non-spendable

- a. This category includes amounts that are not in a spendable form (i.e.: prepaid expense or supply inventories). Resources that must be maintained intact pursuant to legal or contractual requirements are also considered non-spendable.

2) Restricted

- a. Amounts subject to externally enforceable legal restrictions (creditors, grantors, contributors and by law through constitutional provisions or enabling regulations).

3) Unrestricted

The total of committed fund balance, assigned fund balance and unassigned fund balance as described below:

a. Committed

- i. Fund balance that can only be used for the specific purposes determined by the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to commit those amounts.
- ii. The City Council will annually, or as deemed necessary, commit specific revenue sources for specified purposes by resolution. This formal action must occur prior to the end of the reporting period, however, the amount to be subject to the constraint, may be determined in the subsequent period.
- iii. To remove the constraint on specified use of committed resources, the City Council shall pass a resolution.

b. Assigned

- i. Amounts that are constrained by the government's intent to use for specified purposes, but are neither restricted nor committed. Assigned fund balance in the General fund includes amounts that are intended to be used for specific purposes.
- ii. The City Council has delegated the authority to assign and remove assignments of fund balance amounts for specific purposes to the City Administrator.

4) Unassigned

- a. Unassigned fund balance represents the residual classification for the General fund. This includes amounts that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the General fund. The General fund should be the only fund that reports a positive unassigned fund balance amount.

Governmental Funds:

The City's governmental funds include the following fund types:

1) General Fund

- a. The City will maintain an unrestricted fund balance in the General fund of an amount not less than 40% of the next year's General fund budgeted expenditures. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aid are received in the second half of the City's fiscal year.

2) Special Revenue Funds

- a. Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Governmental accounting standards require that substantial inflows of revenues into a special revenue fund be either restricted or committed in order for the fund to be considered a special revenue fund.

3) Debt Service Funds

- a. Debt Service fund balances are considered restricted. They are resources that are being accumulated for payments of principal and interest maturing in the current and future years.

4) Capital Projects Funds

- a. Capital Project fund balances are considered either committed or assigned. They are resources that are used to account for the acquisition or construction of capital facilities, infrastructure and equipment, other than those financed by Enterprise funds or the Equipment Replacement fund.
- b. The majority of these funds should be assigned for the Capital Improvement Plan (CIP) or reserved for a specific project.
- c. Specific Capital Project funds may temporarily have a negative fund balance due to the timing of federal, state or other funding.
- d. Future capital projects must be identified and quantified within the City's five-year CIP, which shall be included in the City's annual budget document.
- e. The City has several capital projects funds, including:

- i. Capital Projects fund, Community Improvement fund, Airport Construction fund, and the annual Capital Improvement Construction funds.
 1. The **Capital Projects** fund accounts mainly for capital improvements related to General fund facilities and miscellaneous infrastructure maintenance. The main funding sources are LGA, excess HUC payments and grants.
 2. The **Community Improvement** fund accounts for city enhancement and public arts projects as approved by the City Council. The main funding sources are retired bond funds, grants and donations.

Enterprise Funds:

- 1) It is the goal of each enterprise fund to cover the costs of operations, including depreciation and a transfer to the General fund, to maintain a financially healthy enterprise. The City will maintain cash reserves in the Enterprise funds at a minimum level equal to 25% of the annual operating costs plus one year of debt service payments.
 - a. The Liquor fund shall be exempt from this provision since the majority of profits are transferred to the General fund.
- 2) The Water, Sewer and Storm Water funds may contribute capital improvement dollars to the annual Capital Improvement Construction fund as a reimbursement for infrastructure placed in service in conjunction with roadway and other improvement projects. Contributions shall not exceed the total cost of the specific infrastructure being capitalized within the enterprise fund.
- 3) Utility rates will be reviewed annually regarding projected expenses and capital improvements. The City Council will annually establish rates in accordance to operating cost recovery and the projected capital improvements.

Order of Fund Balance Spend-Down:

- 1) When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then unrestricted, as they are needed.
- 2) When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; (1) Committed; (2) Assigned; and (3) Unassigned.
- 3) A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the General fund.

Monitoring and Reporting:

The City Council shall review fund balance and cash-flow needs during the budget process in accordance with this policy. Annually, after the audited financial report has been completed, the City Council shall review fund balance results with the City Administrator, Finance Director and the City's independent auditor.

CAPITAL IMPROVEMENT PLAN

VISIONS AND GOALS

Each year, as part of the annual budgeting process, the City of Hutchinson prepares a five-year Capital Improvement Plan (CIP) that includes the following years' capital budget. The CIP identifies projects that will support existing and projected needs in the following areas: transportation, parks & recreation and public safety, etc. It is based upon numerous long range planning documents that are updated regularly as identified by the Facilities Committee, Fleet Committee, Resource Allocation Committee and City staff. The CIP prioritizes the use of limited resources that are available for capital items by identifying which projects will be funded, how they will be paid for and when they will be purchased. It establishes a comprehensive development program that is used to maximize outside revenue sources and effectively plan for the growth and maintenance of the City's infrastructure.

POLICIES

Criteria identified for inclusion of capital items in the CIP plan are as follows:

- 1) Capital Item must have a minimum cost of \$10,000
- 2) Project must define the year proposed
- 3) Funding source should be identified
- 4) Detail should include annual operating costs or savings for proposed capital item
- 5) Department priority should be established
- 6) Must have a useful life of three years or greater

The plan encompasses projects using the following priority levels:

Priority 1: (Urgent) Projects currently underway or those that are considered essential to the departments of City operations, and should not be delayed beyond the year requested. Failure to fund these projects will seriously jeopardize City's ability to provide service to the residents and/or expose the City to a potential liability and negative legal exposure.

Priority 2: (Very Important) Projects that are needed by a department or the City to improve or maintain their operations, and to delay would cause deterioration or further deterioration of their current operation and/or level of service to the residents of the City. These should not be delayed beyond the year requested.

Priority 3: (Important) Projects that are needed by a department or the City to improve or maintain their operations, and should be done as soon as funds can reasonably be made available.

Priority 4: (Less Important) Projects, which are desirable, but needing further study.

Priority 5: (Future Consideration) Projects, which sometime in the future will need to be funded to maintain operations, safety or infrastructure desired within the community.

CIP PROCESS

- 1) Finance distributes CIP forms and the prior year's data to departments for updating.
- 2) Departments add, remove and reprioritize CIP data from the prior year's report.
- 3) Finance updates the CIP database with recommendations made by the department directors and the Fleet, Facility and Resource Allocation committees.
- 4) Initial draft is reviewed with City Administrator and Department directors; corrections or adjustments are made.
- 5) Preliminary CIP plan is submitted to City council by August 1st.
- 6) Final CIP plan is reviewed and adopted by City council by year-end.

PROCESS CALENDAR

April/May - Departments work on updating the CIP. Any new capital items should be requested at this time. The Facilities, Fleet and Resource Allocation Committees begin meeting to review and prioritize potential improvement projects submitted by Departments.

June/July - Departments return updated CIP items. The Facilities, Fleet and Resource Allocation Committees submit a recommended five-year plan to the City Administrator. An initial CIP draft is reviewed with Department directors and corrections or adjustments are made. Current year CIP items are incorporated into the early stages of the budgeting process during this time frame.

August 1st - Per Section 7.05 of the Hutchinson City Charter, the City Administrator shall submit to the council a recommended CIP Plan no later than August 1st of each year.

October/November - Departments and Finance make final adjustments to the preliminary CIP.

December 31st - Final CIP is adopted by City council prior to year-end.

CAPITAL PROJECT APPROVAL

The CIP is a planning document comprised of potential capital improvement projects known at a certain point in time. Projects are not approved simply by being included in the CIP as funding sources or City priorities may have changed. All capital projects are subject to the City's purchasing policy, requiring quotes/bids and approvals commensurate to the total cost.

DEBT MANAGEMENT PLAN

The Finance Department of the City of Hutchinson has developed this Debt Management Policy to provide guidelines for the issuance of bonds and other forms of indebtedness to finance necessary land acquisitions, capital construction, equipment and other capital items for the City.

While the issuance of debt is frequently an appropriate method of financing capital projects and major equipment acquisitions, such issuance must be carefully monitored to preserve the City's credit strength and to provide the necessary flexibility to fund future capital needs.

The City will strive to maintain a "pay-go" capital funding policy, supporting capital spending without the use of debt whenever feasible. The City will attempt to pay cash for capital projects that can be anticipated and planned in advance. Financing capital projects with debt in certain circumstances may be the most cost-effective means available to the City. City staff will analyze each potential capital improvement and make a recommendation to City Council to either use cash reserves or issue debt. The City's 5-year Capital Improvement Plan will be a valuable planning tool for the financing of future improvement needs.

The goal of the City's Debt Management Policy is to ensure a stabilized overall debt burden and future tax levy requirement in addition to ensuring that issued debt can be repaid without weakening the City's financial condition. Adequate resources must be provided for the repayment of debt, and the level of debt incurred by the City must be effectively controlled to amounts that are manageable and within levels that will maintain or enhance the City's credit rating.

With the adoption of this policy, the special property tax debt levy will not exceed the levy limit of \$2,600,000. See Exhibit B for the estimated future debt tax levies per this plan.

Purpose of Financing

The City borrows money primarily to fund long-term capital improvement projects, essential equipment and vehicle needs and to refinance existing debt. The city will not issue long-term debt to finance current operations or to finance projects where the debt maturity exceeds the useful life of the improvement or asset. Debt will be used to finance eligible projects only if it is the most cost-effective means available to the City.

The four primary borrowing purposes are summarized below:

1. Long-Term Capital Improvements

The City typically issues general obligation bonds to finance improvements to roadways, infrastructure and city facilities. General obligation bonds generally achieve lower rates of interest than other financing options since they are considered a lower risk. Debt issued for this purpose generally will be for a term of at least 15 years.

Inter-fund borrowing is another form of long-term financing available to the City and will be permitted only in those circumstances in which all of the following conditions are met:

- a) The remaining fund reserve in the lending fund is adequate to meet cash flow needs.
- b) A repayment schedule will be prepared detailing the annual principal and interest payments due to the lending fund.
- c) The repayment schedule will not exceed 15 years or the useful life of the improvement.
- d) The City Council approves the inter-fund loan and repayment plan via city resolution.

2. Essential Vehicle and Equipment

Certain specialized vehicles and equipment may require the issuance of short-term debt. City staff will analyze cash reserves, other funding sources and short-term debt for each potential purchase. Assets potentially financed with short-term debt include fire trucks, jet-vac trucks, snowplow trucks, wheel loaders and any other specialized equipment as recommended by City staff. Debt issued for this purpose generally will be for a term of 5 to 10 years.

3. Refinancing/Refunding of Existing Debt

The Finance Director shall periodically review the City's existing debt and recommend refinancing or early refunding when economically beneficial.

4. Other Allowable

The Finance Director is allowed to pursue other allowable borrowing mechanism as allowed by Minnesota State Statutes (Section 475, etc.) and approved by the City Council.

Special Property Tax Debt Levy

The City annually issues General Obligation Special Assessment bonds in accordance with Minnesota Statutes 429 and 475. The annual debt service payments are funded by the city's special property tax debt levy ("**debt levy**") and by special assessments paid by property owners. It is the intent of the City to best manage the debt levy by using the following guidelines to finance annual roadway and infrastructure improvements.

A. The project costs financed by G.O. Special Assessment Improvement bonds will consist of two components accounted for in the Debt Service fund:

1. Project costs not financed by special assessments.

- i. The debt associated with this component is repaid by the City's debt levy.
- ii. The City will manage this component with an average annual **debt limit** of \$1,900,000.
- iii. The annual debt limit may be increased up or down by city council to account for changing interest rates and other economic factors.
- iv. The City will manage all debt issuances and forecast future issuances to reach a debt levy of \$2,600,000. Based on current assumptions and interest rates, this is projected to occur for property taxes levied in 2030 for 2031 collection.

2. Private property owner special assessments of at least 20% of the total project costs financed by the G.O. bonds.

- i. The debt associated with this component is generally repaid by private property owners over a 10-year period, but it may be less depending on the cost of the improvement and associated assessments. The annual installments shall be on a straight-line basis with simple interest equal to the true interest rate on the debt issuance plus 1%. The City's debt levy generally is not impacted by special assessments unless significant assessments are delinquent or deferred indefinitely.
- ii. Certain improvement projects may result in a substantial assessment to a specific large commercial property with the property owner agreeing to prepay the entire assessment in the year of improvement. In this instance, the prepaid assessment may be eliminated from the debt issuance and used as a funding source in the Improvement Construction fund.

- B. Future debt issuances will mature after 15 years. In the case of an exception to this guideline, the debt maturity shall always be shorter than the life of the financed improvement or asset.
- C. Debt service will be structured such that the debt levy will be stable over the 15-year debt term. This will prevent large fluctuations in the debt levy on a year-to-year basis.
- D. Any bond premium received will be used to reduce the par value, ultimately resulting in lower debt. City staff will review each year for any circumstances that may necessitate a different treatment of the bond premium.
- E. Debt issuances will be in an amount to finance the estimated project costs and professional fees plus a reasonable construction contingency. The costs to issue debt will also be included in the total amount financed.
- F. Net general obligation debt will not exceed the statutory limit of 3% of the estimated market value of taxable property in the City as required by Minnesota Statute, Section 475.53.
- G. Retired debt service funds will be closed into the City's Community Improvement fund. This fund will be the primary funding source for any potential debt service shortfalls.
- H. City staff will periodically review the annual debt limit and may make recommendations to City Council to increase the debt limit to address rising construction costs, interest rates or other unforeseen factors.
- I. Future financing may need flexibility in structuring its debt. This policy shall not prevent the City from deviating from this policy as long as the City adheres to the overall intent of this policy.

Prior Property Tax Levy Debt Policy

City Council approved resolution 13445 on July 8, 2008, setting guidelines to manage the special property tax debt levy and the issuance of future debt. The Debt Management Policy above supersedes the 2008 policy and shall be used as the guideline for all existing and future debt.

PURCHASING POLICY

Policy Overview

It is the intent of the City of Hutchinson to purchase, in the most efficient and effective manner possible, those goods and services necessary to conduct City operations. To accomplish this, a formal set of purchasing procedures has been adopted. This policy recognizes and retains that the ultimate purchasing authority is that of the City Administrator. This policy delegates purchasing authority as outlined below.

Public Purpose

The City Council recognizes that public funds may only be spent if the expenditure meets a public purpose and the expenditure relates to the governmental purpose for which the City of Hutchinson was created.

The meaning of “public purpose” is constantly evolving. The Minnesota Supreme Court has followed a broad approach and has generally concluded that “public purpose” means all activity that meets all of the following standards:

- The activity will benefit the community as a body.
- The activity directly relates to the function of government.
- The activity does not have, as its primary objective, the benefit of a private interest.

Purchasing Agent

The City Administrator shall be the chief purchasing agent of the City. The City Administrator is responsible for the citywide purchasing function and shall have the authority to delegate powers to the City Department Directors and Supervisors for purchasing items within their respective budgets.

Purchasing

Purchasing and budgetary control is the responsibility of the department Director. Departments shall strive to obtain the best possible prices and value, and are encouraged to buy locally whenever possible or practical.

Each department shall have on file with the Finance department a list of employees authorized to obligate appropriations of that department. Authorized employees shall be regular full-time or regular part-time employees of the City. Individual exceptions may be considered by the City Administrator, Finance Director and Department Director.

In no case shall an employee make a purchase for personal use utilizing his/her city purchasing authority. Violation of this policy may result in an employee’s purchasing authority being revoked.

1) Purchasing Limits:

\$ 0 to \$ 4,999	Department Director approval, or approved designee
\$ 5,000 to \$ 24,999	Finance Director or City Administrator approval required
\$ 25,000 to \$ 49,999	Finance Director and City Administrator approval required
\$ 50,000 to \$174,999	Finance, City Administrator & City Council approval required
\$175,000+	Competitive Bidding required (certain exceptions)

2) Written Quotes:

- a. Purchases estimated to cost less than \$5,000 may be made without seeking more than one quote, however more than one quote is encouraged.
- b. Purchases estimated to cost more than \$5,000 but less than \$175,000 must have at least two written quotes. Verbal quotes should not be accepted. The City will maintain documentation for a period of at least one year of its efforts to obtain at least two written quotes as required by state statute 471.345.

- c. The City will require competitive bidding on the sale, purchase or rental of supplies, materials or equipment and on contracts for the construction, alteration, repair or maintenance of real or personal property estimated to exceed \$175,000.

3) Competitive Bidding

Competitive bidding is required for certain contracts estimated to exceed \$175,000. The competitive bidding process may not be avoided by splitting a contract into several smaller contracts, each of which is under the competitive bidding threshold.

4) State Pricing & Cooperative Purchasing

Contracts or purchases estimated to exceed \$25,000 must consider the availability, price and quantity of supplies, materials, or equipment available through the State's Cooperative Purchasing Venture (CPV) before buying through another source.

The City may also purchase through a national municipal association's purchasing alliance or cooperative. The alliance or cooperative must have been created by a joint powers agreement and must purchase items from more than one source based on a competitive bidding process or competitive quotations. The City currently is a member of the State's CPV and a national joint powers alliance called NJPA. Contact the Finance Director with questions on accessing pricing for these agencies.

5) Purchase Orders

An approved purchase order is required for all purchases estimated to exceed \$5,000.

Departments may not place an order without a prior approved purchase order.

- a Departmental Responsibility
 - i. Obtaining at least two written quotes
 - ii. Preparing and forwarding a purchase requisition to the Finance Director for review
 - Attach the written quote documentation
 - Provide a reasonable explanation of the requested purchase
 - Include the proper departmental expense coding
 - Obtain the department director's approval
 - iii. Forwarding a copy of the approved purchase order to the vendor, if required.
- b Finance Department Responsibility
 - i. The Finance Director will review each purchase requisition in a timely manner.
 - ii. An approved purchase order, or an explanation in the case of a denied requisition, will be provided to the originating department generally within 2-3 business days.
 - iii. The finance department will maintain scanned images of all approved purchase orders and corresponding written quotations for compliance with state statute
 - iv. Finance Director and City Administrator approvals are required prior to seeking City Council approval on purchases over \$50,000.
- c Purchases not requiring a Purchase Order
 - i. ***Annual Service Contracts*** – The City shall evaluate the performance of service contracts at least every three years and determine if the City will renew the agreement or seek written proposals from service providers.
 - ii. ***Professional Services*** - Contracts with a total cost of \$5,000 to \$50,000 to provide professional services shall be approved by the City Administrator. Contracts with a total cost over \$50,000 shall be approved by City Council. A purchase order is not required if a contract is executed.

- iii. **Inventory Purchases** - Purchases for inventory assets of certain operations shall not require a purchase order as doing so would delay purchases and potentially hinder operations. This shall apply to the Liquor store, Creekside's bagging production process, Water and Sewer chemical purchases and HATS fuel purchases. The department directors shall be responsible for ensuring that the City is receiving favorable pricing.
- iv. **Emergency Purchases** - Purchases required by emergencies which impair the City's ability to deliver services shall be outside the scope of this policy. In these rare instances, a purchase order is not required, however the departmental director shall submit a brief written explanation of the emergency situation and attach to the invoice presented for payment.

Disbursement Methods

The following disbursement methods are available for departmental approved purchases:

- 1) **City Check** – This is the standard disbursement process described in the next section.
- 2) **Departmental Procurement Card** – Covered under separate policy; "Procurement Card Policy".
- 3) **Vendor In-House Charge Accounts** – The City currently utilizes charge accounts with various vendors in the City. The Finance department will maintain a list of departmental employees authorized to make purchases and will submit updated lists to the vendors at least annually. Authorized purchasers shall be regular full-time or regular part-time employees.
- 4) **Vendor Charge Cards** – The City currently utilizes vendor charge cards for a limited number of vendors. Departments will control access to these cards to prevent unauthorized use and will notify the Finance Director immediately of lost/stolen cards or fraudulent activity.
- 5) **Petty Cash** – Departmental petty cash funds may be utilized for small purchases. The department shall maintain detailed receipts for each purchase and periodically submit to the Finance department for replenishment. Receipts shall be properly coded and contain an adequate explanation of the expense along with departmental approval.

Disbursement Process

Departments will submit properly coded and director approved invoices to the Accounts Payable Specialist by **12:00pm on Monday**, one week prior to each City Council meeting. In the case of a Monday holiday, the deadline shall be 12:00pm on the prior Friday. Invoices submitted after the deadline may be delayed to the next council check run. Checks will be distributed on the Wednesday after each City Council meeting.

1) Invoices – Content and Approvals

- a. Payments will only be made from original mailed or emailed invoices.
 - i. Payments will not be made from faxes, photocopies, vendor statements or quotes/estimates.
- b. The City of Hutchinson shall be named on the invoice as the purchaser.
 - i. Invoices naming another entity as the purchaser will not be processed for payment. The vendor should be contacted to correct the invoice.
- c. The invoice date shall accurately reflect the actual date of service or purchase.
- d. The invoice is sent directly from the vendor to the City's Accounts Payable Specialist at City Center.
 - i. The A/P Specialist will stamp each invoice with a received date and route to the appropriate department for approvals.
- e. A reasonable description of the purchase or service, shall be included on the invoice.

- f. The departmental expense code and director/supervisor approval shall be evidenced directly on the invoice and not on a separate paper or post-it note.
- g. Departments are responsible for ensuring that the merchandise is received or the services are performed prior to submitting an invoice for payment.
 - i. The City generally does not provide down payments for merchandise or services. Progress payments may be made to vendors based upon a reasonable percentage of completion for the service or project.
 - ii. Departments shall work directly with the vendor to correct any issues regarding incorrect or defective merchandise or service.

Prompt Payment of City Bills

Minnesota Statute 471.425 requires cities to pay each vendor obligation according to the terms of the contract. If no contract terms apply, payment must be made within the standard payment period of 35 days from the date of receipt.

1) Date of receipt is defined as the later of:

- a. The completed delivery of the goods or services, or the satisfactory installation, assembly or specified portion thereof; or
- b. The receipt of the invoice for the delivery of goods or services.

2) Invoice Errors

- a. The City must notify a vendor within 10 days of the date of receipt if the invoice is incorrect. The 35-day standard period begins when a corrected invoice is received.

3) Payment of Interest

- a. The City must calculate and pay interest if an invoice is not paid according to the terms of the contract, or if no contract terms apply, within the standard period of 35 days.
 - i. Interest rate shall be 1.5% per month or part of month.
 - ii. The minimum monthly interest penalty that the City shall calculate and pay a vendor for the unpaid balance of any one overdue bill of \$100 or more is \$10.
 - iii. For an unpaid balance of less than \$100, the City shall calculate and pay the actual interest penalty due to the vendor.

4) Prompt payment to Subcontractors

- a. Each contract of the City must require the prime contractor to pay any subcontractor within 10 days of the prime contractor's receipt of payment from the City for undisputed services provided by the subcontractor.
- b. The City's contract must require the prime contractor to pay interest of 1.5% per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor.
 - i. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.
 - ii. For an unpaid balance of less than \$100, the prime contractor shall calculate and pay the actual interest penalty due to the subcontractor.

Prior Policy

The policy above supersedes the prior city policy #1.11.

PROCUREMENT CARD POLICY

POLICY:

The purpose of this policy is to provide detailed information regarding the use of procurement cards authorized by the Hutchinson City Council and assigned by the City Administrator to selected department directors to purchase goods and services for the City. The use of the procurement card is an alternate means of payment and is not meant to replace the standard purchasing order system of the city. The use of procurement cards should only take place when the normal purchasing order system cannot be used and/or the use of a credit card is the only purchasing mechanism allowed.

STATUE AUTHORITY:

Minnesota Statute 471.382 Credit Cards. “A city council may authorize the use of a credit card by any city officer or employee otherwise authorized to make a purchase on behalf of the city. If a city officer or employee makes or directs a purchase by credit card that is not approved by the city council, the officer or employee is personally liable for the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or city policy applicable to city purchases.”

POLICY ADMINISTRATION:

The City Administrator shall determine the appropriate department directors to be issued City procurement cards. The Finance Director, with the oversight of the City Administrator, is hereby designated the responsibility of procurement card issuance, accounting, monitoring of use, retrieval, payment of all charges, maintenance of a list of authorized users and cards assigned to them and general compliance with the City's Procurement Card Policy.

MAXIMUM LIMITS:

The monthly maximum card limit per director will be established by the City Administrator and Finance Director based on the anticipated need.

DOCUMENTATION:

Invoices or receipts are required to support all procurement card purchases since the monthly billing statements lack sufficient detail to comply with Minnesota Statutes. For purchases in which a receipt is not normally available, a copy of the completed application or order form should be used as a receipt (for example, conference registration forms).

CARDHOLDER RESPONSIBILITIES:

- 1) The Department Director is responsible for the authorized use of the City issued procurement card and for any purchases made on it.
- 2) Ensure that the procurement card is used in compliance with the City's Purchasing Policy.
 - a. Purchases must be budgeted.
 - b. Use of the procurement card for personal purchases is strictly prohibited. If the procurement card is inadvertently used for a personal purchase, contact the Finance Director/City Administrator immediately. Not reporting inadvertent personal purchases will result in immediate revocation of the procurement card and the cardholder may be subject to disciplinary and/or legal actions. The cardholder will be personally responsible for reimbursing the City for any inadvertent personal purchases.
- 3) The procurement card may only be used for the purchase of goods or services for official City business.

- a. The procurement card may not be used for cash advances or any other type of purchase not permitted under the City's Purchasing Policy. No cardholder shall be allowed to make any purchases for personal use through the City. Use of the card for personal use or inappropriate purchases, as deemed by the City Administrator, shall be reimbursed and may result in discipline. Two or more inappropriate purchases may be cause for revocation of the credit/procurement card.
 - b. Purchase of motor fuels is prohibited, with the exception of extended travel with a city owned vehicle. Fuel for personal vehicles used for official city business is reimbursed to the employee based on the IRS mileage reimbursement through the Employee Expense Reimbursement process covered under separate policy.
 - c. Cardholders shall verify with the Finance Department and notify vendors if the transaction is exempt from Minnesota sales tax. All transactions should be exempt from all local sales tax.
- 4) Authorized cardholders are responsible for the secure custody of the procurement card and protection against theft, misuse and fraud.
- a. Notify the Finance Director immediately if the procurement card is lost or stolen and when fraudulent activity is suspected.
 - b. When fraudulent activity is suspected, immediately contact the procurement card company at the phone number listed on the back of the card. The procurement card must not be used again until the situation is resolved. A new procurement card will be issued if the activity was in fact fraudulent.
 - c. To prevent fraudulent activity, the cardholder shall not make transactions over unsecured websites. Giving out procurement card information over the telephone is not recommended and should only be done in rare instances where the order cannot be completed in any other manner.
- 5) Monthly review, approval and reporting of transactions:
- a. At the end of each month, department directors shall have 10 days to review and approve the prior month purchases via the Wells Fargo online portal.
 - i. Each transaction shall be evidenced by a detailed receipt or order confirmation.
 - ii. Directors shall code each purchase to the correct departmental expense account and provide an adequate description of the expense within the online portal.
 - iii. Directors shall print from the online portal a listing of all purchases made during the month and submit to the Finance department along with all detailed receipts supporting the purchases. Finance shall receive this information by the 11th day of the month, or next business day if the 11th falls on a weekend.
 - b. The Finance department will review all transactions and provide the final approval to Wells Fargo to deduct from the City's bank account the total payment amount to cover all authorized purchases.

6) Returns or Disputed Transactions:

- a. It is the cardholder's initial responsibility to work directly with the merchant to receive proper credit on returned merchandise or disputed transactions.
- b. Finance Department will be available to assist cardholders with returns or disputed transactions if initial contact by the cardholder is unsuccessful.

7) The cardholder must immediately surrender the procurement card to the Finance Director upon retirement or termination of employment. All receipts for current purchases shall be coded and submitted to the Finance Director when the credit card is surrendered.

8) Any exceptions to this policy must be approved in advance by the City Administrator.

SUSPENSION OR REVOCATION OF CARDS:

If any of the following occur, immediate suspension and/or revocation of the procurement card privileges may result, including discipline, as determined by the City Administrator:

- 1) Use of the card for personal purchases or cash advances.
- 2) Unauthorized use of card.
- 3) Failure to notify the procurement card company and Finance Director of a lost or stolen card, and fraudulent activity.
- 4) Repeated failure to submit in a timely manner the monthly billing statement with proper receipts/support for payment.
- 5) Repeated failure in which the attached receipts do not match the item description or dollar amounts listed on the monthly billing statement with no explanation.

City of Hutchinson

Request for Procurement Card

Applicant: _____ Department: _____

Requested Monthly Card Limit: **\$2,000** **\$5,000** **\$10,000** Other: \$ _____

By requesting a City procurement card, I acknowledge the following:

1. The procurement card is to be used only to make purchases in compliance with Minnesota Statutes and the City's Purchasing Policy.
2. The card must be used in accordance with the City's Procurement Card Policy.
3. Violation of the Procurement Card Policy may result in suspension or revocation of use privileges. Employees found to have inappropriately used the procurement card will be subject to discipline, including ~~potentially~~ the requirement to reimburse the City for all costs associated with such improper use.

Director Signature: _____ Date: _____

Authorization Information

Approved Monthly Card Limit: \$ _____

City Administrator Approval: _____ Date: _____

Finance Director Approval: _____ Date: _____

This fully approved request gives the Finance Director authorization to issue a City of Hutchinson procurement card in the name of the applicant with a monthly card limit as approved by the City Administrator.

City of Hutchinson

Acknowledgement of Receipt of Procurement Card

I acknowledge that on the date indicated below, I received my City of Hutchinson Procurement Card. I have previously received a copy of the Procurement Card Policy explaining the use and responsibilities of the procurement card. I understand that:

- 1) The procurement card is a cost-effective method for the purchase and payment of small dollar material transactions and is limited to \$_____ per month.
- 2) The procurement card is to be used solely for City business purchases; not personal purchases.
- 3) I am responsible for reconciling monthly statements and maintaining accurate accounting records.
- 4) I must attach the itemized receipt with my statement each month.
- 5) Should my employment with the City of Hutchinson terminate, I am responsible for returning the procurement card to the City Administrator or Finance Director, along with all receipts for purchases within the current billing cycle.

If the procurement card is used for personal purchases, for unauthorized items, or used by someone not authorized to do so, I hereby agree to personally pay the City for such purchases and hereby authorize the City, if necessary, to withhold from my paycheck any amount necessary to pay these charges.

This acknowledgement will be kept in my personnel file and I may be subject to discipline or termination from employment for violation of this policy.

Procurement Card #: _____

Unique #: _____ *(used to activate card and ID purposes with Wells Fargo customer service)*

Employee Name: _____
(please print)

Employee Signature: _____ Date: _____

Wells Fargo Customer Service: 1-800-932-0036

TRAVEL & MEAL EXPENSE REIMBURSEMENT POLICY

Policy Overview

This policy recognizes the fact that certain travel for official city business may require employees or elected officials to incur expenses subject to reimbursement by the City. Reasonable travel costs for out of town business meetings, conferences and training seminars may qualify for reimbursement as provided by this policy. To be reimbursed by public funds, expenditures must meet a “**public purpose**”, defined by Minnesota Supreme Court as meeting all of the following:

- The activity will benefit the community as a body.
- The activity directly relates to the function of government.
- The activity does not have, as its primary objective, the benefit of a private interest.

This policy is intended to provide guidelines regarding which travel related expenditures are for public purpose and authorized in accordance with the City’s annual budget.

The City Administrator and Finance Director shall review all employee expense reimbursement requests and will determine if an expense does not meet a public purpose and is not subject to City reimbursement.

Travel Approval

Each department director is responsible for ensuring that employee travel is for City business and is consistent with City policy. Department Directors are responsible for approving all travel requests within his/her respective departments and will ensure that departmental budget dollars are sufficient to cover requested travel prior to approving. Requests for travel by Directors shall have prior approval by the City Administrator. The following approvals are needed prior to employee travel:

- 1) **Same Day & Overnight Travel** - Department Director approval is required.
- 2) **Out of State** - All out-of-state travel exceeding a 300-mile radius from Hutchinson must be approved within the annual budget process and approved separately by City Council. The frequency of this out-of-state travel shall not exceed once every other year. In the event an additional conference or seminar presents itself, the council may use its discretion in considering the request.
- 3) **Out of State** - All out-of-state travel within a 300-mile radius of Hutchinson shall be approved by the City Administrator and does not require City Council approval.

Reimbursable Expenses

1) Transportation

Several means of transportation exist and each travel request shall consider the least-cost method. For the majority of travel requests, a City vehicle provides the least-cost to the City and shall be considered before any other means. Vehicles from other departments may be available and shall be a consideration.

- a) **City Vehicle** – All direct expenses incurred will be reimbursed, including fuel, oil and maintenance/repair expenses. Only City employees are authorized and insured to drive a city owned vehicle.
- b) **Personal Vehicle** – When a city vehicle is not available, a personal vehicle may be authorized for use. City reimbursement for the use of a personal vehicle is based on the current IRS approved mileage rate using the shortest route. If the travel originates from home, the mileage reported for reimbursement should be from the home or the employee’s normal City work facility, whichever is less. An employee’s normal commute mileage will not be reimbursed.
- c) **Airplane/Other** – travel by any means other than by vehicle shall be approved by the City Administrator.

- d) **Other related costs** – Reasonable parking fees, car rental and fares for rail, bus, taxis and shuttles are all subject to reimbursement if related to City business. Taxis and shuttles reimbursement may include a maximum gratuity of 20%. Gratuities in excess of 20% will not be reimbursed by the City. A standard model sedan shall be used when renting a car unless unusual circumstances dictate otherwise.

2) Lodging

The City will reimburse the reasonable cost of lodging for training, seminars or conventions of two or more days if the event site is **outside a 50-mile radius** of Hutchinson.

All employees shall ask for a standard room. In the event that a standard room is not available, other lodging establishments shall be contacted prior to booking a non-standard room. A non-standard room is reimbursable if it is at a contract rate through the event, offered at the same rate as a standard room or if no other options are available within a reasonable distance from the event.

An increase in lodging rate due to family members staying is not reimbursable. The employee will be reimbursed only for a standard room.

Entertainment expenses incurred will not be reimbursed, such as in-room movies, mini-bar and optional entertainment-type events provided at conferences.

3) Meals

The City will reimburse the cost of job-related meals only if an employee's travel requires an overnight stay or if a business meeting is held during typical meal hours. The following limits are in place for each meal:

Breakfast: \$15 – Travel begins before 6:00am and extends beyond 9:00am
Lunch: \$20 – Travel begins before 11:00am and extends beyond 2:00pm
Dinner: \$30 – Travel begins before 4:00pm and extends beyond 7:00pm

- a) Meetings scheduled and held during typical meal hours do not automatically necessitate that a meal will be provided at City expense. Per IRS regulations, a meal must have a clear business purpose in order to be reimbursed.
- b) The maximum amounts listed above apply to the meal, non-alcoholic beverage, sales tax and gratuity.
- c) Gratuities paid by the employee over 20% will not be reimbursed.
- d) The above dollar amounts cannot be combined in any fashion in order to reimburse an employee for a meal costing more than the maximum amount listed per specific meal. For example, an employee cannot use the breakfast and lunch amounts to justify reimbursement of a \$60 dinner.
- e) Employees are expected to take advantage of meals provided by the conference or seminar. The City will not reimburse an employee for a purchased meal when a meal was provided by the event.
- f) If more than one employee is present at a job-related meal, one employee may pay for the entire meal cost of all employees. The reimbursement request shall clearly identify each employee present for the meal.
- g) If non-city personnel are present at a job-related meal, the city may reimburse the paying employee for the cost of the meal(s) of the individual(s) if an itemized receipt and a form indicating who attended, where the meal was held and the city-related purpose for the meal is submitted and approved by the Department Director and City Administrator. Reimbursement of a non-employee's meal is subject to the same dollar limit as the employee.
- h) When family members are present, a separate detailed receipt for the employee's meal shall be requested.

- i) The daily meal limits may be adjusted for out-of-state travel by the Finance Director based on current IRS per diem guidelines.

4) **Registration or Membership Cost**

The City will reimburse the costs for registration, training and membership incurred to attend conferences, seminars or training sessions. A check request shall be submitted to the City's accounts payable department prior to the event as the primary option for payment of this type of cost. The request shall include the necessary documentation evidencing the amount payable and provide sufficient time to process a check prior to any payment due date. A departmental purchasing card may also be used for payment based upon receipt of all necessary travel approvals prior to making payment. Departments shall strive to utilize any early registration discounts.

5) **Non-Reimbursable Costs**

- a. Alcoholic beverages – whether consumed by an employee or a non-employee
- b. Gratuities exceeding 20%. An employee will be required to reimburse the City for gratuities in excess of 20% if a department purchasing card was used.
- c. Snacks and other food/beverages outside of the daily meal reimbursements
- d. Meals or events for spouses or family members traveling with an employee
- e. Meals when an event provides for a meal
- f. Private automobile expenses, including gas, oil, repairs
- g. Traffic citations or fines
- h. Travel between an employee's home and work facility
- i. Entertainment expenses
- j. In-room movies, mini-bar or other hotel services not required for City business
- k. Optional entertainment events unless included as part of the overall conference registration fee (e.g. optional golf rounds, sporting events, concerts)
- l. Personal losses incurred while on City business
- m. Other costs that do not meet the public purpose definition as determined by the City Administrator and Finance Director

Employee Expense Reimbursement Form

The Finance Department shall annually provide an updated Employee Expense Reimbursement Form (Exhibit B) to all employees. This form shall be used for all reimbursement requests related to approved travel or work-related expenses paid by an employee .

- 1) **Detailed Receipts** – each item submitted for City reimbursement must be supported by an itemized receipt indicating a reasonable explanation for the expense. All receipts shall be attached to each reimbursement request.
 - a. Meals will be reimbursed based on a detailed itemized receipt. When a credit card is used to purchase the meal, both an itemized receipt and a credit card charge slip indicating the tip amount shall be submitted.
 - b. Receipts for parking and taxis may not be available and may be submitted for reimbursement without a receipt.
 - c. Mileage reimbursement for the use of a personal vehicle shall detail not only the mileage but also the location traveled and the business reason for travel.
 - d. Proper departmental expense codes shall be used for each line item.
 - e. Unsupported expenses will not be reimbursed. If an employee is unable to get a detailed receipt or the receipt is lost, a signed statement by the employee detailing the purchased item, the business reason for the expense and certifying that the claim is accurate must be submitted and approved by the Department Director. A copy of the

employee's credit card statement may also be provided to help support the dollar amount being reimbursed.

- 2) Employees shall submit an employee expense reimbursement form with all necessary supporting documentation to the appropriate Department Director for review and approval.
- 3) A Director approved employee expense reimbursement form shall be forwarded to the Accounts Payable Clerk who will route to the Finance Director and City Administrator for approval prior to payment. Any issues will be communicated back to the employee for correction/clarification.
- 4) The Finance department will make necessary corrections to reimbursement requests for mathematical errors, gratuities in excess of 20%, to remove any alcoholic beverages and other changes that may be necessary to comply with this policy.
- 5) Reimbursement will be made with the next City Council check register.
- 6) Employees shall submit an expense reimbursement claim no later than **60 days** from the date the expense was paid or incurred. If employee expenses are submitted for reimbursement more than 60 days after the expense is incurred, the reimbursement may be taxable and appropriate withholdings would need to be made through the payroll system.

Cash Advances

An employee may request a cash advance prior to an overnight business trip. The cash advance shall be used only for expenditures related to official City business as specified within this policy. An employee expense reimbursement form shall be completed upon the employee's return, detailing the expenses subject to reimbursement, less the cash amount advanced. Expenses paid by the employee above and beyond the cash advance amount will be subject to employee reimbursement per this policy. Any portion of the cash advance that was not expended for a City related purpose must be reimbursed to the City within **60 days**.

The employee shall be responsible for any cash advance that is lost or stolen. In such instances, the employee must reimburse the City within 60 days.

City Representation

Employees shall be aware at all times that they are representing the City of Hutchinson while traveling out-of-town for official City business. Employees given the opportunity to be away from their regular work and having their expenses paid are expected to perform in a similar manner as if they were still at work. Conduct improper for a city employee will be treated as if it occurred during regular working hours. At no times shall alcoholic beverages be consumed by any person(s) driving or riding in a City of Hutchinson vehicle.

Prior Policy

The policy above supersedes the prior city policies #3.22 and #3.23.

FISCAL AGENT POLICY

Purpose

This policy defines the parameters necessary for the City of Hutchinson (City) to act as the fiscal agent for a non-501(c)(3) organization (Other Entity) in order to secure grants or donations on behalf of the Other Entity.

City Authority

All requests for the City to serve as fiscal agent shall be approved by the City Administrator. The City Finance Director shall be made aware of all details related to approved fiscal agent projects for proper accounting of proceeds and expenditures.

City Purchasing Policy

The City's purchasing policy must be followed in order to comply with the State of Minnesota purchasing and contracting statutes. Vendor quotes shall be received, if required by policy, and the contract shall be awarded to the lowest responsible bidder. Invoices paid by the City must be billed to the City of Hutchinson and not another entity.

Public Purpose Expenditures

The City expenditure made on behalf of the Other Entity must meet a "public purpose", defined by the Minnesota Supreme Court as meeting all of the following:

- 1) The activity will benefit the community as a body.
- 2) The activity directly relates to the function of government.
- 3) The activity does not have, as its *primary objective*, the benefit of a private interest.

The Minnesota Supreme Court further clarifies that activities that promote the following objectives for *the benefit of all the city's residents* further a public purpose:

- Public Health
- Safety
- General welfare
- Security
- Prosperity
- Contentment

Donations

Donations related to a project with the City serving as fiscal agent shall be made directly to the City of Hutchinson. The Hutchinson City Council shall formally accept all donations by resolution prior to those funds being used for the designated purpose.

Grants

The Other Entity shall be responsible for the preparation of all grant documentation and grant compliance, including reporting requirements. The City shall, upon request from the Other Entity, supply supporting documentation or reports related to transactions incurred within the City's financial system.

Other

The City shall not expend funds in excess of donations or grant proceeds received without City Council or City Administrator approval.

EXHIBIT A

List of City Funds

Governmental Funds:

1. General Fund

2. Special Revenue Funds

- a. Rural Fire Department
- b. H.A.T.S. Operation
- c. Hutchinson Enterprise Center
- d. Economic Development Loan Funds
- e. HRA Loan Fund
- f. Tax Increment funds
- g. Public Sites Fund
- h. Tree Disease Mitigation Fund

3. Debt Service Funds

- a. G.O. Special Assessment Bonds Debt Service Funds
- b. Tax Increment Debt Service Funds

4. Capital Projects Funds

- a. Capital Projects Fund
- b. Equipment Replacement Fund
- c. Community Improvement Fund
- d. Airport Construction Fund
- e. Special Assessment Capital Improvement Funds
- f. Municipal State Aid Fund

Proprietary Funds:

1. Enterprise Funds:

- a. Liquor Fund
- b. Compost Fund
- c. Refuse Fund
- d. Water Fund
- e. Wastewater Fund
- f. Storm Water Fund
- g. Hutchinson Utilities Commission

2. Internal Service Funds:

- a. Self-Insurance Fund

Component Units:

- 1. Hutchinson Economic Development Authority (EDA)
- 2. Hutchinson Housing Redevelopment Authority (HRA)

CITY OF HUTCHINSON - FUND STRUCTURE

