



2023 Annual Budget

City of Hutchinson, MN

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2023 Annual Budget

Organizational Information

December 28, 2022

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

RE: **2023 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 2023. There have been a couple of minor changes to the budgets since the truth-in-taxation hearing that was held on December 6. One of those changes is the addition of \$25,000 into the general fund to assist in our fleet funding. 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 5.9%. The department directors worked on reducing that tax levy increase and we were able to reduce our health insurance premiums 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 2023 final budget and tax levy numbers being presented to you today is balanced with a new proposed tax levy increase at 3.7%, and is the culmination of 8 months of work by the great staff of the city of Hutchinson that included four 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 2023 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 2021 to 2022, we saw our overall market value increase by 15.9% from \$1,228,997,100 to \$1,423,986,400. This was the tenth straight year of an increase and one that was on top of a growth of 11.2% the previous year. With the continued growth of the City in 2022, we are likely to see an eleventh straight year of market values increasing next year.

Every area of property saw growth in 2022. Specifically, residential value went up 19.8%; agricultural went up by 17.4%, apartments went up 5.6%; and our commercial/industrial value increased by 4.4%. Along with our market values increasing, we have also seen our total net tax capacity increase from \$12,150,240 in 2021 to \$13,437,008 in 2022, an increase of 10.6%. The City is expecting another increase in our tax capacity in 2023, continuing to driving down city property tax rates.

One thing to be aware of when setting tax levies in Hutchinson is that the city's value (76%) and tax capacity (59%) 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 2023 municipal budget.

Tax Levy

The tax levy for the general fund has been set at \$5,834,751, up by \$229,195 compared to 2022, an increase of 4.1 percent. This will be the eighth straight increase to the general fund tax levy. The debt service levy for 2023 has been set at \$2,409,577; an increase of 2.6% and the second straight increase to the debt service levy. The second straight year of an increase in the debt service levy is associated with the additional debt taken out to finance the new police station. The combination of the general fund tax levy and the debt service levy for 2023 sets the total city portion of the tax levy at \$8,244,328, a 3.7% increase from 2022. The EDA tax levy is budgeted to increase by 18.2%, with the HRA tax levy budgeted to decrease by 23.1%. Overall, the total tax levy impact to a Hutchinson resident has been set at \$8,662,497, up by \$282,335 from 2022, an increase of 3.4%. For comparison purposes, the 2022 total tax levy increased by 4.3% from 2021.

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 a new position being added to the general fund with the splitting of the Director of Public Works and City Engineer positions. 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 tenth straight year of a municipal tax increase, which includes our general fund and debt fund levies. Since 2013, our total property tax levy impact has increased on an average basis by 2.3%. Even with the tax levy increase, the proposed estimated city tax rate for next year will be at 53.65%, down from 60.41% in 2022. This will be the ninth straight year in which Hutchinson residents will see its city tax rate decrease. A home valued at \$230,000 will see an estimated city tax increase of \$54 (5.0%) in 2023. For comparison purposes, a 0% tax levy increase would have resulted in a property tax increase of fourteen (\$14) dollars due to increased values.

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 2023 with revenues of \$14,354,436 and expenditures of \$14,354,436. The need for additional budget reserves is not needed at this time due to a healthy general fund balance. 2021 audit numbers showed that the City had a general fund balance of \$8,342,253, approximately 59.7% of the general fund budget for 2022. The State Auditor has recommended to cities that their general fund balance should be in the range of 35% to 50%. The 2022 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 \$49,120 intergovernmental revenue associated with increased local government aid and Police/Fire Pension aid. There is also an additional \$10,000 from the local cable TV franchise fee due to activity trending up in recent years. The revenue also includes an additional \$64,163 in engineering fees to help cover the engineering departmental expenses with the splitting of the Public Works Director position and the City Engineer. The 2023 general fund revenues also include an additional \$61,145 from Hutchinson Utilities (\$37,345 from the PILOT and \$23,800 from rent associated with the Solar Array project).

The general fund also includes a \$23,000 transfer from our self-insurance fund to help cover the City's employee HSA contribution costs. This is the fifth and final year of a phase out of this contribution. Generally speaking, property taxes account for 41% of all general fund revenues in 2023; 20% comes from charges for service (DMV, recreation and community education fees, etc.); 19% comes from transfers-in (HUC, Liquor, Creekside, Utilities, etc.); and 13% from intergovernmental revenue (LGA, State Aid, etc.). The general fund revenues of \$14,354,436 are a budget increase of 2.8% from 2022.

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 \$228,952 in 2023. The increased costs include the addition of one full-time employee, costs for annual performance reviews, general staffing changes, and a 4% shift upward in the pay grid. Wages and benefits account for 68% of all general fund expenditures in 2023, by far are largest expenditure in the general fund. 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 about \$52,000 in additional spending for supplies, and about \$71,000 in additional expenses related to services and charges, and \$25,000 for additional fleet funding. These additional costs are a result in some cases of inflation and in other cases of new contracts (AXON contract for body cameras). Overall, public safety accounts for 34% of all budgeted expenditures in the general fund in 2023; 25% goes to general government; 23% goes to culture & recreation, and 15% goes to streets and highways. Those percentages are roughly the same as our 2022 budget. Overall, budgeted general fund expenditures increased by 2.8% from \$13,963,993 in 2022 to \$14,354,436 in 2023.

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 2022 year-end numbers will show the liquor fund with an estimated cash balance of about \$436,000; the water fund with an estimated cash balance of about \$3.9 million; the wastewater fund with an estimated cash balance of about \$7.8 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 \$800,000; and the Creekside fund with an estimated cash balance of about \$2.7 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.

One of the six enterprise funds projects sufficient revenue to cover the expenses outside of depreciation in 2023. The other five 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. Garbage rates are not changing and there will be a shift in water and wastewater rates as the City transitions into a new rate system. Garbage rates were last increased in 2008 with water and sewer rates last being increased in 2011. The water and wastewater rate changes will likely result in a push for most users with some users seeing a slight increase. Budgeted water revenues are set at \$3,582,185 in 2023, up 12.3% from 2022. Budgeted water expenses are set at \$4,775,082 in 2023, down 3.3% from 2022. Budgeted wastewater revenues are set at \$4,216,000 in 2023, down 0.3% from

2022. Budgeted wastewater expenses are set at \$6,396,335 in 2023, up 14.1% from 2022. Both the water and wastewater funds are seeing an increase in costs due to capital expenses planned for next year. Revenues for these funds have shifted due to where we are allocating the sales tax revenue based off of projected debt needs for each of those funds. Budgeted refuse revenues are set at \$1,357,500 in 2023, up 1.4% from 2022. Budgeted refuse expenses are set at \$2,549,773 in 2023, a decrease of 1.9% from 2022. Budgeted storm water revenues are set at \$1,089,300 in 2023, up 3.2% from 2022. Budgeted storm water expenses are set at \$1,324,948 in 2023, down 26.1% from 2022. The storm water fund has budgeted for a rate increase of about 3.0%.

After a record year in 2020 and 2021, Liquor Hutch continues to do well, but is expecting to be back to somewhat normal, pre-pandemic levels with revenue down slightly from \$7,427,000 in 2022 to \$7,291,500 (-1.8%). Liquor Hutch is also projecting expenses to decrease from \$7,427,158 in 2022 to \$7,365,814 (-0.8%). Creekside is projecting an increase in revenues from \$2,825,000 in 2022 to \$3,068,400, an 8.6% increase. The increase is associated with higher freight costs in 2023. Budgeted expenses are expected to increase as well from \$3,070,356 in 2022 to \$3,649,506 (18.9%). The large increase in expenses is due to costs of goods sold and a higher list of capital projects next year.

In the 2023 budget, only the Stormwater Fund is expected to see a positive cash flow. The other five funds are projected to see a negative cash flow. The five 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 2023. Overall, the enterprise funds are expected to transfer \$820,000 to the general fund in 2023. 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 5.7% of our total general fund revenue. When you include the additional finances the City receives from Hutchinson Utilities (\$1,904,536), total enterprise money coming into the general fund is at \$2,724,536. This is about 19% 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 \$2,808,219, a 31.2% increase from 2022 (\$2,140,953). Revenue collected for these payments will amount to \$2,650,339 of which \$2,409,577 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 2023 is at \$26,035,000, up from \$22,805,000 in 2022.

2023 will be the second year of an increase in our debt levy since 2016. The reason for this increase 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 \$51,809,557, a slight decrease from the previous year's \$52,379,324 five-year plan. The 2023 budget portion of that plan is set at \$9,616,350, a decrease of 48.6% from our 2022-budgeted amount. The large decrease in costs is because two large projects from 2022 (new police station and a large improvement project at the ice arena) fell off the books. The five-year plan accounts for various investments throughout many different levels of city government. 37% of the five-year plan will go to investments in the City's infrastructure system (new construction, reclaims, partial reconstruction); 26% will be spent on enterprise related activities (Creekside, Liquor Hutch, water, wastewater, etc.); 23% will be spent on public works improvement projects like the HATS facility; with the remaining dollars being spent on various public safety, park & recreation, and general government projects.

The largest projects slated for next year includes facility improvements to water and wastewater facilities along with Creekside; several street and alley upgrades, new equipment and vehicles. Funding for the five-year CIP will come from various sources. The largest revenue source over the next five years will come from the enterprise funds for the capital needs at a cost of 29% of the CIP, along with State and Federal Grants/Aids (24%). New borrowing (23%), property taxes (14%), and special assessments (4%) 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 3.7% tax levy increase is below the statewide preliminary tax levy increase average of 9.1% 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 2023. The first reason deals with costs associated with having reliable and talented employees, and the challenges that go with keeping them here. The second reason for the increase is due the investment we are making into our future with the improvement of facilities and infrastructure. 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 fairly normal tax increase of 3.7% for 2023.

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 look back, it continues to be an interesting time in local government. While 2021 was a year of hope with building towards the future, 2022 was a year in which we strengthen our position as one of the most attractive small-regional centers in outstate Minnesota. While the "State of the City" continues to remain healthy, I believe there are challenging times ahead. As we look to deal with high inflation, high construction costs, and delays in supplies and materials, the City is likely to face some challenges in the next year or years. But as we have in the past, I expect our staff and this community to find a way to weather the storm. While things may get challenging, there is still a lot to be excited about and I look forward to what's in store.

As I state every year, I believe it is our responsibility to create an atmosphere that is conducive for growth throughout the entire community. The greatest relief to a City's tax burden is growth and more importantly, growth within the commercial and industrial tax bases. As we look to move out of 2022 into 2023, I wanted to spend a little bit of time reflecting on this past year and some of the growth our community saw.

The City's average monthly unemployment rates continue to remain low with an average monthly rate of 2.2% (through November) in 2022. These rates continue to remain lower than the State (2.3%) and Federal (3.7%) 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 \$215,400 last year to \$260,000 through November of 2022, the tenth 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 September of this year, we have issued 18 building permits for new homes, showing that we are on pace for the ninth straight year in where we have issued 20 or more new home permits. Permits issued would have been higher if not for the high cost of supplies and labor and the difficulty in getting materials.

2022 also brought the conclusion of units 5-7 (last phase) at Century Court West Townhomes. The completion of the townhomes moved our total to at least 292 new rental units opening up over the past six years. Along with the rental units, we have built over 175 new homes over the past six years and the 2020 census showed our population increased by 419 people to 14,599 (3% from 2010) with our 2021 estimate coming in at over 14,700. Along with new housing, we saw several new businesses open up in town including Harbor Freight, Buff City Soap, and River House Kitchen and Drinks to name a few with several others doing remodels or expansions. MITGI bought the old Shopko building downtown and is in the middle of remodel and several of our manufacturers also expanded in 2022. Along with private investments, West Elementary and Burich Arena were also remodeled in 2022. The City has added over \$275 million in new

value to the community over the past 6 years as well, and we are anticipating continued growth in the next year.

2023 looks to be just as exciting as 2022 and should continue the recent trend of investments within the community. 2023 should see the completion of the Civil Air Patrol facility and the Due North Car Wash. The City is also expecting work to finish on the new police station in the spring of 2023. We are also hoping that MITGI's remodel will be completed next year and that work will begin on the remodeled Gold Coin and Jurgenson Hotel along with the start of construction on the Uptown Grand apartment project. 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, but at a potential slower pace than past years due to the challenges associated with inflation and high construction costs.

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 2023 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
Chad Czmowski
Pat May
Dave Sebesta
Tim Burley

Term Expires

January 2025
January 2025
January 2025
January 2027
January 2027

City Administrator

Matt Jaunich

Department Directors

Police	Tom Gifferson	Legal	Marc Sebor
Fire	Mike Schumann	Information Tech.	Tom Kloss
Public Works	John Olson - <i>interim</i>	Human Resources	Kellie Wendland
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

**Liquor Sales
Manager**

**Compost
Manager**

**Motor Vehicle
Supervisor**

**Police Chief /
Emergency Mgmt**

Lieutenant
Sergeants

**Fire
Chief**

**Planning
Director**

Building Officials
Facilities Manager

**Information
Technology
Director**

**PRCE
Director**

Rec Facilities/Oper Mgr
Rec Services Coordinator
Parks Supervisor

**Finance
Director**

Asst. Fin Director

**Public Works
Director**

Public Works Manager
City Engineer
Water Supervisor
Wastewater Supervisor

City Employee Count

(Full-Time and Part-Time Only)

Department	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2023 / 2022 Change
City Administration	3.23	3.40	3.40	3.40	3.40	0.00
Finance	3.00	3.00	3.00	3.00	3.00	0.00
Motor Vehicle	3.74	3.74	3.53	3.92	3.74	-0.18
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	29.40	29.40	0.00
Hospital Security	4.68	4.68	4.68	4.73	4.73	0.00
Fire	1.00	1.00	1.00	1.00	1.00	0.00
Building Inspections	3.70	3.14	3.24	3.24	3.30	0.06
Engineering	3.50	3.50	3.40	2.90	3.70	0.80
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	1.00	-0.70
Civic Arena	1.15	1.15	1.15	1.25	1.25	0.00
Parks Department	6.00	6.83	7.00	7.00	7.00	0.00
Recreation Building	1.95	1.95	1.95	2.05	2.20	0.15
Waterpark	0.40	0.40	0.40	0.40	0.25	-0.15
Event Center	2.54	2.54	2.54	2.32	1.10	-1.22
Senior Center	0.40	0.40	0.40	0.40	0.60	0.20
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	87.29	87.73	87.69	84.06	83.02	-1.04
Liquor	13.27	13.27	13.27	13.27	13.46	0.19
Compost	6.71	6.90	6.90	6.90	8.90	2.00
Refuse	2.50	2.50	2.50	2.88	4.70	1.82
Water	5.65	5.65	5.65	5.65	5.75	0.10
Sewer	7.95	7.95	7.95	7.95	7.95	0.00
Storm Water	2.95	2.95	2.95	2.95	3.05	0.10
Enterprise Funds	39.03	39.22	39.22	39.60	43.81	4.21
Economic Development Authority	1.00	1.36	1.36	1.36	1.50	0.14
Housing Redevelopment Authority	3.00	3.00	3.00	2.50	3.00	0.50
Special Taxing Districts	4.00	4.36	4.36	3.86	4.50	0.64
Total FTE	130.32	131.31	131.27	127.52	131.33	3.81
Annual Change	(0.12)	0.99	0.95	(3.75)	3.81	

2023 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 24, 2022
- 2nd Council workshop to review and discuss the preliminary 5-year Capital Improvement Plan. August 23, 2022
- 3rd Council workshop to review and discuss the preliminary general fund budget. September 13, 2022
- **Council approves Preliminary 2023 tax levies:** September 27, 2022

	<u>Tax Levy</u>	<u>% Chg</u>
General Fund	\$6,015,777	7.3%
Debt Levy	<u>\$2,409,577</u>	<u>2.6%</u>
Total City Levy	\$8,425,354	5.9%
HRA	\$160,000	-23.1%
EDA	<u>\$258,169</u>	<u>18.2%</u>
Total City, HRA, EDA	\$8,843,523	5.5%

- 4th Council workshop to review Enterprise Fund budgets and provide an update on the general fund budget. November 22, 2022
- **Truth in Taxation Public Hearing** December 6, 2022
 The general fund budget was balanced with a 3.6% tax levy increase. This is down significantly from the preliminary levy due to a number of factors, including a 12% decrease in the City's medical premiums. The debt, HRA and EDA tax levies remained at the same levy amount approved for the September preliminary levies.

- **Council approves Final 2023 budgets and tax levies:** December 27, 2022

	<u>Tax Levy</u>	<u>% Chg</u>	<u>Resolution #</u>
General Fund	\$5,834,751	4.1%	
Debt Levy	<u>\$2,409,577</u>	<u>2.6%</u>	
Total City Levy	\$8,244,328	3.7%	15535
HRA	\$160,000	-23.1%	15536
EDA	<u>\$258,169</u>	<u>18.2%</u>	15537
Total City, HRA, EDA	\$8,662,497	3.4%	



2023 Annual Budget

Tax Levies & Tax Information

Tax Levy and Tax Impact for 2023

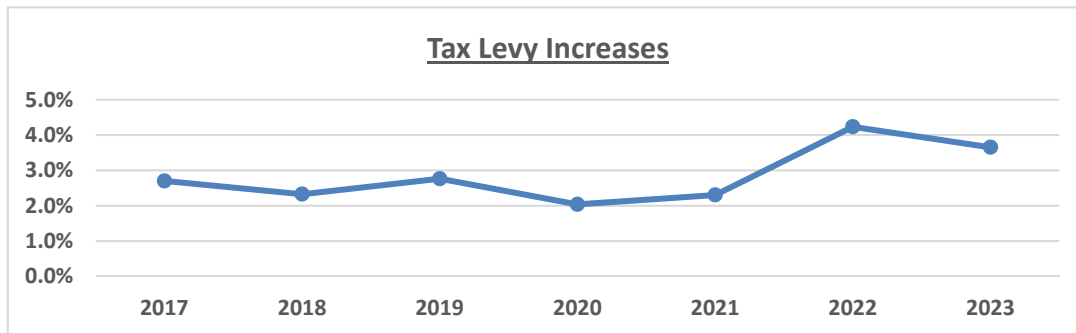
Tax Levy

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. Approximately 40% of the services provided by the various General fund departments is funded by the tax levy.

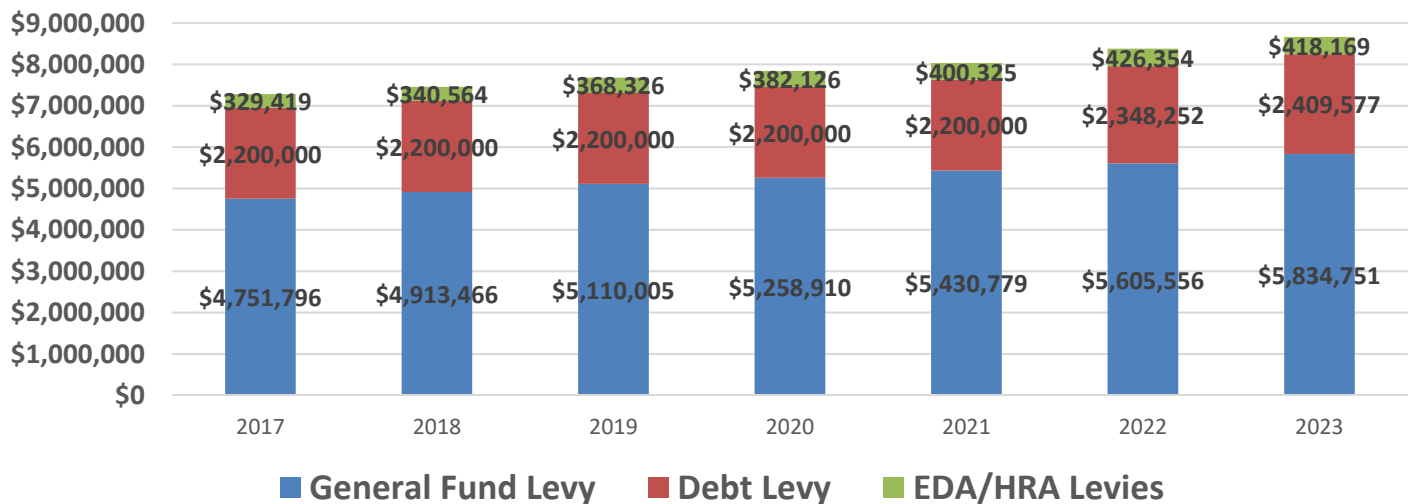
The Debt tax levy pays the annual debt service on the bonds issued by the City to finance annual roadway and infrastructure improvements in addition to facility improvements and equipment purchases. The debt service is partially paid by property owner special assessments.

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

	<u>2022</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
General Fund Tax Levy	5,605,556	5,834,751	229,195	4.1%
Debt Tax Levy	2,348,252	2,409,577	61,325	2.6%
Total City Tax Levy	7,953,808	8,244,328	290,520	3.7%
HRA Tax Levy	208,000	160,000	-48,000	-23.1%
EDA Tax Levy	218,354	258,169	39,815	18.2%
Total Tax Levies	8,380,162	8,662,497	282,335	3.4%



Historical Tax Levies

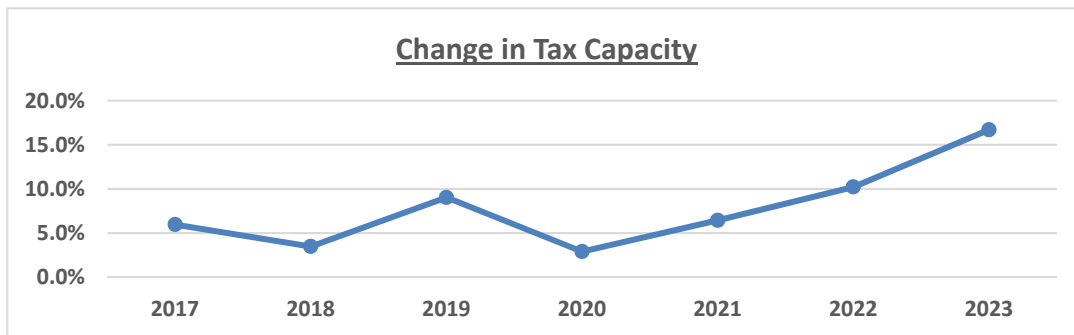


Tax Levy and Tax Impact for 2023

Tax Capacity

The tax capacity, or tax base, 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 2023 tax capacity is estimated at \$15,367,012, which is an increase of \$2,200,072 or 16.7%.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Tax Capacity	10,903,202	11,220,809	11,945,125	13,166,940	15,367,012
% Change	9.0%	2.9%	6.5%	10.2%	16.7%



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 2022 valuations, which are used to determine the 2023 tax capacity, increased by \$194,989,300 or 15.9%. Residential values increased at a greater rate than any of the other property type, increasing its total share of the City's market value from 73% in 2021 to 76% in 2022.

	<u>Market Value History</u>				
<u>Property Type</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Residential	738,358,400	768,924,200	810,755,800	900,408,100	1,078,863,200
Commercial/Industrial	200,045,000	203,784,200	212,718,300	216,581,400	226,197,000
Apartment	62,077,800	65,150,200	75,577,500	106,247,100	112,166,200
Agricultural	5,048,500	5,346,400	5,882,900	5,760,500	6,760,000
Total Market Value	1,005,529,700	1,043,205,000	1,104,934,500	1,228,997,100	1,423,986,400
% Change	7.7%	3.7%	5.9%	11.2%	15.9%

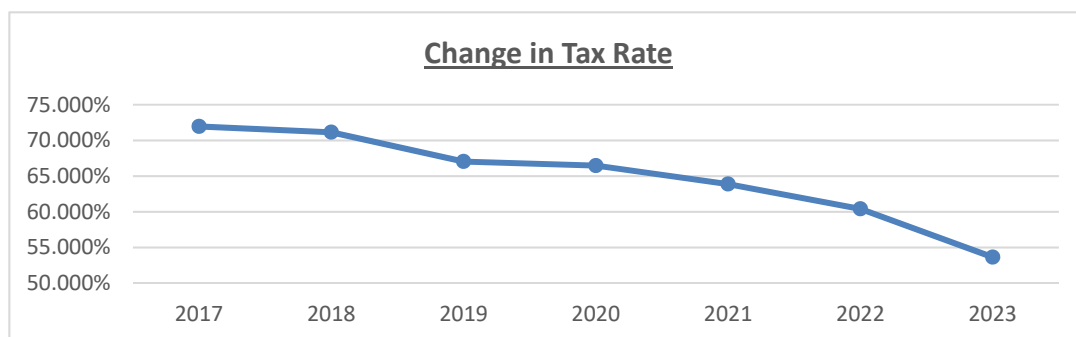
Tax Rate

The city's tax rate is determined by dividing the tax levy by the tax capacity. The 2023 tax rate is estimated at 53.65%, which is 6.8% lower than the 2022 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>2022</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
City Tax Levy	7,953,808	8,244,328	290,520	3.7%
Tax Capacity	13,166,940	15,367,012	2,200,072	16.7%
City Tax Rate	60.407%	53.650%	-6.758%	-11.2%

Tax Levy and Tax Impact for 2023

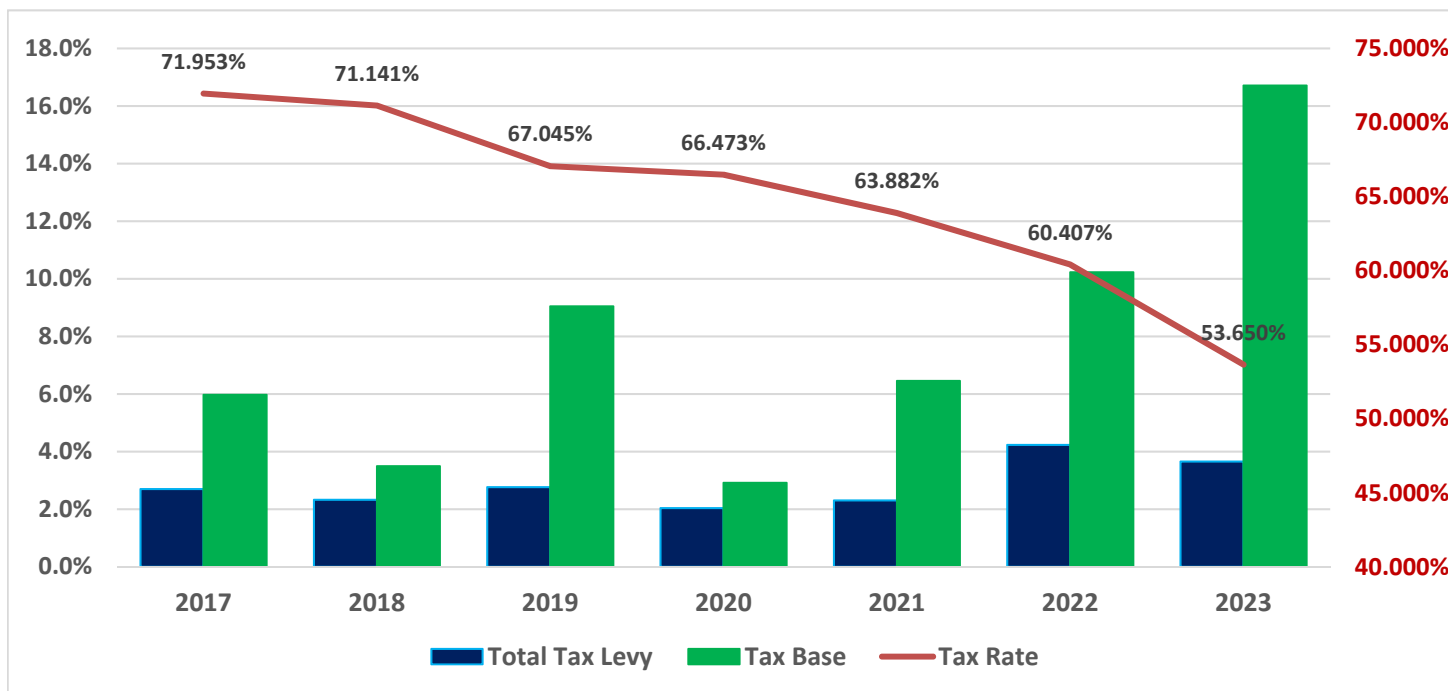
The City's goal is to avoid large tax levy increases and in doing so it, will explore increases in other revenue sources and potential expense reductions. Expense reductions, however, may affect the level of services currently provided to the city's residents and businesses.



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, as evidenced by the City's tax rate since 2017. The 2023 tax rate is expected to decrease by approximately 6.8% due to the growth in the tax base (16.7%) outpacing the growth in the tax levy (3.7%).

Historical Tax Rate Variables

	2019	2020	2021	2022	2023 Est
City Tax Levy	7,310,005	7,458,910	7,630,779	7,953,808	8,244,328
Tax Capacity	10,903,202	11,220,809	11,945,125	13,166,940	15,367,012
Tax Rate	67.045%	66.474%	63.882%	60.407%	53.650%



Tax Levy and Tax Impact for 2023

Tax Impact

The median **residential** home valued at \$230,000 will pay an estimated \$1,145 in city taxes for 2023. This represents a \$53 increase *if* its market value increased 15% 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 10.45%.

Estimated Tax Impact - Residential Property at Median Value

	<u>2022</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Estimated Market Value	\$200,000	\$230,000	\$30,000	15.0%
Homestead Exclusion	-\$19,200	-\$16,500	\$2,700	-14.1%
Net Taxable Value	\$180,800	\$213,500	\$32,700	18.1%
State Tax Class Rate	1.00%	1.00%		
Tax Capacity	\$1,808	\$2,135	\$327	18.1%
Estimated Tax Rate	60.407%	53.650%	-6.758%	-11.2%
Estimated City Tax	\$1,092	\$1,145	\$53	4.9%

A **commercial** building valued at \$147,000, with an estimated 5.0% increase in value from 2022, 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 12.6%.

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

	<u>2022</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Net Taxable Value	\$140,000	\$147,000	\$7,000	5.0%
State Tax Class Rate	1.50%	1.50%		
Tax Capacity	\$2,100	\$2,205	\$105	5.0%
Estimated Tax Rate	60.407%	53.650%	-6.758%	-11.2%
Estimated City Tax	\$1,269	\$1,183	-\$86	-6.7%

A **commercial** building valued at \$1,100,000, with an estimated 5.0% increase in value from 2022, 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 12.1%.

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

	<u>2022</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Net Taxable Value	\$1,047,500	\$1,100,000	\$52,500	5.0%
State Tax Class Rate				
1st \$150K at 1.50%	2,250	2,250		
Over \$150K at 2.00%	17,950	19,000		
Tax Capacity	\$20,200	\$21,250	\$1,050	5.2%
Estimated Tax Rate	60.407%	53.650%	-6.758%	-11.2%
Estimated City Tax	\$12,202	\$11,401	-\$802	-6.6%

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 capacity.
- 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 capacity.

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. It's important to note that the January 2nd valuation is used for the following year's tax bill. 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 taxable 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.

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

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 (Levy), 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:

	2021	2022	
Estimated Market Valuation	\$ 190,000	\$ 226,000	18.9%
Full Exclusion (\$76,000 x 40%)	\$ (30,400)	\$ (30,400)	
Less: 9% of Value above \$76,000	\$ 10,300	\$ 13,500	
Homestead Market Value Exclusion	\$ (20,100)	\$ (16,900)	
Taxable Market Value	\$ 169,900	\$ 209,100	23.1%
Property Classification Rate <i>Residential Homestead</i>	1.00%	1.00%	
Tax Capacity	\$ 1,699	\$ 2,091	
City of Hutchinson Tax Rate	63.882%	60.407%	-5.4%
City of Hutchinson Taxes Payable	\$ 1,085	\$ 1,263	16.4%

Commercial Industrial - Under \$150,000 Market Value

	2021	2022	
Estimated Market Valuation	\$ 142,000	\$ 148,000	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 142,000	\$ 148,000	4.2%
Property Classification Rate <i>Commercial value < \$150K</i>	1.50%	1.50%	
Tax Capacity	\$ 2,130	\$ 2,220	
City of Hutchinson Tax Rate	63.882%	60.407%	-5.4%
City of Hutchinson Taxes Payable	\$ 1,361	\$ 1,341	-1.4%

Commercial Industrial - Over \$150,000 Market Value

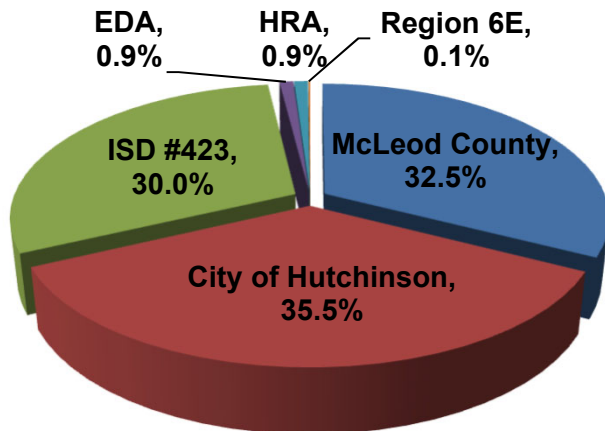
	2021	2022	
Estimated Market Valuation	\$ 500,000	\$ 520,000	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 500,000	\$ 520,000	4.0%
Property Classification Rate 1st \$150,000 @ 1.50%	2,250	2,250	
Over \$150,000 @ 2.00%	7,000	7,400	
Tax Capacity	\$ 9,250	\$ 9,650	
City of Hutchinson Tax Rate	63.882%	60.407%	-5.4%
City of Hutchinson Taxes Payable	\$ 5,909	\$ 5,829	-1.3%

Understanding Your Property Tax Bill

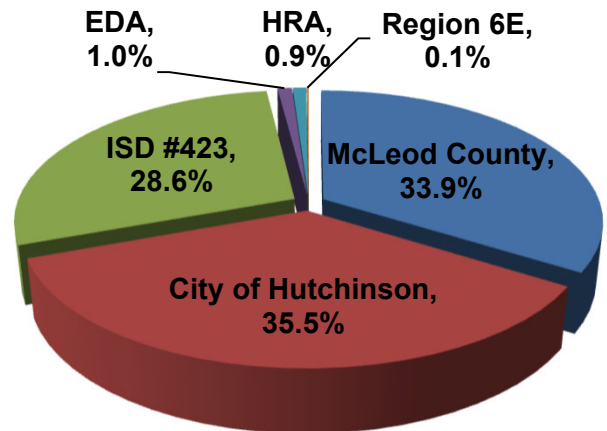
Tax Levies Applicable to City of Hutchinson Property Owners

- 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.

2021 Property Tax Bill Breakdown



2022 Property Tax Bill Breakdown



Price of Government

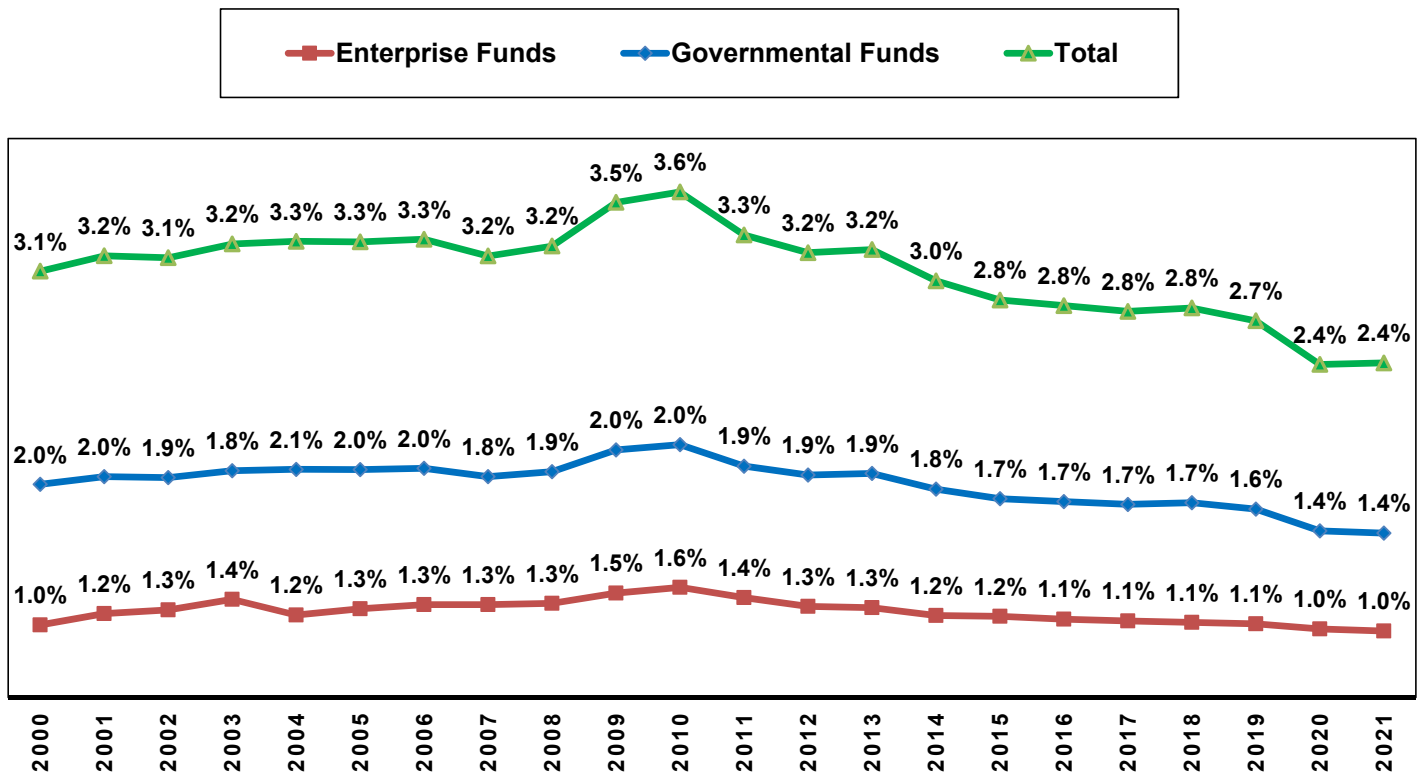
While reviewing the budget, it is helpful to keep in mind the concept of "Price of Government", which involves examining how much residents pay for City services compared to the estimated income in the community. This analysis allows the City to compare how much residents pay for those municipal services 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 2021, 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



2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	7,473,450	7,616,435	7,975,808	8,256,328	280,520	3.5%
Tax Increment Taxes	-	-	-	-	-	0.0%
Special Assessments	612,620	620,539	219,470	220,762	1,292	0.6%
Local Sales Tax	1,571,978	1,751,928	1,624,000	1,822,000	198,000	12.2%
Other Taxes	279,336	336,865	320,000	330,000	10,000	3.1%
Licenses & Permits	524,393	575,479	454,900	453,600	(1,300)	-0.3%
Intergovernmental Revenue	3,549,641	4,357,529	3,777,778	4,877,711	1,099,933	29.1%
Charges for Services	2,501,888	3,247,562	3,388,090	3,502,301	114,211	3.4%
Fines & Forfeitures	45,158	45,356	55,000	55,000	-	0.0%
Miscellaneous Revenue	1,599,756	1,020,187	831,050	863,800	32,750	3.9%
Transfers-In	4,025,891	4,896,120	3,625,504	3,628,158	2,654	0.1%
Fund Balance	1,706,319	169,091	-	-	-	0.0%
Bond Proceeds	2,405,000	2,589,951	2,300,000	1,900,000	(400,000)	-17.4%
Sales Revenue	18,709,772	18,241,024	18,057,550	18,371,900	314,350	1.7%
TOTAL REVENUES	45,005,202	45,468,066	42,629,150	44,281,560	1,652,410	3.9%
EXPENDITURES:						
Wages & Benefits	11,794,556	12,520,823	13,112,736	13,604,444	491,708	3.7%
Supplies	1,788,614	1,828,267	2,039,210	2,248,218	209,008	10.2%
Services & Charges	6,003,923	6,288,034	6,891,895	7,273,392	381,497	5.5%
Miscellaneous Expenses	1,174,554	1,103,348	924,298	576,173	(348,125)	-37.7%
Depreciation Expense	2,889,649	2,967,617	3,085,700	3,024,000	(61,700)	-2.0%
Debt Service	3,291,662	5,614,530	5,483,644	5,972,684	489,040	8.9%
Bond Issuance Costs	45,400	34,305	50,000	50,000	-	0.0%
Transfers-Out	2,791,952	2,696,578	2,113,313	2,278,622	165,309	7.8%
Capital Outlay	5,527,841	4,415,307	9,403,591	8,234,023	(1,169,568)	-12.4%
Cost of Sales	7,127,128	6,747,207	6,790,500	7,004,250	213,750	3.1%
TOTAL EXPENDITURES	42,435,281	44,216,016	49,894,887	50,265,806	370,919	0.7%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	2,569,921	1,252,051	(7,265,737)	(5,984,246)	1,281,491	

2023 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	8,256,328	5,846,751	-	-	2,409,577	-	-
Special Assessments	220,762	-	-	30,000	190,762	-	-
Local Sales Tax	1,822,000	-	1,822,000	-	-	-	-
Other Taxes	330,000	330,000	-	-	-	-	-
Licenses & Permits	453,600	442,100	11,500	-	-	-	-
Intergovernmental Revenue	4,877,711	1,793,941	12,500	2,719,130	-	352,140	-
Charges for Services	3,502,301	2,872,308	176,185	80,000	-	373,808	-
Fines & Forfeitures	55,000	55,000	-	-	-	-	-
Miscellaneous Revenue	863,800	289,800	210,800	150,000	50,000	47,200	116,000
Transfers-In	3,628,158	2,724,536	-	735,000	-	168,622	-
Bond Proceeds	1,900,000	-	-	1,900,000	-	-	-
Sales Revenue	18,371,900	-	18,371,900	-	-	-	-
TOTAL REVENUES	44,281,560	14,354,436	20,604,885	5,614,130	2,650,339	941,770	116,000
EXPENDITURES:							
Wages & Benefits	13,604,444	9,672,602	3,788,101	-	-	143,741	-
Supplies	2,248,218	986,823	769,475	11,000	-	480,920	-
Services & Charges	7,273,392	2,827,889	3,127,660	1,075,000	-	227,843	15,000
Miscellaneous Expenses	576,173	373,500	77,950	18,000	-	11,723	95,000
Depreciation Expense	3,024,000	-	3,024,000	-	-	-	-
Debt Service	5,972,684	-	3,224,465	-	2,748,219	-	-
Bond Issuance Costs	50,000	-	-	50,000	-	-	-
Transfers-Out	2,278,622	488,622	875,000	855,000	60,000	-	-
Capital Outlay	8,234,023	5,000	4,171,388	4,001,092	-	56,543	-
Cost of Sales	7,004,250	-	7,004,250	-	-	-	-
TOTAL EXPENDITURES	50,265,806	14,354,436	26,062,289	6,010,092	2,808,219	920,770	110,000
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(5,984,246)	-	(5,457,404)	(395,962)	(157,880)	21,000	6,000

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 | - Wastewater 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.



2023 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 41% 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 2023

- The city council approved a 4.1% general fund tax levy increase for 2023.
- Intergovernmental Revenue increased \$49,120. The City's Local Government Aid received from the State increased by \$29,850, with half of it recorded in the General fund. The other half is recorded in the Capital Projects fund and is used for various capital improvements.
- Transfers-In increased \$14,345 due to the PILOT from Hutchinson Utilities increasing by \$37,345. This is offset by a \$23,000 reduction in the transfer from the Self Insurance fund. The city has been using self insurance monies to fund it's contributions to employee Health Savings accounts. That funding was phased out over a five year period ending in 2023.
- Wages & Benefits increased \$228,952, or 2.4%. This is due to several contributing factors, including the normal wage increases for employees, increased workers compensation rates and a 12% decrease in health premiums. The employee pay grid was adjusted 4% to account for inflationary pressure.
- We have budgeted increases to the Supplies and Services & Charges categories due to the on-going inflationary increases affecting most areas of city services.
- Funding for General fund fleet replacements was increased by \$25,000 for 2023, to a total of \$375,000 annually. The funding was previously recorded in the Miscellaneous Expenses category but was changed to a more appropriate Transfer-Out for the 2023 budget. This change was necessary as be transition the Equipment Replacement fund from an internal service fund to a capital projects fund.

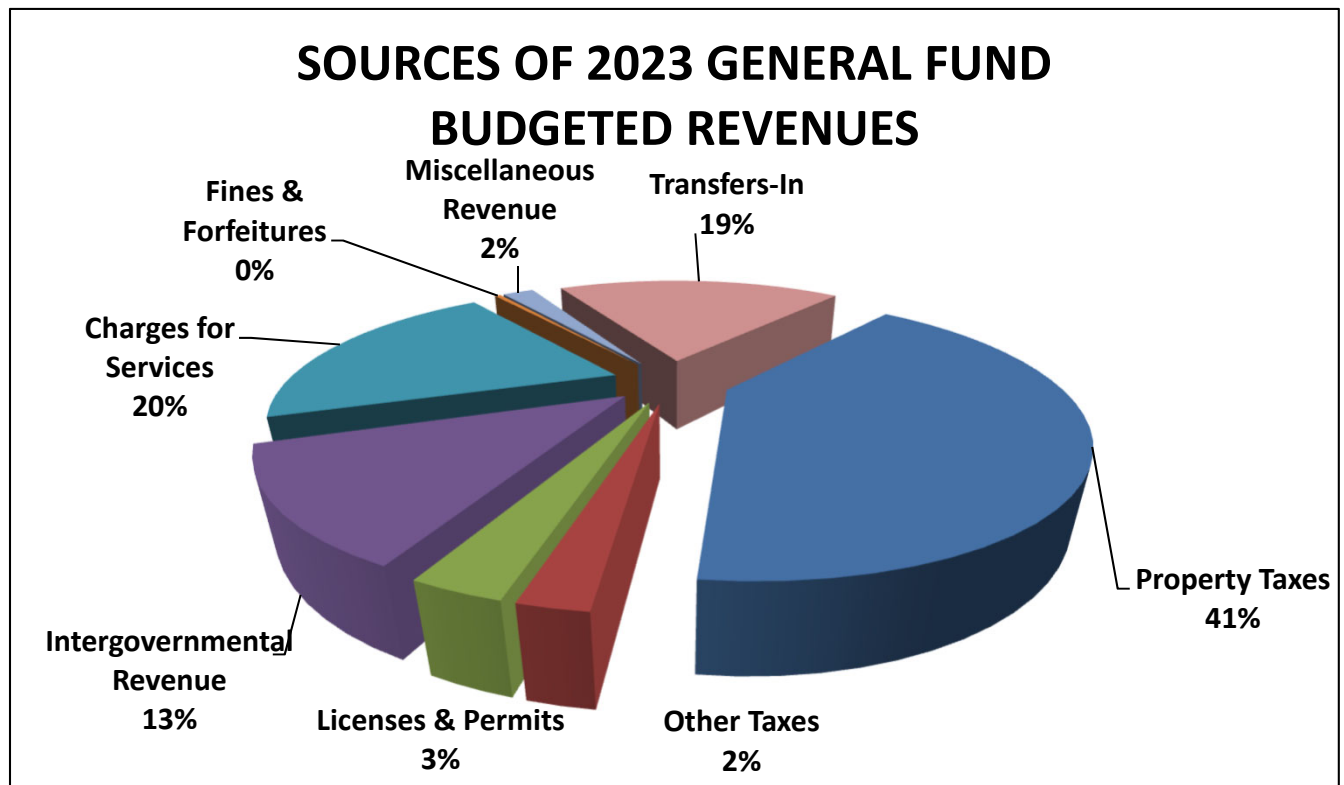
	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	5,267,063	5,408,925	5,617,556	5,846,751	229,195	4.1%
Other Taxes	279,336	336,865	320,000	330,000	10,000	3.1%
Licenses & Permits	511,768	564,539	443,600	442,100	(1,500)	-0.3%
Intergovernmental Revenue	1,757,583	1,745,433	1,744,821	1,793,941	49,120	2.8%
Charges for Services	2,014,590	2,698,269	2,816,325	2,872,308	55,983	2.0%
Fines & Forfeitures	45,158	45,356	55,000	55,000	-	0.0%
Miscellaneous Revenue	404,027	223,366	256,500	289,800	33,300	13.0%
Transfers-In	2,666,192	2,723,192	2,710,191	2,724,536	14,345	0.5%
Fund Balance	-	-	-	-	-	0.0%
TOTAL REVENUES	12,945,717	13,745,945	13,963,993	14,354,436	390,443	2.8%
EXPENDITURES:						
Wages & Benefits	8,537,132	9,121,528	9,443,650	9,672,602	228,952	2.4%
Supplies	681,900	790,048	934,515	986,823	52,308	5.6%
Services & Charges	2,462,576	2,581,030	2,756,429	2,827,889	71,460	2.6%
Miscellaneous Expenses	593,815	870,386	714,086	373,500	(340,586)	-47.7%
Transfers-Out	105,000	134,398	110,313	488,622	378,309	342.9%
Capital Outlay	24,458	71,798	5,000	5,000	-	0.0%
TOTAL EXPENDITURES	12,404,882	13,569,188	13,963,993	14,354,436	390,443	2.8%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	540,835	176,757	-	-	-	

General Fund

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	5,267,063	5,408,925	5,617,556	5,846,751	229,195	3.9%
Other Taxes	279,336	336,865	320,000	330,000	10,000	3.0%
Licenses & Permits						
Building Permits	441,859	503,469	367,000	366,500	(500)	-0.1%
Liquor Licenses	21,726	15,395	31,000	31,000	-	0.0%
Other	48,183	45,675	45,600	44,600	(1,000)	-2.2%
Total Licenses & Permits	511,768	564,539	443,600	442,100	(1,500)	-0.3%
Intergovernmental Revenue						
Local Government Aid	1,268,473	1,268,473	1,334,205	1,349,130	14,925	1.1%
Police Pension Aid	203,985	202,237	202,236	230,377	28,141	12.2%
Fire Relief Pension Aid	117,030	121,903	121,900	127,954	6,054	4.7%
Other	168,095	152,821	86,480	86,480	-	0.0%
Total Intergovernmental	1,757,583	1,745,433	1,744,821	1,793,941	49,120	2.7%
Charges for Services						
Public Safety	402,204	429,782	469,582	460,162	(9,420)	-2.0%
Recreation	473,813	1,109,554	1,177,971	1,199,722	21,751	1.8%
Streets & Highways	495,657	475,907	449,310	513,473	64,163	12.5%
Other	642,915	683,025	719,462	698,951	(20,511)	-2.9%
Total Charges for Services	2,014,590	2,698,269	2,816,325	2,872,308	55,983	1.9%
Fines & Forfeitures	45,158	45,356	55,000	55,000	-	0.0%
Miscellaneous Revenue	401,527	216,366	256,500	289,800	33,300	11.5%
Total Revenues	10,277,025	11,015,753	11,253,802	11,629,900	376,098	3.2%
EXPENDITURES:						
General Government	3,327,729	3,506,182	3,673,811	3,669,105	(4,706)	-0.1%
Public Safety	4,416,757	4,907,905	4,632,831	4,883,708	250,877	5.1%
Streets & Highways	1,977,877	1,828,995	1,961,463	1,694,543	(266,920)	-15.8%
Culture & Recreation	2,319,872	2,920,759	3,294,614	3,323,468	28,854	0.9%
Miscellaneous	257,647	270,950	290,961	294,990	4,029	1.4%
Total Expenditures	12,299,882	13,434,790	13,853,680	13,865,814	12,134	0.1%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,022,857)	(2,419,037)	(2,599,878)	(2,235,914)	363,964	
OTHER FINANCING SOURCES / (USES)						
Transfers in						
Liquor fund	500,000	550,000	550,000	550,000	-	0.0%
Water & Sewer funds	120,000	150,000	150,000	150,000	-	0.0%
Compost fund	110,000	110,000	120,000	120,000	-	0.0%
Utilities Commission PILOT	1,867,192	1,867,192	1,867,191	1,904,536	37,345	2.0%
Other	69,000	46,000	23,000	-	(23,000)	0.0%
Total Transfers in	2,666,192	2,723,192	2,710,191	2,724,536	14,345	0.5%
Transfers out	(105,000)	(134,398)	(110,313)	(488,622)	(378,309)	77.4%
Sale of capital assets	2,500	7,000	-	-	-	0.0%
Fund Balance	-	-	-	-	-	0.0%
Total Other Financing Sources	2,563,692	2,595,794	2,599,878	2,235,914	(363,964)	-16.3%
Net Change in Fund Balance	540,835	176,757	-	-	-	

General Fund Revenue

<u>Revenue Summary</u>	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% of Total
Property Taxes	5,267,063	5,408,925	5,617,556	5,846,751	229,195	40.7%
Other Taxes	279,336	336,865	320,000	330,000	10,000	2.3%
Licenses & Permits	511,768	564,539	443,600	442,100	(1,500)	3.1%
Intergovernmental Revenue	1,757,583	1,745,433	1,744,821	1,793,941	49,120	12.5%
Charges for Services	2,014,590	2,698,269	2,816,325	2,872,308	55,983	20.0%
Fines & Forfeitures	45,158	45,356	55,000	55,000	-	0.4%
Miscellaneous Revenue	404,027	223,366	256,500	289,800	33,300	2.0%
Transfers-In	2,666,192	2,723,192	2,710,191	2,724,536	14,345	19.0%
Total	12,945,717	13,745,945	13,963,993	14,354,436	390,443	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 4.1% general fund tax levy increase for 2023, increasing total current year tax revenue to \$5,834,751. Tax revenues account for 41% of the total general fund revenues. The City expects to receive another \$12,000 of delinquent tax revenue annually.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
Current Ad Valorem Taxes	5,237,728	5,376,068	5,605,556	5,834,751	229,195	4.1%
Delinquent Ad Valorem Taxes	29,335	32,857	12,000	12,000	-	0.0%
Total	5,267,063	5,408,925	5,617,556	5,846,751	229,195	4.1%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
Hotel-Motel Tax	86,660	124,033	110,000	120,000	10,000	9.1%
Cable TV Franchise Fees	192,677	212,832	210,000	210,000	-	0.0%
Total	279,336	336,865	320,000	330,000	10,000	3.1%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
Alcoholic Beverages	21,726	15,395	31,000	31,000	-	0.0%
Tobacco	2,902	3,223	3,000	3,000	-	0.0%
Building Permits	441,282	502,714	366,500	366,000	(500)	-0.1%
Building Permit Surcharges	577	755	500	500	-	0.0%
Plumbing Permits	15,031	19,740	15,000	15,000	-	0.0%
Demolition Permits	2,500	2,025	1,500	1,500	-	0.0%
Planning & Zoning Fees	9,849	8,177	9,000	8,000	(1,000)	-11.1%
Other Licenses	17,901	12,510	17,100	17,100	-	0.0%
Total	511,768	564,539	443,600	442,100	(1,500)	-0.3%

Intergovernmental Revenue

This revenue category includes Local Government Aid (LGA), municipal state aid for street maintenance, aid for police and fire pensions, airport aid, aid for police training and grants from federal, state and local sources.

The City's 2023 LGA is certified at \$2,698,261, which is an increase of \$29,851. The City allocates 50% of LGA to the General fund and 50% to the Capital Projects fund. The LGA in the Capital Projects fund is utilized for General fund facility capital improvements, replacement of playground equipment 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
Local Government Aid	1,268,473	1,268,473	1,334,205	1,349,130	14,925	1.1%
Police Training Reimbursement	21,641	23,698	20,500	20,500	-	0.0%
Municipal State Aid - Streets	29,280	29,280	29,280	29,280	-	0.0%
State E911	44,691	29,794	-	-	-	0.0%
Police Pension Aid	203,985	202,237	202,236	230,377	28,141	13.9%
Fire Relief Assoc Aid - State	117,030	121,903	121,900	127,954	6,054	5.0%
Airport Aid	23,761	38,128	26,200	26,200	-	0.0%
State Grants - Other	19,743	24,236	9,000	9,000	-	0.0%
Other Revenue	28,978	7,683	1,500	1,500	-	0.0%
Total	1,757,583	1,745,433	1,744,821	1,793,941	49,120	2.8%

General Fund Revenue

Charges for Services

This revenue category consists of fees or rents related to services provided by the City, including the various recreational activities, motor vehicle licensing & registration, cemetery burial plots, airport hangars and the community event center. Also included is reimbursement for services provided by the City due to partnerships with the Hutchinson School District, Hutchinson Utilities and Hutchinson Health. Fees are charged by the City's engineering department for the design and administration of roadway and infrastructure projects each year. These engineering fees are funded by the annual bonded debt issued to finance the improvement projects.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
Motor Vehicle Fees	181,939	192,517	220,000	220,000	-	0.0%
School Liaison Program	22,532	48,209	54,747	54,747	-	0.0%
Hospital Security Program	319,228	319,228	335,190	331,270	(3,920)	-1.2%
Rental Inspection Fees	37,560	37,060	42,000	42,000	-	0.0%
Engineering Fees	402,309	384,754	355,710	419,873	64,163	18.0%
Recreation Fees	277,726	508,973	530,000	544,500	14,500	2.7%
Park Fees	15,019	29,988	30,000	30,000	-	0.0%
Campground Fees	49,047	74,959	70,000	70,000	-	0.0%
Rental Charges	62,750	115,623	134,333	136,833	2,500	1.9%
Community Education Reimb	79,661	47,035	61,338	66,089	4,751	7.7%
Waterpark Fees	-	340,969	325,000	325,000	-	0.0%
Airport Rentals	89,307	93,579	94,000	94,000	-	0.0%
Cemetery Fees	89,245	105,108	101,000	103,020	2,020	2.0%
Senior Center Revenue	6,830	23,441	59,500	59,500	-	0.0%
HUC Personnel Reimb	170,927	170,927	180,512	157,981	(22,531)	-12.5%
Other Revenues	210,511	205,899	222,995	217,495	(5,500)	-2.5%
Total	2,014,590	2,698,269	2,816,325	2,872,308	55,983	2.0%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
Court Fines	45,158	45,356	55,000	55,000	-	0.0%
Total	45,158	45,356	55,000	55,000	-	0.0%

Miscellaneous Revenue

This revenue category includes investment interest income and reimbursement from the school district 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 record the City's investments at fair market value at year-end. 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
Interest Earnings	94,694	64,963	80,000	80,000	-	0.0%
Net Incr/Decr in FV of Invest	93,581	(108,845)	-	-	-	0.0%
Refunds & Reimbursements	179,933	218,732	148,500	181,800	33,300	22.4%
Contrib/Donation-PrivateSource	31,782	41,409	27,500	27,500	-	0.0%
Other Revenue	4,037	7,107	500	500	-	0.0%
Total	404,027	223,366	256,500	289,800	33,300	13.0%

General Fund Revenue

Transfers-In

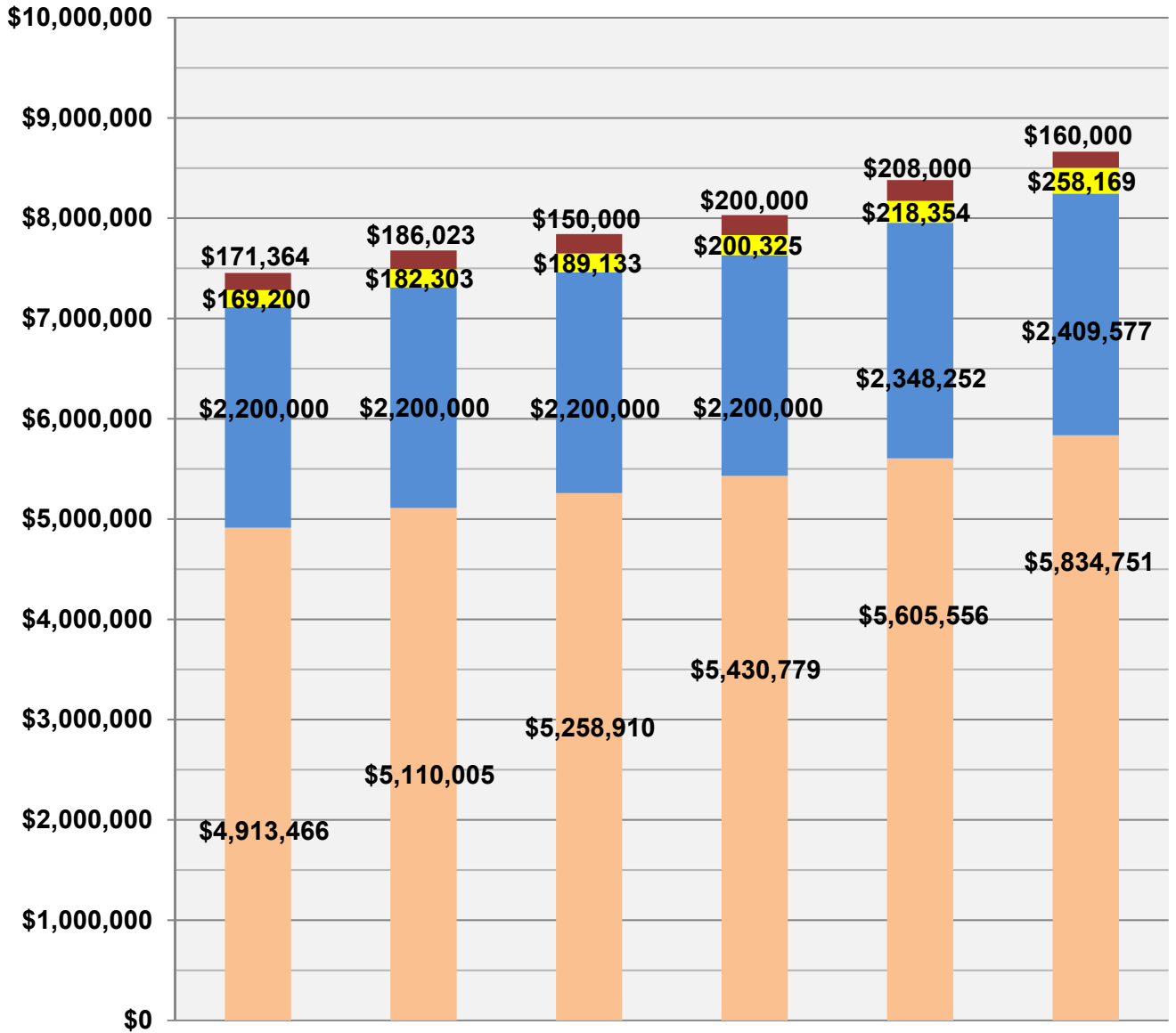
Transfers-in includes revenue from the City's enterprise funds to cover a portion of the services provided by the general fund. The City's general fund tax levy would be significantly higher without the transfers of excess profits.

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 2023 PILOT increased by the maximum amount of 2%, or \$37,345, based on a 10.5% increase to HUC's operating revenues for 2021.

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

	2020	2021	2022	2023	Dollar	%
	Actual	Actual	Budget	Budget	Inc/Decr	Inc/Decr
Transfer from Liquor Fund	500,000	550,000	550,000	550,000	-	0.0%
Transfer from Water/Sewer Fund	120,000	150,000	150,000	150,000	-	0.0%
Transfer from Compost Fund	110,000	110,000	120,000	120,000	-	0.0%
Transfer from HUC	1,867,192	1,867,192	1,867,191	1,904,536	37,345	2.0%
Transfer from Self Insurance Fund	69,000	46,000	23,000	-	(23,000)	0.0%
Other Transfer	-	-	-	-	-	0.0%
Total	2,666,192	2,723,192	2,710,191	2,724,536	14,345	0.5%

Total City Tax Levy Comparison 2018 - 2023



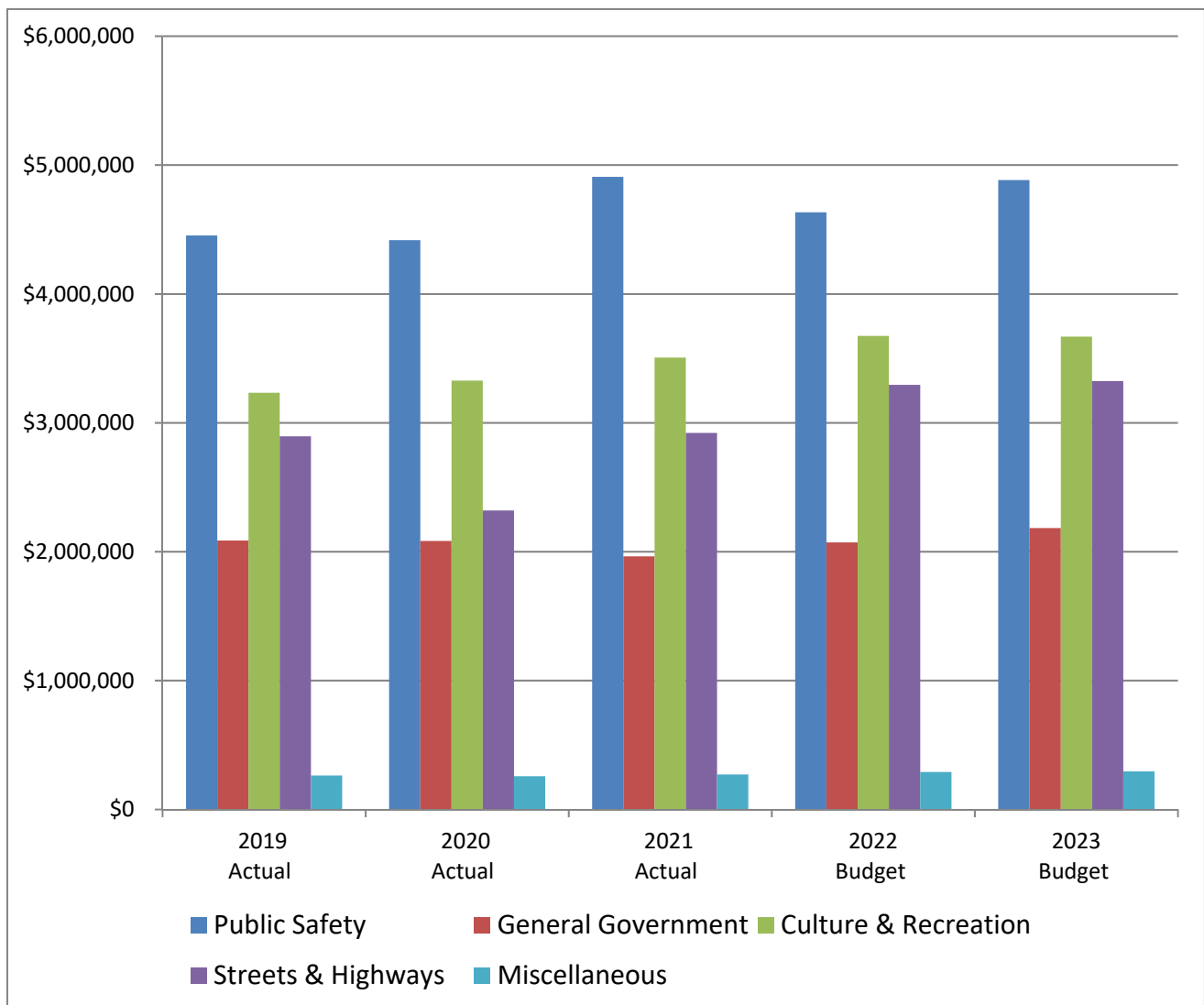
	2018	2019	2020	2021	2022	2023
General Fund	\$ 4,913,466	\$ 5,110,005	\$ 5,258,910	\$ 5,430,779	\$ 5,605,556	\$ 5,834,751
Debt Funds	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,348,252	\$ 2,409,577
EDA	\$ 169,200	\$ 182,303	\$ 189,133	\$ 200,325	\$ 218,354	\$ 258,169
HRA	\$ 171,364	\$ 186,023	\$ 192,993	\$ 200,000	\$ 208,000	\$ 160,000
Total Tax Levy	\$ 7,454,030	\$ 7,678,331	\$ 7,841,036	\$ 8,031,104	\$ 8,380,162	\$ 8,662,497

Annual Levy Change:

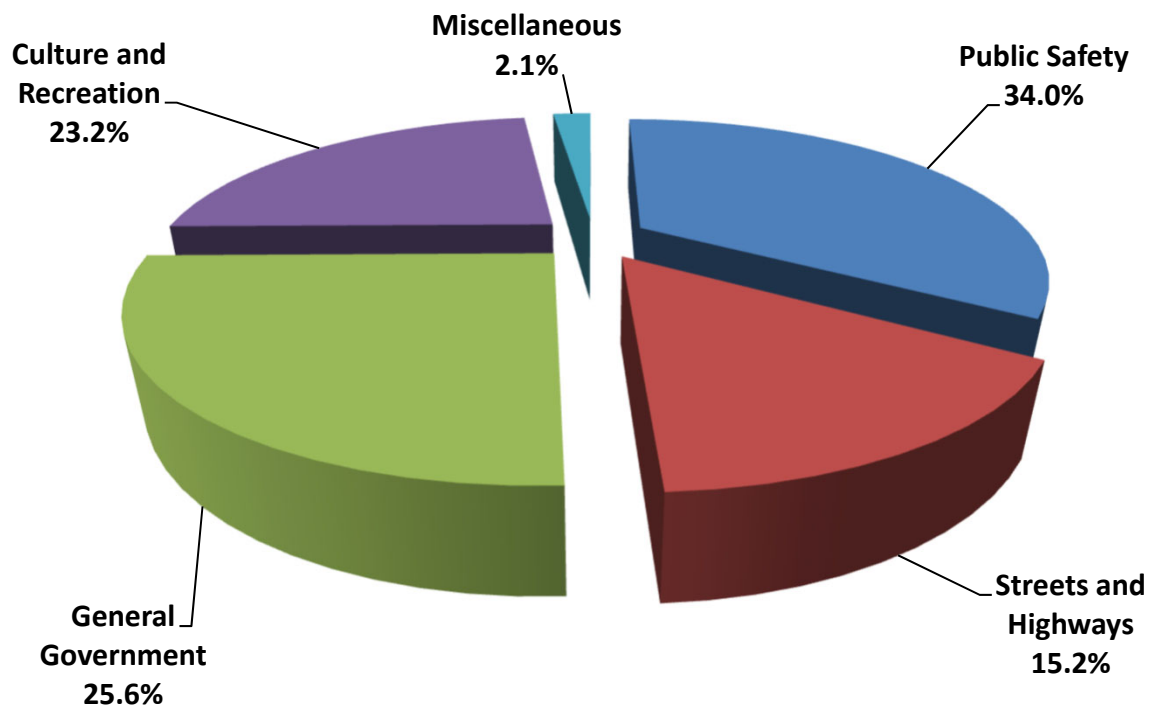
General Fund	3.4%	4.0%	2.9%	3.3%	3.2%	4.1%
Debt Funds	0.0%	0.0%	0.0%	0.0%	6.7%	2.6%
EDA	3.8%	7.7%	3.7%	5.9%	9.0%	18.2%
HRA	3.0%	8.6%	3.7%	3.6%	4.0%	-23.1%
Total Tax Levy	2.4%	3.0%	2.1%	2.4%	4.3%	3.4%

EXPENDITURE COMPARISON - GENERAL FUND

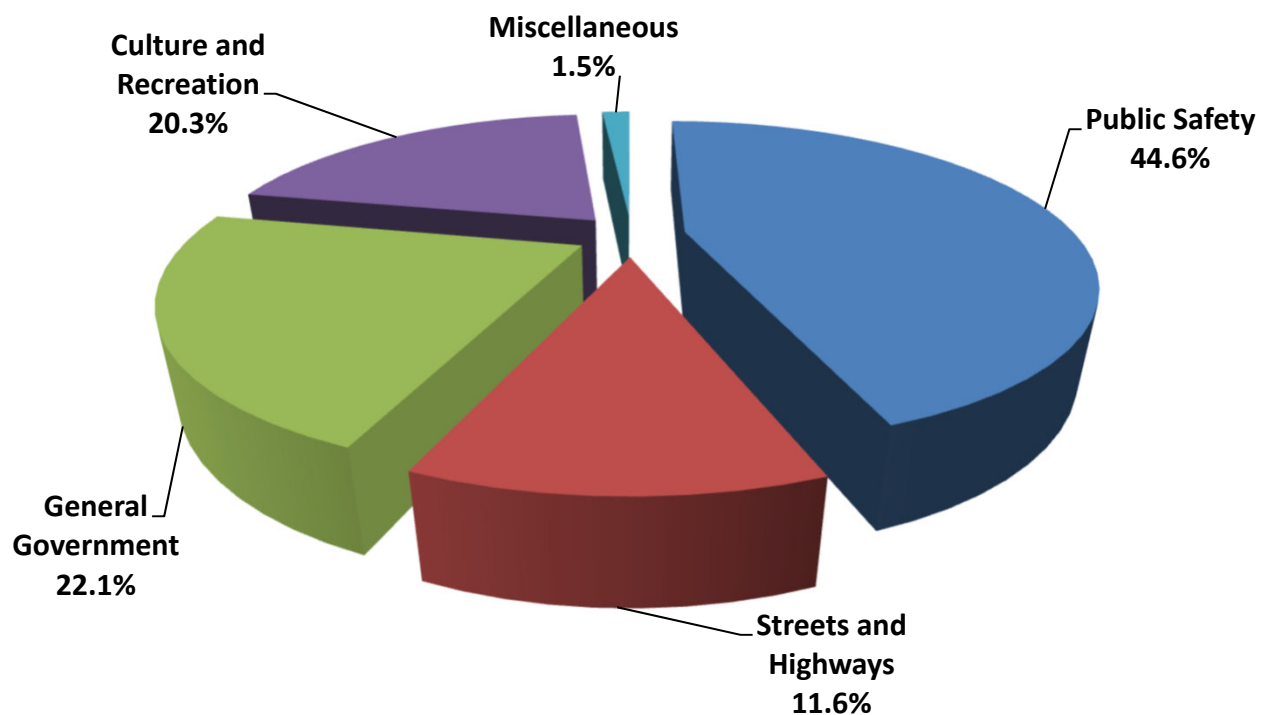
	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2023 Budget	% of Total
Public Safety	\$4,453,288	\$4,416,757	\$4,907,905	\$4,632,831	\$4,883,708	34.0%
Streets & Highways	\$2,086,793	\$2,082,877	\$1,963,393	\$2,071,776	\$2,183,165	15.2%
General Government	\$3,232,918	\$3,327,729	\$3,506,182	\$3,673,811	\$3,669,105	25.6%
Culture & Recreation	\$2,895,292	\$2,319,872	\$2,920,759	\$3,294,614	\$3,323,468	23.2%
Miscellaneous	\$263,566	\$257,647	\$270,950	\$290,961	\$294,990	2.1%
Total Expenditures	\$12,931,857	\$12,404,882	\$13,569,188	\$13,963,993	\$14,354,436	100.0%



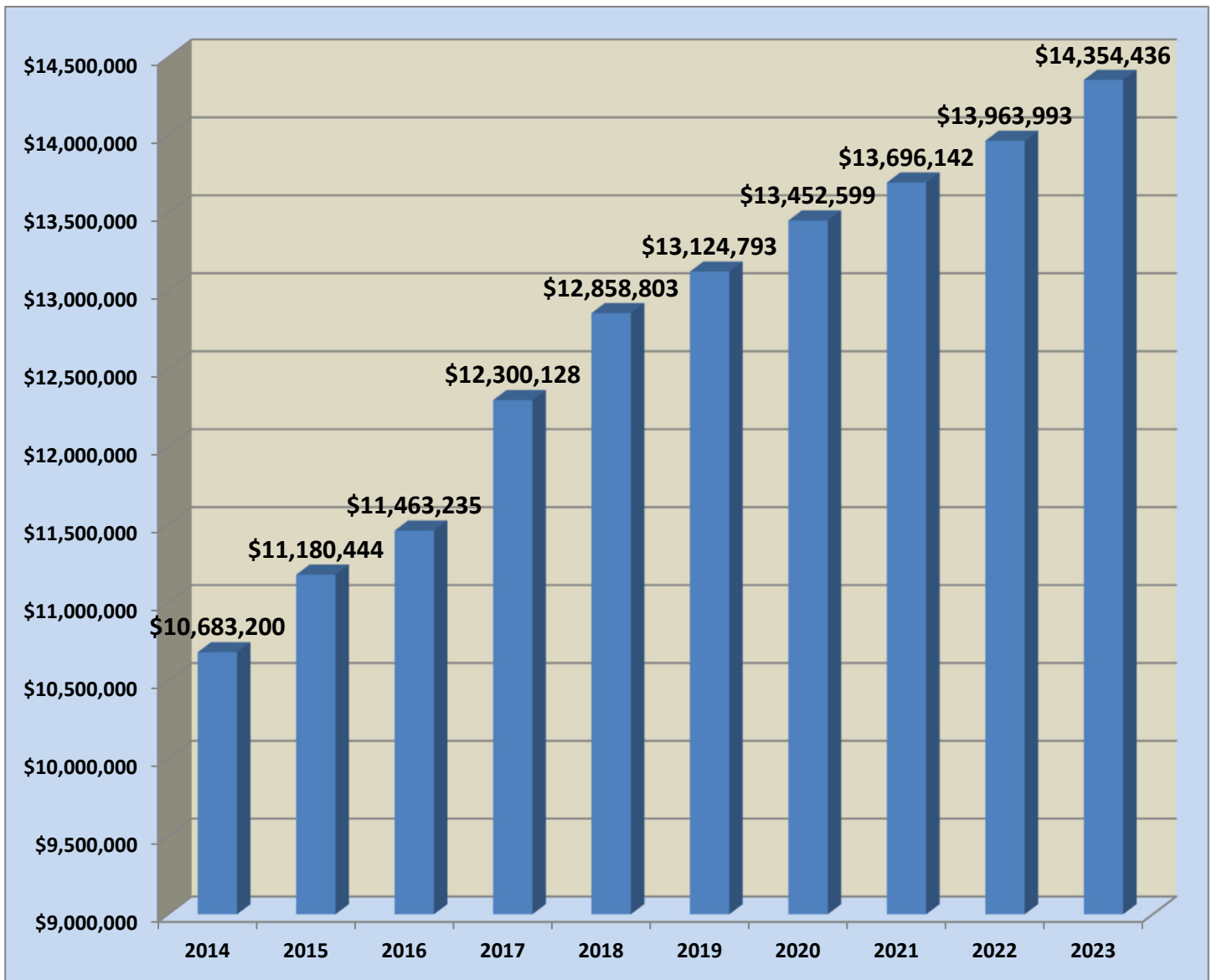
DISTRIBUTION OF 2023 GENERAL FUND BUDGETED EXPENDITURES



DISTRIBUTION OF 2023 GENERAL FUND WAGES & BENEFITS



HISTORICAL GENERAL FUND BUDGET



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	2022 Budget		2023 Budget		Change
General Revenue [1]	\$	10,117,952	\$	10,386,417	\$ 268,465
Mayor & City Council		(50,077)		(50,087)	(10)
Administration		(449,542)		(486,246)	(36,704)
Elections		(18,700)		-	18,700
Finance		(401,870)		(404,020)	(2,150)
Motor Vehicle		8,840		5,053	(3,787)
Assessing		(61,205)		(61,478)	(273)
Legal		(285,434)		(283,397)	2,037
Planning		(145,014)		(146,925)	(1,911)
Information Services		(468,698)		(444,620)	24,078
City Hall		(191,649)		(199,425)	(7,776)
Unallocated Expenses		(937,750)		(920,425)	17,325
Subtotal - General Government		(3,001,099)		(2,991,570)	9,529
Police		(3,125,896)		(3,314,305)	(188,409)
Hospital Security		(26,489)		(42,694)	(16,205)
Emergency Management		(16,980)		(16,980)	-
Safety Committee		(11,370)		(12,000)	(630)
Fire		(388,499)		(382,349)	6,150
Protective Services		82,321		54,759	(27,562)
Subtotal - Public Safety		(3,486,913)		(3,713,569)	(226,656)
Engineering		-		-	-
Streets & Alleys		(1,583,186)		(1,631,412)	(48,226)
Subtotal - Streets & Highways		(1,583,186)		(1,631,412)	(48,226)
Park - Administration		(184,378)		(193,722)	(9,344)
Recreation		(99,033)		(53,197)	45,836
Senior Center		(27,296)		(15,361)	11,935
Civic Arena		(131,332)		(112,734)	18,598
Park Department		(857,254)		(925,236)	(67,982)
Recreation Building		(183,100)		(196,230)	(13,130)
Event Center		(171,357)		(81,156)	90,201
Evergreen Building - Senior Dining		(25,242)		(28,747)	(3,505)
Library		(230,492)		(244,216)	(13,724)
Waterpark		(71,659)		(132,647)	(60,988)
Subtotal - Culture & Recreation		(1,981,143)		(1,983,246)	(2,103)
Cemetery		(46,688)		(49,915)	(3,227)
Airport		(18,923)		(16,705)	2,218
Subtotal - Miscellaneous		(65,611)		(66,620)	(1,009)
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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Wages & Benefits	\$ 36,453	\$ 37,345	\$ 42,317	\$ 42,327	\$ 10	0.0%
Supplies	-	119	100	100	-	0.0%
Services & Charges	1,158	886	4,560	4,560	-	0.0%
Miscellaneous Expenses	3,484	7,742	3,100	3,100	-	0.0%
Total	\$ 41,095	\$ 46,092	\$ 50,077	\$ 50,087	\$ 10	0.0%
Revenue over/(under) Expenditures:	\$ (41,095)	\$ (46,092)	\$ (50,077)	\$ (50,087)	\$ (10)	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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 33,075	\$ 33,167	\$ 33,075	\$ -	\$ (33,075)	0.0%
Miscellaneous Revenues	-	34	-	-	-	0.0%
Total	\$ 33,075	\$ 33,201	\$ 33,075	\$ -	\$ (33,075)	0.0%
Expenditures:						
Wages & Benefits	\$ 423,351	\$ 448,967	\$ 460,562	\$ 457,603	\$ (2,959)	-0.6%
Supplies	287	1,480	1,000	3,500	2,500	250.0%
Services & Charges	6,598	25,072	18,855	21,643	2,788	14.8%
Miscellaneous Expenses	1,824	5,218	2,200	3,500	1,300	59.1%
Total	\$ 432,060	\$ 480,737	\$ 482,617	\$ 486,246	\$ 3,629	0.8%
Revenue over/(under) Expenditures:	\$ (398,985)	\$ (447,535)	\$ (449,542)	\$ (486,246)	\$ (36,704)	8.2%

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 2023 budget reflects no elections in the year.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 180	\$ 40	\$ -	\$ -	\$ -	0.0%
Miscellaneous Revenues	8,819	-	-	-	-	0.0%
Total	\$ 8,999	\$ 40	\$ -	\$ -	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 24,587	\$ -	\$ 16,000	\$ -	\$ (16,000)	0.0%
Supplies	1,959	-	2,000	-	(2,000)	0.0%
Services & Charges	170	62	200	-	(200)	0.0%
Miscellaneous Expenses	762	-	500	-	(500)	0.0%
Total	\$ 27,478	\$ 62	\$ 18,700	\$ -	\$ (18,700)	0.0%
Revenue over/(under) Expenditures:	\$ (18,479)	\$ (22)	\$ (18,700)	\$ -	\$ 18,700	0.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Finance	General Government
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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 coordination, investment activity and all related accounting services.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 482	\$ 4,294	\$ 2,300	\$ 2,300	\$ -	0.0%
Miscellaneous Revenues	27	50	-	-	-	0.0%
Total	\$ 509	\$ 4,344	\$ 2,300	\$ 2,300	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 280,741	\$ 299,265	\$ 324,820	\$ 325,568	\$ 748	0.2%
Supplies	5,215	1,423	500	1,500	1,000	200.0%
Services & Charges	69,824	72,481	77,500	77,902	402	0.5%
Miscellaneous Expenses	1,034	1,055	1,350	1,350	-	0.0%
Total	\$ 356,813	\$ 374,224	\$ 404,170	\$ 406,320	\$ 2,150	0.5%
Revenue over/(under) Expenditures:	\$ (356,304)	\$ (369,880)	\$ (401,870)	\$ (404,020)	\$ (2,150)	0.5%

Department: Motor Vehicle	General Government
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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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 251,790	\$ 268,755	\$ 304,500	\$ 304,500	\$ -	0.0%
Miscellaneous Revenues	629	107	500	500	-	0.0%
Total	\$ 252,419	\$ 268,863	\$ 305,000	\$ 305,000	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 247,961	\$ 259,614	\$ 277,290	\$ 270,779	\$ (6,511)	-2.3%
Supplies	6,112	3,910	5,850	5,850	-	0.0%
Services & Charges	12,745	12,571	11,620	21,918	10,298	88.6%
Miscellaneous Expenses	1,058	712	1,400	1,400	-	0.0%
Total	\$ 267,875	\$ 276,808	\$ 296,160	\$ 299,947	\$ 3,787	1.3%
Revenue over/(under) Expenditures:	\$ (15,456)	\$ (7,945)	\$ 8,840	\$ 5,053	\$ (3,787)	-42.8%

Department: Assessing	General Government
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The Assessing Department accounts for the contract expenditure with McLeod County to provide property valuations for the City of Hutchinson. The valuations serve as the basis for calculating property tax billings.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Services & Charges	\$ 61,184	\$ 61,205	\$ 61,205	\$ 61,478	\$ 273	0.4%
Total	\$ 61,184	\$ 61,205	\$ 61,205	\$ 61,478	\$ 273	0.4%
Revenue over/(under) Expenditures:	\$ (61,184)	\$ (61,205)	\$ (61,205)	\$ (61,478)	\$ (273)	0.4%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Miscellaneous Revenues	\$ -	\$ -	\$ 1,000	\$ -	\$ (1,000)	0.0%
Charges for Services	42,000	42,000	42,300	42,300	-	0.0%
Total	\$ 42,000	\$ 42,000	\$ 43,300	\$ 42,300	\$ (1,000)	-2.3%
Expenditures:						
Wages & Benefits	\$ 224,517	\$ 233,601	\$ 237,404	\$ 235,627	\$ (1,777)	-0.7%
Supplies	15,244	18,011	27,400	22,900	(4,500)	-16.4%
Services & Charges	43,885	51,533	61,930	65,170	3,240	5.2%
Miscellaneous Expenses	697	346	2,000	2,000	-	0.0%
Total	\$ 284,342	\$ 303,492	\$ 328,734	\$ 325,697	\$ (3,037)	-0.9%
Revenue over/(under) Expenditures:	\$ (242,342)	\$ (261,492)	\$ (285,434)	\$ (283,397)	\$ 2,037	-0.7%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 26,171	\$ 24,937	\$ 25,500	\$ 24,000	\$ (1,500)	-5.9%
Total	\$ 26,171	\$ 24,937	\$ 25,500	\$ 24,000	\$ (1,500)	-5.9%
Expenditures:						
Wages & Benefits	\$ 147,109	\$ 153,519	\$ 159,324	\$ 160,725	\$ 1,401	0.9%
Supplies	274	-	750	750	-	0.0%
Services & Charges	6,453	6,672	9,340	8,250	(1,090)	-11.7%
Miscellaneous Expenses	636	800	1,100	1,200	100	9.1%
Total	\$ 154,471	\$ 160,991	\$ 170,514	\$ 170,925	\$ 411	0.2%
Revenue over/(under) Expenditures:	\$ (128,300)	\$ (136,054)	\$ (145,014)	\$ (146,925)	\$ (1,911)	1.3%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Information Services

General Government

The (IT) Information Technology Department is responsible for advancing and maintaining all technology systems across all City Departments and Hutchinson Utilities. IT staff provides services to City staff with focus on increasing technology efficiencies, while reducing overall costs wherever possible.

The IT department has very diverse responsibilities from Mobile Police Systems to Retail Point of Sale Systems to Electrical Generation Systems. The IT department also manages the (GIS) Geographic Information System for the City of Hutchinson. Various City departments use the information for inventory and analysis purposes and is available on their desktops.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 119,852	\$ 119,852	\$ 129,437	\$ 139,981	\$ 10,544	8.1%
Miscellaneous Revenues	-	-	-	-	-	0.0%
Total	\$ 119,852	\$ 119,852	\$ 129,437	\$ 139,981	\$ 10,544	8.1%
Expenditures:						
Wages & Benefits	\$ 320,017	\$ 324,465	\$ 337,930	\$ 342,764	\$ 4,834	1.4%
Supplies	26,033	41,829	38,050	37,608	(442)	-1.2%
Services & Charges	226,658	193,595	222,055	204,129	(17,926)	-8.1%
Miscellaneous Expenses	78	22	100	100	-	0.0%
Total	\$ 572,786	\$ 559,911	\$ 598,135	\$ 584,601	\$ (13,534)	-2.3%
Revenue over/(under) Expenditures:	\$ (452,934)	\$ (440,059)	\$ (468,698)	\$ (444,620)	\$ 24,078	-5.1%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ -	0.0%
Miscellaneous Revenues	962	493	-	-	-	0.0%
Total	\$ 3,162	\$ 2,693	\$ 2,200	\$ 2,200	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 91,548	\$ 95,477	\$ 99,164	\$ 104,480	\$ 5,316	5.4%
Supplies	12,672	14,647	20,350	17,850	(2,500)	-12.3%
Services & Charges	65,989	89,855	73,685	78,645	4,960	6.7%
Miscellaneous Expenses	168	500	650	650	-	0.0%
Capital Outlay	-	5,827	-	-	-	0.0%
Total	\$ 170,378	\$ 206,305	\$ 193,849	\$ 201,625	\$ 7,776	4.0%
Revenue over/(under) Expenditures:	\$ (167,216)	\$ (203,613)	\$ (191,649)	\$ (199,425)	\$ (7,776)	4.1%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 39	\$ 72	\$ 500	\$ 500	\$ -	0.0%
Services & Charges	11,712	14,248	16,480	16,480	-	0.0%
Miscellaneous Expenses	632	-	-	-	-	0.0%
Total	\$ 12,383	\$ 14,319	\$ 16,980	\$ 16,980	\$ -	0.0%
Revenue over/(under) Expenditures:	\$ (12,383)	\$ (14,319)	\$ (16,980)	\$ (16,980)	\$ -	0.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Police

Public Safety

Police Services incorporates the active response to emergencies within the community, the investigation of crime, the training and/or awareness necessary to prevent crime, and the coordination of all city services during a major emergency incident or disaster.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 3,075	\$ 2,980	\$ 2,600	\$ 2,600	\$ -	0.0%
Intergovernmental	283,865	266,810	225,736	253,877	28,141	12.5%
Charges for Services	35,702	61,923	78,297	75,297	(3,000)	-3.8%
Fines & Forfeitures	45,158	45,356	55,000	55,000	-	0.0%
Miscellaneous Revenues	9,027	25,570	10,000	10,000	-	0.0%
Total	\$ 376,827	\$ 402,639	\$ 371,633	\$ 396,774	\$ 25,141	6.8%
Expenditures:						
Wages & Benefits	\$ 3,139,502	\$ 3,334,713	\$ 3,195,059	\$ 3,345,113	\$ 150,054	4.7%
Supplies	80,910	90,233	99,500	110,000	10,500	10.6%
Services & Charges	204,400	210,474	194,170	247,166	52,996	27.3%
Miscellaneous Expenses	4,656	174,159	8,800	8,800	-	0.0%
Transfers-Out	-	26,248	-	-	-	0.0%
Capital Outlay	6,458	29,832	-	-	-	0.0%
Total	\$ 3,435,927	\$ 3,865,658	\$ 3,497,529	\$ 3,711,079	\$ 213,550	6.1%
Revenue over/(under) Expenditures:	\$ (3,059,100)	\$ (3,463,019)	\$ (3,125,896)	\$ (3,314,305)	\$ (188,409)	6.0%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 319,228	\$ 319,228	\$ 335,190	\$ 331,270	\$ (3,920)	-1.2%
Total	\$ 319,228	\$ 319,228	\$ 335,190	\$ 331,270	\$ (3,920)	-1.2%
Expenditures:						
Wages & Benefits	\$ 317,232	\$ 317,435	\$ 358,679	\$ 370,964	\$ 12,285	3.4%
Supplies	742	755	1,500	1,500	-	0.0%
Services & Charges	-	1,100	1,500	1,500	-	0.0%
Total	\$ 317,974	\$ 319,291	\$ 361,679	\$ 373,964	\$ 12,285	3.4%
Revenue over/(under) Expenditures:	\$ 1,254	\$ (63)	\$ (26,489)	\$ (42,694)	\$ (16,205)	61.2%

Department: Safety Committee

Public Safety

The Safety Committee budget addresses consulting costs for monthly safety training meetings for the City 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ -	\$ 983	\$ -	\$ -	\$ -	0.0%
Services & Charges	\$ 9,037	\$ 9,520	\$ 9,650	\$ 10,400	\$ 750	7.8%
Miscellaneous Expenses	916	596	1,720	1,600	(120)	-7.0%
Total	\$ 9,953	\$ 11,099	\$ 11,370	\$ 12,000	\$ 630	5.5%
Revenue over/(under) Expenditures:	\$ (9,953)	\$ (11,099)	\$ (11,370)	\$ (12,000)	\$ (630)	5.5%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 1,572	\$ 13,786	\$ 5,500	\$ 5,500	\$ -	0.0%
Charges for Services	11,294	12,511	14,595	14,595	-	0.0%
Miscellaneous Revenues	14,255	8,056	2,500	8,000	5,500	220.0%
Total	\$ 27,120	\$ 34,354	\$ 22,595	\$ 28,095	\$ 5,500	24.3%
Expenditures:						
Wages & Benefits	\$ 244,468	\$ 244,817	\$ 257,041	\$ 262,572	\$ 5,531	2.2%
Supplies	36,967	64,567	56,200	52,200	(4,000)	-7.1%
Services & Charges	69,177	84,444	93,162	89,522	(3,640)	-3.9%
Miscellaneous Expenses	3,476	3,633	4,691	6,150	1,459	31.1%
Total	\$ 354,087	\$ 397,461	\$ 411,094	\$ 410,444	\$ (650)	-0.2%
Revenue over/(under) Expenditures:	\$ (326,966)	\$ (363,107)	\$ (388,499)	\$ (382,349)	\$ 6,150	-1.6%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 448,881	\$ 514,067	\$ 372,000	\$ 372,000	\$ -	0.0%
Charges for Services	38,560	39,060	44,500	42,000	(2,500)	-5.6%
Miscellaneous Revenues	-	187	-	-	-	0.0%
Total	\$ 487,441	\$ 553,315	\$ 416,500	\$ 414,000	\$ (2,500)	-0.6%
Expenditures:						
Wages & Benefits	\$ 272,584	\$ 289,045	\$ 307,389	\$ 337,471	\$ 30,082	9.8%
Supplies	4,072	2,826	7,425	7,575	150	2.0%
Services & Charges	9,246	7,962	18,465	13,295	(5,170)	-28.0%
Miscellaneous Expenses	532	245	900	900	-	0.0%
Total	\$ 286,435	\$ 300,077	\$ 334,179	\$ 359,241	\$ 25,062	7.5%
Revenue over/(under) Expenditures:	\$ 201,006	\$ 253,237	\$ 82,321	\$ 54,759	\$ (27,562)	-33.5%

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 2023 Wages & Benefits increased by \$70,062 due to the addition of a City Engineer position, separate from the Director of Public Works. Those two positions were previously combined.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 488,077	\$ 467,967	\$ 441,310	\$ 505,473	\$ 64,163	14.5%
Total	\$ 488,077	\$ 467,967	\$ 441,310	\$ 505,473	\$ 64,163	14.5%
Expenditures:						
Wages & Benefits	\$ 412,003	\$ 366,175	\$ 354,960	\$ 425,022	\$ 70,062	19.7%
Supplies	6,231	6,145	8,700	8,600	(100)	-1.1%
Services & Charges	76,040	79,906	73,800	68,401	(5,399)	-7.3%
Miscellaneous Expenses	2,719	2,196	3,850	3,450	(400)	-10.4%
Total	\$ 496,992	\$ 454,423	\$ 441,310	\$ 505,473	\$ 64,163	14.5%
Revenue over/(under) Expenditures:	\$ (8,915)	\$ 13,545	\$ -	\$ -	\$ -	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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 6,360	\$ -	\$ 5,000	\$ 5,000	\$ -	0.0%
Intergovernmental	38,867	29,577	31,280	31,280	-	0.0%
Charges for Services	5,000	5,240	5,000	5,000	-	0.0%
Miscellaneous Revenues	12,540	4,539	6,000	5,000	(1,000)	-16.7%
Total	\$ 62,767	\$ 39,356	\$ 47,280	\$ 46,280	\$ (1,000)	-2.1%
Expenditures:						
Wages & Benefits	\$ 615,062	\$ 647,352	\$ 677,478	\$ 695,115	\$ 17,637	2.6%
Supplies	252,479	218,829	243,350	278,300	34,950	14.4%
Services & Charges	602,524	522,905	591,325	583,355	(7,970)	-1.3%
Transfers-Out	105,000	108,150	110,313	113,622	3,309	3.0%
Miscellaneous Expenses	1,820	1,734	3,000	2,300	(700)	-23.3%
Capital Outlay	9,000	10,000	5,000	5,000	-	0.0%
Total	\$ 1,585,884	\$ 1,508,970	\$ 1,630,466	\$ 1,677,692	\$ 47,226	2.9%
Revenue over/(under) Expenditures:	\$ (1,523,117)	\$ (1,469,614)	\$ (1,583,186)	\$ (1,631,412)	\$ (48,226)	3.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Park/Recreation Administration

Culture & Recreation

PRCE Administration serves as the connecting point for the Community Education 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 for registration, brochures, technology and postage are funded through the administration budget.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 79,661	\$ 47,035	\$ 61,338	\$ 66,089	\$ 4,751	7.7%
Miscellaneous Revenues	543	6,920	4,000	4,000	-	0.0%
Total	\$ 80,204	\$ 53,955	\$ 65,338	\$ 70,089	\$ 4,751	7.3%
Expenditures:						
Wages & Benefits	\$ 226,420	\$ 215,553	\$ 200,116	\$ 210,988	\$ 10,872	5.4%
Supplies	763	1,383	1,700	1,700	-	0.0%
Services & Charges	40,268	55,134	46,500	49,723	3,223	6.9%
Miscellaneous Expenses	1,451	15,696	1,400	1,400	-	0.0%
Total	\$ 268,902	\$ 287,766	\$ 249,716	\$ 263,811	\$ 14,095	5.6%
Revenue over/(under) Expenditures:	\$ (188,698)	\$ (233,811)	\$ (184,378)	\$ (193,722)	\$ (9,344)	5.1%

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 also managed through the recreation services budget.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 45,031	\$ 173,858	\$ 167,500	\$ 167,000	\$ (500)	-0.3%
Miscellaneous Revenues	14,330	11,510	12,000	12,000	-	0.0%
Total	\$ 59,361	\$ 185,368	\$ 179,500	\$ 179,000	\$ (500)	-0.3%
Expenditures:						
Wages & Benefits	\$ 147,624	\$ 165,684	\$ 177,833	\$ 137,697	\$ (40,136)	-22.6%
Supplies	16,825	36,258	49,500	43,500	(6,000)	-12.1%
Services & Charges	19,149	41,425	50,400	50,200	(200)	-0.4%
Miscellaneous Expenses	610	475	800	800	-	0.0%
Total	\$ 184,208	\$ 243,842	\$ 278,533	\$ 232,197	\$ (46,336)	-16.6%
Revenue over/(under) Expenditures:	\$ (124,847)	\$ (58,475)	\$ (99,033)	\$ (53,197)	\$ 45,836	-46.3%

Department: Senior Citizen Center

Culture & Recreation

The Senior Citizen Center budget provides operating funds to serve senior and adaptive recreational programs utilizing 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 10,246	\$ 26,674	\$ 63,500	\$ 63,500	\$ -	0.0%
Miscellaneous Revenues	4,994	2,975	6,000	6,000	-	0.0%
Total	\$ 15,239	\$ 29,649	\$ 69,500	\$ 69,500	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 36,557	\$ 39,104	\$ 45,171	\$ 37,961	\$ (7,210)	-16.0%
Supplies	1,466	1,612	6,250	2,250	(4,000)	-64.0%
Services & Charges	9,674	18,673	45,375	44,650	(725)	-1.6%
Miscellaneous Expenses	-	420	-	-	-	0.0%
Total	\$ 47,697	\$ 59,809	\$ 96,796	\$ 84,861	\$ (11,935)	-12.3%
Revenue over/(under) Expenditures:	\$ (32,457)	\$ (30,160)	\$ (27,296)	\$ (15,361)	\$ 11,935	-43.7%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Civic Arena

Culture & Recreation

The Burich Arena consists of two rinks and 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 212,126	\$ 256,793	\$ 280,000	\$ 295,000	\$ 15,000	5.4%
Miscellaneous Revenues	-	4,800	-	-	-	0.0%
Total	\$ 212,126	\$ 261,593	\$ 280,000	\$ 295,000	\$ 15,000	5.4%
Expenditures:						
Wages & Benefits	\$ 145,241	\$ 126,093	\$ 185,942	\$ 172,144	\$ (13,798)	-7.4%
Supplies	21,902	20,410	44,390	34,640	(9,750)	-22.0%
Services & Charges	130,919	172,649	179,500	199,450	19,950	11.1%
Miscellaneous Expenses	1,887	1,385	1,500	1,500	-	0.0%
Total	\$ 299,949	\$ 320,537	\$ 411,332	\$ 407,734	\$ (3,598)	-0.9%
Revenue over/(under) Expenditures:	\$ (87,823)	\$ (58,944)	\$ (131,332)	\$ (112,734)	\$ 18,598	-14.2%

Department: Park Department		Culture & Recreation					
The Parks Department manages 41 parks, 21 playgrounds, a municipal campground and more than 30 acres of prairie in multiple sites. The department also 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.							
	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change	
Revenues:							
Charges for Services	\$ 64,066	\$ 107,046	\$ 102,000	\$ 102,000	\$ -	0.0%	
Miscellaneous Revenues	119,300	123,654	113,500	118,500	5,000	4.4%	
Total	\$ 183,366	\$ 230,700	\$ 215,500	\$ 220,500	\$ 5,000	2.3%	
Expenditures:							
Wages & Benefits	\$ 560,524	\$ 642,920	\$ 741,704	\$ 783,476	\$ 41,772	5.6%	
Supplies	147,186	158,106	182,850	211,350	28,500	15.6%	
Services & Charges	133,675	136,104	147,500	150,010	2,510	1.7%	
Miscellaneous Expenses	597	782	700	900	200	28.6%	
Capital Outlay	9,000	17,586	-	-	-	0.0%	
Total	\$ 850,983	\$ 955,498	\$ 1,072,754	\$ 1,145,736	\$ 72,982	6.8%	
Revenue over/(under) Expenditures:	\$ (667,617)	\$ (724,798)	\$ (857,254)	\$ (925,236)	\$ (67,982)	7.9%	

Department: Recreation Building				Culture & Recreation			
Adult and youth volleyball, basketball and pickleball are three 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.							
	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change	
Revenues:							
Charges for Services	\$ 21,254	\$ 78,030	\$ 82,500	\$ 85,000	\$ 2,500	3.0%	
Miscellaneous Revenues	875	-	-	-	-	0.0%	
Total	\$ 22,129	\$ 78,030	\$ 82,500	\$ 85,000	\$ 2,500	3.0%	
Expenditures:							
Wages & Benefits	\$ 141,006	\$ 151,778	\$ 203,600	\$ 214,260	\$ 10,660	5.2%	
Supplies	10,471	10,563	15,200	15,100	(100)	-0.7%	
Services & Charges	25,587	37,988	45,800	50,870	5,070	11.1%	
Miscellaneous Expenses	450	610	1,000	1,000	-	0.0%	
Total	\$ 177,513	\$ 200,939	\$ 265,600	\$ 281,230	\$ 15,630	5.9%	
Revenue over/(under) Expenditures:	\$ (155,384)	\$ (122,909)	\$ (183,100)	\$ (196,230)	\$ (13,130)	7.2%	

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 35,297	\$ 73,219	\$ 90,000	\$ 90,000	\$ -	0.0%
Total	\$ 35,297	\$ 73,219	\$ 90,000	\$ 90,000	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 158,985	\$ 169,884	\$ 179,732	\$ 89,845	\$ (89,887)	-50.0%
Supplies	4,531	4,017	9,575	9,575	-	0.0%
Services & Charges	63,422	74,041	71,850	71,536	(314)	-0.4%
Miscellaneous Expenses	160	160	200	200	-	0.0%
Total	\$ 227,098	\$ 248,101	\$ 261,357	\$ 171,156	\$ (90,201)	-34.5%
Revenue over/(under) Expenditures:	\$ (191,802)	\$ (174,882)	\$ (171,357)	\$ (81,156)	\$ 90,201	-52.6%

Department: Evergreen Building

Culture & Recreation

Department staff provides custodial, repair and maintenance 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 and provides building improvements and limited grounds maintenance.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	6,133	6,132	6,133	6,133	-	0.0%
Miscellaneous Revenues	42	-	-	-	-	0.0%
Total	\$ 6,175	\$ 6,132	\$ 6,133	\$ 6,133	\$ -	0.0%
Expenditures:						
Supplies	\$ 548	\$ 1,728	\$ 5,200	\$ 3,550	\$ (1,650)	-31.7%
Services & Charges	15,992	28,054	26,175	31,330	5,155	19.7%
Total	\$ 16,540	\$ 29,782	\$ 31,375	\$ 34,880	\$ 3,505	11.2%
Revenue over/(under) Expenditures:	\$ (10,365)	\$ (23,650)	\$ (25,242)	\$ (28,747)	\$ (3,505)	13.9%

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 2,375	\$ 1,737	\$ 3,300	\$ 3,300	\$ -	0.0%
Services & Charges	206,261	212,744	227,092	240,816	13,724	6.0%
Miscellaneous Expenses	-	100	100	100	-	0.0%
Total	\$ 208,636	\$ 214,581	\$ 230,492	\$ 244,216	\$ 13,724	6.0%
Revenue over/(under) Expenditures:	\$ (208,636)	\$ (214,581)	\$ (230,492)	\$ (244,216)	\$ (13,724)	6.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: **Waterpark**

Culture & Recreation

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. The 2023 expense budget increased significantly due to the increasing cost of operations.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ -	\$ 340,526	\$ 325,000	\$ 325,000	\$ -	0.0%
Miscellaneous Revenues	1,000	2,000	-	-	-	0.0%
Total	\$ 1,000	\$ 342,526	\$ 325,000	\$ 325,000	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 23,766	\$ 247,763	\$ 275,459	\$ 315,163	\$ 39,704	14.4%
Supplies	204	64,627	75,750	84,250	8,500	11.2%
Services & Charges	13,134	46,794	44,400	57,184	12,784	28.8%
Miscellaneous Expenses	1,242	720	1,050	1,050	-	0.0%
Total	\$ 38,346	\$ 359,904	\$ 396,659	\$ 457,647	\$ 60,988	15.4%
Revenue over/(under) Expenditures:	\$ (37,346)	\$ (17,377)	\$ (71,659)	\$ (132,647)	\$ (60,988)	85.1%

Department: **Cemetery**

Miscellaneous

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 83,980	\$ 101,520	\$ 99,150	\$ 101,170	\$ 2,020	2.0%
Total	\$ 83,980	\$ 101,520	\$ 99,150	\$ 101,170	\$ 2,020	2.0%
Expenditures:						
Wages & Benefits	\$ 88,674	\$ 84,611	\$ 95,303	\$ 97,299	\$ 1,996	2.1%
Supplies	14,245	17,711	17,375	17,575	200	1.2%
Services & Charges	35,247	34,992	32,935	35,861	2,926	8.9%
Miscellaneous Expenses	885	375	225	350	125	55.6%
Total	\$ 139,051	\$ 137,690	\$ 145,838	\$ 151,085	\$ 5,247	3.6%
Revenue over/(under) Expenditures:	\$ (55,071)	\$ (36,170)	\$ (46,688)	\$ (49,915)	\$ (3,227)	6.9%

Department: **Airport**

Miscellaneous

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 47,390	\$ 44,499	\$ 26,200	\$ 26,200	\$ -	0.0%
Charges for Services	89,307	93,579	94,000	94,000	-	0.0%
Miscellaneous Revenues	6,100	7,033	6,000	7,000	1,000	16.7%
Total	\$ 142,796	\$ 145,112	\$ 126,200	\$ 127,200	\$ 1,000	0.8%
Expenditures:						
Wages & Benefits	\$ 28,935	\$ 33,183	\$ 46,473	\$ 44,685	\$ (1,788)	-3.8%
Supplies	12,003	6,067	10,250	11,300	1,050	10.2%
Services & Charges	63,096	64,557	69,400	65,970	(3,430)	-4.9%
Miscellaneous Expenses	14,561	20,899	19,000	21,950	2,950	15.5%
Capital Outlay	-	8,554	-	-	-	0.0%
Total	\$ 118,596	\$ 133,260	\$ 145,123	\$ 143,905	\$ (1,218)	-0.8%
Revenue over/(under) Expenditures:	\$ 24,201	\$ 11,852	\$ (18,923)	\$ (16,705)	\$ 2,218	-11.7%

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 4.1% for 2023 operations. Other revenue includes the Local Government Aid (LGA), transfers from Enterprise Funds and the PILOT payment from Hutchinson Utilities.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Taxes	\$ 5,267,063	\$ 5,408,925	\$ 5,617,556	\$ 5,846,751	\$ 229,195	4.1%
Other Taxes	279,336	336,865	320,000	330,000	10,000	3.1%
Licenses & Permits	27,281	22,555	38,500	38,500	-	0.0%
Intergovernmental	1,268,859	1,268,858	1,334,205	1,349,130	14,925	1.1%
Charges for Services	20,050	17,617	12,500	12,500	-	0.0%
Miscellaneous Revenues	190,018	(42,243)	85,000	85,000	-	0.0%
Transfers-In	2,666,192	2,723,192	2,710,191	2,724,536	14,345	0.5%
Total	\$ 9,718,800	\$ 9,735,769	\$10,117,952	\$10,386,417	\$ 268,465	2.7%
Revenue over/(under) Expenditures:	\$ 9,718,800	\$ 9,735,769	\$10,117,952	\$10,386,417	\$ 268,465	2.7%

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 2023 budget, includes a \$30,000 tax abatement payment. Uponsor is a manufacturing company that received public financing assistance to purchase and operate a 235,000 square foot vacant building within the city.

Transfer-Out is the annual funding for General fund vehicle and equipment replacements. This previously was accounted for as a Miscellaneous Expense but is more appropriately accounted for as a transfer to other fund (Equipment Replacement Fund). Our vehicle funding has been insufficient over the past several years and that issue has been compounded in the past two years with significant inflationary price increases along with availability issues. The 2023 budget includes a \$25,000 increase to the vehicle replacement funding.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 117,030	\$ 121,903	\$ 121,900	\$ 127,954	\$ 6,054	5.0%
Miscellaneous Revenues	20,567	67,682	10,000	33,800	23,800	238.0%
Transfers-In	-	-	-	-	-	0.0%
Total	\$ 137,597	\$ 189,585	\$ 131,900	\$ 161,754	\$ 29,854	22.6%
Expenditures:						
Wages & Benefits	\$ 182,266	\$ 193,162	\$ 186,900	\$ 192,954	\$ 6,054	3.2%
Supplies	144	-	-	-	-	0.0%
Services & Charges	229,354	213,386	230,000	206,475	(23,525)	-10.2%
Miscellaneous Expenses	547,483	629,808	652,750	307,750	(345,000)	-52.9%
Transfers-Out	-	-	-	375,000	375,000	0.0%
Total	\$ 959,247	\$ 1,036,356	\$ 1,069,650	\$ 1,082,179	\$ 12,529	1.2%
Revenue over/(under) Expenditures:	\$ (821,650)	\$ (846,772)	\$ (937,750)	\$ (920,425)	\$ 17,325	-1.8%

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 5.5% to 6.8% 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 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028
<u>REVENUES:</u>						
Taxes	\$ 5,846,751	\$ 6,155,318	\$ 6,514,820	\$ 6,928,907	\$ 7,321,730	\$ 7,746,571
Other Taxes	330,000	333,300	336,633	339,999	343,399	346,833
Licenses & Permits	442,100	442,100	442,100	442,100	442,100	442,100
Intergovernmental Revenue	1,793,941	1,793,941	1,793,941	1,793,941	1,793,941	1,793,941
Charges for Services	2,872,308	2,828,758	2,876,436	2,925,386	2,975,661	3,027,311
Fines & Forfeitures	55,000	55,000	55,000	55,000	55,000	55,000
Miscellaneous Revenues	289,800	289,800	289,800	289,800	289,800	289,800
Transfers-In	2,724,536	2,762,627	2,801,480	2,841,110	2,881,532	2,922,763
TOTAL REVENUES	\$ 14,354,436	\$ 14,660,844	\$ 15,110,210	\$ 15,616,243	\$ 16,103,163	\$ 16,624,319
<u>EXPENDITURES</u>						
Wages & Benefits	\$ 9,672,602	\$ 9,943,728	\$ 10,287,074	\$ 10,678,028	\$ 11,051,766	\$ 11,475,679
Supplies	986,823	994,120	1,007,271	1,024,749	1,038,448	1,056,561
Services & Charges	2,827,889	2,802,735	2,851,596	2,903,670	2,958,090	3,015,605
Miscellaneous Expenses	373,500	411,980	440,889	470,865	499,910	505,027
Transfers-Out	488,622	503,281	518,380	533,931	549,949	566,447
Capital Outlay	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	\$ 14,354,436	\$ 14,660,844	\$ 15,110,210	\$ 15,616,243	\$ 16,103,163	\$ 16,624,319
NET REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Estimated Tax Levy % Increase	4.1%	5.5%	5.8%	6.4%	5.7%	5.8%
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Estimated Prior Year Fund Balance	8,550,000	8,729,000	8,912,300	9,101,200	9,296,400	9,497,700
Expected Surplus/(Deficit)	179,000	183,300	188,900	195,200	201,300	207,800
Estimated Fund Balance	8,729,000	8,912,300	9,101,200	9,296,400	9,497,700	9,705,500
Fund Balance %	59.5%	59.0%	58.3%	57.7%	57.1%	57.0%
<i>City Policy: 40% Minimum</i>	5,864,338	6,044,084	6,246,497	6,441,265	6,649,728	6,815,971
<i>Excess Over 40% Minimum</i>	2,864,662	2,868,216	2,854,703	2,855,135	2,847,972	2,889,529



2023 Annual Budget

Enterprise Funds

Enterprise Funds - 2023 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	18,371,900	7,281,000	2,939,400	1,330,000	2,454,000	3,299,000	1,068,500
Local Sales Tax	1,822,000	-	-	-	1,012,000	810,000	-
Licenses & Permits	11,500	-	-	-	-	6,000	5,500
Intergovernmental Revenue	12,500	-	-	12,500	-	-	-
Charges for Services	176,185	-	97,000	-	71,685	7,500	-
Miscellaneous Revenue	210,800	10,500	32,000	15,000	44,500	93,500	15,300
TOTAL REVENUES	20,604,885	7,291,500	3,068,400	1,357,500	3,582,185	4,216,000	1,089,300
EXPENDITURES:							
Wages & Benefits	3,788,101	904,864	838,147	343,101	579,848	813,235	308,906
Supplies	769,475	25,500	162,500	62,850	185,800	279,200	53,625
Services & Charges	3,127,660	298,750	304,980	897,590	561,885	855,920	208,535
Miscellaneous Expenses	77,950	6,700	11,000	750	13,500	36,000	10,000
Depreciation Expense	3,024,000	61,000	290,000	172,000	1,090,000	1,136,000	275,000
Debt Service	3,224,465	-	73,808	-	1,371,173	1,557,895	221,589
Transfers-Out	875,000	550,000	120,000	55,000	70,000	80,000	-
Capital Outlay	4,171,388	15,000	349,652	1,018,482	902,876	1,638,085	247,293
Cost of Sales	7,004,250	5,504,000	1,500,250	-	-	-	-
TOTAL EXPENDITURES	26,062,289	7,365,814	3,650,337	2,549,773	4,775,082	6,396,335	1,324,948
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(5,457,404)	(74,314)	(581,937)	(1,192,273)	(1,192,897)	(2,180,335)	(235,648)

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 2023

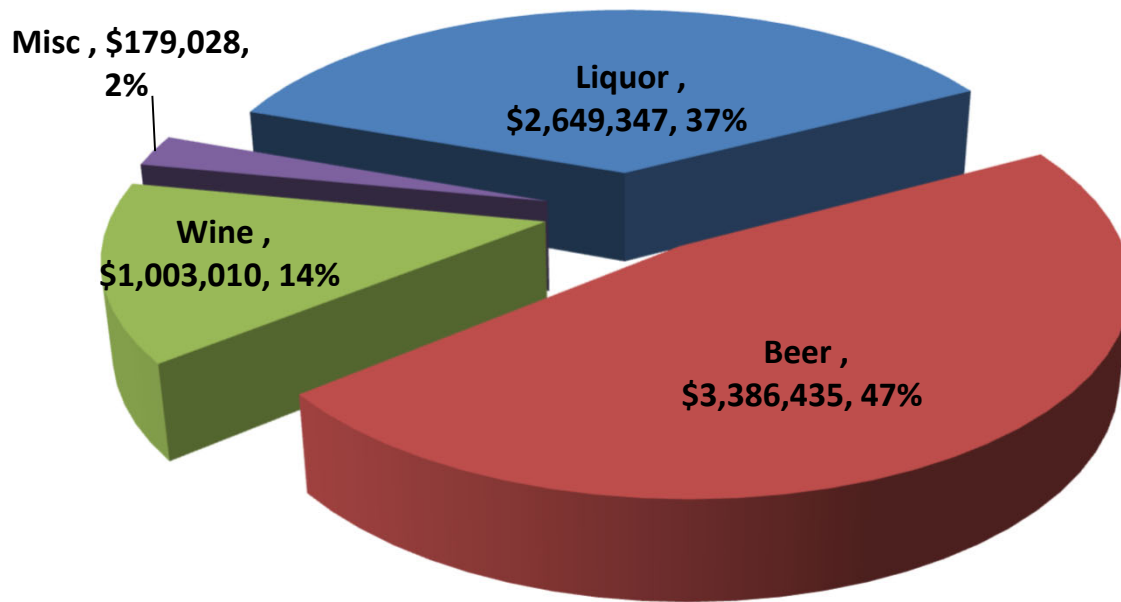
- Sales revenue for 2022 has trended down to a more realistic level from the pandemic highs of 2020 and 2021. As such, we have tempered the 2023 budgeted expectations with nearly a 2% decrease from the 2022 budgeted sales revenue.
- Cost of Sales is the largest expenditure and is based on the level of sales revenue, factoring in a budgeted gross margin of 24.4% for 2023.
- The Transfer-Out expenditure is the Liquor fund's transfer of excess profits to the General fund. The 2023 General fund tax levy is approximately 10% lower because of the Liquor store's profits.
- Efforts have been made to increase the store's gross margin over the past few years. Despite those efforts, other performance indicators are trending downward, mainly due to the higher cost of labor.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Sales - Liquor	2,650,150	2,632,530	2,652,000	2,676,000	24,000	0.9%
Sales - Beer	3,701,735	3,459,348	3,520,000	3,421,000	(99,000)	-2.8%
Sales - Wine	1,137,685	1,063,103	1,072,000	1,002,000	(70,000)	-6.5%
Sales - Other	177,025	179,906	180,000	182,000	2,000	1.1%
Total Sales	7,666,596	7,334,887	7,424,000	7,281,000	(143,000)	-1.9%
Miscellaneous Revenue	3,351	9,160	3,000	10,500	7,500	250.0%
TOTAL REVENUES	7,669,947	7,344,047	7,427,000	7,291,500	(135,500)	-1.8%
EXPENDITURES:						
Cost of Sales	5,849,740	5,623,422	5,666,000	5,504,000	(162,000)	-2.9%
Wages & Benefits	711,882	748,263	812,108	904,864	92,756	11.4%
Supplies	17,483	28,090	21,100	25,500	4,400	20.9%
Services & Charges	274,594	278,600	285,550	298,750	13,200	4.6%
Miscellaneous Expenses	5,836	5,879	6,700	6,700	-	0.0%
Depreciation Expense	80,937	76,737	70,700	61,000	(9,700)	-13.7%
Capital Outlay	-	-	15,000	15,000	-	0.0%
Debt Service	4,792	-	-	-	-	0.0%
Transfers-Out	500,000	550,000	550,000	550,000	-	0.0%
TOTAL EXPENDITURES	7,445,262	7,310,989	7,427,158	7,365,814	(61,344)	-0.8%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	224,685	33,058	(158)	(74,314)	(74,156)	

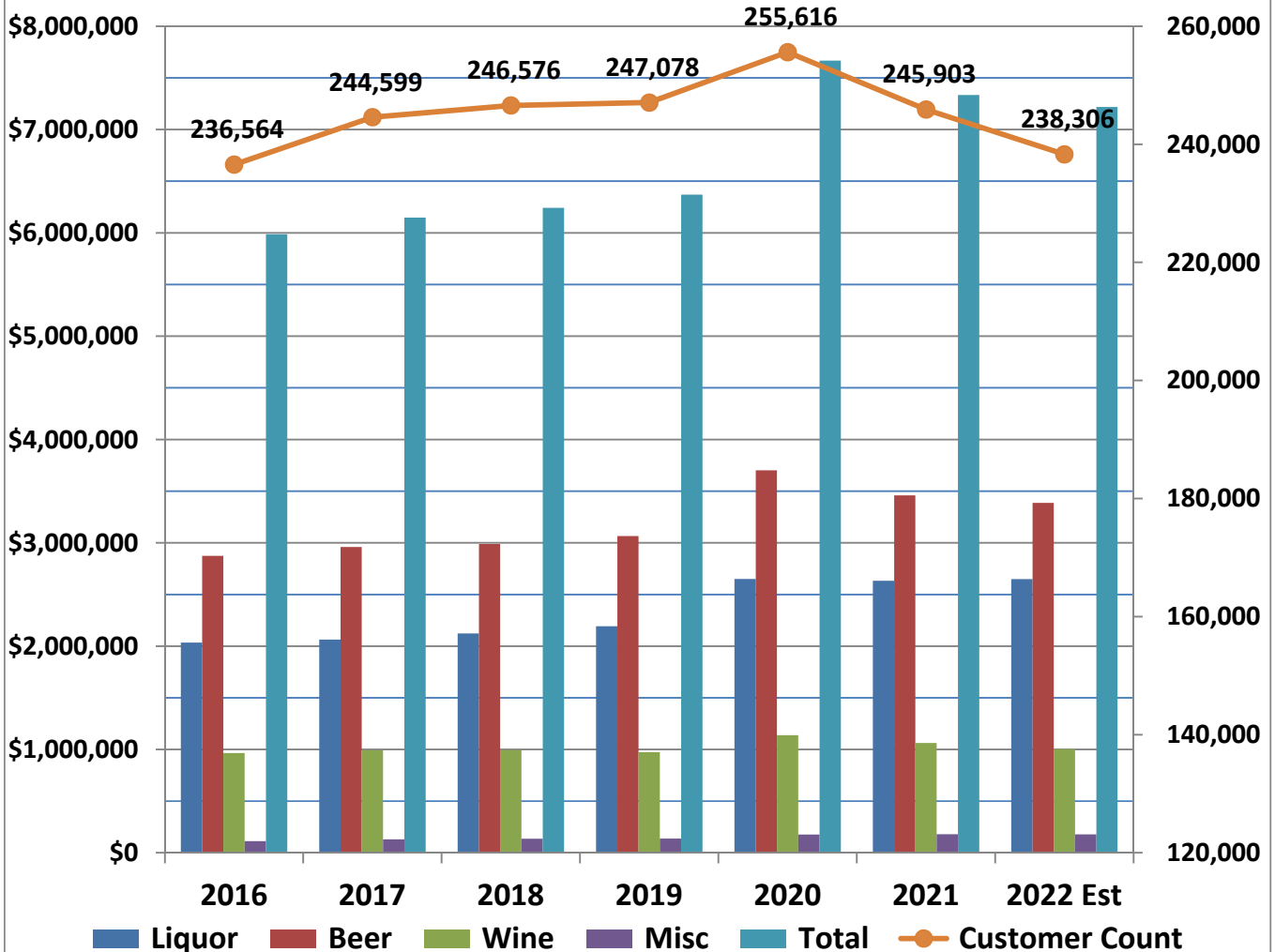
Performance Indicators:

Gross Margin	23.7%	23.3%	23.7%	24.4%
Net Profit Margin	10.5%	9.0%	8.6%	7.6%
Income before Transfer	9.5%	7.9%	7.4%	6.5%
Labor to Sales	9.3%	10.2%	10.9%	12.4%

2022 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 2023

- The 2023 production model assumes an 16.4% increase in the sale of bagged product and a 50.1% decrease in the sale of bulk product. The main reason for the substantial decrease in bulk sales is the fact that Creekside's bitcon inventory is depleted and will not be replenished until late 2023 or 2024. Bitcon is a crushed aggregate of asphalt and concrete which is in high demand by local construction and roadway improvement contractors. Creekside contracts for the crushing when its volume of asphalt and 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. Pressure to keep sales prices low to remain competitive in the market is having an adverse impact on profit margins. Inflationary increases to product input costs are substantially higher than what can be recouped through sales prices, causing the erosion of our margins.
- Capital Outlay for 2023 includes a used semi-tractor (\$75,000), loading dock improvements (\$40,000), a new wheel loader (\$180,000) and updates to the bagging line software (\$45,000).
- The Transfer-Out expenditure is the Compost fund's transfer of excess profits to the General fund.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Sales - Bagged Product	2,348,938	2,353,284	2,101,500	2,445,750	344,250	16.4%
Sales - Bulk Product	401,197	181,767	350,500	175,000	(175,500)	-50.1%
Sales - Other	272,596	256,811	254,000	318,650	64,650	25.5%
Total Sales	3,022,730	2,791,862	2,706,000	2,939,400	233,400	8.6%
Charges for Services	86,324	72,000	87,000	97,000	10,000	11.5%
Miscellaneous Revenue	131,988	(1,906)	32,000	32,000	-	0.0%
TOTAL REVENUES	3,241,042	2,861,956	2,825,000	3,068,400	243,400	8.6%
EXPENDITURES:						
Cost of Sales	2,009,465	1,766,548	1,837,000	2,158,000	321,000	17.5%
Inventory Cost Adjustment	(732,076)	(642,763)	(712,500)	(657,750)	54,750	-7.7%
Wages & Benefits	737,874	747,417	808,198	838,147	29,949	3.7%
Supplies	124,261	143,296	129,000	162,500	33,500	26.0%
Services & Charges	290,078	300,649	304,850	304,980	130	0.0%
Miscellaneous Expenses	13,124	21,302	11,000	11,000	-	0.0%
Depreciation Expense	263,490	279,651	278,000	290,000	12,000	4.3%
Capital Outlay	-	-	221,000	349,652	128,652	58.2%
Debt Service	14,411	10,211	73,808	73,808	0	0.0%
Transfers-Out	110,000	110,000	120,000	120,000	-	0.0%
TOTAL EXPENDITURES	2,830,627	2,736,311	3,070,356	3,650,337	579,981	18.9%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	410,415	125,645	(245,356)	(581,937)	(336,581)	

Performance Indicators:				
Gross Margin	33.5%	36.7%	32.1%	26.6%
Net Profit Margin	24.2%	18.0%	13.2%	5.8%
Income before Transfer	17.7%	8.8%	6.3%	-1.3%
Labor to Sales	24.4%	26.8%	29.9%	28.5%

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 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 2023

- The 2023 budget assumes that refuse rates do not increase. The last increase was in 2008 (6%). Rising costs will likely require a rate increase in 2024.
- Wages & Benefits includes the addition of a Resource Recovery Coordinator, who will be the frontline of the educational outreach component of the curbside SSOM program. The end goal is to reduce the high contamination we see in the curbside program, with non-compostable products being placed in the residential compost carts.
- The refuse hauling contract is the largest expenditure in this fund and is budgeted at \$610,100 for 2023. 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 an estimated 2,817 tons of waste material at the local landfill is budgeted for 2023 at \$198,000. This includes the weekly residential refuse material in addition to the hard goods pick-up, which is done twice per year.
- Capital Outlay for 2023 includes \$837,500 to upgrade the current SSOM composting system and equipment. This was planned in 2021 but was delayed due to MPCA permitting issues. Other capital costs include a replacement of the bi-fold garage door (\$42,000) and a new roll-off truck chassis (\$130,000).
- 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Refuse Sales	1,258,988	1,304,109	1,311,800	1,330,000	18,200	1.4%
Intergovernmental Revenue	12,827	12,888	12,500	12,500	-	0.0%
Miscellaneous Revenue	46,606	2,972	15,000	15,000	-	0.0%
TOTAL REVENUES	1,318,422	1,319,969	1,339,300	1,357,500	18,200	1.4%
EXPENDITURES:						
Wages & Benefits	203,005	198,598	259,732	343,101	83,369	32.1%
Supplies	52,538	31,950	59,900	62,850	2,950	4.9%
Services & Charges	796,800	830,143	848,350	897,590	49,240	5.8%
Miscellaneous Expenses	19,079	331	1,000	750	(250)	-25.0%
Depreciation Expense	135,386	134,067	169,000	172,000	3,000	1.8%
Capital Outlay	-	-	1,207,500	1,018,482	(189,018)	-15.7%
Transfers-Out	55,000	55,000	55,000	55,000	-	0.0%
TOTAL EXPENDITURES	1,261,808	1,250,088	2,600,482	2,549,773	(50,709)	-1.9%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	56,613	69,881	(1,261,182)	(1,192,273)	68,909	

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 5,200 water meters with automated meter reading transmitters, more than 102 miles of water mains and nearly 1,000 fire hydrants for community fire protection.

Budgetary Highlights for 2023

- The local sales tax revenue is dedicated to the retirement of outstanding debt and is split with the Wastewater fund based on the annual debt requirements for each fund. Prior to 2023, the revenue was split 50/50 based on past debt levels. For 2023, the split is 55/45, with Water incurring a higher amount of debt and therefore receiving a slightly larger portion of the local sales tax revenue.
- The 2023 budget assumes a new water rate structure which has been planned for the past two years. The new structure is expected to have a neutral impact on total revenues but the benefit will be right-sizing the fixed and variable cost recovery as charged to users through the monthly base and consumption charges. The last rate increase was in 2011 (5%).
- Capital Outlay for 2023 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. Rehabilitation and recovery treatment is planned for city well #7 (\$115,000). A new work truck (\$45,000) and mower replacement (\$20,000) are also planned. 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Local Sales Tax	785,989	875,964	812,000	1,012,000	200,000	24.6%
Water Sales	2,515,481	2,546,667	2,264,950	2,454,000	189,050	8.3%
Charges for Services	62,918	69,968	71,685	71,685	-	0.0%
Miscellaneous Revenue	114,004	45,979	42,000	44,500	2,500	6.0%
Fund Balance	720,174	57,153	-	-	-	0.0%
TOTAL REVENUES	4,198,567	3,595,731	3,190,635	3,582,185	391,550	12.3%
EXPENDITURES:						
Wages & Benefits	508,632	530,459	579,241	579,848	607	0.1%
Supplies	149,729	154,362	168,150	185,800	17,650	10.5%
Services & Charges	556,132	511,319	507,750	561,885	54,135	10.7%
Miscellaneous Expenses	9,051	11,388	13,500	13,500	-	0.0%
Depreciation Expense	1,115,771	1,139,426	1,132,000	1,090,000	(42,000)	-3.7%
Debt Service	222,064	183,131	1,465,433	1,371,173	(94,260)	-6.4%
Capital Outlay	-	-	998,450	902,876	(95,574)	-9.6%
Transfers-Out	263,442	119,092	70,000	70,000	-	0.0%
TOTAL EXPENDITURES	2,824,821	2,649,177	4,934,524	4,775,082	(159,442)	-3.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	1,373,746	946,554	(1,743,889)	(1,192,897)	550,992	

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 75 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 2023

- The local sales tax revenue is dedicated to the retirement of outstanding debt and is split with the Water fund based on the annual debt requirements for each fund. Prior to 2023, the revenue was split 50/50 based on past debt levels. For 2023, the split is 45/55, with Wastewater incurring a lower amount of debt and therefore receiving a slightly smaller portion of the local sales tax revenue.
- The 2023 budget assumes a new wastewater rate structure which has been planned for the past two years. The new structure is expected to have a neutral impact on total revenues but the benefit will be right-sizing the fixed and variable cost recovery as charged to users through the monthly base and consumption charges. The one major change is that monthly wastewater flow will be based on actual water usage. Prior to 2023, the monthly flow was based on the January and February average water usage. The last rate increase was in 2011 (5%).
- Capital Outlay for 2022 includes \$606,120 for rehabilitation of the digester aeration and mixation system. Also included is \$509,520 for the replacement or overhaul of the belt press thickener. 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Local Sales Tax	785,989	875,964	812,000	810,000	(2,000)	-0.2%
Wastewater Sales	3,275,182	3,257,355	3,314,300	3,299,000	(15,300)	-0.5%
Licenses & Permits	6,000	6,000	6,500	6,000	(500)	-7.7%
Charges for Services	7,225	4,700	7,500	7,500	-	0.0%
Miscellaneous Revenue	227,539	49,569	90,000	93,500	3,500	3.9%
Fund Balance	239,247	41,913	-	-	-	0.0%
TOTAL REVENUES	4,541,181	4,235,500	4,230,300	4,216,000	(14,300)	-0.3%
EXPENDITURES:						
Wages & Benefits	720,438	762,961	776,934	813,235	36,301	4.7%
Supplies	189,615	204,244	246,500	279,200	32,700	13.3%
Services & Charges	614,598	787,143	769,000	855,920	86,920	11.3%
Miscellaneous Expenses	29,987	26,714	40,000	36,000	(4,000)	-10.0%
Depreciation Expense	1,080,629	1,108,375	1,182,000	1,136,000	(46,000)	-3.9%
Debt Service	175,609	242,016	1,526,311	1,557,895	31,584	2.1%
Capital Outlay	-	-	984,400	1,638,085	653,685	66.4%
Transfers-Out	248,248	170,686	80,000	80,000	-	0.0%
TOTAL EXPENDITURES	3,059,125	3,302,139	5,605,145	6,396,335	791,190	14.1%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	1,482,057	933,361	(1,374,845)	(2,180,335)	(805,490)	

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 of the 56 holding ponds.

Budgetary Highlights for 2023

- The 2023 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 leaf 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 capital outlay is related to storm water improvements that are planned as part of the 2023 roadway projects. These projects are 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Storm Water Sales	970,795	1,006,145	1,036,500	1,068,500	32,000	3.1%
Licenses & Permits	6,625	4,940	4,800	5,500	700	14.6%
Miscellaneous Revenue	38,494	15,622	14,350	15,300	950	6.6%
Fund Balance	746,898	70,025	-	-	-	0.0%
TOTAL REVENUES	1,762,812	1,096,732	1,055,650	1,089,300	33,650	3.2%
EXPENDITURES:						
Wages & Benefits	250,061	276,064	290,084	308,906	18,822	6.5%
Supplies	50,611	31,494	51,325	53,625	2,300	4.5%
Services & Charges	238,024	112,212	212,150	208,535	(3,615)	-1.7%
Miscellaneous Expenses	8,362	13,024	18,000	10,000	(8,000)	-44.4%
Depreciation Expense	213,436	229,362	254,000	275,000	21,000	8.3%
Debt Service	54,355	49,189	221,589	221,589	-	0.0%
Capital Outlay	-	-	746,600	247,293	(499,307)	-66.9%
Transfers-Out	521,195	158,600	-	-	-	0.0%
TOTAL EXPENDITURES	1,336,043	869,944	1,793,748	1,324,948	(468,800)	-26.1%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	426,769	226,789	(738,098)	(235,648)	502,450	



2023 Annual Budget

Other Governmental Funds

Other Governmental Funds - 2023 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 facilities, 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	2,409,577	-	2,409,577	-	-	-	-
Special Assessments	220,762	30,000	190,762	-	-	-	-
Intergovernmental Revenue	3,071,270	2,719,130	-	-	-	150,000	202,140
Charges for Services	453,808	80,000	-	10,000	-	-	363,808
Miscellaneous Revenue	247,200	150,000	50,000	5,000	5,000	200	37,000
Transfers-In	903,622	735,000	-	-	55,000	-	113,622
Bond Proceeds	1,900,000	1,900,000	-	-	-	-	-
TOTAL REVENUES	9,206,239	5,614,130	2,650,339	15,000	60,000	150,200	716,570
EXPENDITURES:							
Wages & Benefits	143,741	-	-	-	3,000	98,714	42,027
Supplies	491,920	11,000	-	5,000	5,000	29,870	441,050
Services & Charges	1,302,843	1,075,000	-	2,000	35,000	19,443	171,400
Miscellaneous Expenses	29,723	18,000	-	4,000	-	2,173	5,550
Debt Service	2,748,219	-	2,748,219	-	-	-	-
Bond Issuance Costs	50,000	50,000	-	-	-	-	-
Transfers-Out	915,000	855,000	60,000	-	-	-	-
Capital Outlay	4,057,635	4,001,092	-	-	-	-	56,543
TOTAL EXPENDITURES	9,739,081	6,010,092	2,808,219	11,000	43,000	150,200	716,570
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(532,842)	(395,962)	(157,880)	4,000	17,000	-	-

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 within 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 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 2023

- 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 2023 was certified at \$2,698,261, or a \$29,851 increase from 2022.
- 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 \$55,000 for city center parking lot improvements, \$50,000 for civic arena drainage improvements and \$60,000 for the playground replacement at Oddfellows Park. See the City's 5-year Capital Plan for a full listing of planned improvements.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	6,388	7,510	10,000	-	(10,000)	0.0%
Intergovernmental Revenue	1,354,396	1,630,481	1,334,205	1,349,130	14,925	1.1%
Charges for Services	90,662	81,551	80,000	80,000	-	0.0%
Miscellaneous Revenue	79,828	20,445	30,000	30,000	-	0.0%
Transfers-In	-	26,248	-	-	-	0.0%
TOTAL REVENUES	1,531,274	1,766,235	1,454,205	1,459,130	4,925	0.3%
EXPENDITURES:						
Supplies	207,330	12,597	10,000	10,000	-	0.0%
Services & Charges	426,154	538,851	425,000	425,000	-	0.0%
Debt Service	30,000	-	-	-	-	0.0%
Transfers-Out	1,814	317,564	5,000	5,000	-	0.0%
Capital Outlay	1,175,823	211,243	1,715,000	246,000	(1,469,000)	-85.7%
TOTAL EXPENDITURES	1,841,122	1,080,255	2,155,000	686,000	(1,469,000)	-68.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(309,848)	685,980	(700,795)	773,130	1,473,925	

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 2023

- 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 ended in February 2022 with the 2021 tax levy used to make the final payment.
- Miscellaneous Revenue includes the proceeds from disposition of General fund fleet and equipment, in addition to interest earnings.
- Transfer-In revenue is the monies from the General fund for vehicle & equipment replacements. The annual funding was increased \$25,000 for 2023.
- The 2023 capital outlay consists of replacing the following equipment:

Fire - command vehicle	\$43,900
Parks - Administrative hybrid car	\$30,000
Parks - 4x4 pickup with snow plow	\$45,000
Police - Squad Cars (2)	\$102,000
Public Works - 1-ton truck with dump box	\$70,000
Public Works - 1-ton 4x4 truck	\$50,000
Public Works - Brush chipper	\$80,000
Public Works - 1-ton flatbed truck	\$70,000
Public Works - Tandem-axle dump truck	\$69,500
Public Works - Snow Plow Truck	\$255,000
Total	\$815,400
- Miscellaneous Expenses include costs to dispose of vehicles and equipment.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	167,160	58,905	-	-	-	0.0%
Miscellaneous Revenue	171,764	98,304	30,000	90,000	60,000	200.0%
Transfers-In	275,000	325,000	350,000	375,000	25,000	7.1%
TOTAL REVENUES	613,924	482,209	380,000	465,000	85,000	22.4%
EXPENDITURES:						
Capital Outlay	636,053	416,449	548,100	815,400	267,300	48.8%
Debt Service	314,717	156,358	55,550	-	(55,550)	0.0%
Miscellaneous Expenses	75,850	27,861	3,000	3,000	-	0.0%
TOTAL EXPENDITURES	1,026,619	600,669	606,650	818,400	211,750	34.9%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(412,695)	(118,459)	(226,650)	(353,400)	(126,750)	

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. Annual funding of \$15,000 for the Public Arts Commission (PAC) also is a function of this fund. The PAC is a City entity which makes recommendations on issues regarding public art within the city. The annual sculpture stroll is largest program managed by the PAC, with eleven sculptures displayed by various artists each year at designated locations throughout the city. This fund also annually allocates monies for maintenance of public art, if needed.

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, which commenced in 2020 and to be completed in early 2023. The Council also committed \$500,000 for 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 2023

- 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 investments, in addition to 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.
- Transfers-In revenue of \$60,000 represents the closure of the 2008 Debt Service fund. All debt obligations have been met and the remaining cash balance is transferred into the Community Improvement fund.
- Transfers-Out represents the final funding needed for the new Police Facility construction project. Cost overruns with the project will require additional reserves to fund the higher costs in 2023.
- The Capital Outlay for 2023 consists of \$19,692 to replace the main street holiday decorations.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Special Assessments	7,218	40,038	20,000	30,000	10,000	50.0%
Intergovernmental Revenue	-	10,000	-	-	-	0.0%
Miscellaneous Revenue	111,360	34,982	50,000	30,000	(20,000)	-40.0%
Transfers-In	10,000	131,457	-	60,000	60,000	0.0%
TOTAL REVENUES	128,578	216,477	70,000	120,000	50,000	71.4%
EXPENDITURES:						
Supplies	757	1,805	1,000	1,000	-	0.0%
Services & Charges	110,815	99,965	50,000	50,000	-	0.0%
Miscellaneous Expenses	329,485	20,077	15,000	15,000	-	0.0%
Transfers-Out	908,253	903,781	1,000,000	800,000	(200,000)	-20.0%
Capital Outlay	-	-	547,454	19,692	(527,762)	-96.4%
TOTAL EXPENDITURES	1,349,311	1,025,628	1,613,454	885,692	(727,762)	-45.1%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(1,220,733)	(809,151)	(1,543,454)	(765,692)	777,762	

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 bond proceeds (debt), state and federal aid, grants and transfers-in from Water, Wastewater, Storm Water and other City funds.

Special assessment dollars are 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 within the Debt Service funds as a source of revenue for the annual debt service payments.

Budgetary Highlights for 2023

- The City's planned projects for 2023 include the partial reconstruction of Roberts Road SW, between Alan Street and Dales Street. Mill and overlays are planned for Century Avenue between Dales Street and Boston Street and for School Road NW between Golf Course Road and North High Drive. Trail construction will be completed on Highway 15 South between Grove Street and Linden Avenue. Alley improvements will be made by Taco John's and the Fire Department. Jefferson Street SE roadway improvements between Toronto Blvd and Airport Road, in conjunction with a roundabout project being administered by McLeod County on Airport Road. Bridge maintenance and sealing will be performed.
- Intergovernmental revenue is for Federal Aid, Municipal State Aid (MSA) and other grants expected to be utilized on the year's projects. The 2023 projects are heavy on roadways qualifying for MSA. The City's annual allocation of MSA is just under \$700,000 per year.
- 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Bond Proceeds	2,405,000	2,589,951	2,300,000	1,900,000	(400,000)	-17.4%
Special Assessments	60,000	-	-	-	-	0.0%
Intergovernmental Revenue	100,445	630,457	350,000	1,370,000	1,020,000	291.4%
Miscellaneous Revenue	4,686	988	-	-	-	0.0%
Transfers-In	912,885	615,942	300,000	300,000	-	0.0%
TOTAL REVENUES	3,483,016	3,837,338	2,950,000	3,570,000	620,000	21.0%
EXPENDITURES:						
Services & Charges	4,752	4,331	500,000	600,000	100,000	20.0%
Transfers-Out	-	-	100,000	50,000	(50,000)	-50.0%
Capital Outlay	3,671,164	3,445,465	2,300,000	2,920,000	620,000	27.0%
Bond Issuance Costs	45,400	34,305	50,000	50,000	-	0.0%
TOTAL EXPENDITURES	3,721,316	3,484,101	2,950,000	3,620,000	670,000	22.7%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(238,300)	353,237	-	(50,000)	(50,000)	

Debt Fund

The Debt Service funds 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 on benefitting properties and by the City's debt tax levy. The City issued G.O. Capital Improvement Plan bonds in 2021 and 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 future debt service payments. This activity is accounted for as "Transfer-In" revenue within the debt fund. No transfers are expected for 2023.

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 2023

- The property taxes levied in 2023 to repay the city's debt obligations increased 2.6% from 2022. The levy increase is due to 2022's new debt that was issued to finalize the Police Facility construction project. The projected debt levy graph on the following page shows that moderate levy increases will be needed to meet future debt obligations. Barring any increases in future debt needs, the levy should stabilize by 2032.
- Transfers-Out represents the residual cash balance of the 2008 debt fund being closed into the Community Improvement fund.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	2,032,840	2,141,095	2,348,252	2,409,577	61,325	2.6%
Tax Increment Taxes	-	-	-	-	-	0.0%
Special Assessments	545,402	580,501	199,470	190,762	(8,708)	-4.4%
Miscellaneous Revenue	61,186	111,423	50,000	50,000	-	0.0%
Transfers-In	-	911,131	100,000	-	(100,000)	0.0%
TOTAL REVENUES	2,639,428	3,744,150	2,697,722	2,650,339	(47,383)	-1.8%
EXPENDITURES:						
Debt Service	2,475,716	4,973,625	2,140,953	2,748,219	607,266	28.4%
Transfers-Out	-	131,457	-	60,000	60,000	100.0%
TOTAL EXPENDITURES	2,475,716	5,105,082	2,140,953	2,808,219	667,266	31.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	163,712	(1,360,932)	556,769	(157,880)	(714,649)	

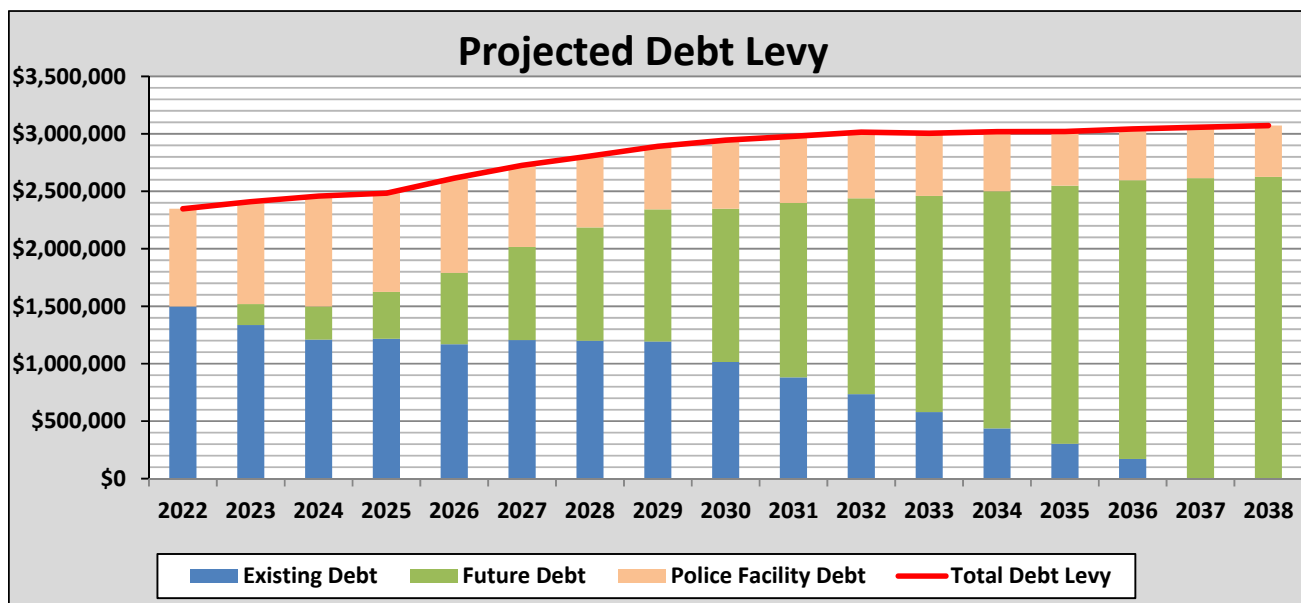
General Obligation Bonds

2023 annual debt service listed by debt issue:

Debt Series	Maturity	2023 Debt Service Payments			Remaining Debt
		Interest	Principal	Total	
2008	2/1/2023	1,237	110,000	111,237	-
2014	2/1/2030	29,000	180,000	209,000	930,000
2015	2/1/2031	32,855	155,000	187,855	1,140,000
2016	2/1/2032	29,900	180,000	209,900	1,405,000
2017	2/1/2033	47,250	165,000	212,250	1,570,000
2018	2/1/2034	57,600	235,000	292,600	1,600,000
2019	2/1/2035	57,338	225,000	282,338	2,060,000
2020	2/1/2036	21,105	175,000	196,105	2,120,000
2021	2/1/2037	71,150	105,000	176,150	2,195,000
2022	2/1/2038	74,815	-	74,815	2,150,000
New PD	2/1/2052	340,969	455,000	795,969	10,865,000
Total		763,219	1,985,000	2,748,219	26,035,000

Debt service requirements for existing bond issues:

	Interest	Principal	Total	Remaining Debt
2024	792,902	2,045,000	2,837,902	23,990,000
2025	622,229	2,105,000	2,727,229	21,885,000
2026	564,077	1,985,000	2,549,077	19,900,000
2027	509,241	1,870,000	2,379,241	18,030,000
2028	456,930	1,775,000	2,231,930	16,255,000
2029	407,368	1,725,000	2,132,368	14,530,000
2030	360,607	1,650,000	2,010,607	12,880,000
2031	318,085	1,550,000	1,868,085	11,330,000
2032	279,168	1,455,000	1,734,168	9,875,000
2033	245,149	1,225,000	1,470,149	8,650,000
2034	217,365	1,040,000	1,257,365	7,610,000
2035	194,321	900,000	1,094,321	6,710,000
2036	175,001	750,000	925,001	5,960,000
2037	158,199	605,000	763,199	5,355,000
2038	143,697	455,000	598,697	4,900,000
Total	6,488,133	26,035,000	32,523,133	



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 2023 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 2023

- 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	130,000	130,000	140,000	150,000	10,000	7.1%
Miscellaneous Revenue	2,585	263,933	54,200	200	(54,000)	-99.6%
TOTAL REVENUES	132,585	393,933	194,200	150,200	(44,000)	-22.7%
EXPENDITURES:						
Wages & Benefits	86,552	91,127	95,531	98,714	3,183	3.3%
Supplies	20,665	28,471	28,295	29,870	1,575	5.6%
Services & Charges	16,064	45,601	15,991	19,443	3,452	21.6%
Miscellaneous Expenses	2,237	1,094	1,662	2,173	511	30.7%
Capital Outlay	-	263,665	54,000	-	(54,000)	0.0%
TOTAL EXPENDITURES	125,518	429,958	195,479	150,200	(45,279)	-23.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	7,067	(36,025)	(1,279)	-	1,279	

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 2023

- 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. The 2023 budget was adjusted upwards by 15% for rising fuel prices.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	186,800	192,404	196,252	202,140	5,888	3.0%
Charges for Services	225,574	303,859	315,580	363,808	48,228	15.3%
Miscellaneous Revenue	40,618	25,643	34,000	37,000	3,000	8.8%
Transfers-In	105,000	108,150	110,313	113,622	3,309	3.0%
TOTAL REVENUES	557,992	630,056	656,145	716,570	60,425	9.2%
EXPENDITURES:						
Wages & Benefits	36,157	40,400	44,258	42,027	(2,231)	-5.0%
Supplies	286,930	385,937	379,425	441,050	61,625	16.2%
Services & Charges	138,281	140,372	165,825	171,400	5,575	3.4%
Miscellaneous Expenses	5,045	5,035	5,550	5,550	-	0.0%
Capital Outlay	-	6,686	61,087	56,543	(4,544)	-7.4%
TOTAL EXPENDITURES	466,413	578,430	656,145	716,570	60,425	9.2%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	91,579	51,626	-	-	-	

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 2023

- Charges for Services includes agricultural rental revenue for city property in addition to parkland dedication fees.
- Miscellaneous Revenues includes an assumption for interest earnings.
- 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 2023.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	7,589	5,866	-	-	-	0.0%
Charges for Services	14,595	17,215	10,000	10,000	-	0.0%
Miscellaneous Revenue	23,913	6,332	5,000	5,000	-	0.0%
Transfers-In	1,814	-	-	-	-	0.0%
TOTAL REVENUES	47,912	29,413	15,000	15,000	-	0.0%
EXPENDITURES:						
Supplies	2,000	6,228	5,000	5,000	-	0.0%
Services & Charges	10,323	7,222	2,000	2,000	-	0.0%
Miscellaneous Expenses	5,788	3,680	4,000	4,000	-	0.0%
Capital Outlay	20,344	-	-	-	-	0.0%
Transfers-Out	10,000	-	-	-	-	0.0%
TOTAL EXPENDITURES	48,455	17,130	11,000	11,000	-	0.0%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(543)	12,283	4,000	4,000	-	

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	8,156	1,134	14%
City Park Trees	3,292	394	12%
City Cemetery Trees	781	20	3%
Other Trees	755	13	2%
Totals	12,984	1,561	12%

Budgetary Highlights for 2023

- 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Transfers-In	55,000	55,000	55,000	55,000	-	0.0%
Miscellaneous Revenue	12,036	(1,759)	5,000	5,000	-	0.0%
TOTAL REVENUES	67,036	53,241	60,000	60,000	-	0.0%
EXPENDITURES:						
Wages & Benefits	2,822	4,006	3,000	3,000	-	0.0%
Supplies	4,794	9,746	5,000	5,000	-	0.0%
Services & Charges	51,081	36,850	35,000	35,000	-	0.0%
TOTAL EXPENDITURES	58,697	50,602	43,000	43,000	-	0.0%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	8,339	2,639	17,000	17,000	-	



2023 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 by the employee and City 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 2023

- 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 2023.
- 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 2023 and is budgeted within the Services & Charges line item.
- The annual fee for the employee assistance program is estimated at \$4,500 for 2023 and is budgeted within the Services & Charges line item.
- This fund previously funded the City's contributions to employee Health Savings Accounts through the Transfer-Out line item. That funding was phased-out over a 5-year period and ending in 2023.

	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Dental Premiums	114,233	113,956	114,000	114,500	500	0.4%
Miscellaneous Revenue	11,537	1,177	6,000	1,500	(4,500)	-75.0%
TOTAL REVENUES	125,770	115,133	120,000	116,000	(4,000)	-3.3%
EXPENDITURES:						
Dental Claims	73,522	93,822	90,000	95,000	5,000	5.6%
Services & Charges	13,652	13,746	14,000	15,000	1,000	7.1%
Miscellaneous Expenses	3,374	2,756	800	-	(800)	0.0%
Transfers-Out	69,000	46,000	23,000	-	(23,000)	0.0%
TOTAL EXPENDITURES	159,548	156,325	127,800	110,000	(17,800)	-13.9%
TOTAL REVENUE OVER (UNDER) EXPENDITURES	(33,778)	(41,192)	(7,800)	6,000	13,800	



2023 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 31st - 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 change. 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
 2023 thru 2027

DEPARTMENT SUMMARY

Department	2023	2024	2025	2026	2027	Total
Airport	20,000	625,000		1,500,000		2,145,000
Cemetery	10,000	10,000	10,000	69,500	10,000	109,500
City Center	105,000	190,000	350,000	50,000	50,000	745,000
Civic Arena	61,000	185,000				246,000
Compost	340,000	420,000	125,000	197,000	50,000	1,132,000
Engineering				33,200		33,200
Fire	43,900	103,800		222,300	600,000	970,000
Information Technology	258,996		46,805		32,800	338,601
Infrastructure Improvements	4,432,522	3,724,560	3,860,390	3,160,491	3,939,361	19,117,324
Library		100,000				100,000
Parks	154,692	256,380	2,917,600	713,200	282,400	4,324,272
Police	102,000	116,500		149,300	92,200	460,000
Public Works		7,100,000	65,000	50,000	100,000	7,315,000
Refuse	1,009,500	250,000		105,000		1,364,500
Senior Dining		9,500				9,500
Storm Water	125,000	130,000	778,000	380,000	536,000	1,949,000
Streets	594,500	423,500	415,200	312,100	382,300	2,127,600
Wastewater	1,550,640	1,462,200	971,700	1,081,170	928,750	5,994,460
Water	808,600	760,000	1,000,000	360,000	400,000	3,328,600
TOTAL	9,616,350	15,866,440	10,539,695	8,383,261	7,403,811	51,809,557

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2023 thru 2027

PROJECTS BY DEPARTMENT

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Airport								
Drainage Improvements	AIR-2301	3	20,000					20,000
Airfield Lighting Systems Convert to LED	AIR-2401	2		350,000				350,000
8-Unit T-Hangar	AIR-2601	3				1,500,000		1,500,000
Tractor, snowplow, snow blower	AIR 055	3		275,000				275,000
Airport Total			20,000	625,000		1,500,000		2,145,000
Cemetery								
Fencing & Roadways	CEM 01	3	10,000	10,000	10,000	10,000	10,000	50,000
Toolcat 5600	CEM 412	3				59,500		59,500
Cemetery Total			10,000	10,000	10,000	69,500	10,000	109,500
City Center								
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
Parking Lot improvements	C.CTR-2301	3	55,000					55,000
City Center Security Remodel	C.CTR-1701	3			300,000			300,000
City Center Total			105,000	190,000	350,000	50,000	50,000	745,000
Civic Arena								
Drainage improvements	CA-2301	2	50,000					50,000
West Rink Lighting Replacement	CA-2302	3	11,000					11,000
Replace East dasher boards	CA-1505	3		185,000				185,000
Civic Arena Total			61,000	185,000				246,000
Compost								
Office Expansion	COMP-2201	2		150,000				150,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3		150,000				150,000
Forklift	COMP-2701	3					50,000	50,000
Wheel Loader	COMP-2601	2				197,000		197,000
Stacking Conveyor	COMP-2502	3			100,000			100,000
Flatbed Trailer (Used)	COMP-2501	4			25,000			25,000
Cold Storage Expansion	COMP-2401	3		75,000				75,000
Bagging Line Software Update	COMP-2303	3	45,000					45,000
Portable Shrink Wrapping Machine	COMP-2302	4		45,000				45,000
New Wheel Loader	COMP-2301	3	180,000					180,000
Semi Tractor	COMP-2202	3	75,000					75,000
Loading Dock Improvements	COMP-2203	2	40,000					40,000
Compost Total			340,000	420,000	125,000	197,000	50,000	1,132,000
Engineering								
1/2 ton work truck	ENGR 945	3				33,200		33,200

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Engineering Total						33,200		33,200
Fire								
Fire Ladder Truck refurbishment	FD-595	3					600,000	600,000
SUV, command vehicle	FIRE-856	3				47,300		47,300
New Command Vechicle	FD-688	3	43,900					43,900
Portable Radio Replacements	FD-2601	2				120,000		120,000
Fire Hall Roof improvements	FD-2302	2		80,000				80,000
Exhaust Capture System	FD-1801	3				55,000		55,000
Fire UTV replacement	FD-513	3		23,800				23,800
Fire Total			43,900	103,800		222,300	600,000	970,000
Information Technology								
Core Servers Upgrade	IT-2501	3			46,805			46,805
Replace Minivan	IT-670	3					32,800	32,800
Video Surveillance Project	IT-2303	3	222,774					222,774
Council chambers projector	IT-2302	2	10,000					10,000
Large UPS for Server Room	IT-2301	3	26,222					26,222
Information Technology Total			258,996		46,805		32,800	338,601
Infrastructure Improvements								
Trunk Hwy 15 trail improvements	TRAIL 22-1	3	200,000					200,000
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				130,970		130,970
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3			573,720			573,720
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3		1,150,401				1,150,401
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				386,401		386,401
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				309,845		309,845
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3			2,656,320			2,656,320
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				122,430		122,430
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				92,470		92,470
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				40,320		40,320
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					685,270	685,270
Bluff St/Northwoods trail	Trail 26-1	4				490,050		490,050
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3			219,240			219,240
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3			411,110			411,110
5th Ave SE (Bridge - Hwy 22)	Overlay 25-1	3		573,533				573,533
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3				414,183		414,183
Harrington St SW (Linden-Juul Rd SW)	Partial 27-2	3					1,170,622	1,170,622
Bridge Deck Repairs & Sealing	Maint 23-1	3	300,000					300,000
Century Ave SW (Dale-Boston)	Overlay 22-2	3	425,198					425,198
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 26-2	3				712,292		712,292
Blackbird/Blackhawk/Bluejay	Overlay 26-3	3		265,437				265,437
Dale St SW (SGR-Roberts)	Partial 23-1	3	2,108,031					2,108,031
Roberts Rd SW (Alan-Dale)	Partial 23-2	3	1,399,293					1,399,293
Washington Ave W (Lynn-Main)	Partial 24-1	3		1,481,149				1,481,149
School Rd SW (SGR SW - Roberts Rd SW)	Partial 27-1	3					2,083,469	2,083,469
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3				461,530		461,530
School Rd NW (Golf Course-North High)	Overlay 22-1	3		254,040				254,040
Infrastructure Improvements Total			4,432,522	3,724,560	3,860,390	3,160,491	3,939,361	19,117,324
Library								
Library Decor/Fixture Upgrade & Carpet Replace	LIB-1901	3		100,000				100,000

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Library Total			100,000					100,000
Parks								
Parks Cold Storage	PARK-2702	3					150,000	150,000
Veteran's Memorial Field Restroom Facilities	PARK-2506	5			25,000			25,000
Shady Ridge Park - Playground Replacement	PARK-2601	3				20,000		20,000
Masonic West River Campground Expansion	PARK-2602	5				500,000		500,000
Roberts Park Concession/Restroom Building	PARK-2603	3				50,000		50,000
Driftriders Playground Install	PARK-2701	3					30,000	30,000
Parks HVAC	PARK-2703	3					10,000	10,000
Soil Top Dresser	PARK-2704	4					25,500	25,500
Wide-area Mower	PARK-302	2		71,100				71,100
Tractor w/cab	PARK-357	3			46,300			46,300
Park Signage	PARK-2505	3			50,000			50,000
1/4 Ton 4X2 Pickup	PARK-528	4			27,800			27,800
Main Street Holiday Decoration Replacements	PARK-2304	1	19,692					19,692
Truck, 1-ton snowplow	PARK-664	4					48,600	48,600
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	4		46,200				46,200
Roberts & VMF Parks Lighting Improvements	PARK-2504	3			650,000			650,000
Tartan Park- Playground Replacements	PARK-2503	3				40,000		40,000
South Park - Playground Replacement	PARK-2502	3			20,000			20,000
Northwoods Park - Playground Replacement	PARK-2501	3			40,000			40,000
Veteran's Memorial Field Perimeter Fencing	PARK-2405	3		57,080				57,080
Masonic West River - Playground Replacement	PARK-2401	3		65,000				65,000
Oddfellows Park - Playground Replacement	PARK-2301	3	60,000					60,000
1/2 Ton 4x4 Pickup w/Snowplow	PARK-221	2	45,000					45,000
Splash Pad	PARK-2203	3			2,000,000			2,000,000
Skid steer loader S250	PARK-211	4			58,500			58,500
PRCE Administrative Hybrid vehicle	PARK-127	4	30,000					30,000
Wide-area mower	PARK-082	2				74,700		74,700
Gang mower replacement	PARK-024	2					18,300	18,300
1/2 Ton 4X2 Pickup	PARK-954	4				28,500		28,500
Recreation Center Floor Scrubber	PARK-2404	3		17,000				17,000
Parks Total			154,692	256,380	2,917,600	713,200	282,400	4,324,272
Police								
Squad car #7 replacement	PD-SQD7	2		52,300				52,300
Trailer, enclosed tandem	PD-361	4		11,900				11,900
Replace Equinox	PD-480	3					35,900	35,900
SUV, Suburban #4	PD-SQ4	2				59,300		59,300
Squad car #1 replacement	PD-SQD1	2					56,300	56,300
Squad car #2 replacement	PD-SQD2	2	51,000					51,000
Squad car #3 replacement	PD-SQD3	2		52,300				52,300
Squad car #5 replacement	PD-SQD5	2				55,000		55,000
Squad car #6 replacement	PD-SQD6	2	51,000					51,000
Replace Equinox	PD-205	3				35,000		35,000
Police Total			102,000	116,500		149,300	92,200	460,000
Public Works								
HATS Mechanics Shop Improvements	HATS-2401	2		500,000				500,000
HATS Storage building, fuel site	HATS-08	3		6,600,000				6,600,000
Wash bay improvements	HATS-05	3					100,000	100,000
Stormceptor for outdoor wash area	HATS-02	3			65,000			65,000
Pond cleaning/excavation	HATS-04	3				50,000		50,000

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Public Works Total				7,100,000	65,000	50,000	100,000	7,315,000
Refuse								
Site Preparation - New SSOM Operations	REFS-2105	3	297,500					297,500
Curing Pad Expansion	REFS-2106	2	210,000					210,000
Skidsteer Loader	REFS-2602	3				65,000		65,000
Half-ton pickup	REFS-2601	3				40,000		40,000
Office Expansion	REFS-2202	2		150,000				150,000
Roll-off Truck Chassis	REFS-2002	1	130,000					130,000
Tractor (TMR mixer power unit)	REFS-2103	2	150,000					150,000
TMR Mixer	REFS-2102	2	120,000					120,000
Bi-Fold Door Replacement	REFS-2003	2	42,000					42,000
Scale Improvements & Relocation	REFS-2301	3		100,000				100,000
Airlift Separator	REFS-2104	3	60,000					60,000
Refuse Total			1,009,500	250,000		105,000		1,364,500
Senior Dining								
Senior Dining Roof improvements	Sr Dine-2302	2		9,500				9,500
Senior Dining Total				9,500				9,500
Storm Water								
Leaf vacuum (2)	STWT LEAF	3			228,000			228,000
Street Infrastructure Improvements	STWT-INF	3	50,000	50,000	50,000	50,000	50,000	250,000
Ridgewater College Drainage	STWT-2702	3					60,000	60,000
Combine Mec/Vac Sweepers to 1 Regen Air	STWT-2701	2					275,000	275,000
Clifton Heights Drainage Improvements	STWT-2602	3				300,000		300,000
Bradford St SE drainage improvement	STWT 2601	3					121,000	121,000
Michigan St NE area drainage improvement	STWT 2501	3			500,000			500,000
Pond SW2 improvements	STWT 2401	3		80,000				80,000
8th Ave NW drainage improvement	STWT 2301	3	75,000					75,000
Pond Cleanout	STWT-2603	3				30,000	30,000	60,000
Storm Water Total			125,000	130,000	778,000	380,000	536,000	1,949,000
Streets								
1 ton truck 4x4	STRT 660	3	50,000					50,000
Truck, single axle w/ dump	STRT 894	3					281,500	281,500
1-ton Service truck	STRT 857	3		71,800				71,800
1-ton flatbed truck	STRT 837	3			73,600			73,600
1 ton flatbed truck	STRT 835	3	70,000					70,000
Brush Chipper	STRT 688	3	80,000					80,000
1/2 ton pickup	STRT 775	3				37,400		37,400
Tandem-axle Dump Truck	STRT 972	3	69,500					69,500
Truck, single axle w/ dump	STRT 613	3		261,400				261,400
Truck, single axel w/ dump	STRT 522	3	255,000					255,000
Truck, single axel (short) w/hooklift	STRT 441	3			268,000			268,000
1-ton 4x2 truck with dump	STRT 289	3	70,000					70,000
Truck, tandem	STRT 218	3		71,300				71,300
1-ton 4x4 truck	STRT 170	3			73,600			73,600
Asphalt Zipper milling machine	STRT 074	3					70,800	70,800
Water St Garage Siding/Soffits	STRT 003	4					30,000	30,000
Grasshopper mower 72"	STRT 626	3		19,000				19,000
Truck single axel (long) w/hooklift	STRT 781	3				274,700		274,700

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Streets Total			594,500	423,500	415,200	312,100	382,300	2,127,600
Wastewater								
1/2 Ton 4x4 work truck	WWTF 760	3	50,000					50,000
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 rake mechanism & drive replacement	WWTF 26-3	2				339,500	339,500	679,000
WWTF buildings 50,60 & 80 roof replace	WWTF 26-4	2			140,100			140,100
WWTF Bldgs 10,20,90&100 Roof Replacement	WWTF 26-5	2				140,100		140,100
Lift Station Repairs & Upgrades	WWTF 27-1	2					85,000	85,000
EQ basin liner replacement	WWTF 25-4	2			70,000			70,000
Vactor Truck & Jetting Trailer	WWTF 648	2		600,000				600,000
Replace Ox Ditch RAS Pumps	WWTF 25-6	2			150,000			150,000
Aerzen Scour Air Blower Overhaul/Efficiency	WWTF-23-7	2	110,000					110,000
1/2 Ton Work Truck	WWTF 27-2	2					60,000	60,000
Digester aeration & mixation rehab	WWTF 22-2	1	606,120					606,120
Clarifier dome replacement	WWTF 26-2	3				342,250	342,250	684,500
Lift Station repairs/upgrade (Campbell LS)	WWTF 25-3	2		70,000				70,000
Biosolids Spreader	WWTF 218	2	65,000					65,000
HATS LS MCC Building	WWTF 22-5	2		100,000				100,000
Belt press thickener 2 overhaul/replace	WWTF 23-1	1	509,520					509,520
Receiving/Bulk water station	WWTF 23-2	1		240,000				240,000
MBR fine bubble diffuser system replacement	WWTF 23-5	2		110,200				110,200
Building #100 roof replacement	WWTF 23-6	2				52,320		52,320
Building #90 Boiler/Controls replacement	WWTF 24-1	2		150,000				150,000
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 24-2	2	114,000					114,000
MBR perm pump #1 replacement	WWTF 24-3	2		90,000				90,000
Belt press thickener 1 overhaul/replace	WWTF 25-1	1			424,600			424,600
Collection system infrastructure	WWTF 21-25	2	96,000	102,000	102,000	102,000	102,000	504,000
Wastewater Total			1,550,640	1,462,200	971,700	1,081,170	928,750	5,994,460
Water								
1/2 ton work truck	WATR 072	3		60,000				60,000
Well 4 Rehabilitation	WATR 26-1	2				65,000		65,000
Mower replacement	WATR 793	3	20,000					20,000
1/2 ton work truck	WATR 484	3	45,000					45,000
Well 5 Recovery Treatment	WATR 27-2	2					50,000	50,000
Well 6 Recovery Treatment	WATR 27-1	2					50,000	50,000
Scissors Lift	WATR 26-3	3				30,000		30,000
Well 6 Rehabilitation	WATR 26-2	2				65,000		65,000
Membrane replacement	WATR 25-1	3			400,000			400,000
Well 7 Recovery Treatment	WATR 24-2	3	50,000					50,000
Well 7 Rehabilitation	WATR 24-1	3	65,000					65,000
Sensus Analytics & Customer Portal	WATR 23-2	4	28,600					28,600
Bulk Fill station	WATR 23-1	3		100,000				100,000
Water Meter Replacement	WATR 22-24	3	400,000	400,000	400,000			1,200,000
Street Infrastructure Improvements	WATR-INF	3	200,000	200,000	200,000	200,000	200,000	1,000,000
Concentrate piping replacement	WATR 22-5	2					100,000	100,000
Water Total			808,600	760,000	1,000,000	360,000	400,000	3,328,600
GRAND TOTAL			9,616,350	15,866,440	10,539,695	8,383,261	7,403,811	51,809,557

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2023 thru 2027

FUNDING SOURCE SUMMARY

Source	2023	2024	2025	2026	2027	Total
Airport Construction Fund		35,000		150,000		185,000
Capital Projects Fund	20,000	10,000	10,000	130,000	10,000	180,000
Capital Projects Fund - Facilities Plan	166,000	564,500	350,000	155,000	240,000	1,475,500
Capital Projects Fund - Playground Plan	60,000	65,000	60,000	60,000	30,000	275,000
Community Improvement Fund	19,692	42,080	75,000	500,000		636,772
Compost Fund	349,883	420,000	126,151	197,000	50,000	1,143,034
Cooperative Agreement - EDA/HRA	781		1,343			2,124
Cooperative Agreement - HUC	6,472		661,701			668,173
Donations		15,000				15,000
Equipment Replacement - Heavy Fleet	255,000	288,900	268,000	274,700	881,500	1,968,100
Equipment Replacement - Small Fleet	560,400	424,800	279,800	429,900	288,200	1,983,100
G.O. Improv Bonds - Debt Tax Levy	2,489,948	2,333,362	2,406,299	2,392,628	2,216,843	11,839,080
General Fund	20,728		26,279			47,007
Grants - Federal	147,297	562,500		1,350,000		2,059,797
Grants - State	14,000	6,600,000				6,614,000
HATS Fund (City, County, State)		500,000	65,000	50,000	100,000	715,000
Liquor Fund	893		1,535			2,428
Municipal State Aid	1,200,000	750,000	700,000	250,000	1,000,000	3,900,000
Refuse Fund	1,018,713	250,000		105,000		1,373,713
Rural Fire Dept Fund		11,900				11,900
Special Assessments	497,989	466,674	481,261	380,518	443,369	2,269,811
Storm Water Utility Fund	247,293	217,262	914,416	448,673	675,575	2,503,219
Unfunded Projects			2,000,000			2,000,000
Wastewater Fund	1,637,424	1,505,831	1,042,401	1,115,506	998,537	6,299,699
Water Fund	903,837	803,631	1,070,509	394,336	469,787	3,642,100
GRAND TOTAL	9,616,350	15,866,440	10,539,695	8,383,261	7,403,811	51,809,557

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2023 thru 2027

PROJECTS BY FUNDING SOURCE

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
Airport Construction Fund								
Airfield Lighting Systems Convert to LED	AIR-2401	2		35,000				35,000
8-Unit T-Hangar	AIR-2601	3				150,000		150,000
Airport Construction Fund Total				35,000		150,000		185,000
Capital Projects Fund								
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
Council chambers projector	IT-2302	2	10,000					10,000
Capital Projects Fund Total			20,000	10,000	10,000	130,000	10,000	180,000
Capital Projects Fund - Facilities Plan								
City Center Security Remodel	C.CTR-1701	3			300,000			300,000
Parking Lot improvements	C.CTR-2301	3	55,000					55,000
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 dasher boards	CA-1505	3		185,000				185,000
Drainage improvements	CA-2301	2	50,000					50,000
West Rink Lighting Replacement	CA-2302	3	11,000					11,000
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 Park Concession/Restroom Building	PARK-2603	3				50,000		50,000
Parks Cold Storage	PARK-2702	3					150,000	150,000
Parks HVAC	PARK-2703	3					10,000	10,000
Senior Dining Roof improvements	Sr Dine-2302	2		9,500				9,500
Water St Garage Siding/Soffits	STRT 003	4					30,000	30,000
Capital Projects Fund - Facilities Plan Total			166,000	564,500	350,000	155,000	240,000	1,475,500
Capital Projects Fund - Playground Plan								
Oddfellows Park - Playground Replacement	PARK-2301	3	60,000					60,000
Masonic West River - Playground Replacement	PARK-2401	3		65,000				65,000
Northwoods Park - Playground Replacement	PARK-2501	3			40,000			40,000
South Park - Playground Replacement	PARK-2502	3			20,000			20,000
Tartan Park- Playground Replacements	PARK-2503	3				40,000		40,000
Shady Ridge Park - Playground Replacement	PARK-2601	3				20,000		20,000
Driftriders Playground Install	PARK-2701	3					30,000	30,000
Capital Projects Fund - Playground Plan Total			60,000	65,000	60,000	60,000	30,000	275,000

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
Community Improvement Fund								
Main Street Holiday Decoration Replacements	PARK-2304	1	19,692					19,692
Veteran's Memorial Field Perimeter Fencing	PARK-2405	3		42,080				42,080
Park Signage	PARK-2505	3			50,000			50,000
Veteran's Memorial Field Restroom Facilities	PARK-2506	5			25,000			25,000
Masonic West River Campground Expansion	PARK-2602	5				500,000		500,000
Community Improvement Fund Total			19,692	42,080	75,000	500,000		636,772
Compost Fund								
Office Expansion	COMP-2201	2		150,000				150,000
Semi Tractor	COMP-2202	3	75,000					75,000
Loading Dock Improvements	COMP-2203	2	40,000					40,000
New Wheel Loader	COMP-2301	3	180,000					180,000
Portable Shrink Wrapping Machine	COMP-2302	4		45,000				45,000
Bagging Line Software Update	COMP-2303	3	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
Stacking Conveyor	COMP-2502	3			100,000			100,000
Wheel Loader	COMP-2601	2				197,000		197,000
Forklift	COMP-2701	3					50,000	50,000
Large UPS for Server Room	IT-2301	3	670					670
Video Surveillance Project	IT-2303	3	9,213					9,213
Core Servers Upgrade	IT-2501	3			1,151			1,151
Compost Fund Total			349,883	420,000	126,151	197,000	50,000	1,143,034
Cooperative Agreement - EDA/HRA								
Large UPS for Server Room	IT-2301	3	781					781
Core Servers Upgrade	IT-2501	3			1,343			1,343
Cooperative Agreement - EDA/HRA Total			781		1,343			2,124
Cooperative Agreement - HUC								
Large UPS for Server Room	IT-2301	3	6,472					6,472
Core Servers Upgrade	IT-2501	3			11,701			11,701
Roberts & VMF Parks Lighting Improvements	PARK-2504	3			650,000			650,000
Cooperative Agreement - HUC Total			6,472		661,701			668,173
Donations								
Veteran's Memorial Field Perimeter Fencing	PARK-2405	3		15,000				15,000
Donations Total				15,000				15,000
Equipment Replacement - Heavy Fleet								
Tractor, snowplow, snow blower	AIR 055	3		27,500				27,500
Fire Ladder Truck refurbishment	FD-595	3					600,000	600,000
Truck, single axel (short) w/hooklift	STRT 441	3			268,000			268,000
Truck, single axel w/ dump	STRT 522	3	255,000					255,000

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
Truck, single axle w/ dump	STRT 613	3		261,400				261,400
Truck single axel (long) w/hooklift	STRT 781	3				274,700		274,700
Truck, single axle w/ dump	STRT 894	3					281,500	281,500
Equipment Replacement - Heavy Fleet Total			255,000	288,900	268,000	274,700	881,500	1,968,100

Equipment Replacement - Small Fleet

Toolcat 5600	CEMT 412	3				59,500		59,500
1/2 ton work truck	ENGR 945	3				33,200		33,200
Fire UTV replacement	FD-513	3		11,900				11,900
New Command Vechicle	FD-688	3	43,900					43,900
SUV, command vehicle	FIRE-856	3				47,300		47,300
Replace Minivan	IT-670	3					32,800	32,800
Gang mower replacement	PARK-024	2					18,300	18,300
Wide-area mower	PARK-082	2				74,700		74,700
PRCE Administrative Hybrid vehicle	PARK-127	4	30,000					30,000
Skid steer loader S250	PARK-211	4			58,500			58,500
1/2 Ton 4x4 Pickup w/Snowplow	PARK-221	2	45,000					45,000
Recreation Center Floor Scrubber	PARK-2404	3		17,000				17,000
Soil Top Dresser	PARK-2704	4					25,500	25,500
Wide-area Mower	PARK-302	2		71,100				71,100
Tractor w/cab	PARK-357	3			46,300			46,300
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	4		46,200				46,200
1/4 Ton 4X2 Pickup	PARK-528	4			27,800			27,800
Truck, 1-ton snowplow	PARK-664	4					48,600	48,600
1/2 Ton 4X2 Pickup	PARK-954	4				28,500		28,500
Replace Equinox	PD-205	3				35,000		35,000
Trailer, enclosed tandem	PD-361	4		11,900				11,900
Replace Equinox	PD-480	3					35,900	35,900
SUV, Suburban #4	PD-SQ4	2				59,300		59,300
Squad car #1 replacement	PD-SQD1	2					56,300	56,300
Squad car #2 replacement	PD-SQD2	2	51,000					51,000
Squad car #3 replacement	PD-SQD3	2		52,300				52,300
Squad car #5 replacement	PD-SQD5	2				55,000		55,000
Squad car #6 replacement	PD-SQD6	2	51,000					51,000
Squad car #7 replacement	PD-SQD7	2		52,300				52,300
Asphalt Zipper milling machine	STRT 074	3					70,800	70,800
1-ton 4x4 truck	STRT 170	3			73,600			73,600
Truck, tandem	STRT 218	3		71,300				71,300
1-ton 4x2 truck with dump	STRT 289	3	70,000					70,000
Grasshopper mower 72"	STRT 626	3		19,000				19,000
1 ton truck 4x4	STRT 660	3	50,000					50,000
Brush Chipper	STRT 688	3	80,000					80,000
1/2 ton pickup	STRT 775	3				37,400		37,400
1 ton flatbed truck	STRT 835	3	70,000					70,000
1-ton flatbed truck	STRT 837	3			73,600			73,600
1-ton Service truck	STRT 857	3		71,800				71,800
Tandem-axle Dump Truck	STRT 972	3	69,500					69,500
Equipment Replacement - Small Fleet Total			560,400	424,800	279,800	429,900	288,200	1,983,100

G.O. Improv Bonds - Debt Tax Levy

School Rd NW (Golf Course-North High)	Overlay 22-1	3		128,367				128,367
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Source	Project #	Priority	2023	2024	2025	2026	2027	Total
Century Ave SW (Dale-Boston)	Overlay 22-2	3	187,665					187,665
5th Ave SE (Bridge - Hwy 22)	Overlay 25-1	3		352,944				352,944
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 26-2	3				385,243		385,243
Blackbird/Blackhawk/Bluejay	Overlay 26-3	3		221,197				221,197
Dale St SW (SGR-Roberts)	Partial 23-1	3	1,348,882					1,348,882
Roberts Rd SW (Alan-Dale)	Partial 23-2	3	953,401					953,401
Washington Ave W (Lynn-Main)	Partial 24-1	3		736,017				736,017
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3			1,483,179			1,483,179
School Rd SW (SGR SW - Roberts Rd SW)	Partial 27-1	3					788,098	788,098
Harrington St SW (Linden-Juul Rd SW)	Partial 27-2	3					903,371	903,371
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3				359,179		359,179
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3				322,332		322,332
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3			168,083			168,083
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3		894,837				894,837
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3			439,852			439,852
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				300,711		300,711
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				239,034		239,034
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				100,411		100,411
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				93,862		93,862
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				70,894		70,894
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				30,912		30,912
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3			315,185			315,185
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					525,374	525,374
Bluff St/Northwoods trail	Trail 26-1	4				490,050		490,050

**G.O. Improv Bonds - Debt Tax Levy
Total**

2,489,948 2,333,362 2,406,299 2,392,628 2,216,843 11,839,080

General Fund

Drainage Improvements	AIR-2301	3	6,000					6,000
Large UPS for Server Room	IT-2301	3	14,728					14,728
Core Servers Upgrade	IT-2501	3			26,279			26,279

General Fund Total

20,728 26,279 47,007

Grants - Federal

Tractor, snowplow, snow blower	AIR 055	3		247,500				247,500
Airfield Lighting Systems Convert to LED	AIR-2401	2		315,000				315,000
8-Unit T-Hangar	AIR-2601	3				1,350,000		1,350,000
Video Surveillance Project	IT-2303	3	147,297					147,297

Grants - Federal Total

147,297 562,500 1,350,000 2,059,797

Grants - State

Drainage Improvements	AIR-2301	3	14,000					14,000
HATS Storage building, fuel site	HATS-08	3		6,600,000				6,600,000

Grants - State Total

14,000 6,600,000 6,614,000

HATS Fund (City, County, State)

Stormceptor for outdoor wash area	HATS-02	3			65,000			65,000
Pond cleaning/excavation	HATS-04	3				50,000		50,000
Wash bay improvements	HATS-05	3					100,000	100,000
HATS Mechanics Shop Improvements	HATS-2401	2		500,000				500,000

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
HATS Fund (City, County, State) Total				500,000	65,000	50,000	100,000	715,000
Liquor Fund								
Large UPS for Server Room	IT-2301	3	893					893
Core Servers Upgrade	IT-2501	3			1,535			1,535
Liquor Fund Total			893		1,535			2,428
Municipal State Aid								
Bridge Deck Repairs & Sealing	Maint 23-1	3	300,000					300,000
School Rd NW (Golf Course-North High)	Overlay 22-1	3		100,000				100,000
Century Ave SW (Dale-Boston)	Overlay 22-2	3	200,000					200,000
5th Ave SE (Bridge - Hwy 22)	Overlay 25-1	3		150,000				150,000
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 26-2	3				250,000		250,000
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
School Rd SW (SGR SW - Roberts Rd SW)	Partial 27-1	3					1,000,000	1,000,000
Trunk Hwy 15 trail improvements	TRAIL 22-1	3	200,000					200,000
Municipal State Aid Total			1,200,000	750,000	700,000	250,000	1,000,000	3,900,000
Refuse Fund								
Video Surveillance Project	IT-2303	3	9,213					9,213
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
Office Expansion	REFS-2202	2		150,000				150,000
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			1,018,713	250,000		105,000		1,373,713
Rural Fire Dept Fund								
Fire UTV replacement	FD-513	3		11,900				11,900
Rural Fire Dept Fund Total				11,900				11,900
Special Assessments								
School Rd NW (Golf Course-North High)	Overlay 22-1	3		25,673				25,673
Century Ave SW (Dale-Boston)	Overlay 22-2	3	37,533					37,533
5th Ave SE (Bridge - Hwy 22)	Overlay 25-1	3		70,589				70,589
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 26-2	3				77,049		77,049
Blackbird/Blackhawk/Bluejay	Overlay 26-3	3		44,240				44,240
Dale St SW (SGR-Roberts)	Partial 23-1	3	269,776					269,776
Roberts Rd SW (Alan-Dale)	Partial 23-2	3	190,680					190,680

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
Washington Ave W (Lynn-Main)	Partial 24-1	3		147,204				147,204
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3			296,636			296,636
School Rd SW (SGR SW - Roberts Rd SW)	Partial 27-1	3					157,620	157,620
Harrington St SW (Linden-Juul Rd SW)	Partial 27-2	3					180,674	180,674
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3				71,836		71,836
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3				64,467		64,467
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3			33,617			33,617
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3		178,968				178,968
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3			87,971			87,971
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				60,142		60,142
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				47,807		47,807
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				20,082		20,082
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				18,773		18,773
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				14,179		14,179
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				6,183		6,183
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3			63,037			63,037
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					105,075	105,075
Special Assessments Total			497,989	466,674	481,261	380,518	443,369	2,269,811

Storm Water Utility Fund

Dale St SW (SGR-Roberts)	Partial 23-1	3	69,687					69,687
Roberts Rd SW (Alan-Dale)	Partial 23-2	3	52,606					52,606
Washington Ave W (Lynn-Main)	Partial 24-1	3		48,964				48,964
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3			88,253			88,253
School Rd SW (SGR SW - Roberts Rd SW)	Partial 27-1	3					68,875	68,875
Harrington St SW (Linden-Juul Rd SW)	Partial 27-2	3					43,289	43,289
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3				15,257		15,257
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3				13,692		13,692
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3			8,770			8,770
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3		38,298				38,298
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3			22,949			22,949
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				12,774		12,774
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				11,502		11,502
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				5,239		5,239
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				4,897		4,897
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				3,699		3,699
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				1,613		1,613
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3			16,444			16,444
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					27,411	27,411
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
Bradford St SE drainage improvement	STWT 2601	3					121,000	121,000
Leaf vacuum (2)	STWT LEAF	3			228,000			228,000
Clifton Heights Drainage Improvements	STWT-2602	3				300,000		300,000
Pond Cleanout	STWT-2603	3				30,000	30,000	60,000
Combine Mec/Vac Sweepers to 1 Regen Air	STWT-2701	2					275,000	275,000
Ridgewater College Drainage	STWT-2702	3					60,000	60,000
Street Infrastructure Improvements	STWT-INF	3	50,000	50,000	50,000	50,000	50,000	250,000
Storm Water Utility Fund Total			247,293	217,262	914,416	448,673	675,575	2,503,219

Unfunded Projects

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
Splash Pad	PARK-2203	3			2,000,000			2,000,000
Unfunded Projects Total					2,000,000			2,000,000

Wastewater Fund

Large UPS for Server Room	IT-2301	3	1,451					1,451
Video Surveillance Project	IT-2303	3	24,187					24,187
Core Servers Upgrade	IT-2501	3			2,494			2,494
Dale St SW (SGR-Roberts)	Partial 23-1	3	34,843					34,843
Roberts Rd SW (Alan-Dale)	Partial 23-2	3	26,303					26,303
Washington Ave W (Lynn-Main)	Partial 24-1	3		24,482				24,482
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3			44,126			44,126
School Rd SW (SGR SW - Roberts Rd SW)	Partial 27-1	3					34,438	34,438
Harrington St SW (Linden-Juul Rd SW)	Partial 27-2	3					21,644	21,644
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3				7,629		7,629
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3				6,846		6,846
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3			4,385			4,385
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3		19,149				19,149
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3			11,474			11,474
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				6,387		6,387
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				5,751		5,751
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				2,619		2,619
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				2,449		2,449
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				1,849		1,849
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				806		806
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3			8,222			8,222
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					13,705	13,705
Collection system infrastructure	WWTF 21-25	2	96,000	102,000	102,000	102,000	102,000	504,000
Biosolids Spreader	WWTF 218	2	65,000					65,000
Digester aeration & mixation rehab	WWTF 22-2	1	606,120					606,120
HATS LS MCC Building	WWTF 22-5	2		100,000				100,000
Belt press thickener 2 overhaul/replace	WWTF 23-1	1	509,520					509,520
Receiving/Bulk water station	WWTF 23-2	1		240,000				240,000
MBR fine bubble diffuser system replacement	WWTF 23-5	2		110,200				110,200
Building #100 roof replacement	WWTF 23-6	2				52,320		52,320
Building #90 Boiler/Controls replacement	WWTF 24-1	2		150,000				150,000
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 24-2	2	114,000					114,000
MBR perm pump #1 replacement	WWTF 24-3	2		90,000				90,000
Belt press thickener 1 overhaul/replace	WWTF 25-1	1			424,600			424,600
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
Replace Ox Ditch RAS Pumps	WWTF 25-6	2			150,000			150,000
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	684,500
Clarifier rake mechanism & drive replacement	WWTF 26-3	2				339,500	339,500	679,000
WWTF buildings 50,60 & 80 roof replace	WWTF 26-4	2			140,100			140,100
WWTF Bldgs 10,20,90&100 Roof Replacement	WWTF 26-5	2				140,100		140,100
Lift Station Repairs & Upgrades	WWTF 27-1	2					85,000	85,000
1/2 Ton Work Truck	WWTF 27-2	2					60,000	60,000
Vactor Truck & Jetting Trailer	WWTF 648	2		600,000				600,000
1/2 Ton 4x4 work truck	WWTF 760	3	50,000					50,000
Aerzen Scour Air Blower Overhaul/Efficiency	WWTF-23-7	2	110,000					110,000

Source	Project #	Priority	2023	2024	2025	2026	2027	Total
Wastewater Fund Total			1,637,424	1,505,831	1,042,401	1,115,506	998,537	6,299,699
Water Fund								
Large UPS for Server Room	IT-2301	3	1,227					1,227
Video Surveillance Project	IT-2303	3	32,864					32,864
Core Servers Upgrade	IT-2501	3			2,302			2,302
Dale St SW (SGR-Roberts)	Partial 23-1	3	34,843					34,843
Roberts Rd SW (Alan-Dale)	Partial 23-2	3	26,303					26,303
Washington Ave W (Lynn-Main)	Partial 24-1	3		24,482				24,482
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 25-1	3			44,126			44,126
School Rd SW (SGR SW - Roberts Rd SW)	Partial 27-1	3					34,438	34,438
Harrington St SW (Linden-Juul Rd SW)	Partial 27-2	3					21,644	21,644
Bradford St SE (#1324 - Century Ave SE)	Reclaim 23-2	3				7,629		7,629
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 23-3	3				6,846		6,846
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 23-4	3			4,385			4,385
Hassan St (5th Ave S-1st Ave N)	Reclaim 24-1	3		19,149				19,149
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 25-1	3			11,474			11,474
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 25-2	3				6,387		6,387
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 25-3	3				5,751		5,751
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-4	3				2,619		2,619
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 25-5	3				2,449		2,449
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 25-6	3				1,849		1,849
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 25-7	3				806		806
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 26-4	3			8,222			8,222
Larson St SW (Roberts-Lewis)	Reclaim 26-5	3					13,705	13,705
1/2 ton work truck	WATR 072	3		60,000				60,000
Water Meter Replacement	WATR 22-24	3	400,000	400,000	400,000			1,200,000
Concentrate piping replacement	WATR 22-5	2					100,000	100,000
Bulk Fill station	WATR 23-1	3		100,000				100,000
Sensus Analytics & Customer Portal	WATR 23-2	4	28,600					28,600
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				30,000		30,000
Well 6 Recovery Treatment	WATR 27-1	2					50,000	50,000
Well 5 Recovery Treatment	WATR 27-2	2					50,000	50,000
1/2 ton work truck	WATR 484	3	45,000					45,000
Mower replacement	WATR 793	3	20,000					20,000
Street Infrastructure Improvements	WATR-INF	3	200,000	200,000	200,000	200,000	200,000	1,000,000
Water Fund Total			903,837	803,631	1,070,509	394,336	469,787	3,642,100
GRAND TOTAL			9,616,350	15,866,440	10,539,695	8,383,261	7,403,811	51,809,557



2023 Annual Budget

Fee Schedule

City of Hutchinson
2023 Fee Schedule

Fee Schedule includes the following (in alphabetical order)

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City of Hutchinson
2023 Fee Schedule

Fee Type		2023 Fees	Notes	2022 Fees	% Change	Last Change
Building/Plumbing/Mechanical Permits						
Fixed Fees:						
1 & 2 Family Residential Reroofing		\$60.00	plus surcharge fee	\$60.00	0.0%	2022
1 & 2 Family Residential Residing		\$60.00	plus surcharge fee	\$60.00	0.0%	2022
1 & 2 Family Residential Window/Door Replacement		\$60.00	plus surcharge fee	\$60.00	0.0%	2022
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.	\$60.00	0.0%	2022
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	\$60.00	0.0%	2022
		\$125.00	Residential demolition	\$125.00		
		\$250.00	Commercial demolition	\$250.00		
Residential Square Foot Valuation:						
Dwellings		\$134.27 /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 = \$93.98 x 100 sq. ft Construction Valuation = <u>\$9,398</u> Fee (\$2,001 - \$25,000 valuation range) 1st \$2,000 of value: \$ 80.17 Remaining value \$7,398/1,000 x \$15.44 <u>\$114.23</u> Total Fee: \$194.40	\$116.22 /sq.ft.	15.5%	2022
Basements	Finished	\$20.00 /sq.ft.		\$20.00 /sq.ft.	0.0%	2022
	Unfinished	\$20.65 /sq.ft.		\$20.65 /sq.ft.	0.0%	2022
Porches	3 Season Porch	\$93.98 /sq.ft.		\$81.35 /sq.ft.	15.5%	2022
	4 Season Porch	\$134.27 /sq.ft.		\$116.22 /sq.ft.	15.5%	2022
	Screened Porch	\$53.71 /sq.ft.		\$46.49 /sq.ft.	15.5%	2022
Garages	Attached	\$53.78 /sq.ft.		\$45.64 /sq.ft.	17.8%	2022
	Detached	\$29.58 /sq.ft.		\$25.10 /sq.ft.	17.8%	2022
Gazebo		\$28.75 /sq.ft.		\$25.00 /sq.ft.	15.0%	2022
Deck		\$28.75 /sq.ft.		\$25.00 /sq.ft.	15.0%	2022
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
\$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

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
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	\$15.00	\$12 per roughed-in fixture or item. Minimum of \$60.00	\$12.00	25.0%	2011
Mechanical Permit Fees:					
Gas Conversion Connection (<i>switch</i>)	\$125.00	plus surcharge fee	\$125.00	0.0%	2011
Gas Appliance Replacement	\$60.00	plus surcharge fee	\$50.00	20.0%	2011
Mechanical Fee	1.25%	Valuation X 1.25% - plus State surcharge. Minimum of \$60.00 plus State surcharge.	1.25%	0.0%	2011
Miscellaneous Fees:					
Rental registration/inspection	\$25.00 /unit	Initial inspection and 1 follow up inspection, if needed	\$20.00 /unit	25.0%	2016
Rental Unit Reinspection	\$60.00 /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	20.0%	2016
Failure to Appear at Scheduled Rental Inspection	\$60.00	Fee for not showing up at scheduled inspection	\$50.00	20.0%	2011
Rental Complaint Inspection	\$60.00		\$50.00	20.0%	2011
Existing Home Inspection (FMHA)	\$100.00		\$75.00	33.3%	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*	\$75.00	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	25.0%	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
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
Creekside					
Gate Fee:					
McLeod County Residential yard waste; leaves, grass clippings, garden waste, etc.	No Charge	ID required; Only Compostable bags accepted NO plastic bags or garbage	No Charge		2001
McLeod County Residential wood waste; brush and log material only	No Charge	Must be free of dirt and garbage, dirty loads will be rejected 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	\$45.00 /ton	Prior approval of acceptance of materials is required Non-compostables not accepted; other fees may apply	\$42.00 /ton	7.1%	2022
Commercial Wood Waste; brush and log materials only	No Charge	Must be free of dirt and garbage, dirty loads will be rejected 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 Grindings Disposal	No Charge	Must be free of rock, whole roots and whole limbs	No Charge		2001
Black Dirt/Sod Tear-out	No Charge	Must be free of rock, clay, garbage	New for 2023		
Concrete and Asphalt Rubble; 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 Rubble; Dirty	\$10.00 /ton	As determined by Creekside staff review	\$10.00 /ton	0.0%	2018
Reinforced Concrete Structures	\$40.00 /ton	Includes reinforced concrete pipe (RCP), manholes, catch basins, etc.	\$35.00 /ton	14.3%	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 Subject to fuel surcharge.	\$385.00 /hr	10.0%	2022
	Rate for all other Customers		\$550.00 /hr	10.0%	2022
Wheel Loader	Governmental Rate	Operator and fuel included, subject to fuel surcharge	\$95.00 /hr	10.0%	2022
	Rate for all other Customers		\$120.00 /hr	10.0%	2022
Trommel Screener	Governmental Rate	Operator, fuel and equipment to feed screener are not included in this rate.	\$105.00 /hr	10.0%	2022
	Rate for all other Customers		\$150.00 /hr	10.0%	2022
65' Radial Stacking Conveyor	\$19.80 /hr	Operator and fuel not included	\$18.00 /hr	10.0%	2018
Portable Light Tower Rental	\$110.00 /event	Cost is per unit; two units available to rent	\$100.00 /event	10.0%	2022
Mobilization Charges	\$126.50 /hr	Roundtrip for delivery and pickup of equipment to and from customer's job site. Subject to fuel surcharge.	\$115.00 /hr	10.0%	2022

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 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
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

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
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)	\$10.00	Administrative Fee	\$30.00	-66.7%	2010
Online Payments - ACH, Credit Card or Bank Checks	\$10.00	Administrative Fee	\$30.00	-66.7%	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
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 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 /hr	0.0%	2021
ATV/UTV with 2 Firefighters	\$150.00 /hr	each hour on scene	\$150.00 /hr	0.0%	2021
Boat with 2 to 4 Firefighters	\$150.00 /hr	each hour on scene	\$150.00 /hr	0.0%	2021
Air Supply Unit	\$75.00 /hr	each hour on scene	\$75.00 /hr	0.0%	2021
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 /occurrence	0.0%	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 /page 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	Variable	0.0%	2022
Subordination Request Processing Fee	\$100.00		\$100.00	0.0%	2003
Duplicate Document Fee	\$50.00		\$50.00	0.0%	2007
GMHF & CRV Gap Loan Admin Fee	\$500.00		\$500.00	0.0%	2017
SCDP Rental Rehab Project & Revolving Loan Admin Fee	15.00%	% of SCDP Loan	15.00%	0.0%	2022
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	Variable	Current Contractor Fee	\$20.00	0.0%	2023
Lead Risk Assessment & Lead Clearance Testing	Variable	Current Contractor Fee	\$0.00	0.0%	2023
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	\$75.00		\$50.00	50.0%	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

City of Hutchinson

2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
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

2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
Liquor Licenses:					
Club Liquor License		<i>Club fees are currently at maximum amount per State Statute</i>			
Under 200 Members	\$300.00	January 1 - December 31	\$300.00	0.0%	2009
201 - 500 Members	\$500.00	January 1 - December 31	\$500.00	0.0%	2009
501 - 1000 Members	\$650.00	January 1 - December 31	\$650.00	0.0%	2009
1001 - 2000 Members	\$800.00	January 1 - December 31	\$800.00	0.0%	2009
2001 - 4000 Members	\$1,000.00	January 1 - December 31	\$1,000.00	0.0%	2009
4001 - 6000 Members	\$2,000.00	January 1 - December 31	\$2,000.00	0.0%	2009
Over 6000 Members	\$3,000.00	January 1 - December 31	\$3,000.00	0.0%	2009
Consumption & Display	\$250.00	January 1 - December 31 Set by statute; max of \$300	\$250.00	0.0%	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	\$425.00	0.0%	2009
On-Sale Malt Liquor License	\$300.00	January 1 - December 31	\$300.00	0.0%	2022
On-Sale Intoxicating Malt Liquor & Wine License	\$600.00	January 1 - December 31	\$600.00	0.0%	2009
On-Sale Intoxicating Liquor License	\$2,000.00	January 1 - December 31 (prorate; refundable)	\$2,000.00	0.0%	2015
On-Sale Sunday Intoxicating Liquor License	\$125.00	January 1 - December 31 Set by statute; max of \$200	\$125.00	0.0%	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)	\$425.00	0.0%	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)	\$300.00	0.0%	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	\$300.00	0.0%	2010
Brewer (off-sale)	\$375.00	Annual	\$375.00	0.0%	2014
Brew pub off-sale	\$375.00	Annual	\$375.00	0.0%	2014
Taproom (on-sale)	\$600.00	Annual	\$600.00	0.0%	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
18" X 24" - Color print	\$4.50 /page		\$4.50 /page	0.0%	2009

City of Hutchinson

2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
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; approved by 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		\$8.00	0.0%	2022
	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	\$5.00	0.0%	2022
Season Pass	Individual	\$100.00	includes morning fitness, lap swim, river walking	\$100.00	0.0%	2022
	Each additional family member	\$40.00	example: \$220 for a family of four (\$100+\$40+\$40+\$40)	\$40.00	0.0%	2022
	Senior (age 60 years+)	\$85.00	includes morning fitness, lap swim, river walking	\$85.00	0.0%	2022
	Each additional senior family	\$25.00	example: \$110 for a family of two seniors (\$85+\$25)	\$25.00	0.0%	2022
Discount Tickets	12 admissions	\$72.00		\$72.00	0.0%	2022
Rentals	Party Tent Rentals	\$20.00	for 2 hours	\$20.00	0.0%	2017

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	\$45.00	0.0%	2022
Girls Fastpitch Softball (Grades 3 - 12)	\$200.00	30 sessions	\$200.00	0.0%	2022
Baseball (Grades 3 - 8)	Fee to Association	14 sessions - Association determines the fee	Fee to Association		

City of Hutchinson
2023 Fee Schedule

Fee Type		2023 Fees	Notes	2022 Fees	% Change	Last Change
Basketball:	Preschool	\$35.00	7 sessions	35.00	0.0%	2022
	K - Grade 2	\$40.00	7 sessions	40.00	0.0%	2022
	Grades 3 - 4	\$55.00	14 sessions	55.00	0.0%	2022
	Grades 5 - 6	Fee to Association	24 sessions - Association determines the fee	Fee to Association		
Football:	Flag	\$35.00	6 sessions	\$35.00	0.0%	2022
	Tackle	\$80.00	14 sessions	\$80.00	0.0%	2022
Soccer:	Indoor	\$35.00	6 sessions	\$35.00	0.0%	2022
	Outdoor: Grades K-3	\$35.00	6 sessions	\$35.00	0.0%	2022
	Outdoor: Grades 4-6	\$50.00	12 sessions	\$50.00	0.0%	2022
Figure Skating:	Tots-Delta	\$90.00	14 sessions	\$84.00	7.1%	2018
	Sunday Practice	\$96.00	14 sessions	\$88.00	9.1%	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	\$50.00	0.0%	2022
Adult Sports:						
Men's Basketball		\$14.00	per game per team	\$13.00	7.7%	2019
Slowpitch Softball (Umpired Leagues)		\$14.00	per game per team	\$13.00	7.7%	2019
Volleyball:	Co-Rec	\$14.00	per match per team	\$13.00	7.7%	2019
	Sand	\$75.00	per team 10 matches	\$75.00	0.0%	2019
	Women's	\$14.00	per match per team	\$13.00	7.7%	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	\$20.00		\$15.00	33.3%	2017
	Electric Hook-Up	\$30.00		\$25.00	20.0%	2017
	Water, Sewer, Electric	\$40.00		\$35.00	14.3%	2020
Field Rental		\$50.00	1 1/2 hours	\$20.00	150.0%	2020
Roberts Park	Night Game	\$100.00	1 1/2 hours	New for 2023		2023

City of Hutchinson

2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
VMF Field: Day Game	\$75.00	per game	\$45.00	66.7%	2017
Night Game	\$125.00	per game	\$90.00	38.9%	2017
Shelter reservation Non-Electrical	\$30.00	per day	\$30.00	0.0%	2020
Electrial	\$60.00	per day	\$50.00	20.0%	2020
Masonic West River Stage Rental	\$50.00	per rental (required to also rent West River Shelter)	New for 2023		2023
Depot building rental - 25 Adams St SE	\$80.00	4 hour rental	\$75.00	6.7%	2022
	\$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)	\$50.00	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	\$20.00	With three-day rental, will move tables; four table minimum	\$15.00	33.3%	2016
Garden Plot	\$40.00	10' x 20'	\$40.00	0.0%	2022
Open Gym Daily	\$3.00	per person	\$3.00	0.0%	2014
Open Gym Punch Pass	\$25.00	per 10 visits	\$25.00	0.0%	2022
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	per year	\$60.00	0.0%	2022
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
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	\$600.00	per day	\$500.00	20.0%	2017
Gym	\$50.00	per hour	\$40.00	25.0%	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	Per Contract Agreement	Hourly rate per contracted agreements with user groups	\$185.00 /hr	0.0%	2023
Roberts Park Tournament Fee	\$50.00	per field per game	\$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
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 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	\$400.00		\$350.00	14.3%	2017
Commercial Parking Lot	\$150.00	Overlay	\$150.00	0.0%	2016
	\$300.00	Reconstruction	\$300.00	0.0%	2016
Rezoning	\$450.00	Includes recording fees	\$425.00	5.9%	2017
Vacation of street, alley, or easement	\$425.00	Includes recording fees	\$375.00	13.3%	2011
Lot Splits (Single and Two Family)	\$275.00	Includes recording fees	\$225.00	22.2%	2017
Lot Splits (Multiple Family, Commercial, Industrial)	\$350.00	Includes recording fees	\$300.00	16.7%	2017
Planned Unit Development	\$700.00	Includes recording fees	\$600.00	16.7%	2017

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
Platting: Preliminary Plat	\$500.00	Plus recording and legal fees	\$450.00	11.1%	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	\$60.00		\$50.00	20.0%	2011
Site Plan	\$450.00		\$400.00	12.5%	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	\$400.00	Includes recording fees	\$350.00	14.3%	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	\$400.00	Includes recording fees	\$350.00	14.3%	2017
Land Use Permit	\$60.00		\$50.00	20.0%	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	\$41.00	0.0%	2022
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		\$30.00	0.0%	2022
Photographs	\$2.00 /page	Per page	\$2.00 /page	0.0%	2007
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

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
Security	\$60 /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 \$57/hr. Please refer to "Rental Policy".	\$57 /hr/officer	5.3%	2018
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
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 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><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.</i></p> <p><i>The developer shall meet all design standards and financial surety requirements of the City.</i></p>					

City of Hutchinson

2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
Typical Residential Improvement Assessment Rates:					
Total street reconstruction (curb, storm, water & sewer)	\$90.00	Per adjusted front foot	\$80.00	12.5%	2010
Partial street reconstruction (curb, storm, water or sewer)	\$81.50	Per adjusted front foot	New for 2023	0.0%	2023
Partial street reconstruction (curb and storm sewer)	\$73.00	Per adjusted front foot	\$65.00	12.3%	2013
Street rehabilitation (up to 15% curb replacement, no utilities)	\$59.00	Per adjusted front foot	\$52.50	12.4%	2013
Mill/overlay of street (minor curb repairs, street surface only)	\$33.75	Per adjusted front foot	\$30.00	12.5%	2010
Water service lateral	\$3,375.00	or based on actual construction costs	\$3,000.00	12.5%	2010
Sewer service lateral	\$3,375.00	or based on actual construction costs	\$3,000.00	12.5%	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:					
Water Base Rate - Residential					
Single family - 1.0 Residential Equivalent Unit	\$9.00	per single-family residence	\$7.35	22.4%	2011
Multi-family - 0.65 Residential Equivalent Unit	\$9.00	per REU's (units x rate x 0.65)	\$7.35	0.0%	2023
Water Usage Rate - Residential					
0 - 6,000 gallons/month	\$3.00	x consumption	\$4.34	-30.9%	2011
6,000 - 12,000 gallons/month	\$3.75	x consumption	\$4.34	-13.6%	2023
> 12,000 gallons/month	\$4.69	x consumption	\$4.34	8.1%	2023
Water Base Rate - Commercial/Industrial					
3/4" meter	\$9.00	per month	\$7.35	22.4%	2011
1" meter	\$22.50	per month	\$7.35	206.1%	2023
1.5" meter	\$45.00	per month	\$7.35	512.2%	2023
2" meter	\$72.00	per month	\$7.35	879.6%	2023
3" meter	\$144.00	per month	\$7.35	1,859.2%	2023
4" meter	\$225.00	per month	\$7.35	2,961.2%	2023
6" meter	\$450.00	per month	\$7.35	6,022.4%	2023
Water Usage Rate - Commercial/Industrial					
1,000 gallons/month	\$3.00	x consumption	Variable	0.0%	2011
Irrigation Water (May 1 - September 30)					
Annual fee	\$25.00				
1,000 gallons/month	\$4.69	x consumption of irrigation deduct meter	\$4.34	8.1%	2011
Water Meter Fees:					
3/4" X 5/8"	\$401.50	Connections and flanges included	\$365.00	10.0%	2021
1"	\$517.00	* meter pricing includes water meter transmitter	\$470.00	10.0%	2021
1.5" Compound	\$1,996.50	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$1,815.00	10.0%	2022
1.5" Turbo	\$1,465.20		\$1,332.00	10.0%	2022
2" Compound	\$2,262.70		\$2,057.00	10.0%	2022
2" Turbo	\$1,696.20		\$1,542.00	10.0%	2022
3" Compound	\$2,817.10		\$2,561.00	10.0%	2022
3" Turbo	\$2,054.80		\$1,868.00	10.0%	2022
4" Compound	\$4,642.00		\$4,220.00	10.0%	2022

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
4" Turbo	\$3,705.90	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$3,369.00	10.0%	2022
6" Compound	\$7,951.90		\$7,229.00	10.0%	2022
6" Turbo	\$6,541.70		\$5,947.00	10.0%	2022
Water meter testing fee	\$55.00	Plus all direct costs for testing by others	\$50.00	10.0%	2012
Water meter transmitter	\$195.80	As needed, determined by the Water Dept.	\$178.00	10.0%	2022
Other Water Fees					
Delinquent Account Penalties	5.0%	Assessed to outstanding balance	5.0%	0.0%	2011
Water Service Repair	\$1.00	Per water meter per month	\$0.50	100.0%	2011
State Drinking Water Service Connection Fee	\$0.81	Per water meter per month - State required fee	\$0.81	0.0%	2020
Bulk Water Deposit	\$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/Reconnect water service					
Scheduled - (Snowbirds, Foreclosures, etc)	\$30.00	\$30 for disconnect; \$30 for reconnect	\$30.00	0.0%	2011
Delinquent Accounts	\$40.00	\$40 for disconnect; \$40 for reconnect <i>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.</i>	\$40.00	0.0%	2011
Reconnect after-hours/weekends/holiday	\$100.00		\$100.00	0.0%	2011
Wastewater Rates:					
Wastewater Base Rate - Residential					
Single family - 1.0 Residential Equivalent Unit	\$10.00	per single-family residence	\$6.41	56.0%	2011
Multi-family - 0.65 Residential Equivalent Unit	\$10.00	per REU's (units x rate x 0.65)	\$6.41	56.0%	2011
Wastewater Usage Rate - Residential					
1,000 gallons/month	\$6.42	x consumption	\$6.42	0.0%	2011
Wastewater Base Rate - Commercial/Industrial					
3/4" meter	\$10.00	per month	\$6.41	56.0%	2011
1" meter	\$25.00	per month	\$6.41	290.0%	2023
1.5" meter	\$50.00	per month	\$6.41	680.0%	2023
2" meter	\$80.00	per month	\$6.41	1,148.0%	2023
3" meter	\$160.00	per month	\$6.41	2,396.1%	2023
4" meter	\$250.00	per month	\$6.41	3,800.2%	2023
6" meter	\$500.00	per month	\$6.41	7,700.3%	2023
Wastewater use rate - commercial/industrial					
1,000 gallons/month	\$6.42	x consumption	\$6.42	0.0%	2011

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
Wastewater load charges rate - commercial/industrial					
Load charges: Biochemical Oxygen Demand (BOD)	\$0.65	per pound	\$0.43	51.2%	2010
Total Suspended Solids (TSS)	\$0.31	per pound	\$0.40	-22.5%	2010
Phosphorous (P)	\$10.43	per pound	\$5.82	79.2%	2010
Total Kjeldahl Nitrogen (TKN)	\$0.92	per pound	\$1.16	-20.7%	2010
Industrial Pretreatment Program Fees: <i>(will be reevaluated upon receipt of NPDES permit renewal)</i>					
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
Wastewater Service Repair	\$1.00	Per meter per month	New for 2023	0.0%	2023
Sampling and Lab costs	at Cost		at Cost		2006
State and Legal Costs	at Cost		at Cost		2006
Limits Exceedance Fees	\$1,000.00	per pollutant per sampling period, per MPCA	New for 2023	0.0%	2023
Administrative Violation Fees	\$150.00	per violation	\$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
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

City of Hutchinson

2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
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
Storm Water Utility:					
Golf Course, Park, Open Space	\$6.47		\$6.28	3.0%	2022
Single & Two-Family Residential	\$5.00		\$4.85	3.1%	2022
Public/Private School & Institutional	\$25.11		\$24.38	3.0%	2022
Multi-Family Residential & Church	\$35.70		\$34.66	3.0%	2022
Commercial & Industrial	\$63.87		\$62.01	3.0%	2022
Lots 1 to 2 acres	\$8.65		\$8.39	3.1%	2022
Lots 2 to 3 acres	\$15.08		\$14.64	3.0%	2022
Lots 3 to 4 acres	\$21.50		\$20.88	3.0%	2022
Lots 4 to 5 acres	\$27.95		\$27.14	3.0%	2022
Lots over 5 acres		See Resolution No. 11637			
Drainage/Erosion Control permit	\$40.00	Drainage connection	\$35.00	14.3%	2012
	\$40.00	< 5,000 SF disturbed	\$35.00	14.3%	2012
	\$115.00	5,000 SF - 1 acre disturbed	\$100.00	15.0%	2012
	\$225.00	1 to 5 acres disturbed	\$200.00	12.5%	2012
	\$340.00	More than 5 acres disturbed	\$300.00	13.3%	2012

City of Hutchinson

2023 Fee Schedule

Fee Type		2023 Fees	Notes	2022 Fees	% Change	Last Change
Cemetery:						
Flush marker	Grave space	\$825.00		\$825.00	0.0%	2021
	Cremation grave space	\$460.00		\$460.00	0.0%	2022
Upright memorial	Grave space	\$1,080.00		\$1,080.00	0.0%	2021
	Cremation grave space	\$1,100.00		\$1,100.00	0.0%	2022
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
		\$630.00	Non-Winter	\$630.00	0.0%	2021
		\$735.00	Winter	\$735.00	0.0%	2021
Disinterment		\$1,725.00	Disinterment	\$1,725.00	0.0%	2021
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		\$40.00	0.0%	2022
	Saddle mount	\$25.00		\$25.00	0.0%	2022
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

City of Hutchinson
2023 Fee Schedule

Fee Type	2023 Fees	Notes	2022 Fees	% Change	Last Change
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
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	\$270.00	0.0%	2022
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	\$300.00	0.0%	2022
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	\$0.0412	per sq. ft. every other year	\$0.0410	0.5%	2022
Commercial	\$0.1390	per sq. ft. every other year	\$0.1380	0.7%	2022
Operations & Maintenance:					
Labor rate - operator/laborer	\$60.00 /hr	Add \$20/hr for premium/overtime pay	\$60.00 /hr	0.0%	2021
Labor rate - PT/S operator/laborer	\$50.00 /hr	per hour. Add \$20/hr for premium/overtime pay	New for 2023	0.0%	2023
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	\$300.00	For damaged mailbox not repaired by City staff	\$285.00	5.3%	2021
Asphalt patching material	\$375.00 /ton	Per ton (up to 3 ton)	\$350.00 /ton	7.1%	2021
Other materials	Quoted		Quoted		
Equipment rental rates		See most recent FEMA reimbursement rates + 20% + Operator cost + Fuel surcharge			



2023 Annual Budget

Compensation Plans

RESOLUTION NO. 15544

CITY OF HUTCHINSON 2023 COMPENSATION PLAN

RESOLUTION ADOPTING THE PLAN, POSITION CLASSIFICATION ASSIGNMENT TABLE AND PAY GRID EFFECTIVE JANUARY 1, 2023

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.

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. 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.
3. 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 2023, the effective date is Sunday, March 5, 2023. 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.

I. 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 2023. 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.

J. 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.

K. 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.

L. 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.

Adopted by the City Council this 27th day of December, 2022. (This replaces Resolution No. 15380)

ATTEST:

Gary Forcier, Mayor

Matthew Jaunich, City Administrator

CITY OF HUTCHINSON			
2023 Position Classification Table			
Grade	Position	Grade	Position
110	PT Adaptive Recreation Coordinator	150	Equipment Mechanic
110	PT Office Specialist - Event Center	150	Event Center/Senior Center Programmer
110	PT PRCE Receptionist	150	Parks Maintenance Specialist
		150	Sales & Marketing Specialist
120	Administrative Secretary - Public Works	150	IT Technician
120	Motor Vehicle Licensing Clerk FT/PT		
120	Planning/Building/EDA Technician	160	Arborist
120	PRCE Office Specialist - FT	160	Building Inspector
120	Recreation Facility Maintenance Technician	160	City Clerk/Paralegal
120	Recreation Specialist/Concessions Coordinator PT	160	Maintenance Lead Operator
120	Utility Billing Specialist	160	Police Officer - FT/PT
120	Water/Wastewater Technician		
		170	Recreation Services Coordinator
130	Compost Laborer	170	Senior Engineering Specialist
130	Hospital Security Guard - FT/PT	170	Server/Network Technician
130	Human Resources/Administrative Technician		
130	Motor Vehicle Technician	180	Building Official
130	Planning and Building Administrative Specialist	180	Facilities Manager
130	Police Administrative Specialist	180	Motor Vehicle Deputy Registrar
130	Police Supplemental Services Specialist	180	Parks Supervisor
130	Public Works Maintenance Operator	180	Police Sergeant
130	Resource Recovery Coordinator	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 Manager
140	Engineering Administrative Specialist	190	Water Manager
140	Lab Technician/Wastewater Operator		
140	Lead Police Administrative Specialist	200	Compost Manager
140	Parks Maintenance Equipment Operator	200	Economic Development Director
140	Payroll/Benefits Specialist	200	Fire Chief
140	Plant Equipment Mechanic II	200	Liquor Sales Manager
140	Police Data Release Coordinator	200	Public Works Manager
140	Police Investigations Specialist		
140	PRCE Facilities Operations Specialist	220	Finance Director
140	Senior Accounting Specialist	220	Human Resources Director
140	Senior Liquor Sales Clerk	220	Information Technology Director
140	Senior Public Works Maintenance Operator	220	Parks/Recreation/Community Ed (PRCE) Director
140	Senior Water Plant Operator	220	Planning Director
140	Senior Wastewater Operator		
		230	City Attorney
150	Compost Coordinator	230	Police Chief/Emergency Management Director
150	Inspector	230	Public Works Director
150	Engineering Specialist		
		260	City Administrator

2023 Hutchinson Pay Grid

Grade	MIN	MID/ MARKET	MAX
	80%	100%	120%
260	\$56.90	\$71.13	\$85.35
250	\$53.63	\$67.04	\$80.45
240	\$50.85	\$63.56	\$76.28
230	\$48.57	\$60.72	\$72.86
220	\$44.28	\$55.35	\$66.42
210	\$42.00	\$52.50	\$63.00
200	\$39.96	\$49.95	\$59.94
190	\$36.18	\$45.22	\$54.26
180	\$33.40	\$41.75	\$50.09
170	\$30.55	\$38.19	\$45.83
160	\$29.10	\$36.37	\$43.64
150	\$26.82	\$33.52	\$40.22
140	\$25.31	\$31.64	\$37.96
130	\$23.53	\$29.41	\$35.29
120	\$21.50	\$26.87	\$32.25
110	\$18.71	\$23.39	\$28.07
100	\$16.69	\$20.86	\$25.03

Attachment B

AMENDED

RESOLUTION NO. 15403

CITY OF HUTCHINSON 2022 PART TIME / SEASONAL / TEMPORARY POSITION COMPENSATION PLAN

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

WHEREAS, the City Council has considered the existing classification of selected part time and all seasonal and temporary positions for the City of Hutchinson and the current economic conditions, and;

WHEREAS the Minnesota minimum wage for large employers increases to \$10.33/hour on January 1, 2022,

BE IT RESOLVED, that a Pay Grid and Position Classification Plan are hereby adopted. All positions covered by this Resolution shall be grouped in levels 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. 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. Additions to and deletions from the Position Classification Table may be made by management as necessary and without Council action.

B. Filing of the Plan

Upon adoption of the Resolution, a copy of the 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 Part Time / Seasonal / Temporary 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 Part Time / Seasonal / Temporary Pay Schedule and Position Pay Levels.

APPENDIX B

2022 City of Hutchinson Seasonal / Temporary / Part Time Pay Schedule						
Pay Level	85%	90%	93%	96%	100%	104%
Level A		\$12.00	\$12.40	\$12.80	\$13.35	\$13.90
Level B		\$14.00	\$14.50	\$14.95	\$15.60	\$16.20
Level C		\$16.20	\$16.75	\$17.30	\$18.00	\$18.75
Level D		\$19.35	\$20.00	\$20.65	\$21.50	\$22.40
Level E	\$23.80	\$25.20	\$26.10	\$26.90	\$28.00	\$29.15

Positions by Pay Level

Level A

Arena Attendant
Bike/Park Patrol
Event Center Attendant
Event Center Maintenance
Gymnastics Aide
PRCE Office Staff
Rec Center Attendant
Rec Center Attendant/Janitor
Rink/Warming House Attendant
Scorekeeper
Tournament Worker
Any other non-lifeguard employee under 18

Level B

Adaptive Recreation Assistant
Admissions/Pool Attendant
Concessions Worker
Concessions Lead*
Lifeguard
Lifeguard Shift Lead*
Lifeguard Scheduler**
~~Seasonal Arena Lead Worker~~
Skating Instructor
Swimming Instructor
Temporary Liquor Sales Clerk
Youth Coach

Level C

Engineering Survey Crew
Head Lifeguard
Park Maintenance
Parks Maintenance Specialist
Parks Seasonal Maintenance Lead*
Part Time Liquor Sales Clerk
Part Time Compost Monitor
Public Works Maintenance Assistant
Public Works Intern
Public Works Laborer
Public Works Maintenance Specialist
Seasonal Ice Arena Worker
Seasonal Lead Ice Arena Worker*
Water/Wastewater Laborer
Youth Head Coach

Level D

Arena Attendant/HVAC Mechanic
Lifeguard Supervisor
Public Works Equipment Operator (CDL)
Swimming Supervisor
Tournament Coordinator

Level E

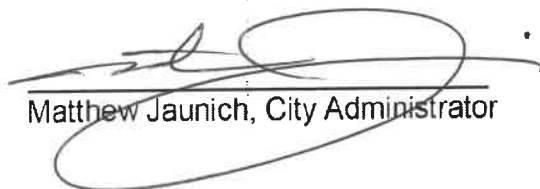
Aquatic Center Manager

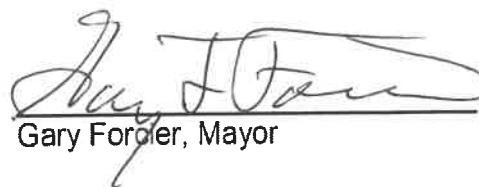
** - Add \$.25/hour for additional duties*

*** - Add \$1.50/hour for additional duties*

Adopted by the City Council this 11th day of October, 2022.

ATTEST:


Matthew Jaunich, City Administrator


Gary Forcier, Mayor



RESOLUTION NO. 15545
Paid On-Call Firefighter Compensation Plan

RESOLUTION ADOPTING THE PLAN EFFECTIVE JANUARY 1, 2023

WHEREAS, the City Council has considered the existing job duties and responsibilities of Paid On-Call Firefighter positions for the City of Hutchinson and the current economic conditions,

BE IT RESOLVED, that a Paid On-Call Firefighter Compensation Plan is hereby adopted. All positions covered by this Resolution shall be grouped into three categories. For each position there shall be a position description which will include: a title, detailed responsibilities, required knowledge, skills, and abilities necessary for the position, and defined experience and training required and/or desirable for the position.

A. Wages

Firefighter employees shall be paid per hour for responding to emergency calls for service and attending meetings, drills and other special details required by the Fire Chief or his/her designee. All hours worked shall be rounded up to the next full quarter hour for purposes of determining compensation.

B. Pay Periods

The pay periods for firefighter employees are the four quarters of the calendar year.

C. Paydays

Firefighter employees are paid quarterly with the first full bi-weekly City payroll of each calendar year quarter. Payment is for the preceding quarter.

D. Officer Pay

Firefighter Officers are paid an annual stipend on or about November 1, annually. (See Appendix A)

E. Direct Deposit

As permitted by Minn. Stat. § 471.426, and per City of Hutchinson Policy No. 3.32, direct deposit of payroll is required for all employees.

F. Pay Schedule

Each of the three categories of positions will be assigned a starting pay rate. (See Appendix B)

G. Pay Increases

Non-probationary and non-rookie Firefighters and Fire Officers are eligible for consideration for a 0% - 4% merit/performance pay increase, annually. Performance evaluations are completed each January for the preceding calendar year to determine the performance pay increase percentage.

H. Modifications to the Plan

The City of Hutchinson reserves the right to modify this plan at its discretion.

I. Review of the Plan

As often as necessary, the Paid On-Call Firefighter Compensation Plan, including appendices, shall be reviewed by the Human Resources Director and necessary adjustments will be recommended to the City Council. It is suggested that a comprehensive review be completed at least every five years.

J. Filing of the Plan

Upon adoption of the Resolution, a copy of the Paid On-Call Firefighter 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 Paid On-Call Firefighter Compensation Plan of the City.

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

That the following appendix is hereby adopted as the City of Hutchinson Fire Department Officer Pay, to be reviewed from time to time, as appropriate.

Adopted by the City Council this _____ day of _____, 2022. (This replaces Resolution No. 15380)

ATTEST:

Gary Forcier, Mayor

Matthew Jaunich, City Administrator

Appendix A – Hutchinson Fire Department Officer Pay

<u>Officer Position</u>	<u>Annual Officer Pay</u>
Assistant Chief – 1 position	\$4,550.00
Battalion Chief – 2 positions	\$3,550.00
Lieutenant – 4 positions	\$2,550.00
Secretary – 1 position	\$300.00

- A \$1,000.00 differential will be maintained each subsequent calendar year (i.e. \$2,000 - \$3,000 - \$4,000).
- Chief Officers and Lieutenants receive the annual pay to offset donated hours throughout the year for on-call coverage (approximately 686 hours), various extra meetings and trainings, and other projects completed, annually.

Appendix B – Firefighter Position Pay Rates

Firefighter Pay	
Position	Pay Rate
Probationary/Rookie Firefighter	\$14.00 / hour
Firefighter 1 trained and/or badge pinned employee	\$15.00 / hour
Fire Department Officer	\$17.00 / hour (minimum)



2023 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 \$ 99,999 Finance, City Administrator & City Council approval required
- \$100,000+ 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 \$100,000 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 \$100,000.

3) Competitive Bidding

Competitive bidding is required for certain contracts estimated to exceed \$100,000. 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. Special Assessment Bonds Debt Service Funds
- b. Tax Increment Debt Service Funds

4. Capital Projects Funds

- a. Capital Projects Fund
- b. Community Improvement Fund
- c. Airport Construction Fund
- d. Special Assessment Capital Improvement Funds
- e. 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. Equipment Replacement Fund
- b. Self-Insurance Fund

Component Units:

- 1. Hutchinson Economic Development Authority
- 2. Hutchinson Housing Redevelopment Authority