



2024 Annual Budget

City of Hutchinson, MN

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2024 Annual Budget

Organizational Information

December 19, 2023

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

RE: **2024 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 2024. There have been a couple of minor changes to the budgets since the truth-in-taxation hearing that was held on December 5. The biggest change occurring with the reallocation of the Local Government Aid within the capital projects fund. 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 9.3%. The department directors worked on reducing that tax levy increase 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 2024 final budget and tax levy numbers being presented to you today is balanced with a new proposed tax levy increase at 7.2%, 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. One of those unfunded mandates for 2024 is Minnesota's earned sick and safe time (ESST) law, which requires employers to provide earned sick and safe paid leave to employees at a level that previously wasn't done by the City.

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 seven 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 2024 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 outside of what is being proposed for 2024, our tax levy increases continue to remain relatively low allowing us to keep our tax burden steady, if not lower than previous years. From 2022 to 2023, we saw our overall market value increase by 5.7% from \$1,423,986,400 to \$1,504,921,500. This was the eleventh straight year of an increase and one that was on top of a growth of 15.9% the previous year. With the continued growth of the City in 2023, we are likely to see a twelfth straight year of market values increasing next year.

Most areas of property saw growth in 2023, except for Commercial/Industrial which essentially remained steady. Residential value increased by 5.9%; agricultural went up by 4.5%, and apartments went up 15.2%. Along with our market values increasing, we have also seen our total net tax capacity increase from \$13,166,940 in 2022 to \$15,365,994 in 2023, an increase of 16.7%. With increases to the Market Value Homestead Exclusion, we are taking a wait and see approach on how that will impact our tax capacity in 2024 and what that will mean for 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 2024 municipal budget.

Tax Levy

The tax levy for the general fund has been set at \$6,358,436, up by \$523,685 compared to 2023, an increase of 9.0 percent. This will be the ninth straight increase to the general fund tax levy. The debt service levy for 2024 has been set at \$2,477,487; an increase of 2.8% and the third straight year of an increase to the debt service levy. We've seen recent increases in the debt service levy over the last couple of years to assist in the financing of the new police station. The combination of the general fund tax levy and the debt service levy for 2024 sets the total city portion of the tax levy at \$8,835,923, a 7.2% increase from 2023. The EDA tax levy is budgeted to increase by 5.7%, with the HRA tax levy budgeted to increase by 3.1%. Overall, the total tax levy impact to a Hutchinson resident has been set at \$9,273,765, up by \$611,268 from 2023, an increase of 7.1%. This is the largest overall tax increase the City has levied since it was at a 15% increase in 2004. For comparison purposes, the 2023 total tax levy increased by 3.4% from 2022.

The main reasons behind the need for a tax levy increase is to cover costs associated with paying our workforce. Some of this is normal growth related to general wage and benefit increases, but there is a significant increase in labor cost due to the City's health insurance rates increasing by 25%. This alone costed the city over \$205,000 within its general fund. Labor costs are and continue to be the biggest driver of our tax levy within the general fund.

The total tax increase for next year will represent at least the eleventh straight year of a municipal tax increase, which includes our general fund and debt fund levies. Since 2014, our total property tax levy impact has increased on an average basis by 3.1%. Even with the large tax levy increase, the proposed estimated city tax rate for next year will be at 54.22%, slightly up from 53.65% in 2023. This will be the first tax rate increase in ten years. A home valued at \$250,000 will see an estimated city tax increase of \$130 (11.4%) in 2024. For comparison purposes, a 0% tax levy increase would have resulted in a property tax increase of forty-six (\$46) 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 2024 with revenues of \$14,889,400 and expenditures of \$14,889,400. The need for additional budget reserves is not needed at this time due to a healthy general fund balance. 2022 audit numbers showed that the City had a general fund balance of over \$7.8 million, approximately 54.9% of the general fund budget for 2023. The State Auditor has recommended to cities that their general fund balance should be in the range of 35% to 50%. The 2023 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 changes to general fund revenues. Next year's general fund revenues include an additional \$234,253 intergovernmental revenue associated with increased local government aid and Police/Fire Pension aid. The City saw a nearly \$400,000 increase in local government aid in 2024, with half of that being allocated to the general fund according to city policy. The 2024 general fund

revenues also include an additional \$38,092 from Hutchinson Utilities along with an increase in transfers from the water and wastewater funds by \$20,000 and \$30,000 respectively.

Charges for Services will decrease by over \$325,000 mainly due to the end of the hospital security program. Hutchinson Health will be taking over this function, resulting in a \$331,000 reduction in revenue. This loss of revenue will be offset by expenditure reductions, meaning it won't have a significant impact on the general fund. Generally speaking, property taxes account for 43% of all general fund revenues in 2024; 17% comes from charges for service (DMV, recreation and community education fees, etc.); 19% comes from transfers-in (HUC, Liquor, Creekside, Utilities, etc.); and 14% from intergovernmental revenue (LGA, State Aid, etc.). The general fund revenues of \$14,889,400 are a budget increase of 3.7% from 2023.

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 \$377,812 in 2024. The biggest factor for this large increase is associated with Health Insurance premiums increasing by 25%, resulting in a financial impact to the general fund of over \$205,000. Wages and benefits account for 68% of all general fund expenditures in 2024, 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 \$86,000 in additional spending for supplies, and about \$40,000 in additional expenses related to services and charges, and \$25,000 for additional fleet funding. Most of these additional costs are a result of inflation and supply chain issues. Overall, public safety accounts for 34% of all budgeted expenditures in the general fund in 2024; 26% goes to general government; 23% goes to culture & recreation, and 15% goes to streets and highways. Those percentages are roughly the same as our 2023 budget. Overall, budgeted general fund expenditures increased by 3.7% from \$14,354,436 in 2023 to \$14,889,400 in 2024.

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 2023 year-end numbers will show the liquor fund with an estimated cash balance of about \$428,000; the water fund with an estimated cash balance of about \$4.6 million; the wastewater fund with an estimated cash balance of about \$7.5 million; the storm sewer fund with an estimated cash balance of about \$1.1 million; the refuse fund with an estimated cash balance of about \$1.6 million; and the Creekside fund with an estimated cash balance of about \$2.1 million. Five of the six enterprise funds will have cash balances well above their targeted amount, which is based on 50% of their operating costs plus one year of debt service payments, except for the liquor fund.

Two of the six enterprise funds projects sufficient revenue to cover the expenses outside of depreciation in 2024. The other four funds have planned deficits that will be touched on shortly. With that being said, revenues and expenses for next year are expected to remain relatively steady in the water, wastewater and refuse funds. Garbage rates are expected to increase by 5% in 2024. This will be the first garbage rate increase since 2008. There are no other rate changes within the enterprise funds planned for 2024. Budgeted water revenues are set at

\$3,941,168 in 2024, up 10% from 2023. Budgeted water expenses are set at \$5,047,426 in 2024, up 5.7% from 2023. Budgeted wastewater revenues are set at \$4,911,000 in 2024, up 16.5% from 2023. Budgeted wastewater expenses are set at \$7,396,825 in 2024, up 15.6% from 2023. 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 increased due to unexpected revenues coming in from last year's rate shift. Budgeted refuse revenues are set at \$1,449,600 in 2024, up 6.8% from 2023. Budgeted refuse expenses are set at \$2,412,816 in 2024, a decrease of 5.4% from 2023. Budgeted storm water revenues are set at \$1,132,300 in 2024, up 3.9% from 2023. Budgeted storm water expenses are set at \$1,501,648 in 2024, up 13.3% from 2023. The storm water fund has budgeted for a rate increase of about 3.0%.

Liquor Hutch continues to do well and is expecting revenues to increase from \$7,291,500 in 2023 to \$7,718,500 (5.9%). Liquor Hutch is seeing increases in revenue partially due to the fact that they are now selling THC infused products. Liquor Hutch is also projecting expenses to increase from \$7,365,814 in 2023 to \$7,824,379 (6.2%). Creekside is projecting a decrease in revenues from \$3,068,400 in 2023 to \$2,767,800, a 9.8% decrease. The decrease is associated with losing a major customer in 2024. Budgeted expenses are expected to decrease as well with the loss of this customer from \$3,650,337 in 2023 to \$3,075,715 (15.7%).

In the 2024 budget, only Creekside and the water fund are expected to see a positive cash flow. The other four funds are projected to see a negative cash flow. The four funds experiencing a negative cash flow were planned due to capital improvements, and already have healthy fund balances that can take on the loss. Liquor Hutch (\$550,000) and Creekside (\$120,000) continue to be a valuable asset to the community and will contribute \$670,000 to the general fund in 2024. Overall, the enterprise funds are expected to transfer \$870,000 to the general fund in 2024. 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 15% to replace this revenue if these transfers did not exist. Enterprise fund revenues account for about 5.8% of our total general fund revenue. When you include the additional finances the City receives from Hutchinson Utilities (\$1,942,628), total enterprise money coming into the general fund is at \$2,812,628. 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 \$2,818,852, a 0.4% increase from 2023 (\$2,808,219). Revenue collected for these payments will amount to \$2,818,249 of which \$2,477,487 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 2024 is at \$25,110,000, down from \$26,035,000 in 2023. All of these payments fall under the City's 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 \$69,219,484 a large increase from the previous year's \$51,809,557 five-year plan. The 2024 budget portion of that plan is set at \$14,342,413, an increase of 49.1% from our 2023-budgeted amount. The large increase in costs is associated with improvements to the storm water and wastewater funds, along with a new grandstand at VMF. The five-year plan accounts for various investments throughout many different levels of city government. 34% of the five-year plan will go to investments in the City's infrastructure system (new construction, reclaims, partial reconstruction); 29% will be spent on enterprise related activities (Creekside, Liquor Hutch, water, wastewater, etc.); 21% 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 storm water and wastewater facilities along with Creekside; a new grandstand at VMF, and 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 State/Federal Grants and aids for the capital needs at a cost of 30% of the CIP, along with Enterprise funds (26%). New borrowing (19%), property taxes (13%), and special assessments (7%) 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, while the tax levy that is being proposed is at a level we have not seen in years. I do believe the proposed tax levy is responsible and necessary to meet the vision and mission statement of the City and to maintain current services as was requested by the Council during the budget preparation process. It is also important to remember that historically, the City has been very conscientious when it comes to the tax burden it is willing to put on its residents and consistently puts its tax levy at levels lower than our counterparts and inflation, and sometimes by 4 to 5 percentage points. The 7.2% tax levy increase is below the statewide preliminary tax levy increase average of 8.4% 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 is one significant reason behind the proposed property tax increase for 2024. The most significant reason behind the large levy increase deals with the costs associated with having reliable and talented employees, and the challenges that go with keeping them here and recruiting others. More in particular, the City is looking at 25% (over \$205,000 in the general

fund) increase in health insurance premiums for the upcoming year. Because of this reason, I believe it is appropriate to recommend a fairly large tax increase of 7.2% for 2024.

While 2022 was a year of sustained growth within the City, in which we were setting our sites on being the most attractive regional center in outstate Minnesota. 2023 was a year of preparing ourselves for the future. While I have a lot of hope for the future and I'm excited for what is in store for us, I cannot be naive to what is going on around us. While the "State of the City" continues to remain healthy, I believe there will continue to be challenging times ahead. Higher interest rates and higher costs associated with inflation are putting pressures on families to meet daily needs. On top of that, we are still in very competitive labor market which is also pushing wages up. State mandates are also raising costs not only for the City, but for local businesses as well. Even noting those challenges, there are a lot of exciting development going on within the community with hope for more. As I look to the year ahead of us, I know this community will continue to be resilient with the challenges it will phase and it will find a way to weather the storm. I strongly believe that we will tackle any challenges head on, boldly preparing the community for what the future holds.

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 2023 into 2024, 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 3.6% (through October) in 2023. These rates continue to remain at the levels of that of the State (3.1%) 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 \$244,000 last year to \$261,500 through October of 2023, the eleventh straight year of an increase. Home resales continue to remain high (as inventory presents itself) 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 14 building permits for new homes. With additional permits being pulled this fall, we are on pace for the tenth 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.

The new homes being built this past year will push our ten-year total over 275. Last year, the completion of the townhomes near the Century 9 Theater moved our total to at least 292 new rental units opening up over the past seven years. All of that pushed our estimated population from the State Demographer's over 15,000 in its latest estimate. Along with new housing, we saw several new businesses open up in town including Five Below, Due North Carwash and Zephurs Financial to name a few with several others doing remodels or expansions. MITGI began moving their operations downtown (old Shopko building) and the Midwest AC Building and the Civil Air Patrol opened facilities this past year. We also saw RD Machine and Curtiss-Wright expand operations this past year. Along with private investments, Burich Arena finished its remodel and the new Police Station opened up as well. The City has added over \$360 million in new value to the community over the past ten years as well, and we are anticipating continued growth in the next year.

2024 hopes to continue the recent trend of investments within the community. 2024 should see the completion of the commercial building on Century Avenue and potential industrial business expansions. MITGI's remodel will be completed next year and new businesses and business expansion should continue on Main Street. More single-family homes will be constructed and the first phase of the Michael Court Apartment Complex should open next year with work beginning on the second phase. The City will continue to market the Industrial Park and we are hoping that some of the work that took place with our growth area study will spark interest in additional commercial/industrial or residential growth. Work will also begin on a new downtown plan in 2024.

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 2024 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	Mike Stifter	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 Maint Mgr
Recreation Manager
Parks Supervisor

**Finance
Director**

Asst. Fin Director

**Public Works
Director**

Public Works Manager
City Engineer
Water Manager
Wastewater Manager

City Employee Count

(Full-Time and Part-Time Only)

Department	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2023 / 2024 Change
City Administration	3.40	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	3.53	3.92	3.74	3.88	0.14
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	29.40	29.40	29.50	0.10
Hospital Security	4.68	4.68	4.73	4.73	0.00	-4.73
Fire	1.00	1.00	1.00	1.00	1.00	0.00
Building Inspections	3.14	3.24	3.24	3.30	3.50	0.20
Engineering	3.50	3.40	2.90	3.70	3.40	-0.30
Streets & Roadways	6.75	6.75	6.75	6.75	7.20	0.45
Park & Recreation Admin	2.40	2.40	2.40	2.40	2.40	0.00
Recreation	1.70	1.70	1.70	1.00	1.00	0.00
Civic Arena	1.15	1.15	1.25	1.25	1.25	0.00
Parks Department	6.83	7.00	7.00	7.00	7.00	0.00
Recreation Building	1.95	1.95	2.05	2.20	2.20	0.00
Waterpark	0.40	0.40	0.40	0.25	0.25	0.00
Event Center	2.54	2.54	2.32	1.10	1.10	0.00
Senior Center	0.40	0.40	0.40	0.60	0.60	0.00
Library	0.00	0.00	0.00	0.00	0.00	0.00
Cemetery	1.00	1.00	1.00	1.00	1.00	0.00
Airport	0.50	0.50	0.50	0.50	0.50	0.00
General Fund	87.73	87.69	84.06	83.02	78.88	-4.14
Liquor	13.27	13.27	13.27	13.46	13.84	0.38
Compost	6.90	6.90	6.90	8.90	8.90	0.00
Refuse	2.50	2.50	2.88	4.70	4.28	-0.42
Water	5.65	5.65	5.65	5.75	5.38	-0.37
Sewer	7.95	7.95	7.95	7.95	8.38	0.43
Storm Water	2.95	2.95	2.95	3.05	2.85	-0.20
Enterprise Funds	39.22	39.22	39.60	43.81	43.63	-0.18
Economic Development Authority	1.36	1.36	1.36	1.50	1.58	0.08
Housing Redevelopment Authority	3.00	3.00	2.50	3.00	3.00	0.00
Special Taxing Districts	4.36	4.36	3.86	4.50	4.58	0.08
Total FTE	131.31	131.27	127.52	131.33	127.09	-4.24
Annual Change	0.99	0.95	(3.79)	0.06	(0.43)	

2024 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 23, 2023
- 2nd Council workshop to review and discuss the preliminary 5-year Capital Improvement Plan. August 22, 2023
- 3rd Council workshop to review and discuss the preliminary general fund budget. September 12, 2023
- **Council approves Preliminary 2024 tax levies:** September 26, 2023

	<u>Tax Levy</u>	<u>% Chg</u>
General Fund	\$6,536,941	12.0%
Debt Levy	<u>\$2,477,487</u>	<u>2.8%</u>
Total City Levy	\$9,014,428	9.3%
HRA	\$165,000	3.1%
EDA	<u>\$272,842</u>	<u>5.7%</u>
Total City, HRA, EDA	\$9,452,270	9.1%

- 4th Council workshop to review Enterprise Fund budgets and provide an update on the general fund budget. November 28, 2023
- **Truth in Taxation Public Hearing** December 5, 2023
 The general fund budget was balanced with a 9.0% tax levy increase. The levy is down 3% from September due to revenue and expenditure adjustments made after budget meetings with all city departments. The Debt, HRA and EDA tax levies remained at the same levy amount approved for the September preliminary levies.

- **Council approves Final 2024 budgets and tax levies:** December 19, 2023

	<u>Tax Levy</u>	<u>% Chg</u>	<u>Resolution #</u>
General Fund	\$6,358,436	9.0%	
Debt Levy	<u>\$2,477,487</u>	<u>2.8%</u>	
Total City Levy	\$8,835,923	7.2%	15677
HRA	\$165,000	3.1%	15678
EDA	<u>\$272,842</u>	<u>5.7%</u>	15679
Total City, HRA, EDA	\$9,273,765	7.1%	



2024 Annual Budget

Tax Levies & Tax Information

Tax Levy and Tax Impact for 2024

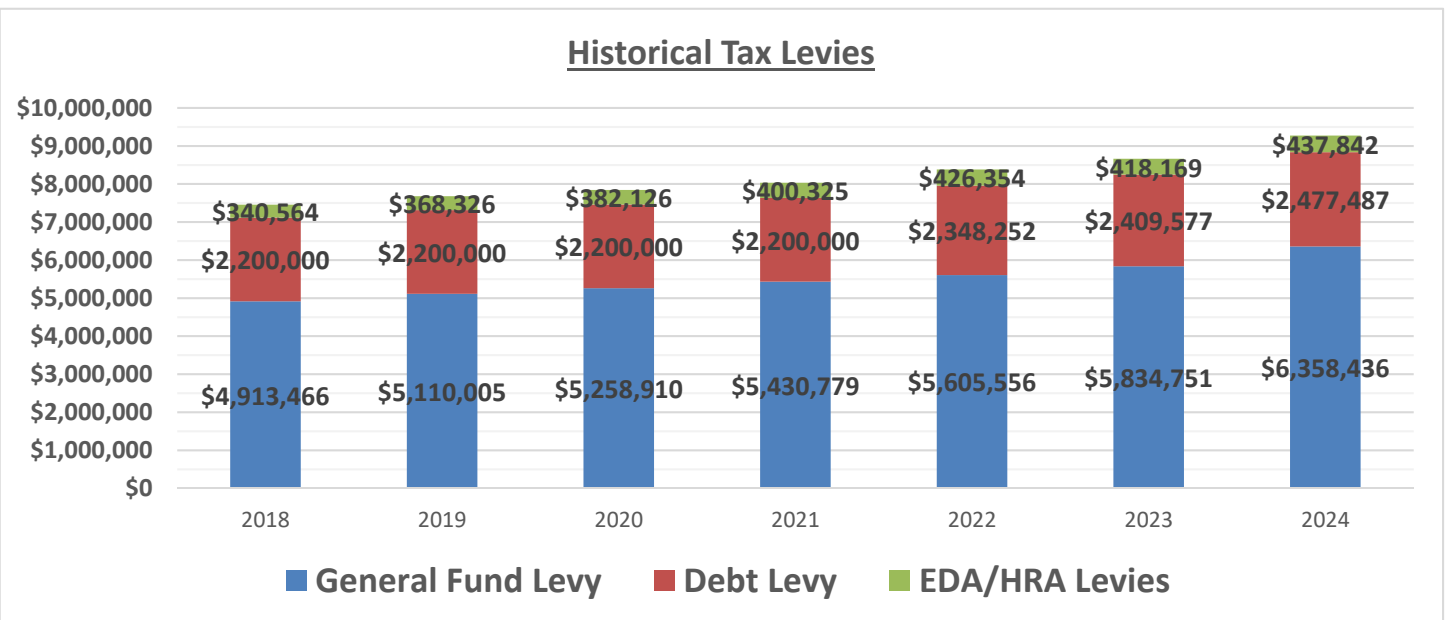
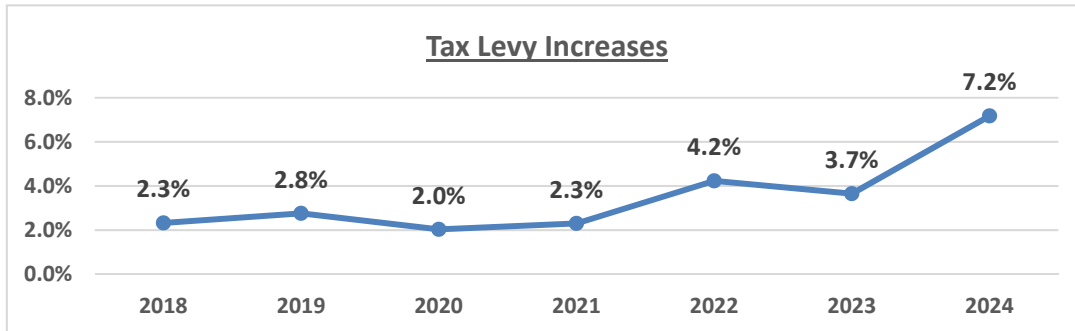
Tax Levy

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 43% 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>2023</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
General Fund Tax Levy	5,834,751	6,358,436	523,685	9.0%
Debt Tax Levy	2,409,577	2,477,487	67,910	2.8%
Total City Tax Levy	8,244,328	8,835,923	591,595	7.2%
HRA Tax Levy	160,000	165,000	5,000	3.1%
EDA Tax Levy	258,169	272,842	14,673	5.7%
Total Tax Levies	8,662,497	9,273,765	611,268	7.1%

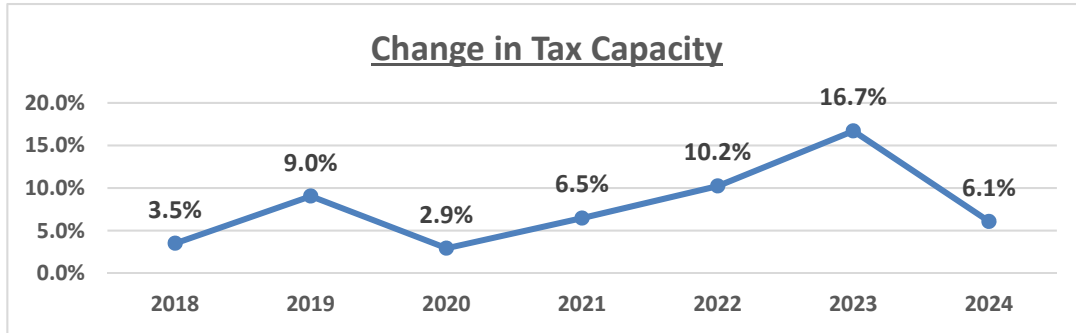


Tax Levy and Tax Impact for 2024

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 2024 tax capacity is estimated at \$16,297,321, which is an increase of \$931,327 or 6.1%.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tax Capacity	11,220,809	11,945,125	13,166,940	15,365,994	16,297,321
% Change	2.9%	6.5%	10.2%	16.7%	6.1%

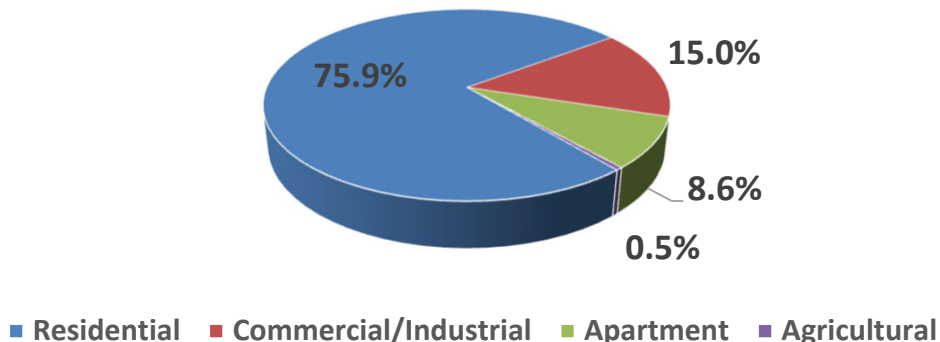


Since property market values play a major role in determining tax capacity, it is important to discuss the current trends in valuations. The table below shows the estimated market values, as provided by the McLeod County Assessor's office. The 2023 valuations, which are used to determine the 2024 tax capacity, increased by \$80,935,100 or 5.7%. Residential values increased by 5.9% and represent the largest segment of the City's market values at 75.9% of the total market value.

Market Value History

<u>Property Type</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	768,924,200	810,755,800	900,408,100	1,078,863,200	1,142,533,600
Commercial/Industrial	203,784,200	212,718,300	216,581,400	226,197,000	226,142,000
Apartment	65,150,200	75,577,500	106,247,100	112,166,200	129,183,100
Agricultural	5,346,400	5,882,900	5,760,500	6,760,000	7,062,800
Total Market Value	1,043,205,000	1,104,934,500	1,228,997,100	1,423,986,400	1,504,921,500
% Change	3.7%	5.9%	11.2%	15.9%	5.7%

Market Value by Property Type

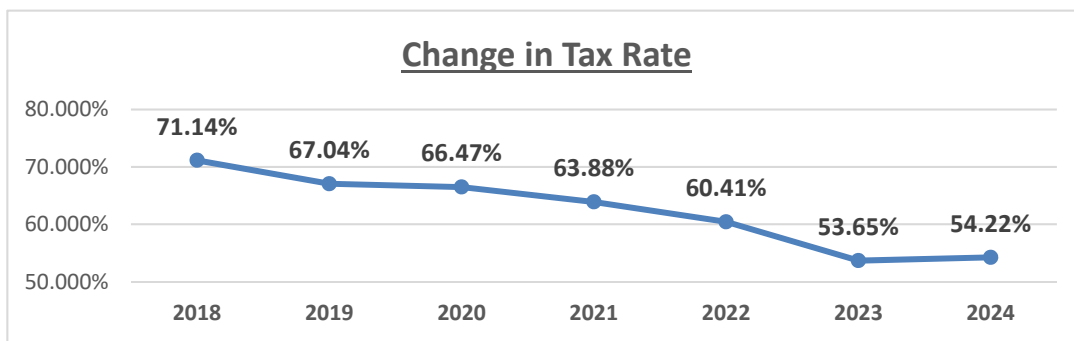


Tax Levy and Tax Impact for 2024

Tax Rate

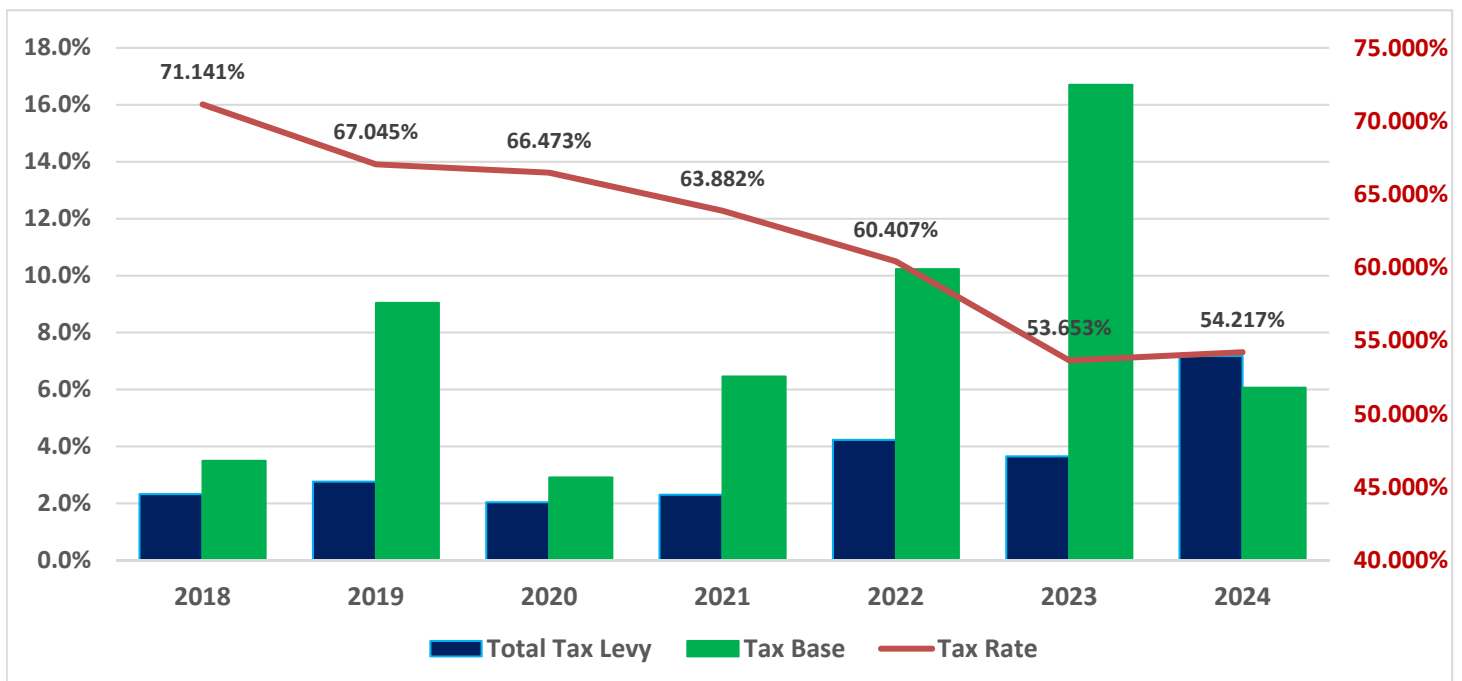
The city's tax rate is determined by dividing the tax levy by the tax capacity. The 2024 tax rate is estimated at 54.217%, which is 0.56% higher than the 2023 tax rate. The tax rate increase is due to the growth in the tax levy (7.2%) outpacing the growth in the tax base (6.1%). To determine an individual property's tax liability for city tax only, the city tax rate is applied to the property's net tax capacity.

	<u>2023</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
City Tax Levy	8,244,328	8,835,923	591,595	7.2%
Tax Capacity	15,365,994	16,297,321	931,327	6.1%
City Tax Rate	53.653%	54.217%	0.564%	1.1%



Historical Tax Rate Variables

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 Est</u>
City Tax Levy	7,458,910	7,630,779	7,953,808	8,244,328	8,835,923
Tax Capacity	11,220,809	11,945,125	13,166,940	15,365,994	16,297,321
Tax Rate	66.474%	63.882%	60.407%	53.653%	54.217%



Tax Levy and Tax Impact for 2024

Tax Impact

The median **residential** home valued at \$250,000 will pay an estimated \$1,276 in city taxes for 2024. This represents a \$130 increase *if* its market value increased 8.7% as shown in the example below. Residential and Apartment properties are expected to pick up a larger portion of the 2024 taxes due to rising valuations while values of other property types are expected to remain flat, or see a smaller valuation increase than residential.

Estimated Tax Impact - Residential Property at Median Value

	<u>2023</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Estimated Market Value	\$230,000	\$250,000	\$20,000	8.7%
Homestead Value Exclusion	-\$16,500	-\$14,700	\$1,800	-10.9%
Net Taxable Value	\$213,500	\$235,300	\$21,800	10.2%
State Tax Class Rate	1.00%	1.00%		
Tax Capacity	\$2,135	\$2,353	\$218	10.2%
Estimated Tax Rate	53.653%	54.217%	0.564%	1.1%
Estimated City Tax	\$1,145	\$1,276	\$130	11.4%

When a homestead residential property's value increases, its tax liability increases at a slightly greater rate due to the Homestead Market Value Exclusion (HMVE). The HMVE is reduced as a property's valuation increases. More information related to the HMVE can be found in the following pages of this budget. In the above example, the HMVE reduces the 2023 and 2024 City Taxes by \$89 and \$79.

A **commercial** building valued at \$140,000, is expected to see a minor city tax increase due to the higher tax levy. Market values are not expected to increase for most commercial properties for property taxes paid in 2024.

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

	<u>2023</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Net Taxable Value	\$140,000	\$140,000	\$0	0.0%
State Tax Class Rate	1.50%	1.50%		
Tax Capacity	\$2,100	\$2,100	\$0	0.0%
Estimated Tax Rate	53.653%	54.217%	0.564%	1.1%
Estimated City Tax	\$1,127	\$1,139	\$12	1.1%

A **commercial** building valued at \$1,100,000, is expected to see a minor city tax increase due to the higher tax levy. Market values are not expected to increase for most commercial properties for property taxes paid in 2024.

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

	<u>2023</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Net Taxable Value	\$1,100,000	\$1,100,000	\$0	0.0%
State Tax Class Rate				
1st \$150K at 1.50%	2,250	2,250		
Over \$150K at 2.00%	19,000	19,000		
Tax Capacity	\$21,250	\$21,250	\$0	0.0%
Estimated Tax Rate	53.653%	54.217%	0.564%	1.1%
Estimated City Tax	\$11,401	\$11,521	\$120	1.1%

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 \$1,890,000	0.50%
Residential Non-Homestead (Apartments) 4+ Units		1.25%
Residential Non-Homestead 1-3 Units		1.25%
Unimproved Residential Land		1.25%

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

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:

	2022	2023	
Estimated Market Valuation	\$ 226,000	\$ 271,300	20.0%
Full Exclusion (\$76,000 x 40%)	\$ (30,400)	\$ (30,400)	
Less: 9% of Value above \$76,000	\$ 13,500	\$ 17,600	
Homestead Market Value Exclusion	\$ (16,900)	\$ (12,800)	
Taxable Market Value	\$ 209,100	\$ 258,500	23.6%
Property Classification Rate <i>Residential Homestead</i>	1.00%	1.00%	
Tax Capacity	\$ 2,091	\$ 2,585	
City of Hutchinson Tax Rate	60.407%	53.653%	-11.2%
City of Hutchinson Taxes Payable	\$ 1,263	\$ 1,387	9.8%

Commercial Industrial - Under \$150,000 Market Value

	2022	2023	
Estimated Market Valuation	\$ 148,000	\$ 148,000	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 148,000	\$ 148,000	0.0%
Property Classification Rate <i>Commercial value < \$150K</i>	1.50%	1.50%	
Tax Capacity	\$ 2,220	\$ 2,220	
City of Hutchinson Tax Rate	60.407%	53.653%	-11.2%
City of Hutchinson Taxes Payable	\$ 1,341	\$ 1,191	-11.2%

Commercial Industrial - Over \$150,000 Market Value

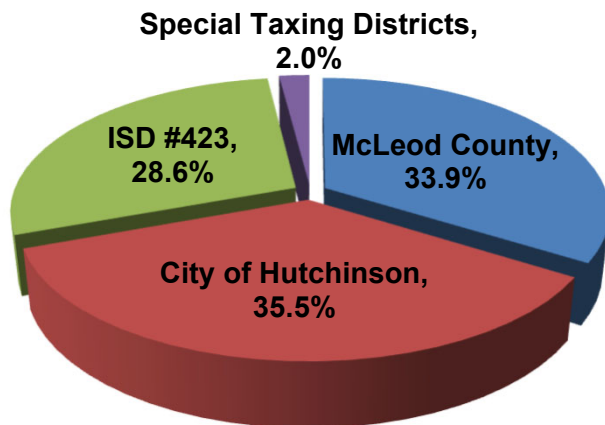
	2022	2023	
Estimated Market Valuation	\$ 520,000	\$ 520,000	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 520,000	\$ 520,000	0.0%
Property Classification Rate 1st \$150,000 @ 1.50%	2,250	2,250	
Over \$150,000 @ 2.00%	7,400	7,400	
Tax Capacity	\$ 9,650	\$ 9,650	
City of Hutchinson Tax Rate	60.407%	53.653%	-11.2%
City of Hutchinson Taxes Payable	\$ 5,829	\$ 5,178	-11.2%

Understanding Your Property Tax Bill

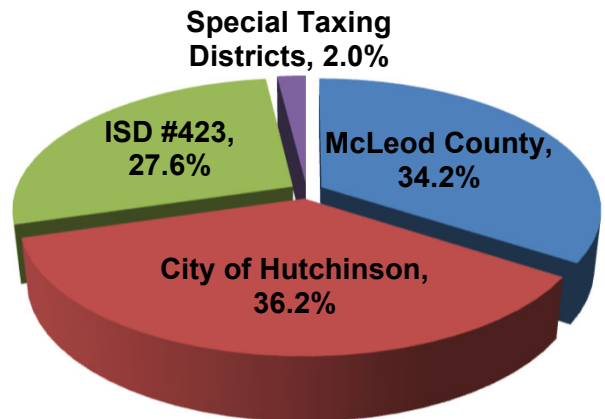
Tax Levies Applicable to City of Hutchinson Property Owners

- 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 Special Taxing District
 - Economic Development Commission servicing Kandiyohi, McLeod, Meeker & Renville counties
- The State General Tax is applicable mainly to Commercial/Industrial properties.

2022 Property Tax Bill Breakdown



2023 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.

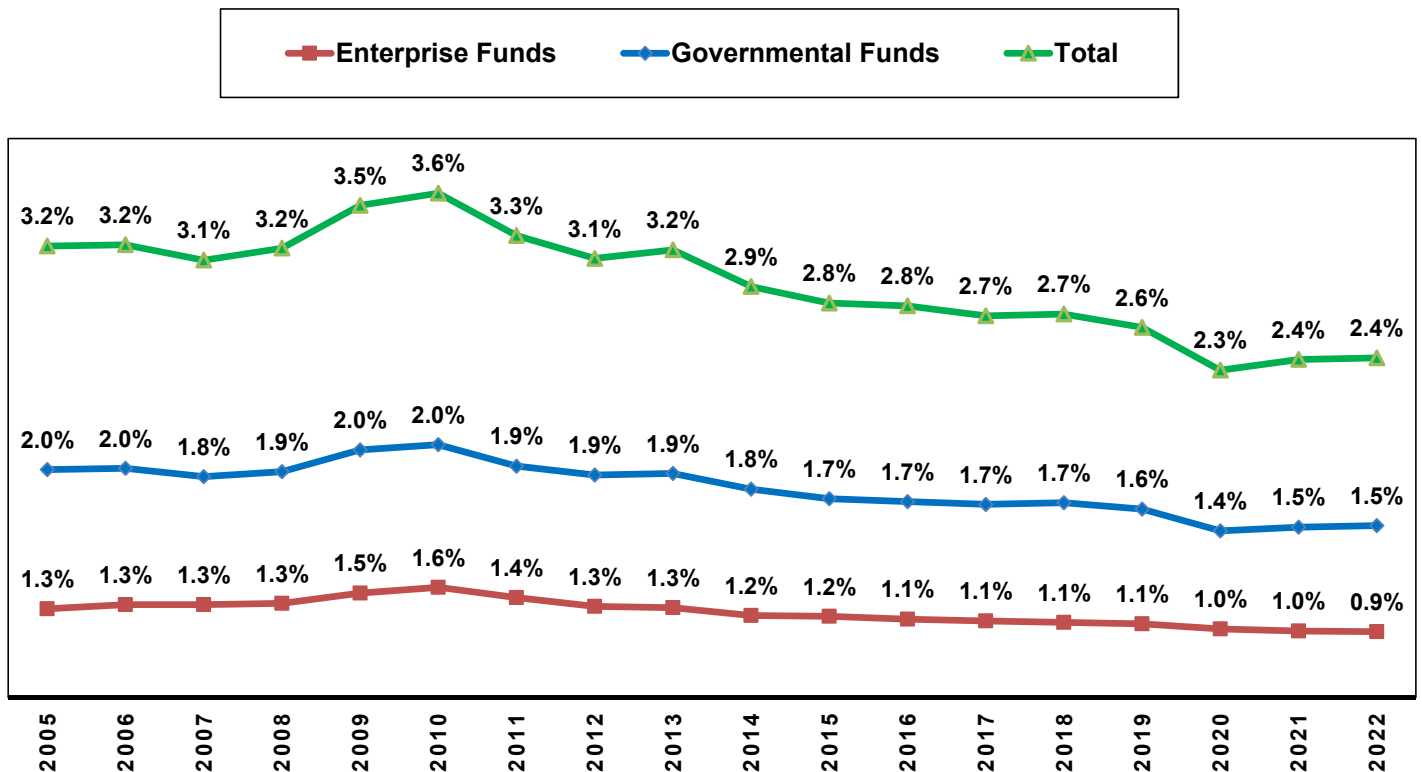
The graph below shows the City's price of government since 2005. The price has been stable throughout the analysis period but did increase during the recession to its highest level in 2010. Since 2010, the price has slowly decreased, indicating that personal income is growing at a faster rate than the cost of City services.

For 2022, Hutchinson citizens spent 1.5% of each dollar earned on the day to day operations of the City and 0.9% on the City's enterprise funds. In total, approximately 2.5% 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)





2024 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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	7,616,435	7,951,742	8,256,328	8,847,923	591,595	7.2%
Tax Increment Taxes	-	-	-	-	-	0.0%
Special Assessments	620,539	411,319	220,762	240,762	20,000	9.1%
Local Sales Tax	1,751,928	1,947,531	1,822,000	1,872,000	50,000	2.7%
Other Taxes	336,865	341,670	330,000	330,000	-	0.0%
Licenses & Permits	575,479	507,880	453,600	403,600	(50,000)	-11.0%
Intergovernmental Revenue	4,357,529	4,323,031	4,867,711	4,456,860	(410,851)	-8.4%
Charges for Services	3,247,562	3,449,408	3,502,301	3,192,618	(309,683)	-8.8%
Fines & Forfeitures	45,356	52,902	55,000	55,000	-	0.0%
Miscellaneous Revenue	758,839	1,260,350	917,800	1,836,400	918,600	100.1%
Transfers-In	4,896,120	6,293,791	3,628,158	4,849,259	1,221,101	33.7%
Fund Balance	169,091	108,861	-	-	-	0.0%
Bond Proceeds	2,589,951	2,145,132	1,900,000	2,350,000	450,000	23.7%
Sales Revenue	18,241,024	18,414,969	18,371,900	19,414,400	1,042,500	5.7%
TOTAL REVENUES	45,206,718	47,208,586	44,325,560	47,848,822	3,523,262	7.9%
EXPENDITURES:						
Wages & Benefits	12,516,247	13,093,347	13,601,261	14,184,090	582,829	4.3%
Supplies	1,820,461	2,206,772	2,246,643	2,408,773	162,130	7.2%
Services & Charges	6,250,377	6,148,793	7,260,740	7,702,790	442,050	6.1%
Miscellaneous Expenses	1,112,612	909,182	583,662	599,073	15,411	2.6%
Depreciation Expense	2,967,617	2,924,944	3,024,000	3,095,000	71,000	2.3%
Debt Service	5,614,530	3,852,232	5,972,684	6,056,045	83,361	1.4%
Bond Issuance Costs	34,305	49,825	50,000	57,200	7,200	14.4%
Transfers-Out	2,696,578	4,044,471	2,278,622	1,547,031	(731,591)	-32.1%
Capital Outlay	4,151,641	6,793,231	8,288,023	10,256,030	1,968,007	23.7%
Cost of Sales	6,747,207	6,788,981	7,004,250	6,907,872	(96,378)	-1.4%
TOTAL EXPENDITURES	43,911,575	46,811,778	50,309,885	52,813,904	2,504,019	5.0%
NET REVENUE / (LOSS)	1,295,143	396,808	(5,984,325)	(4,965,082)	1,019,243	

2024 Budget Summary by Fund Type

	Governmental Funds					Enterprise Funds	Internal Service Funds
	General Fund	Capital Project Funds	Debt Service Funds	Special Revenue Funds	Total		
REVENUES:							
Property Taxes	6,370,436	-	2,477,487	-	8,847,923	-	-
Tax Increment Taxes	-	-	-	-	-	-	-
Special Assessments	-	50,000	190,762	-	240,762	-	-
Local Sales Tax	-	-	-	-	-	1,872,000	-
Other Taxes	330,000	-	-	-	330,000	-	-
Licenses & Permits	392,100	-	-	-	392,100	11,500	-
Intergovernmental Revenue	2,028,194	2,048,962	-	358,204	4,435,360	21,500	-
Charges for Services	2,547,142	80,000	-	373,808	3,000,950	191,668	-
Fines & Forfeitures	55,000	-	-	-	55,000	-	-
Miscellaneous Revenue	353,900	845,000	50,000	62,200	1,311,100	409,300	116,000
Transfers-In	2,812,628	1,764,600	100,000	172,031	4,849,259	-	-
Bond Proceeds	-	2,350,000	-	-	2,350,000	-	-
Sales Revenue	-	-	-	-	-	19,414,400	-
TOTAL REVENUES	14,889,400	7,138,562	2,818,249	966,243	25,812,454	21,920,368	116,000
EXPENDITURES:							
Wages & Benefits	10,050,414	-	-	147,786	10,198,200	3,985,890	-
Supplies	1,072,833	11,000	-	496,015	1,579,848	828,925	-
Services & Charges	2,867,722	1,378,200	-	222,993	4,468,915	3,228,075	5,800
Miscellaneous Expenses	381,400	18,000	-	18,023	417,423	76,650	105,000
Depreciation Expense	-	-	-	-	-	3,095,000	-
Debt Service	-	-	2,818,852	-	2,818,852	3,237,193	-
Bond Issuance Costs	-	57,200	-	-	57,200	-	-
Transfers-Out	517,031	105,000	-	-	622,031	925,000	-
Capital Outlay	-	5,234,400	-	47,426	5,281,826	4,974,204	-
Cost of Sales	-	-	-	-	-	6,907,872	-
TOTAL EXPENDITURES	14,889,400	6,803,800	2,818,852	932,243	25,444,295	27,258,809	110,800
NET REVENUE / (LOSS)	-	334,762	(603)	34,000	368,159	(5,338,441)	5,200

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 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 commit 40% of the next year's General fund budgeted expenditures for working capital. This provides adequate cash flow to fund operations since major revenues, including property taxes and other government aid, are received on a biannual basis.

The City will commit 10% of the next year's General fund budgeted expenditures to plan for contingencies and tax levy stabilization.

Use of the contingency or tax levy stabilization reserve requires city council approval and will be limited to non-recurring or temporary events.

A plan to replenish reserves will be formulated during the annual budget process and five-year strategic planning. Potential sources for replenishment include budgetary surpluses, retired bond funds, uncommitted one-time monies, other city funds, and tax levy increases.

The unassigned fund balance represents reserves in excess of the 50% commitment for working capital, contingencies and levy stabilization. These funds are available for use at the city council's discretion.

City council and staff will review excess reserves on an annual basis to discuss potential uses for the funds. Emphasis will be placed on one-time uses that achieve future operating cost reductions.

Consideration will also be given to limiting the use of reserves to levels that do not adversely affect the City's credit rating.

- **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 and transfers to the General fund.

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.



2024 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 43% 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 17% 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 2024

- The city council approved a 9.0% general fund tax levy increase for 2024.
- Intergovernmental Revenue increased \$234,253. The City's Local Government Aid received from the State increased by \$399,664, 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.
- Charges for Services decreased \$325,166 primarily due to the Hospital Security program ending 12/31/2023. The hospital decided to take over the function, resulting in a \$331,000 loss of revenue. The loss is offset by \$374,000 of expenditure reductions, resulting in a net budgetary impact of \$43,000.
- Transfers-In increased \$88,092. The PILOT from Hutchinson Utilities increased \$38,092 while transfers from the Water and Wastewater funds increased \$20,000 and \$30,000, respectively.
- Wages & Benefits increased \$377,812, or 3.9%. This is due to several contributing factors, including the normal wage increases for employees, increased workers compensation rates and a 25% increase in health premiums. The employee pay grid was adjusted 6% to account for inflationary pressure. These increases were offset by \$371,000 of Hospital Security wages and benefits that ended with the program.
- The Supplies and Services & Charges categories have been adjusted upwards to account for inflationary increases to prices and services.
- Funding for General fund fleet replacements was increased by \$25,000 for 2024, to a total of \$400,000 annually.

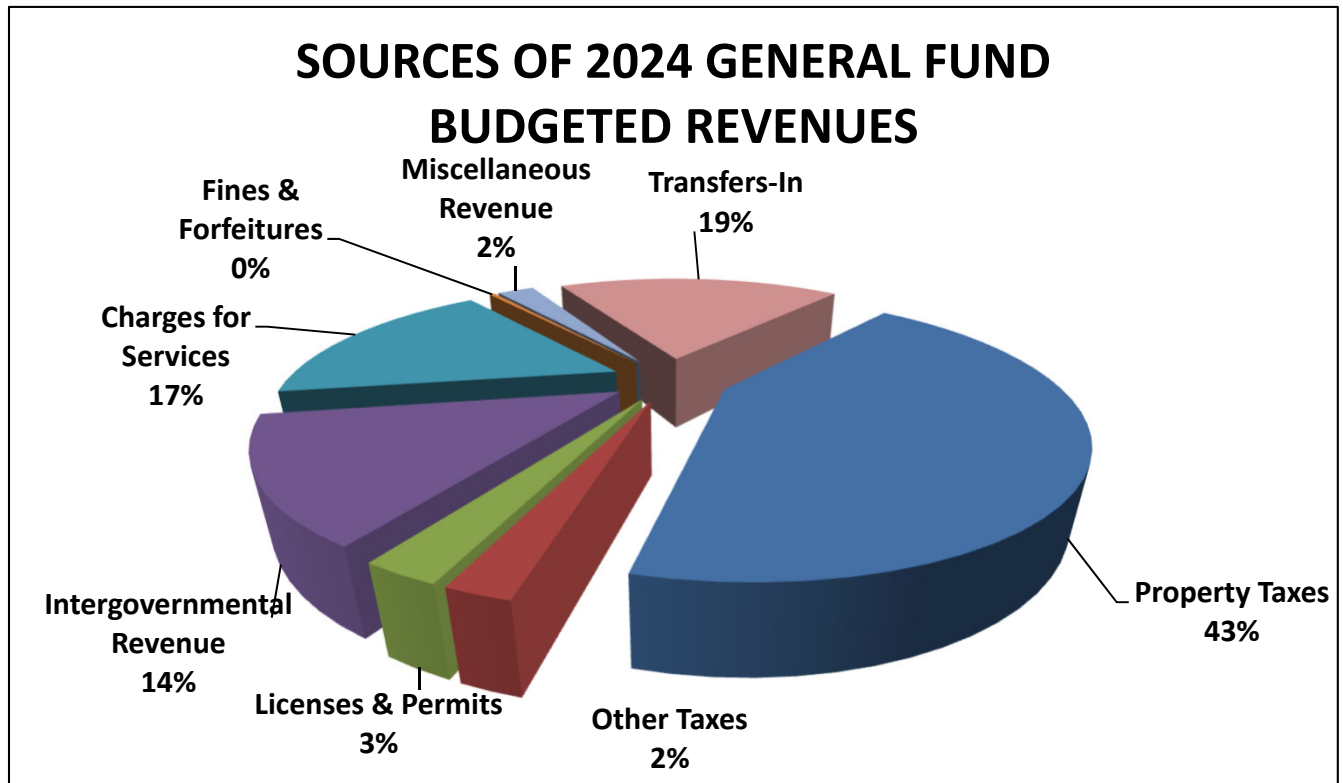
	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	5,408,925	5,600,340	5,846,751	6,370,436	523,685	9.0%
Other Taxes	336,865	341,670	330,000	330,000	-	0.0%
Licenses & Permits	564,539	493,365	442,100	392,100	(50,000)	-11.3%
Intergovernmental Revenue	1,745,433	1,795,728	1,793,941	2,028,194	234,253	13.1%
Charges for Services	2,698,269	2,769,184	2,872,308	2,547,142	(325,166)	-11.3%
Fines & Forfeitures	45,356	52,902	55,000	55,000	-	0.0%
Miscellaneous Revenue	223,366	257,566	289,800	353,900	64,100	22.1%
Transfers-In	2,723,192	2,710,192	2,724,536	2,812,628	88,092	3.2%
Fund Balance	-	-	-	-	-	0.0%
TOTAL REVENUES	13,745,945	14,020,947	14,354,436	14,889,400	534,964	3.7%
EXPENDITURES:						
Wages & Benefits	9,121,528	9,495,486	9,672,602	10,050,414	377,812	3.9%
Supplies	790,048	873,415	986,823	1,072,833	86,010	8.7%
Services & Charges	2,581,030	2,756,266	2,827,889	2,867,722	39,833	1.4%
Miscellaneous Expenses	870,386	717,157	373,500	381,400	7,900	2.1%
Transfers-Out	134,398	610,313	488,622	517,031	28,409	5.8%
Capital Outlay	71,798	26,961	5,000	-	(5,000)	0.0%
TOTAL EXPENDITURES	13,569,188	14,479,599	14,354,436	14,889,400	534,964	3.7%
NET REVENUE / (LOSS)	176,757	(458,652)	-	-	-	

General Fund

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	5,408,925	5,600,340	5,846,751	6,370,436	523,685	8.2%
Other Taxes	336,865	341,670	330,000	330,000	-	0.0%
Licenses & Permits						
Building Permits	503,469	413,187	366,500	316,500	(50,000)	-15.8%
Liquor Licenses	15,395	32,892	31,000	31,000	-	0.0%
Other	45,675	47,286	44,600	44,600	-	0.0%
Total Licenses & Permits	564,539	493,365	442,100	392,100	(50,000)	-12.8%
Intergovernmental Revenue						
Local Government Aid	1,268,473	1,334,205	1,349,130	1,548,963	199,833	12.9%
Police Pension Aid	202,237	230,378	230,377	246,826	16,449	6.7%
Fire Relief Pension Aid	121,903	127,954	127,954	142,925	14,971	10.5%
Other	152,821	103,191	86,480	89,480	3,000	3.4%
Total Intergovernmental	1,745,433	1,795,728	1,793,941	2,028,194	234,253	11.5%
Charges for Services						
Public Safety	429,782	418,708	460,162	142,934	(317,228)	-221.9%
Recreation	1,109,554	1,174,890	1,199,722	1,167,837	(31,885)	-2.7%
Streets & Highways	475,907	448,740	513,473	494,181	(19,292)	-3.9%
Other	683,025	726,847	698,951	742,190	43,239	5.8%
Total Charges for Services	2,698,269	2,769,184	2,872,308	2,547,142	(325,166)	-12.8%
Fines & Forfeitures	45,356	52,902	55,000	55,000	-	0.0%
Miscellaneous Revenue	216,366	249,616	289,800	353,900	64,100	18.1%
Total Revenues	11,015,753	11,302,805	11,629,900	12,076,772	446,872	3.7%
EXPENDITURES:						
General Government	3,506,182	3,666,435	3,669,105	3,897,580	228,475	5.9%
Public Safety	4,907,905	4,756,261	4,883,708	5,083,512	199,804	3.9%
Streets & Highways	1,828,995	1,440,840	1,694,543	1,740,483	45,940	2.6%
Culture & Recreation	2,920,759	3,741,322	3,323,468	3,368,457	44,989	1.3%
Miscellaneous	270,950	264,428	294,990	282,337	(12,653)	-4.5%
Total Expenditures	13,434,790	13,869,286	13,865,814	14,372,369	506,555	3.5%
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(2,419,037)	(2,566,481)	(2,235,914)	(2,295,597)	(59,683)	
OTHER FINANCING SOURCES / (USES)						
Transfers in						
Liquor fund	550,000	550,000	550,000	550,000	-	0.0%
Water & Sewer funds	150,000	150,000	150,000	200,000	50,000	25.0%
Compost fund	110,000	120,000	120,000	120,000	-	0.0%
Utilities Commission PILOT	1,867,192	1,867,192	1,904,536	1,942,628	38,092	2.0%
Other	46,000	23,000	-	-	-	0.0%
Total Transfers in	2,723,192	2,710,192	2,724,536	2,812,628	88,092	3.1%
Transfers out	(134,398)	(610,313)	(488,622)	(517,031)	(28,409)	5.5%
Sale of capital assets	7,000	7,950	-	-	-	0.0%
Fund Balance	-	-	-	-	-	0.0%
Total Other Financing Sources	2,595,794	2,107,829	2,235,914	2,295,597	59,683	2.6%
Net Change in Fund Balance	176,757	(458,652)	-	-	-	

General Fund Revenue

<u>Revenue Summary</u>	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% of Total
Property Taxes	5,408,925	5,600,340	5,846,751	6,370,436	523,685	43%
Other Taxes	336,865	341,670	330,000	330,000	-	2%
Licenses & Permits	564,539	493,365	442,100	392,100	(50,000)	3%
Intergovernmental Revenue	1,745,433	1,795,728	1,793,941	2,028,194	234,253	14%
Charges for Services	2,698,269	2,769,184	2,872,308	2,547,142	(325,166)	17%
Fines & Forfeitures	45,356	52,902	55,000	55,000	-	0%
Miscellaneous Revenue	223,366	257,566	289,800	353,900	64,100	2%
Transfers-In	2,723,192	2,710,192	2,724,536	2,812,628	88,092	19%
Total	13,745,945	14,020,947	14,354,436	14,889,400	534,964	100%



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 9.0% general fund tax levy increase for 2024, increasing total current year tax revenue to \$6,358,436. Tax revenues account for 43% of the total general fund revenues. The City expects to receive another \$12,000 of delinquent tax revenue annually.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Current Ad Valorem Taxes	5,376,068	5,527,849	5,834,751	6,358,436	523,685	9.0%
Delinquent Ad Valorem Taxes	32,857	72,491	12,000	12,000	-	0.0%
Total	5,408,925	5,600,340	5,846,751	6,370,436	523,685	9.0%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Hotel-Motel Tax	124,033	134,051	120,000	130,000	10,000	8.3%
Cable TV Franchise Fees	212,832	207,620	210,000	200,000	(10,000)	-4.8%
Total	336,865	341,670	330,000	330,000	-	0.0%

Licenses & Permits

This revenue category includes Licenses for intoxicating and non-intoxicating beverages, tobacco, ATVs and animals. It also includes Permits for Building, Plumbing, Demolition, Planning & Zoning and Tree Applications. The 2024 Building Permit revenue was lowered \$50,000 as we expected the current housing market slowdown to continue through 2024.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Alcoholic Beverages	15,395	32,892	31,000	31,000	-	0.0%
Tobacco	3,223	2,975	3,000	3,000	-	0.0%
Building Permits	502,714	412,295	366,000	316,000	(50,000)	-13.7%
Building Permit Surcharges	755	892	500	500	-	0.0%
Plumbing Permits	19,740	10,546	15,000	15,000	-	0.0%
Demolition Permits	2,025	2,185	1,500	1,500	-	0.0%
Planning & Zoning Fees	8,177	9,039	8,000	8,000	-	0.0%
Other Licenses	12,510	22,541	17,100	17,100	-	0.0%
Total	564,539	493,365	442,100	392,100	(50,000)	-11.3%

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 other one-time grants from federal, state and local sources. The City's 2024 LGA is certified at \$3,097,925, which is an increase of \$399,664. 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. New for 2024 is \$50,000 of the Capital Projects LGA being allocated to the Equipment Replacement fund to help with the rising cost of vehicles.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Local Government Aid	1,268,473	1,334,205	1,349,130	1,548,963	199,833	14.8%
Police Training Reimbursement	23,698	24,356	20,500	20,500	-	0.0%
Municipal State Aid - Streets	29,280	29,280	29,280	29,280	-	0.0%
State E911	29,794	-	-	-	-	0.0%
Police Pension Aid	202,237	230,378	230,377	246,826	16,449	7.1%
Fire Relief Assoc Aid - State	121,903	127,954	127,954	142,925	14,971	11.7%
Airport Aid	38,128	20,446	26,200	26,200	-	0.0%
State Grants - Other	24,236	14,514	9,000	12,000	3,000	33.3%
Other Grants or Aid	7,683	14,595	1,500	1,500	-	0.0%
Total	1,745,433	1,795,728	1,793,941	2,028,194	234,253	13.1%

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 and Hutchinson Utilities. 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. The 2024 budget includes \$331,270 of lost revenues due to the Hospital Security program ending.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Motor Vehicle Fees	252,388	269,230	285,000	310,000	25,000	8.8%
School Liaison Program	48,209	52,434	54,747	57,500	2,753	5.0%
Hospital Security Program	319,228	321,622	331,270	-	(331,270)	0.0%
Rental Inspection Fees	37,060	12,150	42,000	51,000	9,000	21.4%
Engineering Fees	466,305	438,971	504,873	479,281	(25,592)	-5.1%
Recreation Fees	508,973	556,784	544,500	587,500	43,000	7.9%
Campground Fees	74,959	72,601	70,000	75,000	5,000	7.1%
Rental Charges	115,623	116,878	136,833	78,300	(58,533)	-42.8%
Community Education Reimb	47,035	64,174	66,089	69,987	3,898	5.9%
Waterpark Fees	340,969	329,084	325,000	313,000	(12,000)	-3.7%
Airport Rentals	93,579	87,019	94,000	100,000	6,000	6.4%
Cemetery Fees	101,270	126,142	100,920	102,900	1,980	2.0%
Senior Center Revenue	23,441	36,870	59,500	45,500	(14,000)	-23.5%
HUC Personnel Reimb	170,927	180,512	157,981	167,040	9,059	5.7%
Other Revenues	98,302	104,713	99,595	110,134	10,539	10.6%
Total	2,698,269	2,769,184	2,872,308	2,547,142	(325,166)	-11.3%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Court Fines	45,356	52,902	55,000	55,000	-	0.0%
Total	45,356	52,902	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. Interest Earnings was increased \$60,000 to account for higher earnings on City investments and bank balances. 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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Interest Earnings	64,963	131,172	80,000	140,000	60,000	75.0%
Net Incr/Decr in FV of Invest	(108,845)	(184,470)	-	-	-	0.0%
Refunds & Reimbursements	218,732	252,918	181,800	188,800	7,000	3.9%
Contrib/Donation-PrivateSource	41,409	49,699	27,500	25,100	(2,400)	-8.7%
Other Revenue	7,107	8,247	500	-	(500)	0.0%
Total	223,366	257,566	289,800	353,900	64,100	22.1%

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 2024 PILOT increased by the maximum amount of 2%, or \$38,092, based on the increase to HUC's operating revenues for 2022.

The transfers from the Water and Sewer funds were increased \$20,000 and \$30,000, respectively. These transfers are intended to reimburse the General fund for shared services, such as Administrative, Legal, Finance/Accounting, Human Resources and Information Technology.

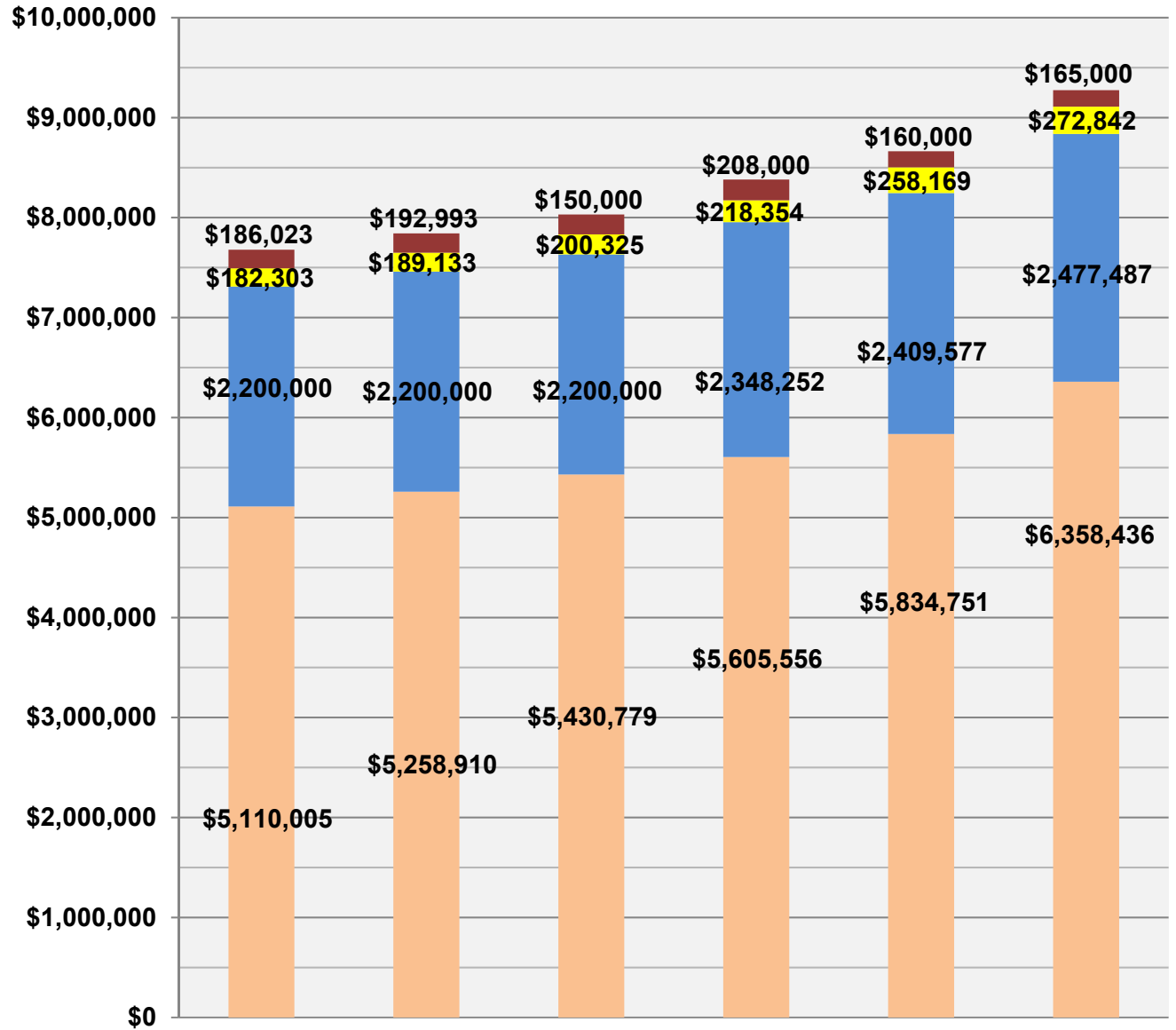
	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
Transfer from Liquor Fund	550,000	550,000	550,000	550,000	-	0.0%
Transfer from Water/Sewer Fund	150,000	150,000	150,000	200,000	50,000	33.3%
Transfer from Compost Fund	110,000	120,000	120,000	120,000	-	0.0%
Transfer from HUC	1,867,192	1,867,192	1,904,536	1,942,628	38,092	2.0%
Transfer from Self Insurance Fund	46,000	23,000	-	-	-	0.0%
Total	2,723,192	2,710,192	2,724,536	2,812,628	88,092	3.2%

The Enterprise Fund transfers are in place as a means to lower the tax burden for the City's taxpayers. The 2024 transfers from the Liquor, Water, Sewer and Compost fund total \$870,000. These transfers are reducing the City Tax Rate by 5.34%, which equates to a tax savings of 9.8% for every taxpayer. That translates into a \$125 tax reduction for a residential property valued at \$250,000.

Tax Impact of each Enterprise Fund:

	2024 Transfer	Tax Rate Reduction	(\$250,000 valued Home) City Tax Savings	
			Amount	%
Liquor Fund	550,000	3.37%	\$79	6.2%
Water Fund	90,000	0.55%	\$13	1.0%
Sewer Fund	110,000	0.67%	\$16	1.3%
Compost Fund	120,000	0.74%	\$17	1.3%
Total	870,000	5.34%	\$125	9.8%

Total City Tax Levy Comparison 2019 - 2024



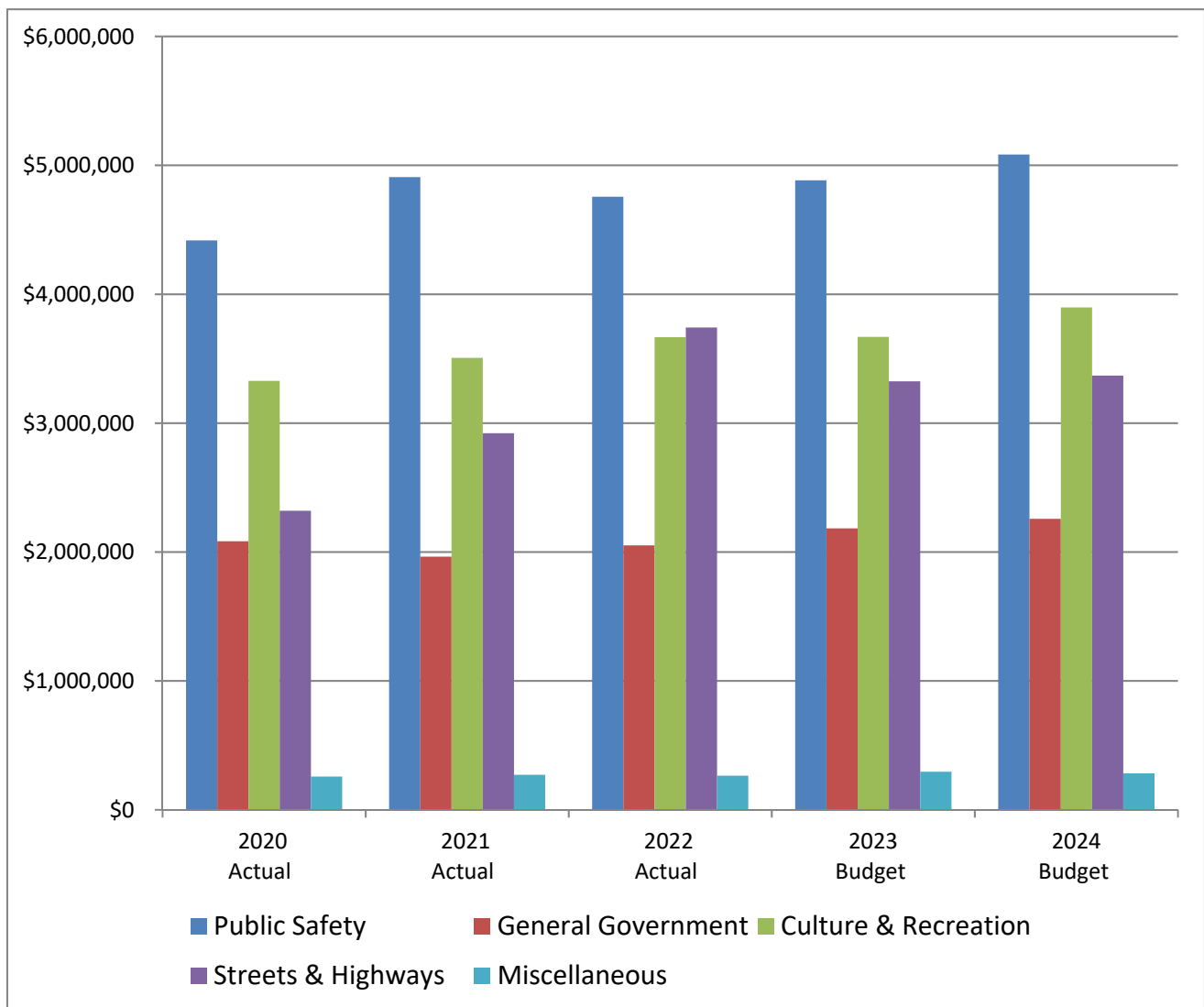
	2019	2020	2021	2022	2023	2024
■ General Fund	\$ 5,110,005	\$ 5,258,910	\$ 5,430,779	\$ 5,605,556	\$ 5,834,751	\$ 6,358,436
■ Debt Funds	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,348,252	\$ 2,409,577	\$ 2,477,487
■ EDA	\$ 182,303	\$ 189,133	\$ 200,325	\$ 218,354	\$ 258,169	\$ 272,842
■ HRA	\$ 186,023	\$ 192,993	\$ 200,000	\$ 208,000	\$ 160,000	\$ 165,000
Total Tax Levy	\$ 7,678,331	\$ 7,841,036	\$ 8,031,104	\$ 8,380,162	\$ 8,662,497	\$ 9,273,765

Annual Levy Change:

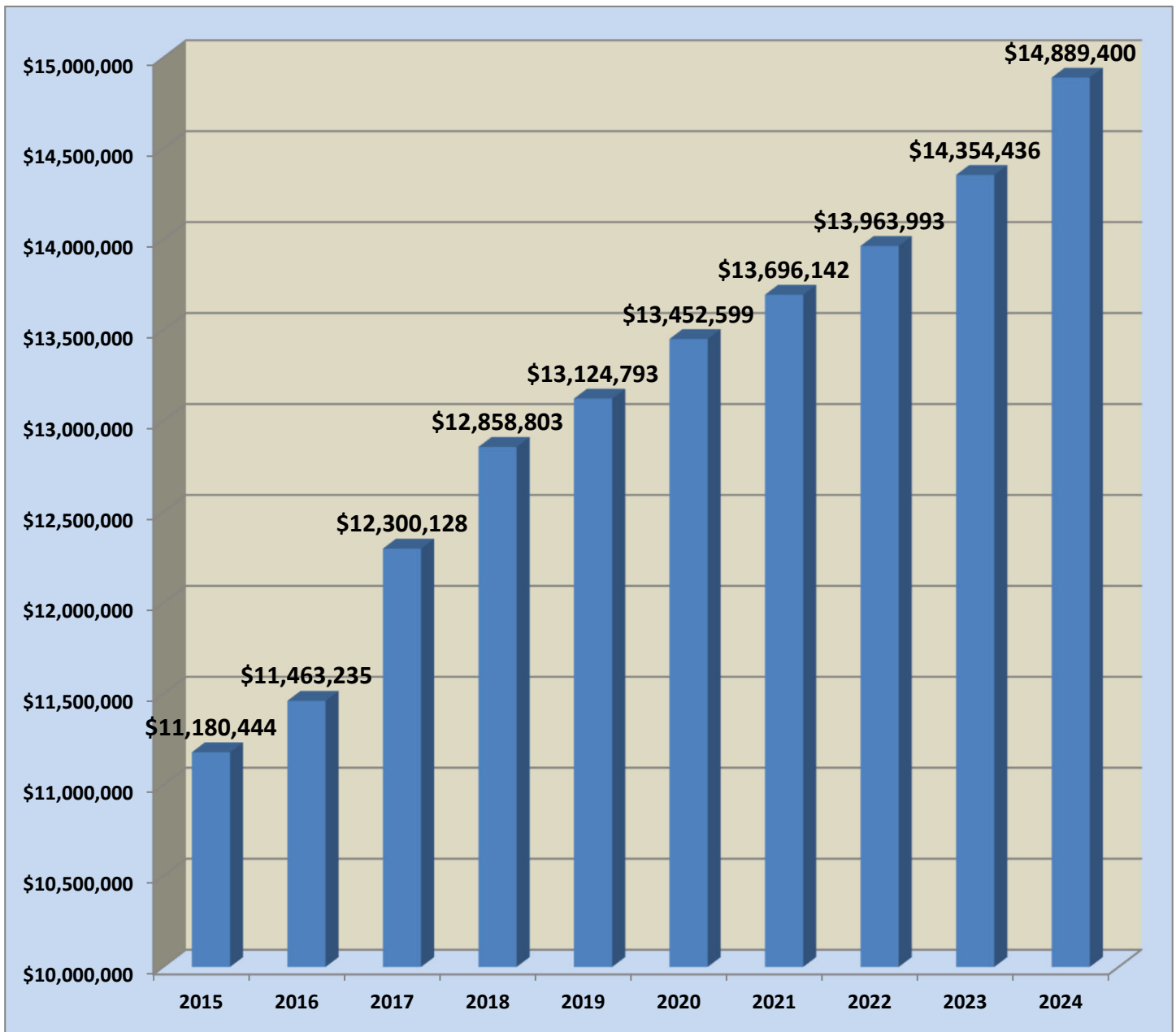
General Fund	4.0%	2.9%	3.3%	3.2%	4.1%	9.0%
Debt Funds	0.0%	0.0%	0.0%	6.7%	2.6%	2.8%
EDA	7.7%	3.7%	5.9%	9.0%	18.2%	5.7%
HRA	8.6%	3.7%	3.6%	4.0%	-23.1%	3.1%
Total Tax Levy	3.0%	2.1%	2.4%	4.3%	3.4%	7.1%

EXPENDITURE COMPARISON - GENERAL FUND

	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2024 Budget	% of Total
Public Safety	\$4,416,757	\$4,907,905	\$4,756,261	\$4,883,708	\$5,083,512	34.1%
Streets & Highways	\$2,082,877	\$1,963,393	\$2,051,153	\$2,183,165	\$2,257,514	15.2%
General Government	\$3,327,729	\$3,506,182	\$3,666,435	\$3,669,105	\$3,897,580	26.2%
Culture & Recreation	\$2,319,872	\$2,920,759	\$3,741,322	\$3,323,468	\$3,368,457	22.6%
Miscellaneous	\$257,647	\$270,950	\$264,428	\$294,990	\$282,337	1.9%
Total Expenditures	\$12,404,882	\$13,569,188	\$14,479,599	\$14,354,436	\$14,889,400	100.0%



HISTORICAL GENERAL FUND BUDGET



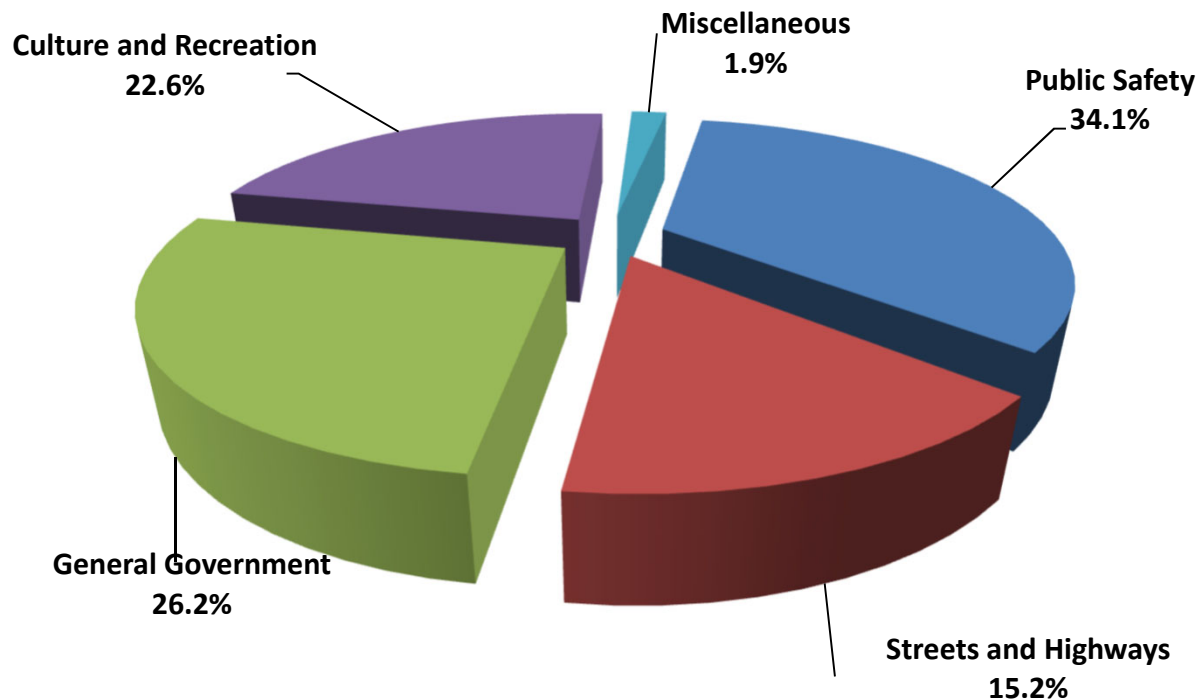
2017 - First year of operations for the new waterpark, with 2017 expenses of \$424,753.

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%.

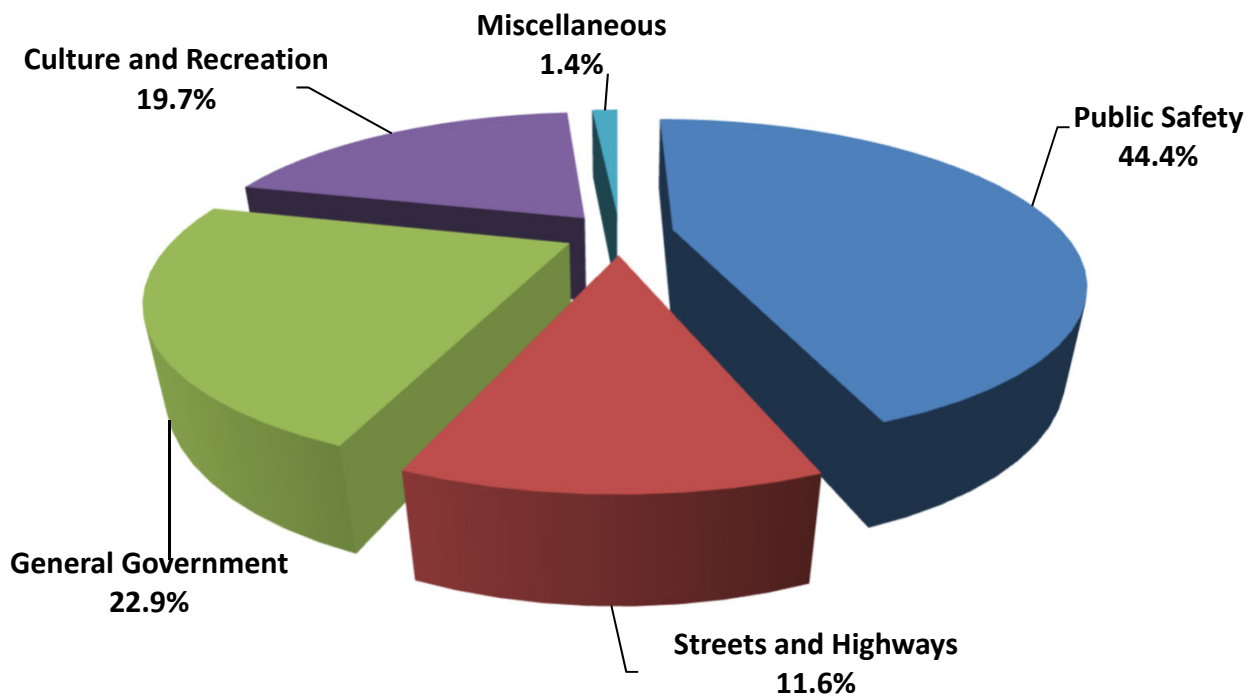
2020 - An additional parks maintenance employee was added and HR increased hours to deal with additional duties mandated by the Federal government.

2024 - Employer paid medical benefits increased 25%.

DISTRIBUTION OF 2024 GENERAL FUND BUDGETED EXPENDITURES



DISTRIBUTION OF 2024 GENERAL FUND WAGES & BENEFITS



GENERAL FUND NET REVENUE / (DEFICIT) BY DEPARTMENT

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. The table below reflects the budgetary deficit for each department after deducting revenues from expenditures. The General Revenue department accounts for those revenues that balance the deficits of other departments.

Department	2023 Budget		2024 Budget		Change
General Revenue	\$	10,117,952	\$	11,258,027	\$ 1,140,075
Mayor & City Council		(50,077)		(47,477)	2,600
Administration		(449,542)		(519,041)	(69,499)
Elections		(18,700)		(29,850)	(11,150)
Finance		(401,870)		(425,523)	(23,653)
Motor Vehicle		8,840		(7,131)	(15,971)
Assessing		(61,205)		(61,499)	(294)
Legal		(285,434)		(284,955)	479
Planning		(145,014)		(157,040)	(12,026)
Information Services		(468,698)		(472,804)	(4,106)
City Hall		(191,649)		(200,095)	(8,446)
Unallocated Expenses		(937,750)		(954,900)	(17,150)
Subtotal - General Government		(3,001,099)		(3,160,315)	(159,216)
Police		(3,125,896)		(3,794,587)	(668,691)
Hospital Security <i>(ended 12/31/2023)</i>		(26,489)		-	26,489
Emergency Management		(16,980)		(13,500)	3,480
Safety Committee		(11,370)		(13,950)	(2,580)
Fire		(388,499)		(417,251)	(28,752)
Protective Services		82,321		(24,864)	(107,185)
Subtotal - Public Safety		(3,486,913)		(4,264,152)	(777,239)
Engineering		-		-	-
Streets & Alleys		(1,583,186)		(1,725,053)	(141,867)
Subtotal - Streets & Highways		(1,583,186)		(1,725,053)	(141,867)
Park - Administration		(184,378)		(206,471)	(22,093)
Recreation		(99,033)		(28,861)	70,172
Senior Center		(27,296)		(28,464)	(1,168)
Civic Arena		(131,332)		(92,387)	38,945
Park Department		(857,254)		(963,993)	(106,739)
Recreation Building		(183,100)		(192,835)	(9,735)
Event Center		(171,357)		(121,082)	50,275
Evergreen Building - Senior Dining		(25,242)		(28,480)	(3,238)
Library		(230,492)		(247,865)	(17,373)
Waterpark		(71,659)		(152,082)	(80,423)
Subtotal - Culture & Recreation		(1,981,143)		(2,062,520)	(81,377)
Cemetery		(46,688)		(49,927)	(3,239)
Airport		(18,923)		3,940	22,863
Subtotal - Miscellaneous		(65,611)		(45,987)	19,624
NET REVENUE / (DEFICIT)	\$	-	\$	-	\$ -

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 fund City services, sets city policies and establishes the overall vision for the City.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Wages & Benefits	\$ 37,345	\$ 37,489	\$ 42,327	\$ 42,317	\$ (10)	0.0%
Supplies	119	-	100	100	-	0.0%
Services & Charges	886	121	4,560	2,010	(2,550)	-55.9%
Miscellaneous Expenses	7,742	3,169	3,100	3,050	(50)	-1.6%
Total	\$ 46,092	\$ 40,779	\$ 50,087	\$ 47,477	\$ (2,610)	-5.2%
Net Revenue / (Loss)	\$ (46,092)	\$ (40,779)	\$ (50,087)	\$ (47,477)	\$ 2,610	-5.2%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 33,167	\$ 33,075	\$ -	\$ -	\$ -	0.0%
Miscellaneous Revenues	34	13	-	-	-	0.0%
Total	\$ 33,201	\$ 33,088	\$ -	\$ -	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 448,967	\$ 475,576	\$ 457,603	\$ 493,420	\$ 35,817	7.8%
Supplies	1,480	144	3,500	2,000	(1,500)	-42.9%
Services & Charges	25,072	46,433	21,643	20,121	(1,522)	-7.0%
Miscellaneous Expenses	5,218	2,355	3,500	3,500	-	0.0%
Total	\$ 480,737	\$ 524,508	\$ 486,246	\$ 519,041	\$ 32,795	6.7%
Net Revenue / (Loss)	\$ (447,535)	\$ (491,420)	\$ (486,246)	\$ (519,041)	\$ (32,795)	6.7%

Department: Elections

General Government

The election department provides resources necessary to administer the election process for the City of Hutchinson. This includes election supplies, equipment and staff time to administer the voting process, including early and absentee voting. The 2024 budget reflects the expected expenses to administer three elections; two primaries and the general election.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 40	\$ 120	\$ -	\$ -	\$ -	0.0%
Total	\$ 40	\$ 120	\$ -	\$ -	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ -	\$ 12,112	\$ -	\$ 23,500	\$ 23,500	0.0%
Supplies	-	5,134	-	5,000	5,000	0.0%
Services & Charges	62	2,231	-	350	350	0.0%
Miscellaneous Expenses	-	888	-	1,000	1,000	0.0%
Total	\$ 62	\$ 20,365	\$ -	\$ 29,850	\$ 29,850	0.0%
Net Revenue / (Loss)	\$ (22)	\$ (20,245)	\$ -	\$ (29,850)	\$ (29,850)	0.0%

GENERAL FUND DEPARTMENT SUMMARIES

Department: Finance

General Government

The Finance Department functions as an internal service department for the various other departments within the City of Hutchinson. The department is responsible for all phases of budgetary preparation and planning, 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, cash and investment management, risk management and insurance coverage, TIF administration, special assessment management and all related accounting services.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 4,294	\$ 3,271	\$ 2,300	\$ 2,300	\$ -	0.0%
Miscellaneous Revenues	50	171	-	-	-	0.0%
Total	\$ 4,344	\$ 3,442	\$ 2,300	\$ 2,300	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 299,265	\$ 323,084	\$ 325,568	\$ 344,253	\$ 18,685	5.7%
Supplies	1,423	1,576	1,500	1,500	-	0.0%
Services & Charges	72,481	66,969	77,902	80,620	2,718	3.5%
Miscellaneous Expenses	1,055	1,144	1,350	1,450	100	7.4%
Total	\$ 374,224	\$ 392,773	\$ 406,320	\$ 427,823	\$ 21,503	5.3%
Net Revenue / (Loss)	\$ (369,880)	\$ (389,330)	\$ (404,020)	\$ (425,523)	\$ (21,503)	5.3%

Department: Motor Vehicle

General Government

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

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 268,755	\$ 291,075	\$ 304,500	\$ 331,000	\$ 26,500	8.7%
Miscellaneous Revenues	107	297	500	-	(500)	0.0%
Total	\$ 268,863	\$ 291,373	\$ 305,000	\$ 331,000	\$ 26,000	8.5%
Expenditures:						
Wages & Benefits	\$ 259,614	\$ 281,608	\$ 270,779	\$ 306,173	\$ 35,394	13.1%
Supplies	3,910	8,671	5,850	5,850	-	0.0%
Services & Charges	12,571	12,070	21,918	24,708	2,790	12.7%
Miscellaneous Expenses	712	965	1,400	1,400	-	0.0%
Total	\$ 276,808	\$ 303,314	\$ 299,947	\$ 338,131	\$ 38,184	12.7%
Net Revenue / (Loss)	\$ (7,945)	\$ (11,941)	\$ 5,053	\$ (7,131)	\$ (12,184)	-241.1%

Department: Assessing

General Government

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Services & Charges	\$ 61,205	\$ 61,478	\$ 61,478	\$ 61,499	\$ 21	0.0%
Total	\$ 61,205	\$ 61,478	\$ 61,478	\$ 61,499	\$ 21	0.0%
Net Revenue / (Loss)	\$ (61,205)	\$ (61,478)	\$ (61,478)	\$ (61,499)	\$ (21)	0.0%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Miscellaneous Revenues	\$ -	\$ 150	\$ -	\$ -	\$ -	0.0%
Charges for Services	42,000	42,000	42,300	44,100	1,800	4.3%
Total	\$ 42,000	\$ 42,150	\$ 42,300	\$ 44,100	\$ 1,800	4.3%
Expenditures:						
Wages & Benefits	\$ 233,601	\$ 238,723	\$ 235,627	\$ 245,385	\$ 9,758	4.1%
Supplies	18,011	17,994	22,900	22,400	(500)	-2.2%
Services & Charges	51,533	51,398	65,170	59,270	(5,900)	-9.1%
Miscellaneous Expenses	346	2,613	2,000	2,000	-	0.0%
Total	\$ 303,492	\$ 310,728	\$ 325,697	\$ 329,055	\$ 3,358	1.0%
Net Revenue / (Loss)	\$ (261,492)	\$ (268,578)	\$ (283,397)	\$ (284,955)	\$ (1,558)	0.5%

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, Rezonings, Annexations, Lot Splits, Platting and Sign permits.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 24,937	\$ 24,710	\$ 24,000	\$ 24,000	\$ -	0.0%
Total	\$ 24,937	\$ 24,710	\$ 24,000	\$ 24,000	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 153,519	\$ 157,126	\$ 160,725	\$ 171,040	\$ 10,315	6.4%
Supplies	-	-	750	750	-	0.0%
Services & Charges	6,672	5,798	8,250	8,050	(200)	-2.4%
Miscellaneous Expenses	800	747	1,200	1,200	-	0.0%
Total	\$ 160,991	\$ 163,672	\$ 170,925	\$ 181,040	\$ 10,115	5.9%
Net Revenue / (Loss)	\$ (136,054)	\$ (138,962)	\$ (146,925)	\$ (157,040)	\$ (10,115)	6.9%

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 GIS information for inventory and analysis purposes and is available on their desktops.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 119,852	\$ 129,437	\$ 139,981	\$ 146,940	\$ 6,959	5.0%
Total	\$ 119,852	\$ 129,437	\$ 139,981	\$ 146,940	\$ 6,959	5.0%
Expenditures:						
Wages & Benefits	\$ 324,465	\$ 335,255	\$ 342,764	\$ 360,409	\$ 17,645	5.1%
Supplies	41,829	21,484	37,608	55,808	18,200	48.4%
Services & Charges	193,595	232,464	204,129	203,427	(702)	-0.3%
Miscellaneous Expenses	22	24	100	100	-	0.0%
Capital Outlay	-	7,586	-	-	-	0.0%
Total	\$ 559,911	\$ 596,814	\$ 584,601	\$ 619,744	\$ 35,143	6.0%
Net Revenue / (Loss)	\$ (440,059)	\$ (467,377)	\$ (444,620)	\$ (472,804)	\$ (28,184)	6.3%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ -	0.0%
Miscellaneous Revenues	493	(91)	-	-	-	0.0%
Total	\$ 2,693	\$ 2,109	\$ 2,200	\$ 2,200	\$ -	0.0%
Expenditures:						
Wages & Benefits	\$ 95,477	\$ 99,566	\$ 104,480	\$ 109,410	\$ 4,930	4.7%
Supplies	14,647	13,249	17,850	15,850	(2,000)	-11.2%
Services & Charges	89,855	72,187	78,645	76,385	(2,260)	-2.9%
Miscellaneous Expenses	500	448	650	650	-	0.0%
Capital Outlay	5,827	-	-	-	-	0.0%
Total	\$ 206,305	\$ 185,449	\$ 201,625	\$ 202,295	\$ 670	0.3%
Net Revenue / (Loss)	\$ (203,613)	\$ (183,340)	\$ (199,425)	\$ (200,095)	\$ (670)	0.3%

Department: Emergency Management

Public Safety

The Emergency Management budget provides resources for responding to major emergencies or disasters. Expenses to test and maintain the City's civil defense system are also accounted for within this department.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 72	\$ -	\$ 500	\$ 500	\$ -	0.0%
Services & Charges	14,248	10,998	16,480	13,000	(3,480)	-21.1%
Total	\$ 14,319	\$ 10,998	\$ 16,980	\$ 13,500	\$ (3,480)	-20.5%
Net Revenue / (Loss)	\$ (14,319)	\$ (10,998)	\$ (16,980)	\$ (13,500)	\$ 3,480	-20.5%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 2,980	\$ 3,335	\$ 2,600	\$ 2,600	\$ -	0.0%
Intergovernmental	266,810	264,396	253,877	270,326	16,449	6.5%
Charges for Services	61,923	75,296	75,297	78,200	2,903	3.9%
Fines & Forfeitures	45,356	52,902	55,000	55,000	-	0.0%
Miscellaneous Revenues	25,570	15,284	10,000	10,000	-	0.0%
Total	\$ 402,639	\$ 411,214	\$ 396,774	\$ 416,126	\$ 19,352	4.9%
Expenditures:						
Wages & Benefits	\$ 3,334,713	\$ 3,354,991	\$ 3,345,113	\$ 3,801,618	\$ 456,505	13.6%
Supplies	90,233	111,714	110,000	112,500	2,500	2.3%
Services & Charges	210,474	198,599	247,166	287,795	40,629	16.4%
Miscellaneous Expenses	174,159	4,368	8,800	8,800	-	0.0%
Transfers-Out	26,248	-	-	-	-	0.0%
Capital Outlay	29,832	254	-	-	-	0.0%
Total	\$ 3,865,658	\$ 3,669,926	\$ 3,711,079	\$ 4,210,713	\$ 499,634	13.5%
Net Revenue / (Loss)	\$ (3,463,019)	\$ (3,258,713)	\$ (3,314,305)	\$ (3,794,587)	\$ (480,282)	14.5%

Department: Hospital Security

Public Safety

The Hospital Security service ended December 31, 2023 as the hospital took the service internally. Previous budgets tracked all expenditures incurred by the City to provide this service to the hospital. The separate department provided a mechanism to monitor costs and give city leaders the necessary information to support any potential revenue increases needed from the hospital.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 319,228	\$ 321,622	\$ 331,270	\$ -	\$ (331,270)	0.0%
Total	\$ 319,228	\$ 321,622	\$ 331,270	\$ -	\$ (331,270)	0.0%
Expenditures:						
Wages & Benefits	\$ 317,435	\$ 330,528	\$ 370,964	\$ -	\$ (370,964)	0.0%
Supplies	755	1,590	1,500	-	(1,500)	0.0%
Services & Charges	1,100	-	1,500	-	(1,500)	0.0%
Miscellaneous Expenses	-	85	-	-	-	0.0%
Total	\$ 319,291	\$ 332,204	\$ 373,964	\$ -	\$ (373,964)	0.0%
Net Revenue / (Loss)	\$ (63)	\$ (10,582)	\$ (42,694)	\$ -	\$ 42,694	0.0%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 983	\$ -	\$ -	\$ -	\$ -	0.0%
Services & Charges	\$ 9,520	\$ 8,973	\$ 10,400	\$ 12,350	\$ 1,950	18.8%
Miscellaneous Expenses	596	867	1,600	1,600	-	0.0%
Total	\$ 11,099	\$ 9,840	\$ 12,000	\$ 13,950	\$ 1,950	16.3%
Net Revenue / (Loss)	\$ (11,099)	\$ (9,840)	\$ (12,000)	\$ (13,950)	\$ (1,950)	16.3%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 13,786	\$ 6,940	\$ 5,500	\$ 8,500	\$ 3,000	54.5%
Charges for Services	12,511	13,779	14,595	16,734	2,139	14.7%
Miscellaneous Revenues	8,056	1,080	8,000	5,000	(3,000)	-37.5%
Total	\$ 34,354	\$ 21,799	\$ 28,095	\$ 30,234	\$ 2,139	7.6%
Expenditures:						
Wages & Benefits	\$ 244,817	\$ 273,012	\$ 262,572	\$ 294,125	\$ 31,553	12.0%
Supplies	64,567	46,460	52,200	54,700	2,500	4.8%
Services & Charges	84,444	83,143	89,522	92,510	2,988	3.3%
Miscellaneous Expenses	3,633	3,199	6,150	6,150	-	0.0%
Total	\$ 397,461	\$ 405,815	\$ 410,444	\$ 447,485	\$ 37,041	9.0%
Net Revenue / (Loss)	\$ (363,107)	\$ (384,016)	\$ (382,349)	\$ (417,251)	\$ (34,902)	9.1%

Department: Protective Inspections

Public Safety

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

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ 514,067	\$ 421,961	\$ 372,000	\$ 322,000	\$ (50,000)	-13.4%
Charges for Services	39,060	12,150	42,000	51,000	9,000	21.4%
Miscellaneous Revenues	187	-	-	-	-	0.0%
Total	\$ 553,315	\$ 434,111	\$ 414,000	\$ 373,000	\$ (41,000)	-9.9%
Expenditures:						
Wages & Benefits	\$ 289,045	\$ 312,185	\$ 337,471	\$ 364,238	\$ 26,767	7.9%
Supplies	2,826	2,646	7,575	6,025	(1,550)	-20.5%
Services & Charges	7,962	12,337	13,295	27,001	13,706	103.1%
Miscellaneous Expenses	245	309	900	600	(300)	-33.3%
Total	\$ 300,077	\$ 327,477	\$ 359,241	\$ 397,864	\$ 38,623	10.8%
Net Revenue / (Loss)	\$ 253,237	\$ 106,634	\$ 54,759	\$ (24,864)	\$ (79,623)	-145.4%

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 position of City Engineer is currently vacant after the prior engineer resigned in 2022. The City is currently contracting out the majority of its engineering needs and will evaluate whether or not to fill the vacated position.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 467,967	\$ 439,600	\$ 505,473	\$ 479,881	\$ (25,592)	-5.1%
Total	\$ 467,967	\$ 439,600	\$ 505,473	\$ 479,881	\$ (25,592)	-5.1%
Expenditures:						
Wages & Benefits	\$ 366,175	\$ 344,668	\$ 425,022	\$ 412,113	\$ (12,909)	-3.0%
Supplies	6,145	7,834	8,600	8,825	225	2.6%
Services & Charges	79,906	84,371	68,401	55,593	(12,808)	-18.7%
Miscellaneous Expenses	2,196	2,483	3,450	3,350	(100)	-2.9%
Total	\$ 454,423	\$ 439,355	\$ 505,473	\$ 479,881	\$ (25,592)	-5.1%
Net Revenue / (Loss)	\$ 13,545	\$ 245	\$ -	\$ -	\$ -	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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Licenses & Permits	\$ -	\$ 1,200	\$ 5,000	\$ 5,000	\$ -	0.0%
Intergovernmental	29,577	29,280	31,280	31,280	-	0.0%
Charges for Services	5,240	5,000	5,000	11,300	6,300	126.0%
Miscellaneous Revenues	4,539	7,918	5,000	5,000	-	0.0%
Total	\$ 39,356	\$ 43,398	\$ 46,280	\$ 52,580	\$ 6,300	13.6%
Expenditures:						
Wages & Benefits	\$ 647,352	\$ 670,068	\$ 695,115	\$ 753,637	\$ 58,522	8.4%
Supplies	218,829	267,031	278,300	312,300	34,000	12.2%
Services & Charges	522,905	563,528	583,355	592,365	9,010	1.5%
Transfers-Out	108,150	110,313	113,622	117,031	3,409	3.0%
Miscellaneous Expenses	1,734	858	2,300	2,300	-	0.0%
Capital Outlay	10,000	-	5,000	-	(5,000)	0.0%
Total	\$ 1,508,970	\$ 1,611,798	\$ 1,677,692	\$ 1,777,633	\$ 99,941	6.0%
Net Revenue / (Loss)	\$ (1,469,614)	\$ (1,568,401)	\$ (1,631,412)	\$ (1,725,053)	\$ (93,641)	5.7%

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 as well.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 47,035	\$ 64,174	\$ 66,089	\$ 69,987	\$ 3,898	5.9%
Miscellaneous Revenues	6,920	5,205	4,000	4,000	-	0.0%
Total	\$ 53,955	\$ 69,379	\$ 70,089	\$ 73,987	\$ 3,898	5.6%
Expenditures:						
Wages & Benefits	\$ 215,553	\$ 199,200	\$ 210,988	\$ 225,908	\$ 14,920	7.1%
Supplies	1,383	2,259	1,700	1,450	(250)	-14.7%
Services & Charges	55,134	62,646	49,723	51,700	1,977	4.0%
Miscellaneous Expenses	15,696	1,353	1,400	1,400	-	0.0%
Total	\$ 287,766	\$ 265,459	\$ 263,811	\$ 280,458	\$ 16,647	6.3%
Net Revenue / (Loss)	\$ (233,811)	\$ (196,080)	\$ (193,722)	\$ (206,471)	\$ (12,749)	6.6%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 173,858	\$ 154,849	\$ 167,000	\$ 185,000	\$ 18,000	10.8%
Miscellaneous Revenues	11,510	18,110	12,000	12,000	-	0.0%
Total	\$ 185,368	\$ 172,959	\$ 179,000	\$ 197,000	\$ 18,000	10.1%
Expenditures:						
Wages & Benefits	\$ 165,684	\$ 133,205	\$ 137,697	\$ 122,761	\$ (14,936)	-10.8%
Supplies	36,258	36,258	43,500	50,500	7,000	16.1%
Services & Charges	41,425	40,304	50,200	48,300	(1,900)	-3.8%
Miscellaneous Expenses	475	485	800	4,300	3,500	437.5%
Total	\$ 243,842	\$ 210,252	\$ 232,197	\$ 225,861	\$ (6,336)	-2.7%
Net Revenue / (Loss)	\$ (58,475)	\$ (37,293)	\$ (53,197)	\$ (28,861)	\$ 24,336	-45.7%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 26,674	\$ 39,943	\$ 63,500	\$ 49,500	\$ (14,000)	-22.0%
Miscellaneous Revenues	2,975	2,655	6,000	1,600	(4,400)	-73.3%
Total	\$ 29,649	\$ 42,598	\$ 69,500	\$ 51,100	\$ (18,400)	-26.5%
Expenditures:						
Wages & Benefits	\$ 39,104	\$ 53,221	\$ 37,961	\$ 39,214	\$ 1,253	3.3%
Supplies	1,612	662	2,250	2,250	-	0.0%
Services & Charges	18,673	34,440	44,650	38,100	(6,550)	-14.7%
Miscellaneous Expenses	420	942	-	-	-	0.0%
Total	\$ 59,809	\$ 89,265	\$ 84,861	\$ 79,564	\$ (5,297)	-6.2%
Net Revenue / (Loss)	\$ (30,160)	\$ (46,667)	\$ (15,361)	\$ (28,464)	\$ (13,103)	85.3%

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, but ice is left year-round in one rink for summer practices. 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.							
	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change	
Revenues:							
Charges for Services	\$ 256,793	\$ 319,765	\$ 295,000	\$ 320,750	\$ 25,750	8.7%	
Miscellaneous Revenues	4,800	10,400	-	-	-	0.0%	
Total	\$ 261,593	\$ 330,165	\$ 295,000	\$ 320,750	\$ 25,750	8.7%	
Expenditures:							
Wages & Benefits	\$ 126,093	\$ 148,742	\$ 172,144	\$ 174,187	\$ 2,043	1.2%	
Supplies	20,410	21,869	34,640	48,500	13,860	40.0%	
Services & Charges	172,649	199,939	199,450	188,950	(10,500)	-5.3%	
Miscellaneous Expenses	1,385	1,435	1,500	1,500	-	0.0%	
Transfers-Out	-	500,000	-	-	-	0.0%	
Total	\$ 320,537	\$ 871,984	\$ 407,734	\$ 413,137	\$ 5,403	1.3%	
Net Revenue / (Loss)	\$ (58,944)	\$ (541,820)	\$ (112,734)	\$ (92,387)	\$ 20,347	-18.0%	

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.						
	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ -	\$ 2,555	\$ -	\$ -	\$ -	0.0%
Charges for Services	107,046	106,968	102,000	105,500	3,500	3.4%
Miscellaneous Revenues	123,654	137,174	118,500	118,500	-	0.0%
Total	\$ 230,700	\$ 246,697	\$ 220,500	\$ 224,000	\$ 3,500	1.6%
Expenditures:						
Wages & Benefits	\$ 642,920	\$ 740,225	\$ 783,476	\$ 806,243	\$ 22,767	2.9%
Supplies	158,106	178,195	211,350	212,350	1,000	0.5%
Services & Charges	136,104	142,014	150,010	168,500	18,490	12.3%
Miscellaneous Expenses	782	1,074	900	900	-	0.0%
Capital Outlay	17,586	9,350	-	-	-	0.0%
Total	\$ 955,498	\$ 1,070,858	\$ 1,145,736	\$ 1,187,993	\$ 42,257	3.7%
Net Revenue / (Loss)	\$ (724,798)	\$ (824,162)	\$ (925,236)	\$ (963,993)	\$ (38,757)	4.2%

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.							
	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change	
Revenues:							
Charges for Services	\$ 78,030	\$ 90,920	\$ 85,000	\$ 87,500	\$ 2,500	2.9%	
Miscellaneous Revenues	-	3,500	-	-	-	0.0%	
Total	\$ 78,030	\$ 94,420	\$ 85,000	\$ 87,500	\$ 2,500	2.9%	
Expenditures:							
Wages & Benefits	\$ 151,778	\$ 191,701	\$ 214,260	\$ 214,365	\$ 105	0.0%	
Supplies	10,563	5,915	15,100	20,600	5,500	36.4%	
Services & Charges	37,988	40,921	50,870	44,370	(6,500)	-12.8%	
Miscellaneous Expenses	610	450	1,000	1,000	-	0.0%	
Total	\$ 200,939	\$ 238,986	\$ 281,230	\$ 280,335	\$ (895)	-0.3%	
Net Revenue / (Loss)	\$ (122,909)	\$ (144,566)	\$ (196,230)	\$ (192,835)	\$ 3,395	-1.7%	

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 73,219	\$ 62,754	\$ 90,000	\$ 30,000	\$ (60,000)	-66.7%
Total	\$ 73,219	\$ 86,475	\$ 90,000	\$ 30,000	\$ (60,000)	-66.7%
Expenditures:						
Wages & Benefits	\$ 169,884	\$ 143,518	\$ 89,845	\$ 95,313	\$ 5,468	6.1%
Supplies	4,017	4,387	9,575	4,000	(5,575)	-58.2%
Services & Charges	74,041	107,226	71,536	51,569	(19,967)	-27.9%
Miscellaneous Expenses	160	170	200	200	-	0.0%
Total	\$ 248,101	\$ 255,301	\$ 171,156	\$ 151,082	\$ (20,074)	-11.7%
Net Revenue / (Loss)	\$ (174,882)	\$ (168,826)	\$ (81,156)	\$ (121,082)	\$ (39,926)	49.2%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	6,132	6,591	6,133	6,600	467	7.6%
Total	\$ 6,132	\$ 6,591	\$ 6,133	\$ 6,600	\$ 467	7.6%
Expenditures:						
Supplies	\$ 1,728	\$ 2,853	\$ 3,550	\$ 3,750	\$ 200	5.6%
Services & Charges	28,054	31,138	31,330	31,330	-	0.0%
Total	\$ 29,782	\$ 33,990	\$ 34,880	\$ 35,080	\$ 200	0.6%
Net Revenue / (Loss)	\$ (23,650)	\$ (27,399)	\$ (28,747)	\$ (28,480)	\$ 267	-0.9%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Expenditures:						
Supplies	\$ 1,737	\$ 2,080	\$ 3,300	\$ 3,300	\$ -	0.0%
Services & Charges	212,744	223,983	240,816	244,465	3,649	1.5%
Miscellaneous Expenses	100	100	100	100	-	0.0%
Total	\$ 214,581	\$ 226,163	\$ 244,216	\$ 247,865	\$ 3,649	1.5%
Net Revenue / (Loss)	\$ (214,581)	\$ (226,163)	\$ (244,216)	\$ (247,865)	\$ (3,649)	1.5%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 340,526	\$ 328,926	\$ 325,000	\$ 313,000	\$ (12,000)	-3.7%
Miscellaneous Revenues	2,000	3,000	-	2,000	2,000	0.0%
Total	\$ 342,526	\$ 331,926	\$ 325,000	\$ 315,000	\$ (10,000)	-3.1%
Expenditures:						
Wages & Benefits	\$ 247,763	\$ 330,845	\$ 315,163	\$ 299,629	\$ (15,534)	-4.9%
Supplies	64,627	83,835	84,250	93,250	9,000	10.7%
Services & Charges	46,794	53,892	57,184	73,153	15,969	27.9%
Miscellaneous Expenses	720	720	1,050	1,050	-	0.0%
Total	\$ 359,904	\$ 469,293	\$ 457,647	\$ 467,082	\$ 9,435	2.1%
Net Revenue / (Loss)	\$ (17,377)	\$ (137,367)	\$ (132,647)	\$ (152,082)	\$ (19,435)	14.7%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Charges for Services	\$ 101,520	\$ 126,412	\$ 101,170	\$ 103,150	\$ 1,980	2.0%
Total	\$ 101,520	\$ 126,412	\$ 101,170	\$ 103,150	\$ 1,980	2.0%
Expenditures:						
Wages & Benefits	\$ 84,611	\$ 83,701	\$ 97,299	\$ 99,991	\$ 2,692	2.8%
Supplies	17,711	17,210	17,575	16,875	(700)	-4.0%
Services & Charges	34,992	42,507	35,861	35,861	-	0.0%
Miscellaneous Expenses	375	465	350	350	-	0.0%
Total	\$ 137,690	\$ 143,883	\$ 151,085	\$ 153,077	\$ 1,992	1.3%
Net Revenue / (Loss)	\$ (36,170)	\$ (17,471)	\$ (49,915)	\$ (49,927)	\$ (12)	0.0%

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 44,499	\$ 20,446	\$ 26,200	\$ 26,200	\$ -	0.0%
Charges for Services	93,579	87,019	94,000	100,000	6,000	6.4%
Miscellaneous Revenues	7,033	22,507	7,000	7,000	-	0.0%
Total	\$ 145,112	\$ 129,971	\$ 127,200	\$ 133,200	\$ 6,000	4.7%
Expenditures:						
Wages & Benefits	\$ 33,183	\$ 30,906	\$ 44,685	\$ 43,240	\$ (1,445)	-3.2%
Supplies	6,067	12,366	11,300	11,900	600	5.3%
Services & Charges	64,557	56,734	65,970	52,170	(13,800)	-20.9%
Miscellaneous Expenses	20,899	20,539	21,950	21,950	-	0.0%
Capital Outlay	8,554	-	-	-	-	0.0%
Total	\$ 133,260	\$ 120,545	\$ 143,905	\$ 129,260	\$ (14,645)	-10.2%
Net Revenue / (Loss)	\$ 11,852	\$ 9,426	\$ (16,705)	\$ 3,940	\$ 20,645	-123.6%

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 9.0% for 2024 operations. Other revenue includes the Local Government Aid (LGA), transfers from Enterprise Funds and the PILOT payment from Hutchinson Utilities.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Taxes	\$ 5,408,925	\$ 5,600,340	\$ 5,846,751	\$ 6,370,436	\$ 523,685	9.0%
Other Taxes	336,865	341,670	330,000	330,000	-	0.0%
Licenses & Permits	22,555	42,159	38,500	38,500	-	0.0%
Intergovernmental	1,268,858	1,334,386	1,349,130	1,548,963	199,833	14.8%
Charges for Services	17,617	12,238	12,500	12,500	-	0.0%
Miscellaneous Revenues	(42,243)	(52,564)	85,000	145,000	60,000	70.6%
Transfers-In	2,723,192	2,710,192	2,724,536	2,812,628	88,092	3.2%
Total	\$ 9,735,769	\$ 9,988,420	\$ 10,386,417	\$ 11,258,027	\$ 871,610	8.4%
Net Revenue / (Loss)	\$ 9,735,769	\$ 9,988,420	\$ 10,386,417	\$ 11,258,027	\$ 871,610	8.4%

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 2024 budget, includes a \$25,000 tax abatement payment. Uponor is a manufacturing company that received public financing assistance to purchase and operate a 235,000 square foot vacant building within the city.

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 2024 budget includes a \$25,000 increase to the vehicle replacement funding.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 121,903	\$ 127,954	\$ 127,954	\$ 142,925	\$ 14,971	11.7%
Miscellaneous Revenues	67,682	59,036	33,800	43,800	10,000	29.6%
Total	\$ 189,585	\$ 186,990	\$ 161,754	\$ 186,725	\$ 24,971	15.4%
Expenditures:						
Wages & Benefits	\$ 193,162	\$ 194,229	\$ 192,954	\$ 207,925	\$ 14,971	7.8%
Services & Charges	213,386	207,426	206,475	222,200	15,725	7.6%
Miscellaneous Expenses	629,808	664,900	307,750	311,500	3,750	1.2%
Transfers-Out	-	-	375,000	400,000	25,000	6.7%
Total	\$ 1,036,356	\$ 1,066,556	\$ 1,082,179	\$ 1,141,625	\$ 59,446	5.5%
Net Revenue / (Loss)	\$ (846,772)	\$ (879,565)	\$ (920,425)	\$ (954,900)	\$ (34,475)	3.7%

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 4.8% to 7.4% may be needed to balance expenditures in future years. *The 2025 forecasted levy of 4.8% is approximately 2% lower due to the assumed closure of the Event Center. The tax levy would be 6.8% if the Event Center operations continue.* 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 50%; 40% for working capital needs and 10% for public emergencies and tax levy stabilization. The forecast below shows that the City should be able to maintain a healthy fund balance over the next five years, above the state auditor's recommendation and City policy. This provides flexibility to utilize excess fund balance for one-time projects.

	Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
REVENUES:						
Taxes	\$ 6,370,436	\$ 6,662,090	\$ 7,155,821	\$ 7,584,014	\$ 8,097,382	\$ 8,570,205
Other Taxes	330,000	333,300	336,633	339,999	343,399	346,833
Licenses & Permits	392,100	392,100	392,100	392,100	392,100	392,100
Intergovernmental Revenue	2,028,194	2,028,194	2,028,194	2,028,194	2,028,194	2,028,194
Charges for Services	2,547,142	2,560,466	2,605,122	2,651,167	2,698,664	2,747,667
Fines & Forfeitures	55,000	55,000	55,000	55,000	55,000	55,000
Miscellaneous Revenues	353,900	353,900	353,900	353,900	353,900	353,900
Transfers-In	2,812,628	2,851,481	2,891,111	2,931,533	2,972,764	3,014,819
TOTAL REVENUES	\$ 14,889,400	\$ 15,236,531	\$ 15,817,881	\$ 16,335,907	\$ 16,941,403	\$ 17,508,718
EXPENDITURES						
Wages & Benefits	\$ 10,050,414	\$ 10,355,817	\$ 10,824,404	\$ 11,265,049	\$ 11,777,567	\$ 12,262,394
Supplies	1,072,833	1,079,961	1,101,490	1,113,131	1,135,395	1,147,575
Services & Charges	2,867,722	2,870,996	2,928,547	2,987,439	3,049,139	3,112,257
Miscellaneous Expenses	381,400	384,215	389,282	392,405	397,583	400,821
Transfers-Out	517,031	545,542	574,158	577,883	581,719	585,671
TOTAL EXPENDITURES	\$ 14,889,400	\$ 15,236,531	\$ 15,817,881	\$ 16,335,907	\$ 16,941,403	\$ 17,508,718
NET REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Estimated Tax Levy % Increase	9.0%	4.8%	7.4%	6.0%	6.8%	5.8%
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Estimated Prior Year Fund Balance	8,200,000	8,423,000	8,651,500	8,888,800	9,133,800	9,387,900
Expected Surplus/(Deficit)	223,000	228,500	237,300	245,000	254,100	262,600
Estimated Fund Balance	8,423,000	8,651,500	8,888,800	9,133,800	9,387,900	9,650,500
Fund Balance %	55.3%	54.7%	54.4%	53.9%	53.6%	53.3%
<i>City Policy: 40% Working Capital</i>	<i>6,094,612</i>	<i>6,327,152</i>	<i>6,534,363</i>	<i>6,776,561</i>	<i>7,003,487</i>	<i>7,248,609</i>
<i>Public Emergencies/Levy 10%</i>	<i>1,523,653</i>	<i>1,581,788</i>	<i>1,633,591</i>	<i>1,694,140</i>	<i>1,750,872</i>	<i>1,812,152</i>
Excess Over 50% Minimum	804,735	742,560	720,846	663,099	633,541	589,738



2024 Annual Budget

Enterprise Funds

Enterprise Funds - 2024 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 **Debt Service principal** payments and **Capital Outlay** are budgeted as expenditures 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. **Depreciation** is recorded, similar to private businesses, based on amortizing each fund's capital assets over their useful lives.

	Total	Liquor	Compost	Refuse	Water	Wastewater	Storm Water
REVENUES:							
Sales Revenue	19,414,400	7,708,000	2,620,300	1,398,100	2,681,000	3,906,500	1,100,500
Local Sales Tax	1,872,000	-	-	-	1,057,000	815,000	-
Licenses & Permits	11,500	-	-	-	-	6,000	5,500
Intergovernmental Revenue	21,500	-	-	21,500	-	-	-
Charges for Services	191,668	-	95,500	-	88,668	7,500	-
Miscellaneous Revenue	409,300	10,500	52,000	30,000	114,500	176,000	26,300
TOTAL REVENUES	21,920,368	7,718,500	2,767,800	1,449,600	3,941,168	4,911,000	1,132,300
EXPENDITURES:							
Wages & Benefits	3,985,890	924,229	888,535	337,416	631,441	892,971	311,298
Supplies	828,925	25,500	149,500	60,750	244,225	297,600	51,350
Services & Charges	3,228,075	308,150	287,500	969,000	599,400	840,650	223,375
Miscellaneous Expenses	76,650	6,500	13,500	1,150	13,500	36,000	6,000
Depreciation Expense	3,095,000	58,000	290,000	172,000	1,120,000	1,200,000	255,000
Debt Service	3,237,193	-	73,808	-	1,366,550	1,609,355	187,480
Transfers-Out	925,000	550,000	120,000	55,000	90,000	110,000	-
Capital Outlay	4,974,204	100,000	197,000	817,500	982,310	2,410,249	467,145
Cost of Sales	6,907,872	5,852,000	1,055,872	-	-	-	-
TOTAL EXPENDITURES	27,258,809	7,824,379	3,075,715	2,412,816	5,047,426	7,396,825	1,501,648
NET REVENUE / (LOSS)	(5,338,441)	(105,879)	(307,915)	(963,216)	(1,106,258)	(2,485,825)	(369,348)

Reconciliation to Cash:

Net Revenue	(5,338,441)	(105,879)	(307,915)	(963,216)	(1,106,258)	(2,485,825)	(369,348)
Add: Depreciation (non-cash)	3,095,000	58,000	290,000	172,000	1,120,000	1,200,000	255,000
Add: Cost of Goods mark-up	70,353	-	70,353	-	-	-	-
Annual Cash Flow	(2,173,088)	(47,879)	52,438	(791,216)	13,742	(1,285,825)	(114,348)
Add: Transfers-Out	925,000	550,000	120,000	55,000	90,000	110,000	-
Add: Capital Expenditures	4,974,204	100,000	197,000	817,500	982,310	2,410,249	467,145
Cash Provided by Operations	3,726,116	602,121	369,438	81,284	1,086,052	1,234,425	352,797

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 2024

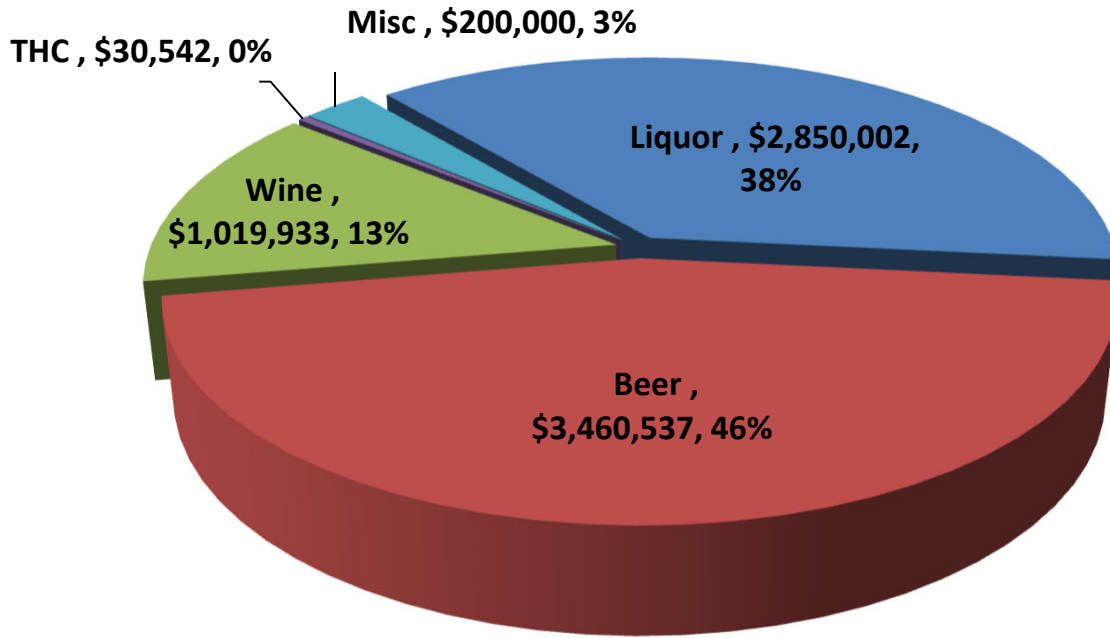
- Sales revenue is expected to increase 5.9% from the 2023 budgeted assumption. One factor contributing to the increase is the sale of THC infused products, which the State of Minnesota allowed municipal liquor stores to start selling in June 2023.
- Cost of Sales is the largest expenditure and is based on the level of sales revenue, factoring in a budgeted gross margin of 24.1% for 2024.
- The Transfer-Out expenditure is the Liquor fund's transfer of excess profits to the General fund. The 2024 General fund tax levy is approximately 9% lower because of the Liquor store's profits.
- Capital Outlay includes two projects for 2024. Needed renovations to the check-out counters are estimated at \$75,000. Upgrades to the import beer cooler are also needed for an estimated \$25,000.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Sales - Liquor	2,632,530	2,692,467	2,676,000	2,907,000	231,000	8.6%
Sales - Beer	3,459,348	3,421,423	3,421,000	3,495,000	74,000	2.2%
Sales - Wine	1,063,103	999,725	1,002,000	1,030,000	28,000	2.8%
Sales - THC Products	-	-	-	72,000	72,000	0.0%
Sales - Other	179,906	184,688	182,000	204,000	22,000	12.1%
Total Sales	7,334,887	7,298,303	7,281,000	7,708,000	427,000	5.9%
Miscellaneous Revenue	9,160	16,980	10,500	10,500	-	0.0%
TOTAL REVENUES	7,344,047	7,315,282	7,291,500	7,718,500	427,000	5.9%
EXPENDITURES:						
Cost of Sales	5,623,422	5,516,884	5,504,000	5,852,000	348,000	6.3%
Wages & Benefits	748,263	841,572	904,864	924,229	19,365	2.1%
Supplies	28,090	23,069	25,500	25,500	-	0.0%
Services & Charges	278,600	311,783	298,750	308,150	9,400	3.1%
Miscellaneous Expenses	5,879	6,073	6,700	6,500	(200)	-3.0%
Depreciation Expense	76,737	72,966	61,000	58,000	(3,000)	-4.9%
Capital Outlay	-	-	15,000	100,000	85,000	566.7%
Transfers-Out	550,000	550,000	550,000	550,000	-	0.0%
TOTAL EXPENDITURES	7,310,989	7,322,347	7,365,814	7,824,379	458,565	6.2%
NET REVENUE / (LOSS)	33,058	(7,064)	(74,314)	(105,879)	(31,565)	

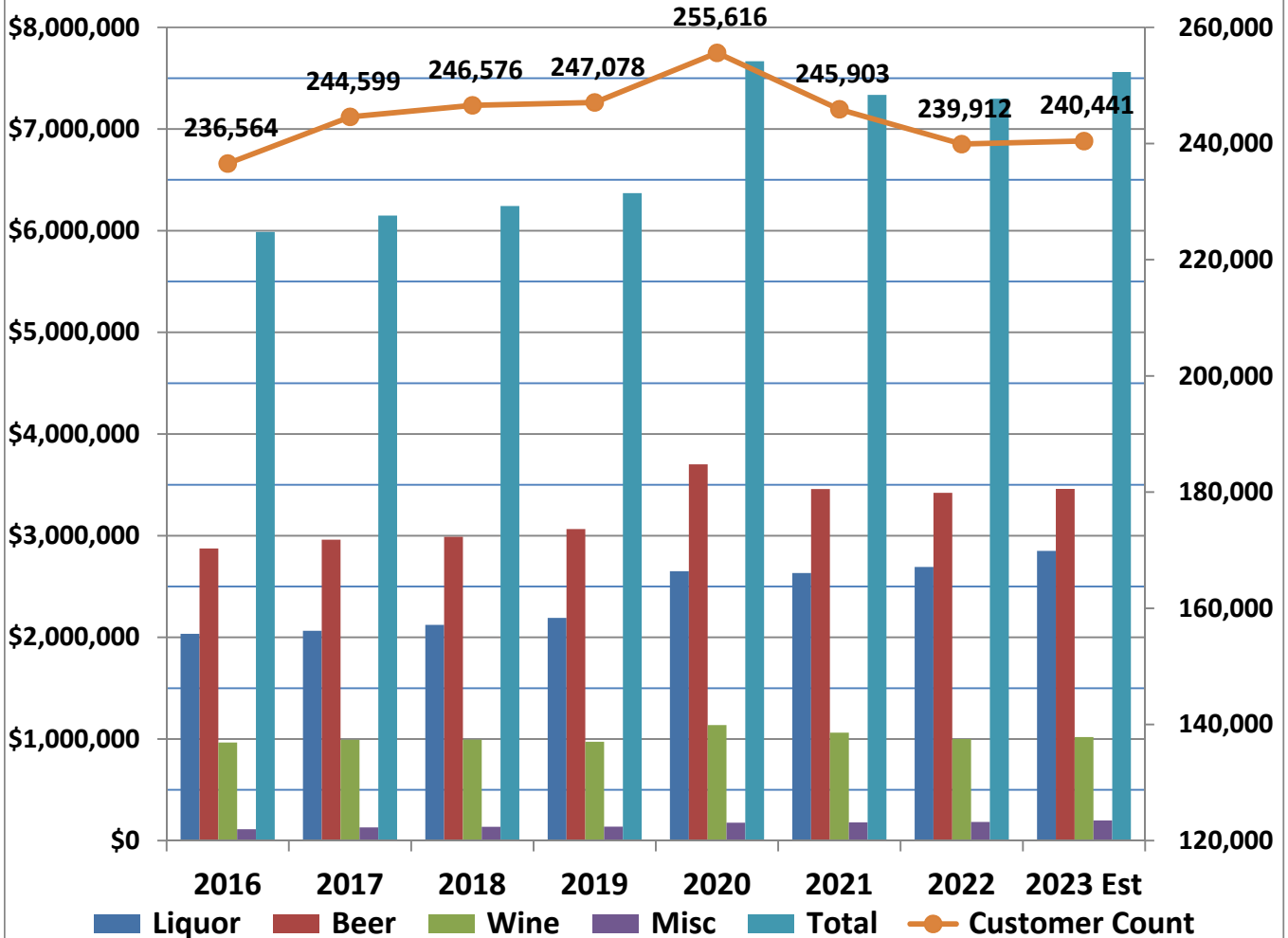
Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	61,000	58,000
Net Change in Cash for the Year		(13,314)	(47,879)
Add:	Capital Outlay	15,000	100,000
	Transfers-Out	550,000	550,000
Cash Provided by Operations		551,686	602,121

2023 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 2024

- The 2024 production model assumes a 15.8% decrease in the sale of bagged product and a 108.9% increase in the sale of bulk product. The decrease in bagged sales is due to the loss of a major customer. Some of that loss was mitigated by increased sales for other existing customers. The substantial increase in bulk sales is due to the bitcon inventory being replenished in late 2023 and available for sale in 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.
- Capital Outlay for 2024 includes a cold storage expansion (\$75,000), a pallet inverter (\$55,000), a portable shrink wrap machine (\$45,000) and improvements to the bagging line equipment (\$22,000).
- The Transfer-Out expenditure is the Compost fund's transfer of excess profits to the General fund.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Sales - Bagged Product	2,353,284	2,209,612	2,445,750	2,059,250	(386,500)	-15.8%
Sales - Bulk Product	181,767	352,783	175,000	365,500	190,500	108.9%
Sales - Other	256,811	333,784	318,650	195,550	(123,100)	-38.6%
Total Sales	2,791,862	2,896,178	2,939,400	2,620,300	(319,100)	-10.9%
Charges for Services	72,000	112,477	97,000	95,500	(1,500)	-1.5%
Miscellaneous Revenue	(1,906)	952	32,000	52,000	20,000	62.5%
TOTAL REVENUES	2,861,956	3,009,607	3,068,400	2,767,800	(300,600)	-9.8%
EXPENDITURES:						
Cost of Sales	1,766,548	2,017,339	2,158,000	1,759,400	(398,600)	-18.5%
Inventory Cost Adjustment	(642,763)	(745,243)	(657,750)	(703,528)	(45,778)	7.0%
Wages & Benefits	747,417	770,578	838,147	888,535	50,388	6.0%
Supplies	143,296	146,582	162,500	149,500	(13,000)	-8.0%
Services & Charges	300,649	309,342	304,980	287,500	(17,480)	-5.7%
Miscellaneous Expenses	21,302	12,640	11,000	13,500	2,500	22.7%
Depreciation Expense	279,651	280,378	290,000	290,000	-	0.0%
Capital Outlay	-	-	349,652	197,000	(152,652)	-43.7%
Debt Service	10,211	6,897	73,808	73,808	-	0.0%
Transfers-Out	110,000	120,000	120,000	120,000	-	0.0%
TOTAL EXPENDITURES	2,736,311	2,918,515	3,650,337	3,075,715	(574,622)	-15.7%
NET REVENUE / (LOSS)	125,645	91,092	(581,937)	(307,915)	274,022	

Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	290,000	290,000
	Cost of Goods Markup (non-cash adjustment)	65,775	70,353
Net Change in Cash for the Year		(226,162)	52,438
Add:	Capital Outlay	349,652	197,000
	Transfers-Out	120,000	120,000
Cash Provided by Operations		243,490	369,438

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 2024

- The 2024 budget assumes a user rate increase of 5% for all refuse cart sizes. The increase is necessary due to increasing costs for the contract hauling service and disposal at the landfill. Similar rate increases will be likely over the next two to three years. The last rate increase was in 2008 (6%).
- The refuse hauling contract is the largest expenditure in this fund and is budgeted at \$635,800 for 2024. 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 2,964 tons of waste material at the local landfill is budgeted for 2024 at \$217,000. This includes the weekly residential refuse material in addition to the hard goods pick-up, which is done twice each year.
- Capital Outlay for 2024 includes \$687,500 to upgrade the current source-separated composting system and equipment. This was planned in 2021 but was delayed due to MPCA permitting issues. Other capital costs include 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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Refuse Sales	1,304,109	1,331,179	1,330,000	1,398,100	68,100	5.1%
Intergovernmental Revenue	12,888	39,686	12,500	21,500	9,000	72.0%
Miscellaneous Revenue	2,972	(8,337)	15,000	30,000	15,000	100.0%
TOTAL REVENUES	1,319,969	1,362,528	1,357,500	1,449,600	92,100	6.8%
EXPENDITURES:						
Wages & Benefits	198,598	217,418	343,101	337,416	(5,685)	-1.7%
Supplies	31,950	49,511	62,850	60,750	(2,100)	-3.3%
Services & Charges	830,143	887,223	897,590	969,000	71,410	8.0%
Miscellaneous Expenses	331	253	750	1,150	400	53.3%
Depreciation Expense	134,067	139,251	172,000	172,000	-	0.0%
Capital Outlay	-	-	1,018,482	817,500	(200,982)	-19.7%
Transfers-Out	55,000	55,000	55,000	55,000	-	0.0%
TOTAL EXPENDITURES	1,250,088	1,348,655	2,549,773	2,412,816	(136,957)	-5.4%
NET REVENUE / (LOSS)	69,881	13,873	(1,192,273)	(963,216)	229,057	

Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	172,000	172,000
Net Change in Cash for the Year		(1,020,273)	(791,216)
Add:	Capital Outlay	1,018,482	817,500
	Transfers-Out	55,000	55,000
Cash Provided by Operations		53,209	81,284

Refuse Fund - Summary of Landfill Activity

Tonnage Summary:

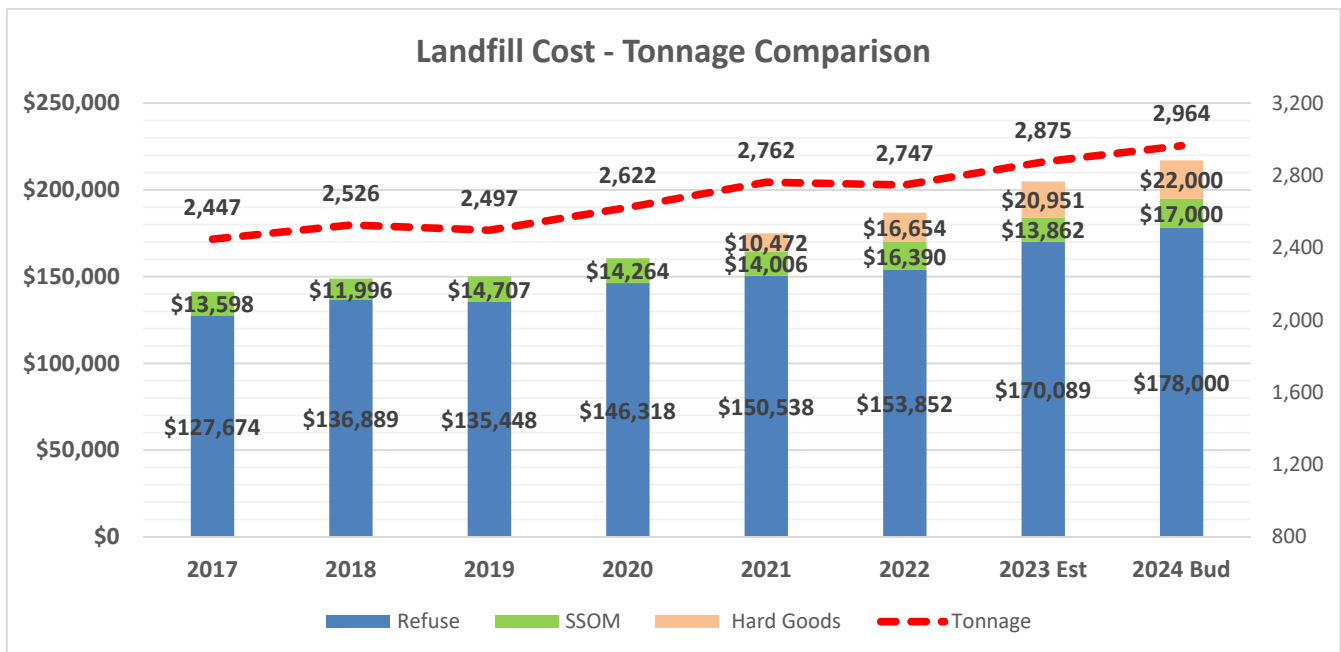
	Refuse	SSOM	Hard Goods	Total
2017	2,206	241		2,447
2018	2,316	210		2,526
2019	2,251	246		2,497
2020	2,385	237		2,622
2021	2,409	224	129	2,762
2022	2,402	225	120	2,747
2023 Est	2,572	180	123	2,875
2024 Bud	2,589	250	125	2,964

Cost Summary:

	Refuse	SSOM	Hard Goods	Total
2017	\$127,674	\$13,598		\$141,272
2018	\$136,889	\$11,996		\$148,885
2019	\$135,448	\$14,707		\$150,155
2020	\$146,318	\$14,264		\$160,582
2021	\$150,538	\$14,006	\$10,472	\$175,016
2022	\$153,852	\$16,390	\$16,654	\$186,896
2023 Est	\$170,089	\$13,862	\$20,951	\$204,902
2024 Bud	\$178,000	\$17,000	\$22,000	\$217,000

Cost per Ton:

	Refuse	SSOM	Hard Goods	Total
2017	\$57.88	\$56.42		\$114.30
2018	\$59.11	\$57.12		\$116.23
2019	\$60.17	\$59.78		\$119.96
2020	\$61.35	\$60.19		\$121.53
2021	\$62.49	\$62.53	\$81.18	\$206.19
2022	\$64.05	\$72.84	\$138.78	\$275.68
2023 Est	\$66.13	\$77.01	\$170.33	\$313.48
2024 Bud	\$68.75	\$68.00	\$176.00	\$312.75



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 2024

- 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.
- The 2024 budget does not include any increases in water rates but it does include some adjustments based on the new rate structure that was effective January 1, 2023. That structure better balanced the recovery of fixed and variable costs through the monthly base and consumption charges. As a result, the base charge increased slightly to recoup a higher portion of our monthly fixed costs and the consumption charge was reduced. Also, as a State requirement, we needed to incorporate a water conservation rate structure. As such, higher water rates for landscaping irrigation are in place for customers with irrigation meters.
- Capital Outlay for 2024 includes \$450,000 for the multi-year water meter replacement project. This is the second of a four-year project with similar expenditure amounts each year. Rehabilitation and recovery treatment is planned for city well #4 (\$100,000). The remaining expenditures are for roadway infrastructure improvements and other water plant improvements as detailed in the 5-year Capital Improvement Plan.
- The budgeted Transfer-Out expenditure of \$90,000 is the Water fund's transfer to the General fund. The transfer is intended to reimburse the General fund for shared labor expenses.

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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Local Sales Tax	875,964	973,765	1,012,000	1,057,000	45,000	4.4%
Water Sales	2,546,667	2,488,421	2,454,000	2,681,000	227,000	9.3%
Charges for Services	69,968	81,527	71,685	88,668	16,983	23.7%
Miscellaneous Revenue	45,979	12,678	44,500	114,500	70,000	157.3%
Fund Balance	57,153	21,772	-	-	-	0.0%
TOTAL REVENUES	3,595,731	3,578,163	3,582,185	3,941,168	358,983	10.0%
EXPENDITURES:						
Wages & Benefits	530,459	564,614	579,848	631,441	51,593	8.9%
Supplies	154,362	210,087	185,800	244,225	58,425	31.4%
Services & Charges	511,319	452,236	561,885	599,400	37,515	6.7%
Miscellaneous Expenses	11,388	1,101	13,500	13,500	-	0.0%
Depreciation Expense	1,139,426	1,112,756	1,090,000	1,120,000	30,000	2.8%
Debt Service	183,131	148,885	1,371,173	1,366,550	(4,623)	-0.3%
Capital Outlay	-	-	902,876	982,310	79,434	8.8%
Transfers-Out	119,092	278,836	70,000	90,000	20,000	28.6%
TOTAL EXPENDITURES	2,649,177	2,768,515	4,775,082	5,047,426	272,344	5.7%
NET REVENUE / (LOSS)	946,554	809,648	(1,192,897)	(1,106,258)	86,639	

Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	1,090,000	1,120,000
Net Change in Cash for the Year		(102,897)	13,742
Add:	Capital Outlay	902,876	982,310
	Transfers-Out	70,000	90,000
Cash Provided by Operations		869,979	1,086,052

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 2024

- 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.
- The 2024 budget does not include any increases in wastewater rates but it does include some adjustments based on the new rate structure that was effective January 1, 2023. That structure better balanced the recovery of fixed and variable costs through the monthly base and consumption charges. As a result, the base charge increased moderately to recoup a higher portion of our monthly fixed costs. Additionally, the wastewater usage charge is now based on actual monthly water consumption where the prior rate structure consisted of a January/February average water consumption for the basis of monthly wastewater charges.
- Capital Outlay for 2024 includes \$500,000 for rehabilitation of the digester aeration and mixation system and another \$500,000 for the replacement or overhaul of the belt press thickener. Also included is \$600,000 for the replacement of the JetVac truck. The remaining expenditures are for roadway infrastructure improvements and other plant improvements as detailed in the 5-year Capital Improvement Plan.
- The budgeted Transfer-Out expenditure of \$110,000 is the Wastewater fund's transfer to the General fund. The transfer is intended to reimburse the General fund for shared labor expenses. 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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Local Sales Tax	875,964	973,765	810,000	815,000	5,000	0.6%
Wastewater Sales	3,257,355	3,362,121	3,299,000	3,906,500	607,500	18.4%
Licenses & Permits	6,000	6,000	6,000	6,000	-	0.0%
Charges for Services	4,700	11,190	7,500	7,500	-	0.0%
Miscellaneous Revenue	49,569	58,818	93,500	176,000	82,500	88.2%
Fund Balance	41,913	-	-	-	-	0.0%
TOTAL REVENUES	4,235,500	4,411,895	4,216,000	4,911,000	695,000	16.5%
EXPENDITURES:						
Wages & Benefits	762,961	776,012	813,235	892,971	79,736	9.8%
Supplies	204,244	263,400	279,200	297,600	18,400	6.6%
Services & Charges	787,143	665,391	855,920	840,650	(15,270)	-1.8%
Miscellaneous Expenses	26,714	26,863	36,000	36,000	-	0.0%
Depreciation Expense	1,108,375	1,082,548	1,136,000	1,200,000	64,000	5.6%
Debt Service	242,016	240,849	1,557,895	1,609,355	51,460	3.3%
Capital Outlay	-	-	1,638,085	2,410,249	772,164	47.1%
Transfers-Out	170,686	188,893	80,000	110,000	30,000	37.5%
TOTAL EXPENDITURES	3,302,139	3,243,957	6,396,335	7,396,825	1,000,490	15.6%
NET REVENUE / (LOSS)	933,361	1,167,938	(2,180,335)	(2,485,825)	(305,490)	

Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	1,136,000	1,200,000
Net Change in Cash for the Year		(1,044,335)	(1,285,825)
Add:	Capital Outlay	1,638,085	2,410,249
	Transfers-Out	80,000	110,000
Cash Provided by Operations		673,750	1,234,425

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 2024

- The 2024 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.
- Capital Outlay for 2024 includes \$270,000 for maintenance of four storm water ponds. The remaining expenditures are for storm water infrastructure improvements as part of our roadway projects, as detailed in 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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Storm Water Sales	1,006,145	1,038,768	1,068,500	1,100,500	32,000	3.0%
Licenses & Permits	4,940	8,515	5,500	5,500	-	0.0%
Miscellaneous Revenue	15,622	13,301	15,300	26,300	11,000	71.9%
Fund Balance	70,025	87,088	-	-	-	0.0%
TOTAL REVENUES	1,096,732	1,147,673	1,089,300	1,132,300	43,000	3.9%
EXPENDITURES:						
Wages & Benefits	276,064	297,402	308,906	311,298	2,392	0.8%
Supplies	31,494	45,563	53,625	51,350	(2,275)	-4.2%
Services & Charges	112,212	103,092	208,535	223,375	14,840	7.1%
Miscellaneous Expenses	13,024	9,560	10,000	6,000	(4,000)	-40.0%
Depreciation Expense	229,362	237,044	275,000	255,000	(20,000)	-7.3%
Debt Service	49,189	43,943	221,589	187,480	(34,109)	-15.4%
Capital Outlay	-	-	247,293	467,145	219,852	88.9%
Transfers-Out	158,600	771,820	-	-	-	0.0%
TOTAL EXPENDITURES	869,944	1,508,424	1,324,948	1,501,648	176,700	13.3%
NET REVENUE / (LOSS)	226,789	(360,751)	(235,648)	(369,348)	(133,700)	

Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	275,000	255,000
Net Change in Cash for the Year		39,352	(114,348)
Add:	Capital Outlay	247,293	467,145
Cash Provided by Operations		286,645	352,797



2024 Annual Budget

Other Governmental Funds

Other Governmental Funds - 2024 Budget Summary

Governmental Funds include the General, Capital Improvement Projects, Debt Service, and Special Revenue funds. These 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 informally budgets for the following Capital Improvement Project funds:

- **Capital Projects fund** - accounts for improvements to General fund facilities, miscellaneous city infrastructure, playground equipment replacements 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 informally budgets for the following Special Revenue funds:

- **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.
- **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.

	Total	Capital Improv Projects	Debt Service	Rural Fire	HATS Facility	Public Sites	Tree Disease Mitigation
REVENUES:							
Property Taxes	2,477,487	-	2,477,487	-	-	-	-
Special Assessments	240,762	50,000	190,762	-	-	-	-
Intergovernmental Revenue	2,407,166	2,048,962	-	150,000	208,204	-	-
Charges for Services	453,808	80,000	-	-	363,808	10,000	-
Miscellaneous Revenue	957,200	845,000	50,000	200	47,000	5,000	10,000
Transfers-In	2,036,631	1,764,600	100,000	-	117,031	-	55,000
Bond Proceeds	2,350,000	2,350,000	-	-	-	-	-
TOTAL REVENUES	10,923,054	7,138,562	2,818,249	150,200	736,043	15,000	65,000
EXPENDITURES:							
Wages & Benefits	147,786	-	-	98,714	45,072	-	4,000
Supplies	507,015	11,000	-	29,870	455,145	5,000	6,000
Services & Charges	1,601,193	1,378,200	-	19,443	176,550	2,000	25,000
Miscellaneous Expenses	36,023	18,000	-	2,173	11,850	4,000	-
Debt Service	2,818,852	-	2,818,852	-	-	-	-
Bond Issuance Costs	57,200	57,200	-	-	-	-	-
Transfers-Out	105,000	105,000	-	-	-	-	-
Capital Outlay	5,281,826	5,234,400	-	-	47,426	-	-
TOTAL EXPENDITURES	10,554,895	6,803,800	2,818,852	150,200	736,043	11,000	35,000
NET REVENUE / (LOSS)	368,159	334,762	(603)	-	-	4,000	30,000

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 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 City 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 \$800,000 of LGA for facility improvements and \$50,000 for playground equipment replacements. Another \$450,000 of LGA is annually assigned for miscellaneous infrastructure maintenance and street preservation efforts.

Budgetary Highlights for 2024

- 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 2024 was certified at \$3,097,925, or a \$399,664 increase from 2023.
- 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 \$50,000 is anticipated for various planning and studies.
- The 2024 Capital Outlay includes \$1,145,200 for planned improvements to various facilities and \$60,000 for the Oddfellows Park playground improvements. See the City's 5-year Capital Plan for a full listing of planned improvements.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	7,510	3,151	-	-	-	0.0%
Intergovernmental Revenue	1,630,481	1,709,794	1,349,130	1,498,962	149,832	11.1%
Charges for Services	81,551	75,895	80,000	80,000	-	0.0%
Miscellaneous Revenue	20,445	384,925	30,000	35,000	5,000	16.7%
Transfers-In	26,248	1,337,454	-	-	-	0.0%
TOTAL REVENUES	1,766,235	3,511,219	1,459,130	1,613,962	154,832	10.6%
EXPENDITURES:						
Supplies	12,597	37,067	10,000	10,000	-	0.0%
Services & Charges	538,851	310,574	425,000	450,000	25,000	5.9%
Miscellaneous Expenses	-	1,752	-	-	-	0.0%
Transfers-Out	317,564	63,914	5,000	5,000	-	0.0%
Capital Outlay	211,243	3,210,790	246,000	1,275,200	1,029,200	418.4%
TOTAL EXPENDITURES	1,080,255	3,624,097	686,000	1,740,200	1,054,200	153.7%
NET REVENUE / (LOSS)	685,980	(112,878)	773,130	(126,238)	(899,368)	

Equipment Replacement Fund

The Equipment Replacement fund accounts for the acquisitions and dispositions of General fund fleet and equipment. The Fleet Committee meets periodically 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 2024

- 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.
- Intergovernmental Revenue consists of a \$50,000 allocation of the City's LGA payment to go towards the underfunded fleet replacements.
- Miscellaneous Revenue includes the proceeds from disposition of General fund fleet and equipment, in addition to interest earnings on the fund's cash reserves.
- Transfer-In revenue is the monies from the General fund for vehicle & equipment replacements. The annual funding was increased \$25,000 for 2024. Funding has been insufficient for several years and rising costs have essentially negated prior funding increases. Our average annual funding need is closer to \$600,000 over the next five years.
- The 2024 capital outlay consists of replacing the following equipment:

Parks - Bobcat Skidsteer S76	\$60,000
Parks - Toro Wide-area mower	\$90,000
Police - Squad Cars (2)	\$120,000
Public Works - 1-ton service truck	\$70,000
Public Works - Used Tandem-axle dump truck	\$75,000
Public Works - Snow Plow Truck	\$265,000
Total	\$680,000

- Miscellaneous Expenses include costs to dispose of vehicles and equipment.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	58,905	-	-	-	-	0.0%
Intergovernmental Revenue	-	-	-	50,000	50,000	0.0%
Miscellaneous Revenue	98,304	39,631	90,000	90,000	-	0.0%
Transfers-In	325,000	350,000	375,000	400,000	25,000	6.7%
TOTAL REVENUES	482,209	389,631	465,000	540,000	75,000	16.1%
EXPENDITURES:						
Capital Outlay	416,449	175,772	815,400	680,000	(135,400)	-16.6%
Debt Service	156,358	55,092	-	-	-	0.0%
Miscellaneous Expenses	27,861	-	3,000	3,000	-	0.0%
TOTAL EXPENDITURES	600,669	230,864	818,400	683,000	(135,400)	-16.5%
NET REVENUE / (LOSS)	(118,459)	158,767	(353,400)	(143,000)	210,400	

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 2024 through 2026. 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 the 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 2019, the Council committed \$500,000 for costs related to a lakes and river basin restoration project. These funds helped the City receive \$3.1M in bonding dollars from the state in 2022 for costs related to the project. Planning costs have been incurred to date with restoration costs likely commencing in the summer of 2024.

Budgetary Highlights for 2024

- 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.
- Intergovernmental Revenue consists of Minnesota State bonding dollars that have been awarded for the City's lakes and river basin restoration project. The 2024 budget assumes that \$500,000 will be received to offset project costs.
- Miscellaneous Revenue consists mainly of interest income earned on the fund's cash reserves and donations from other entities. The increase for 2024 is due to the anticipated sale of the old police station and emergency operations properties. These two facilities are no longer needed with the new police facility that opened in 2023. The budget conservatively estimates sales proceeds of \$700,000 for the two properties.
- Services & Charges includes an estimated \$500,000 in costs related to the lakes and river basin restoration project that will commence in 2024.
- There are no Transfers-In, Transfers-Out or Capital Outlays planned for 2024 within this fund.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Special Assessments	40,038	73,696	30,000	50,000	20,000	66.7%
Intergovernmental Revenue	10,000	-	-	500,000	500,000	0.0%
Miscellaneous Revenue	34,982	21,604	30,000	720,000	690,000	2300.0%
Transfers-In	131,457	31,420	60,000	-	(60,000)	0.0%
TOTAL REVENUES	216,477	126,720	120,000	1,270,000	1,150,000	958.3%
EXPENDITURES:						
Supplies	1,805	1,678	1,000	1,000	-	0.0%
Services & Charges	99,965	131,510	50,000	550,000	500,000	1000.0%
Miscellaneous Expenses	20,077	15,000	15,000	15,000	-	0.0%
Transfers-Out	903,781	888,608	800,000	-	(800,000)	0.0%
Capital Outlay			19,692	-	(19,692)	0.0%
TOTAL EXPENDITURES	1,025,628	1,036,796	885,692	566,000	(319,692)	-36.1%
NET REVENUE / (LOSS)	(809,151)	(910,076)	(765,692)	704,000	1,469,692	

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 2024

- The City's planned projects for 2024 include the following:
 - Franklin Street partial reconstruction (5th Avenue to Washington Ave)
 - Oakland Avenue partial reconstruction (Echo Street to Jefferson Street)
 - Washington Avenue reclaim (Lynn Road to Franklin Street)
 - Michael's Court road improvements
 - Parking Lot improvements behind the City's Fire Department
 - Uptown Commons sewer realignment, street improvements and stormwater pond
- Intergovernmental revenue is for Federal Aid, Municipal State Aid (MSA) and other grants expected to be utilized on the year's projects. The City's annual allocation of MSA is just under \$700,000 per year. Our current 2024 project budget has been compiled without any federal or state aid.
- 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. The 2024 projects include interfund loans from the City's Wastewater fund to finance project costs related to TIF District #4-16, Uptown Commons. The loan will be repaid with future tax increment revenue.
- 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.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Bond Proceeds	2,589,951	2,145,132	1,900,000	2,350,000	450,000	23.7%
Special Assessments	-	-	-	-	-	0.0%
Intergovernmental Revenue	630,457	448,070	1,370,000	-	(1,370,000)	0.0%
Miscellaneous Revenue	988	(1,759)	-	-	-	0.0%
Transfers-In	615,942	1,194,130	300,000	1,364,600	1,064,600	354.9%
TOTAL REVENUES	3,837,338	3,785,573	3,570,000	3,714,600	144,600	4.1%
EXPENDITURES:						
Services & Charges	4,331	-	600,000	378,200	(221,800)	-37.0%
Transfers-Out	-	44,087	50,000	100,000	50,000	100.0%
Capital Outlay	3,445,465	3,095,388	2,920,000	3,279,200	359,200	12.3%
Bond Issuance Costs	34,305	49,825	50,000	57,200	7,200	14.4%
TOTAL EXPENDITURES	3,484,101	3,189,300	3,620,000	3,814,600	194,600	5.4%
NET REVENUE / (LOSS)	353,237	596,273	(50,000)	(100,000)	(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 and is the reason for the increasing debt tax levy over the next 8 to 9 years.

When a Construction fund has fully accounted for its improvement project costs, the remaining cash balance is typically 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.

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 2024

- The property taxes levied in 2024 to repay the city's debt obligations increased 2.8% from 2023. The levy increase is due to new debt to finance the 2021-2023 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-In represents the expected cash surplus from the 2023 Construction fund.
- There are no debt service funds to be closed in 2024 therefore there is no budgeted activity in the Transfers-Out line item. The next debt fund to be closed will not occur until 2030.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Property Taxes	2,141,095	2,348,252	2,409,577	2,477,487	67,910	2.8%
Tax Increment Taxes	-	-	-	-	-	0.0%
Special Assessments	580,501	337,623	190,762	190,762	-	0.0%
Miscellaneous Revenue	111,423	59,087	50,000	50,000	-	0.0%
Transfers-In	911,131	505,282	-	100,000	100,000	100.0%
TOTAL REVENUES	3,744,150	3,250,244	2,650,339	2,818,249	167,910	6.3%
EXPENDITURES:						
Debt Service	4,973,625	3,356,566	2,748,219	2,818,852	70,633	2.6%
Transfers-Out	131,457	450,000	60,000	-	(60,000)	0.0%
TOTAL EXPENDITURES	5,105,082	3,806,566	2,808,219	2,818,852	10,633	0.4%
NET REVENUE / (LOSS)	(1,360,932)	(556,322)	(157,880)	(603)	157,277	

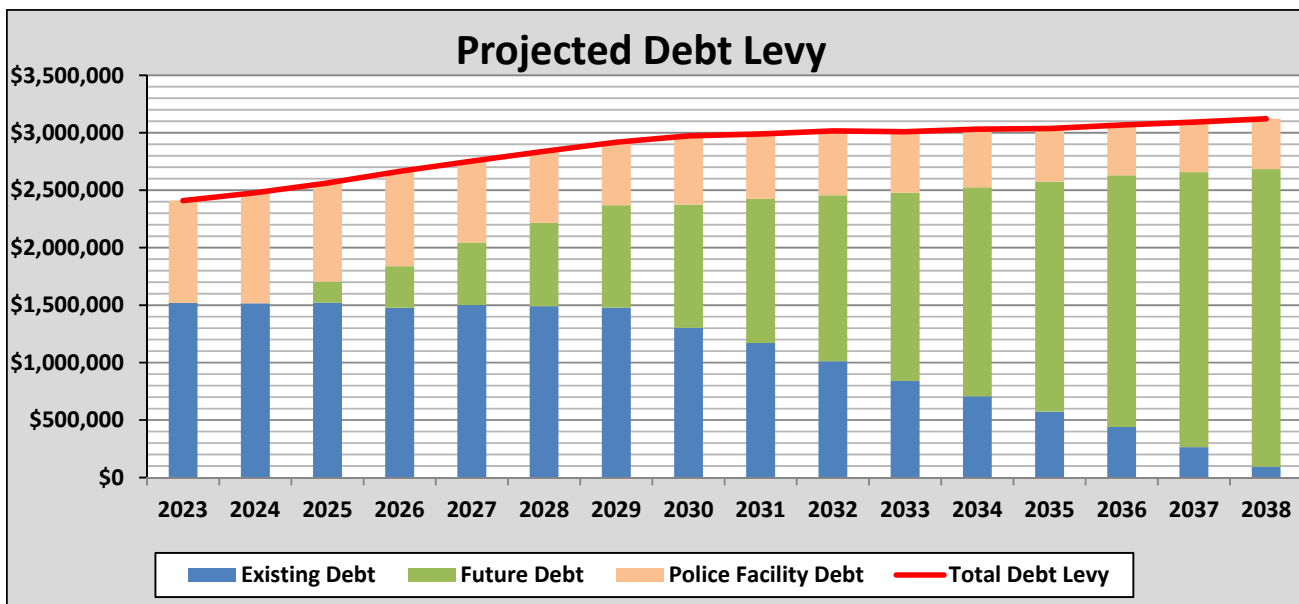
General Obligation Bonds

2024 annual debt service listed by debt issue:

Debt Series	Maturity	2024 Debt Service Payments			Remaining Debt
		Interest	Principal	Total	
2014	2/1/2030	24,663	185,000	209,663	745,000
2015	2/1/2031	28,130	160,000	188,130	980,000
2016	2/1/2032	26,300	180,000	206,300	1,225,000
2017	2/1/2033	44,100	150,000	194,100	1,420,000
2018	2/1/2034	49,900	150,000	199,900	1,450,000
2019	2/1/2035	50,513	230,000	280,513	1,830,000
2020	2/1/2036	20,423	175,000	195,423	1,945,000
2021	2/1/2037	66,250	140,000	206,250	2,055,000
2022	2/1/2038	89,425	75,000	164,425	1,905,000
2023	2/1/2039	57,235	-	57,235	1,350,000
New PD	2/1/2052	351,913	565,000	916,913	10,205,000
Total		808,852	2,010,000	2,818,852	25,110,000

Debt service requirements for existing bond issues:

	Interest	Principal	Total	Remaining Debt
2025	747,503	2,140,000	2,887,503	22,970,000
2026	678,519	2,045,000	2,723,519	20,925,000
2027	613,260	1,940,000	2,553,260	18,985,000
2028	550,754	1,845,000	2,395,754	17,140,000
2029	489,760	1,805,000	2,294,760	15,335,000
2030	431,726	1,730,000	2,161,726	13,605,000
2031	378,548	1,605,000	1,983,548	12,000,000
2032	328,620	1,515,000	1,843,620	10,485,000
2033	283,003	1,320,000	1,603,003	9,165,000
2034	245,664	1,145,000	1,390,664	8,020,000
2035	216,361	975,000	1,191,361	7,045,000
2036	191,843	830,000	1,021,843	6,215,000
2037	170,113	695,000	865,113	5,520,000
2038	150,763	540,000	690,763	4,980,000
2039	136,013	390,000	526,013	4,590,000
2040-2052	915,138	4,590,000	5,505,138	-
Total	6,527,584	25,110,000	31,637,584	



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 2024 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 2024

- 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 their 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.

	2021 Actual	2022 Actual	2023 Budget	2024 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%
NET REVENUE / (LOSS)	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 2024

- 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.
- Miscellaneous Revenue includes a \$10,000 increase to Interest Earnings on the fund's cash balance.
- 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.
- Miscellaneous Expenses include a fee to reimburse the City of Hutchinson for costs involved in being the fiscal agent for the fund. Such costs include personnel to manage the fueling system and accounting costs.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	192,404	196,252	202,140	208,204	6,064	3.0%
Charges for Services	303,859	390,895	363,808	363,808	-	0.0%
Miscellaneous Revenue	25,643	28,585	37,000	47,000	10,000	27.0%
Transfers-In	108,150	110,313	113,622	117,031	3,409	3.0%
TOTAL REVENUES	630,057	726,045	716,570	736,043	19,473	2.7%
EXPENDITURES:						
Wages & Benefits	40,400	35,318	42,027	45,072	3,045	7.2%
Supplies	385,937	517,235	441,050	455,145	14,095	3.2%
Services & Charges	140,372	147,906	171,400	176,550	5,150	3.0%
Miscellaneous Expenses	5,035	5,035	5,550	11,850	6,300	113.5%
Capital Outlay	6,686	20,654	56,543	47,426	(9,117)	-16.1%
TOTAL EXPENDITURES	578,430	726,148	716,570	736,043	19,473	2.7%
NET REVENUE / (LOSS)	51,627	(104)	-	-	-	

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, which are a component of building permits, in addition to donations and grants.

The police memorial park project commenced in 2013 and was fully complete in early 2015. The total cost of the park, statue, flag poles and landscaping was \$87,000. The cost was 100% funded by grants and private donations along with another \$25,000 of excess donations provided to the City for future improvements to the park.

Budgetary Highlights for 2024

- Charges for Services includes agricultural rental revenue for City property in addition to parkland dedication fees.
- Miscellaneous Revenues includes an assumption for interest earnings on the fund's cash balance.
- Miscellaneous Expenses includes property taxes paid on the City's agricultural property that is being leased to third parties.
- The police memorial park improvement fund totaled \$25,649 at the end of 2023.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Intergovernmental Revenue	5,866	3,500	-	-	-	0.0%
Charges for Services	17,215	8,240	10,000	10,000	-	0.0%
Miscellaneous Revenue	6,332	3,760	5,000	5,000	-	0.0%
TOTAL REVENUES	29,413	15,500	15,000	15,000	-	0.0%
EXPENDITURES:						
Supplies	6,228	3,873	5,000	5,000	-	0.0%
Services & Charges	7,222	2,526	2,000	2,000	-	0.0%
Miscellaneous Expenses	3,680	4,246	4,000	4,000	-	0.0%
TOTAL EXPENDITURES	17,130	10,646	11,000	11,000	-	0.0%
NET REVENUE / (LOSS)	12,283	4,854	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.

Budgetary Highlights for 2024

- 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 \$35,000. These expenditures mainly include the cost of removing trees that are diseased, or susceptible to disease, and replacing with other tree species.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Transfers-In	55,000	55,000	55,000	55,000	-	0.0%
Miscellaneous Revenue	(1,759)	(2,987)	5,000	10,000	5,000	100.0%
TOTAL REVENUES	53,241	52,013	60,000	65,000	5,000	8.3%
EXPENDITURES:						
Wages & Benefits	4,006	3,819	3,000	4,000	1,000	33.3%
Supplies	9,746	6,822	5,000	6,000	1,000	20.0%
Services & Charges	36,850	20,350	35,000	25,000	(10,000)	-28.6%
TOTAL EXPENDITURES	50,602	30,991	43,000	35,000	(8,000)	-18.6%
NET REVENUE / (LOSS)	2,639	21,022	17,000	30,000	13,000	



2024 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 2024

- 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 2024.
- 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 2024 and is budgeted within the Dental Claims line item.
- The annual fee for the employee assistance program is estimated at \$4,500 for 2024 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 ended in 2023.

	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Dollar Inc/Decr	% Inc/Decr
REVENUES:						
Dental Premiums	113,956	111,457	114,500	114,500	-	0.0%
Miscellaneous Revenue	1,177	156	1,500	1,500	-	0.0%
TOTAL REVENUES	115,133	111,613	116,000	116,000	-	0.0%
EXPENDITURES:						
Dental Claims	101,942	99,917	103,000	103,000	-	0.0%
Services & Charges	5,626	4,993	5,800	5,800	-	0.0%
Miscellaneous Expenses	2,756	8,491	-	2,000	2,000	0.0%
Transfers-Out	46,000	23,000	-	-	-	0.0%
TOTAL EXPENDITURES	156,325	136,401	108,800	110,800	2,000	1.8%
NET REVENUE / (LOSS)	(41,192)	(24,788)	7,200	5,200	(2,000)	



2024 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
 2024 thru 2028

DEPARTMENT SUMMARY

Department	2024	2025	2026	2027	2028	Total
Airport	350,000	275,000	1,500,000	244,000		2,369,000
Building Inspections					34,100	34,100
Cemetery	10,000	60,000	90,000	15,000	15,000	190,000
City Center	190,000	50,000	50,000	50,000	750,000	1,090,000
Civic Arena	365,700					365,700
Compost	197,000	495,000	224,000	80,000	125,000	1,121,000
Engineering	65,000			40,700		105,700
Fire	110,000		187,700	2,400,000		2,697,700
Information Technology		73,836				73,836
Infrastructure Improvements	4,339,713	5,689,623	4,565,487	5,045,430	3,714,694	23,354,947
Library	100,000				10,000	110,000
Liquor Fund	100,000					100,000
Parks	910,000	1,345,100	2,770,800	447,700	454,400	5,928,000
Police	120,000	77,300	108,300	111,000	132,400	549,000
Public Works		10,800,000	50,000	100,000		10,950,000
Refuse	817,500	250,000	105,000		51,500	1,224,000
Senior Dining	9,500				10,000	19,500
Storm Water	3,370,000	925,000	400,000	181,000	860,000	5,736,000
Streets	410,000	368,900	109,700	384,800	122,800	1,396,200
Wastewater	2,135,000	1,684,100	1,675,000	850,000	1,252,000	7,596,100
Water	743,000	1,115,957	864,539	316,604	1,168,601	4,208,701
TOTAL	14,342,413	23,209,816	12,700,526	10,266,234	8,700,495	69,219,484

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2024 thru 2028

PROJECTS BY DEPARTMENT

Department	Project #	Priority	2024	2025	2026	2027	2028	Total
Airport								
Bi-directional Tractor	AIR-055	3				74,000		74,000
Airfield Lighting Systems Convert to LED	AIR-2401	2	350,000					350,000
Snow Removal Equipment	AIR-2501	3		275,000				275,000
8-Unit T-Hangar	AIR-2601	3			1,500,000			1,500,000
Airport Drainage Improvements	AIR-2701	3				170,000		170,000
Airport Total			350,000	275,000	1,500,000	244,000		2,369,000
Building Inspections								
New vehicle	BLDG-462	3					34,100	34,100
Building Inspections Total							34,100	34,100
Cemetery								
Fencing & Roadways	CEM 01	3	10,000	60,000	10,000	15,000	15,000	110,000
Toolcat 5600	CEMT 412	3			80,000			80,000
Cemetery Total			10,000	60,000	90,000	15,000	15,000	190,000
City Center								
City Center Security Remodel	C.CTR-1701	3					300,000	300,000
City Center Roof improvements	C.CTR-2302	2	140,000					140,000
City Center Garage	C.CTR-2801	4					400,000	400,000
Facility Plan - Miscellaneous Maintenance	Z-Misc Maint	3	50,000	50,000	50,000	50,000	50,000	250,000
City Center Total			190,000	50,000	50,000	50,000	750,000	1,090,000
Civic Arena								
Replace East dasher boards	CA-2401	3	253,700					253,700
East Rink Locker Room Improv	CA-2402	3	112,000					112,000
Civic Arena Total			365,700					365,700
Compost								
Office Expansion	COMP-2201	2		150,000				150,000
Portable Shrink Wrapping Machine	COMP-2302	4	45,000					45,000
Cold Storage Expansion	COMP-2401	3	75,000					75,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3		150,000				150,000
Pallet Inverter	COMP-2403	3	55,000					55,000
Bagging Line Improvements	COMP-2404	3	22,000	70,000	27,000	30,000	55,000	204,000
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
Skid Loader	COMP-2801	3					70,000	70,000

Department	Project #	Priority	2024	2025	2026	2027	2028	Total
Compost Total			197,000	495,000	224,000	80,000	125,000	1,121,000
Engineering								
1/2 ton work truck	ENGR 945	3				40,700		40,700
GPS Trimble Unit	ENGR-2401	1	65,000					65,000
Engineering Total			65,000			40,700		105,700
Fire								
Exhaust Capture System	FD-1801	3			55,000			55,000
Fire Hall Roof improvements	FD-2302	2	80,000					80,000
Install Epoxy Floor in Apparatus Bay	FD-2602	3			44,500			44,500
Garage floor concrete improvements	FD-2603	2			42,000			42,000
Fire UTV replacement	FD-513	3	30,000					30,000
Fire Ladder Truck refurbishment	FD-595	3				2,400,000		2,400,000
SUV, command vehicle	FD-856	3			46,200			46,200
Fire Total			110,000		187,700	2,400,000		2,697,700
Information Technology								
Core Servers Upgrade	IT-2501	3		73,836				73,836
Information Technology Total				73,836				73,836
Infrastructure Improvements								
Uptown Grand Pond & Bank Stabilization	24-1 Const	3	374,000					374,000
Michaels Court road improvements	24-2 Const	3	590,972					590,972
Uptown Grand Sewer Realignment	24-2 Partial	3	588,915					588,915
Fire Dept Parking Lot	24-3 Partial	3	198,700					198,700
Washington / Franklin sanitary sewer	24-4 Partial	3	715,321					715,321
Franklin St (Washington-5th Ave)	24-5 Partial	3	672,404					672,404
Oakland Avenue	24-6 Partial	3	712,256					712,256
Washington Ave W (Lynn-Franklin)	24-7 Reclaim	3	487,145					487,145
Edmonton Ave SE (Montreal-Jefferson)	25-1 Overlay	3		729,065				729,065
Montreal RAB & Montreal to Hwy 15	25-2 Const	3		1,694,000				1,694,000
Dale St SW (SGR-Roberts)	25-3 Partial	3		2,108,031				2,108,031
Hassan St (Oakland-1st Ave N)	25-4 Partial	3		1,158,527				1,158,527
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3			2,669,647			2,669,647
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3			386,401			386,401
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3			347,948			347,948
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3			158,474			158,474
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3			148,140			148,140
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3			111,889			111,889
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3			48,787			48,787
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3			694,201			694,201
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3				321,179		321,179
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3				2,191,546		2,191,546
Bradford St SE (#1324 - Century Ave SE)	27-3 Reclaim	3				461,530		461,530
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3				414,183		414,183
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3				894,269		894,269
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3				265,280		265,280
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3				497,443		497,443
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3					1,026,909	1,026,909
1st Ave SE (Main-Adams)	28-2 Reclaim	3					471,779	471,779
3rd Ave SE (Main-Adams)	28-3 Reclaim	3					453,992	453,992
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3					688,272	688,272

Department	Project #	Priority	2024	2025	2026	2027	2028	Total
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3					156,949	156,949
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2					183,630	183,630
Southview Dr SW	28-7 Reclaim	3					261,215	261,215
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3					205,482	205,482
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3					266,466	266,466
Infrastructure Improvements Total			4,339,713	5,689,623	4,565,487	5,045,430	3,714,694	23,354,947
Library								
Library Decor/Fixture Upgrade & Carpet Replace	LIB-1901	3	100,000					100,000
Library sidewalk improvements	LIB-2801	2					10,000	10,000
Library Total			100,000				10,000	110,000
Liquor Fund								
Renovations to checkout counters	LIQ-2401	3	75,000					75,000
New refrigeration system for import beer cooler	LIQ-2402	3	25,000					25,000
Liquor Fund Total			100,000					100,000
Parks								
Gang mower replacement	PARK-024	2				20,400		20,400
Wide-area mower	PARK-082	2			94,600			94,600
1/2 Ton 4x2 Pickup	PARK-175	3					38,100	38,100
Skid steer loader S250	PARK-211	4	60,000					60,000
Splash Pad	PARK-2203	3			2,000,000			2,000,000
Oddfellows Park - Playground Replacement	PARK-2301	3	60,000					60,000
Masonic West River - Playground Replacement	PARK-2401	3		65,000				65,000
Rec Center flooring improvements	PARK-2402	2	50,000					50,000
Northwoods Park - Playground Replacement	PARK-2501	3			40,000			40,000
South Park - Playground Replacement	PARK-2502	3			20,000			20,000
Parks Garage HVAC	PARK-2503	3		10,000				10,000
Park Garage Overhead Doors	PARK-2504	3		45,000				45,000
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 Gate	PARK-2507	4		20,000				20,000
VMF Grandstand	PARK-2508	3	650,000					650,000
Roberts Park Lighting Improvements	PARK-2509	3		745,000				745,000
VMF Park Lighting Improvements	PARK-2510	3		300,000				300,000
Masonic West River Campground Expansion	PARK-2602	5			500,000			500,000
Roberts Park Concession/Restroom Building	PARK-2603	3			50,000			50,000
Irrigation at Library Square	PARK-2604	3			30,000			30,000
Parks Cold Storage	PARK-2702	3				150,000		150,000
Soil Top Dresser	PARK-2704	4				25,000		25,000
Tartan Park- Playground Replacements	PARK-2706	3					40,000	40,000
Roberts Park Complex Perimeter Fencing	PARK-2707	4				100,000		100,000
John Deere Progator 1600	PARK-2801	4					29,500	29,500
North Park - Playground Replacement	PARK-2802	3				100,000		100,000
Roberts Park parking lot improvements	PARK-2803	4					285,000	285,000
Wide-area Mower	PARK-302	2	90,000					90,000
Truck, 1-ton	PARK-314	3					61,800	61,800
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	3		49,700				49,700
1/4 Ton 4X2 Pickup	PARK-528	4		35,400				35,400
Truck, 1-ton snowplow	PARK-664	3				52,300		52,300
1/2 Ton 4X2 Pickup	PARK-954	4			36,200			36,200
Parks Total			910,000	1,345,100	2,770,800	447,700	454,400	5,928,000

Department	Project #	Priority	2024	2025	2026	2027	2028	Total
Police								
Replace Equinox	PD-205	3			45,300			45,300
Replace Equinox	PD-480	3				46,400		46,400
SUV, Suburban #4	PD-SQ4	2		77,300				77,300
Squad car #1 replacement	PD-SQD1	2				64,600		64,600
Squad car #2 replacement	PD-SQD2	2					66,200	66,200
Squad car #3 replacement	PD-SQD3	2	60,000					60,000
Squad car #5 replacement	PD-SQD5	2			63,000			63,000
Squad car #6 replacement	PD-SQD6	2					66,200	66,200
Squad car #7 replacement	PD-SQD7	2	60,000					60,000
Police Total			120,000	77,300	108,300	111,000	132,400	549,000
Public Works								
Pond cleaning/excavation	HATS-04	3			50,000			50,000
Wash bay improvements	HATS-05	3				100,000		100,000
HATS Storage building, fuel site	HATS-08	3		10,300,000				10,300,000
HATS Mechanics Shop Improvements	HATS-2401	2		500,000				500,000
Public Works Total				10,800,000	50,000	100,000		10,950,000
Refuse								
Roll-off Truck Chassis	REFS-2002	1	130,000					130,000
TMR Mixer	REFS-2102	2	120,000					120,000
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
Forklift	REFS-2801	3					51,500	51,500
Refuse Total			817,500	250,000	105,000		51,500	1,224,000
Senior Dining								
Senior Dining Roof improvements	Sr Dine-2302	2	9,500					9,500
Senior Dining lighting improvements	Sr Dine-2801	3					10,000	10,000
Senior Dining Total			9,500				10,000	19,500
Storm Water								
SW2 Fairway Estates Pond improvements	STWT-2401	3	80,000					80,000
SW46 Summerset Pond Improvement	STWT-2402	3	50,000					50,000
SW50 Southfork Pond Improvement	STWT-2403	3	100,000					100,000
SW 63 Bridgewater Pond Improvement	STWT-2404	3	40,000					40,000
Lakes & Rivers Phase 1	STWT-2405	3	3,100,000					3,100,000
Michigan St NE area drainage improvement	STWT-2501	3		450,000				450,000
South Watershed Drainage Study	STWT-2502	3		100,000				100,000
8th Ave NW drainage improvement	STWT-2503	3		75,000				75,000
Clifton Heights Drainage Improvements	STWT-2602	3			100,000			100,000
Bradford St SE drainage improvement	STWT-2603	3				121,000		121,000
Alan St Outlet Sediment Delta Removal	STWT-2604	3			100,000			100,000
MITGI Site Pond	STWT-2605	3			100,000			100,000
Market St Ditch Improvement	STWT-2801	3					800,000	800,000
Street Infrastructure Improvements	STWT-INF	3	0	50,000	100,000	60,000	60,000	270,000

Department	Project #	Priority	2024	2025	2026	2027	2028	Total
Leaf vacuum (2)	STWT-LEAF	3		250,000				250,000
Storm Water Total			3,370,000	925,000	400,000	181,000	860,000	5,736,000
Streets								
Water St Garage Siding/Soffits	STRT 003	4				30,000		30,000
Asphalt Zipper milling machine	STRT 074	3				69,400		69,400
Roller, vibratory CP142	STRT 101	3					70,400	70,400
Asphalt Premix Heater w/trailer	STRT 113	3					52,400	52,400
1-ton 4x4 truck	STRT 170	3			73,500			73,500
Truck, tandem	STRT 218	3	75,000					75,000
Truck, single axle (short) w/hooklift	STRT 441	3		271,600				271,600
Truck, single axle w/ dump	STRT 613	3	265,000					265,000
Grasshopper mower 72"	STRT 626	3		20,000				20,000
1/2 ton pickup	STRT 775	3			36,200			36,200
Truck single axle (long) w/hooklift	STRT 781	3				285,400		285,400
1-ton flatbed truck	STRT 837	3		77,300				77,300
1-ton Service truck	STRT 857	3	70,000					70,000
Streets Total			410,000	368,900	109,700	384,800	122,800	1,396,200
Wastewater								
Digester aeration & mixation rehab	WWTF 22-2	1	500,000	500,000				1,000,000
HATS LS MCC Building	WWTF 22-5	2		100,000				100,000
Belt press thickener 2 overhaul/replace	WWTF 23-1	1	500,000	500,000	150,000			1,150,000
Receiving/Bulk water station	WWTF 23-2	1			250,000			250,000
Building #90 Boiler/Controls replacement	WWTF 24-1	2		150,000				150,000
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 24-2	2	70,000					70,000
WWTF Collection System Infrastructure	WWTF 24-28	n/a	0	100,000	100,000	100,000	100,000	400,000
Main Lift Station Pump #3&4 VFD Replacement	WWTF 24-5	1	125,000					125,000
Roadway & Parking Lot Improvements	WWTF 24-6	3	60,000					60,000
Additional 1/2 ton Ext Cab 4x4 Pickup	WWTF 24-7	3	45,000					45,000
Aerzen scour air blower overhaul/efficiency	WWTF 24-8	3	110,000					110,000
EQ basin liner replacement	WWTF 25-4	2		69,000				69,000
Lift Station repairs & upgrades (Elementary)	WWTF 25-5	2	75,000					75,000
Replace Ox Ditch RAS Pumps	WWTF 25-6	2				150,000		150,000
Main Lift Station Pump #1&2 VFD Replacement	WWTF 25-7	1		125,000				125,000
Lift Station repairs & upgrades (Stoney Pt)	WWTF 26-1	2			150,000			150,000
Clarifier dome replacement	WWTF 26-2	3			350,000	300,000		650,000
Clarifier rake mechanism & drive replacement	WWTF 26-3	2			350,000	300,000		650,000
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			200,000			200,000
MBR Fine bubble diffuser system replacement	WWTF 26-6	2			125,000			125,000
Lift Station repairs/upgrades (5th Ave)	WWTF 27-1	2	50,000					50,000
Clarifier WAS Pump Replacement	WWTF 28-1	2					110,000	110,000
Phosphorous Compliance Capital Project	WWTF 28-2	1					1,000,000	1,000,000
SUV, Administrative Vehicle	WWTF 412	3					42,000	42,000
Vactor Truck & Jetting Trailer	WWTF 648	2	600,000					600,000
Wastewater Total			2,135,000	1,684,100	1,675,000	850,000	1,252,000	7,596,100
Water								
1/2 ton work truck	WATR 072	3		60,000				60,000
Water Meter Replacement	WATR 22-24	3	450,000	450,000	400,000			1,300,000
Concentrate piping replacement	WATR 22-5	2				100,000		100,000
Permeate flush pump VFD's	WATR 22-8	3	25,000					25,000
Bulk Fill station	WATR 23-1	3			200,000			200,000

Department	Project #	Priority	2024	2025	2026	2027	2028	Total
Roadway & Parking Lot Improvements	WATR 24-3	3	60,000					60,000
Bulk Tank and Containment Pit Lining	WATR 24-4	3	58,000					58,000
Plant Optimization Study	WATR 24-5	3	50,000					50,000
Membrane replacement	WATR 25-1	3		400,000				400,000
Well 4 Rehabilitation & Recovery Treatment	WATR 26-1	2	100,000					100,000
Scissors Lift	WATR 26-3	3					30,000	30,000
Forklift	WATR 26-4	3			40,000			40,000
Well 6 Rehabilitation & Recovery Treatment	WATR 27-1	2		100,000				100,000
Well 5 Rehabilitation & Recovery Treatment	WATR 27-2	2			100,000			100,000
Well 8 Rehabilitation & Recovery Treatment	WATR 27-3	2				100,000		100,000
Sulfate Reduction of Concentrate	WATR 28-1	3					1,000,000	1,000,000
Street Infrastructure Improvements	WATR-INF	3	0	105,957	124,539	116,604	138,601	485,701
Water Total			743,000	1,115,957	864,539	316,604	1,168,601	4,208,701
GRAND TOTAL			14,342,413	23,209,816	12,700,526	10,266,234	8,700,495	69,219,484

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2024 thru 2028

FUNDING SOURCE SUMMARY

Source	2024	2025	2026	2027	2028	Total
Airport Construction Fund	35,000		150,000			185,000
Capital Equipment Notes				2,400,000		2,400,000
Capital Projects Fund	70,000	60,000	40,000	15,000	15,000	200,000
Capital Projects Fund - Facilities Plan	1,145,200	875,000	241,500	330,000	1,055,000	3,646,700
Capital Projects Fund - Misc Infrastructure Maint		20,000				20,000
Capital Projects Fund - Playground Plan	60,000	65,000	60,000	50,000	40,000	275,000
Community Improvement Fund		50,000	500,000			550,000
Compost Fund	197,000	497,451	224,000	80,000	125,000	1,123,451
Cooperative Agreement - EDA/HRA		2,145				2,145
Cooperative Agreement - HUC	15,000	318,382				333,382
Donations	300,000		100,000	50,000		450,000
Equipment Replacement - Heavy Fleet	265,000	299,100		359,400		923,500
Equipment Replacement - Small Fleet	415,000	259,700	475,000	318,800	418,700	1,887,200
G.O. Improv Bonds - Debt Tax Levy	2,214,525	2,202,801	1,881,700	1,960,913	2,548,098	10,808,037
General Fund		41,054				41,054
Grants - Federal	315,000	247,500	1,350,000			1,912,500
Grants - State	3,100,000	9,700,000	100,000	130,000	800,000	13,830,000
HATS Fund (City, County, State)		500,000	50,000	100,000		650,000
Liquor Fund	100,000	2,451				102,451
Municipal State Aid		1,700,000	1,250,000	1,500,000		4,450,000
Refuse Fund	817,500	250,000	105,000		51,500	1,224,000
Rural Fire Dept Fund	15,000					15,000
Sale or Trade in of Equipment	5,000					5,000
Special Assessments	625,077	1,410,650	1,131,939	1,250,934	920,999	5,339,599
Storm Water Utility Fund	467,145	1,013,086	350,926	387,791	182,799	2,401,747
Tax Increment	788,407					788,407
Unfunded Projects		700,000	2,000,000			2,700,000
Wastewater Fund	2,410,249	1,782,126	1,750,461	933,396	1,313,399	8,189,631
Water Fund	982,310	1,213,370	940,000	400,000	1,230,000	4,765,680
GRAND TOTAL	14,342,413	23,209,816	12,700,526	10,266,234	8,700,495	69,219,484

City of Hutchinson, MN
CITY OF HUTCHINSON - CAPITAL PLAN
 2024 thru 2028

PROJECTS BY FUNDING SOURCE

Source	Project #	Priority	2024	2025	2026	2027	2028	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 Equipment Notes								
Fire Ladder Truck refurbishment	FD-595	3				2,400,000		2,400,000
Capital Equipment Notes Total						2,400,000		2,400,000
Capital Projects Fund								
Fencing & Roadways	CEM 01	3	10,000	60,000	10,000	15,000	15,000	110,000
GPS Trimble Unit	ENGR-2401	1	45,000					45,000
Fire UTV replacement	FD-513	3	15,000					15,000
Irrigation at Library Square	PARK-2604	3			30,000			30,000
Capital Projects Fund Total			70,000	60,000	40,000	15,000	15,000	200,000
Capital Projects Fund - Facilities Plan								
City Center Security Remodel	C.CTR-1701	3					300,000	300,000
City Center Roof improvements	C.CTR-2302	2	140,000					140,000
City Center Garage	C.CTR-2801	4					400,000	400,000
Replace East dasher boards	CA-2401	3	253,700					253,700
East Rink Locker Room Improv	CA-2402	3	62,000					62,000
Exhaust Capture System	FD-1801	3			55,000			55,000
Fire Hall Roof improvements	FD-2302	2	80,000					80,000
Install Epoxy Floor in Apparatus Bay	FD-2602	3			44,500			44,500
Garage floor concrete improvements	FD-2603	2			42,000			42,000
Library Decor/Fixture Upgrade & Carpet Replace	LIB-1901	3	100,000					100,000
Library sidewalk improvements	LIB-2801	2					10,000	10,000
Rec Center flooring improvements	PARK-2402	2	50,000					50,000
Parks Garage HVAC	PARK-2503	3		10,000				10,000
Park Garage Overhead Doors	PARK-2504	3		45,000				45,000
Veteran's Memorial Field Restroom Facilities	PARK-2506	5		25,000				25,000
VMF Grandstand	PARK-2508	3	400,000					400,000
Roberts Park Lighting Improvements	PARK-2509	3		745,000				745,000
Roberts Park Concession/Restroom Building	PARK-2603	3			50,000			50,000
Parks Cold Storage	PARK-2702	3				150,000		150,000
Roberts Park Complex Perimeter Fencing	PARK-2707	4				100,000		100,000
Roberts Park parking lot improvements	PARK-2803	4					285,000	285,000
Senior Dining Roof improvements	Sr Dine-2302	2	9,500					9,500
Senior Dining lighting improvements	Sr Dine-2801	3					10,000	10,000
Water St Garage Siding/Soffits	STRT 003	4				30,000		30,000

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
Facility Plan - Miscellaneous Maintenance	Z-Misc Maint	3	50,000	50,000	50,000	50,000	50,000	250,000
Capital Projects Fund - Facilities Plan Total			1,145,200	875,000	241,500	330,000	1,055,000	3,646,700
Capital Projects Fund - Misc Infrastr								
Masonic West River Campground Gate	PARK-2507	4		20,000				20,000
Capital Projects Fund - Misc Infrastructure Maint Total				20,000				20,000
Capital Projects Fund - Playground Pl								
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-2706	3					40,000	40,000
North Park - Playground Replacement	PARK-2802	3				50,000		50,000
Capital Projects Fund - Playground Plan Total			60,000	65,000	60,000	50,000	40,000	275,000
Community Improvement Fund								
Park Signage	PARK-2505	3		50,000				50,000
Masonic West River Campground Expansion	PARK-2602	5			500,000			500,000
Community Improvement Fund Total				50,000	500,000			550,000
Compost Fund								
Office Expansion	COMP-2201	2		150,000				150,000
Portable Shrink Wrapping Machine	COMP-2302	4	45,000					45,000
Cold Storage Expansion	COMP-2401	3	75,000					75,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3		150,000				150,000
Pallet Inverter	COMP-2403	3	55,000					55,000
Bagging Line Improvements	COMP-2404	3	22,000	70,000	27,000	30,000	55,000	204,000
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
Skid Loader	COMP-2801	3					70,000	70,000
Core Servers Upgrade	IT-2501	3		2,451				2,451
Compost Fund Total			197,000	497,451	224,000	80,000	125,000	1,123,451
Cooperative Agreement - EDA/HRA								
Core Servers Upgrade	IT-2501	3		2,145				2,145
Cooperative Agreement - EDA/HRA Total				2,145				2,145
Cooperative Agreement - HUC								
GPS Trimble Unit	ENGR-2401	1	15,000					15,000
Core Servers Upgrade	IT-2501	3		18,382				18,382

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
VMF Park Lighting Improvements	PARK-2510	3		300,000				300,000
Cooperative Agreement - HUC Total			15,000	318,382				333,382
Donations								
East Rink Locker Room Improv	CA-2402	3	50,000					50,000
VMF Grandstand	PARK-2508	3	250,000					250,000
North Park - Playground Replacement	PARK-2802	3				50,000		50,000
MITGI Site Pond	STWT-2605	3			100,000			100,000
Donations Total			300,000		100,000	50,000		450,000
Equipment Replacement - Heavy Fleet								
Bi-directional Tractor	AIR-055	3				74,000		74,000
Snow Removal Equipment	AIR-2501	3		27,500				27,500
Truck, single axel (short) w/hooklift	STRT 441	3		271,600				271,600
Truck, single axle w/ dump	STRT 613	3	265,000					265,000
Truck single axel (long) w/hooklift	STRT 781	3				285,400		285,400
Equipment Replacement - Heavy Fleet Total			265,000	299,100		359,400		923,500
Equipment Replacement - Small Fleet								
New vehicle	BLDG-462	3					34,100	34,100
Toolcat 5600	CEMT 412	3			80,000			80,000
1/2 ton work truck	ENGR 945	3				40,700		40,700
SUV, command vehicle	FD-856	3			46,200			46,200
Gang mower replacement	PARK-024	2				20,400		20,400
Wide-area mower	PARK-082	2			94,600			94,600
1/2 Ton 4x2 Pickup	PARK-175	3					38,100	38,100
Skid steer loader S250	PARK-211	4	60,000					60,000
Soil Top Dresser	PARK-2704	4				25,000		25,000
John Deere Progator 1600	PARK-2801	4					29,500	29,500
Wide-area Mower	PARK-302	2	90,000					90,000
Truck, 1-ton	PARK-314	3					61,800	61,800
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	3		49,700				49,700
1/4 Ton 4X2 Pickup	PARK-528	4		35,400				35,400
Truck, 1-ton snowplow	PARK-664	3				52,300		52,300
1/2 Ton 4X2 Pickup	PARK-954	4			36,200			36,200
Replace Equinox	PD-205	3			45,300			45,300
Replace Equinox	PD-480	3				46,400		46,400
SUV, Suburban #4	PD-SQ4	2		77,300				77,300
Squad car #1 replacement	PD-SQD1	2				64,600		64,600
Squad car #2 replacement	PD-SQD2	2					66,200	66,200
Squad car #3 replacement	PD-SQD3	2	60,000					60,000
Squad car #5 replacement	PD-SQD5	2			63,000			63,000
Squad car #6 replacement	PD-SQD6	2					66,200	66,200
Squad car #7 replacement	PD-SQD7	2	60,000					60,000
Asphalt Zipper milling machine	STRT 074	3				69,400		69,400
Roller, vibratory CP142	STRT 101	3					70,400	70,400
Asphalt Premix Heater w/trailer	STRT 113	3					52,400	52,400
1-ton 4x4 truck	STRT 170	3			73,500			73,500
Truck, tandem	STRT 218	3	75,000					75,000
Grasshopper mower 72"	STRT 626	3		20,000				20,000

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
1/2 ton pickup	STRT 775	3			36,200			36,200
1-ton flatbed truck	STRT 837	3		77,300				77,300
1-ton Service truck	STRT 857	3	70,000					70,000
Equipment Replacement - Small Fleet Total			415,000	259,700	475,000	318,800	418,700	1,887,200

G.O. Improv Bonds - Debt Tax Levy

Michaels Court road improvements	24-2 Const	3	267,072					267,072
Fire Dept Parking Lot	24-3 Partial	3	198,700					198,700
Washington / Franklin sanitary sewer	24-4 Partial	3	402,499					402,499
Franklin St (Washington-5th Ave)	24-5 Partial	3	477,621					477,621
Oakland Avenue	24-6 Partial	3	424,474					424,474
Washington Ave W (Lynn-Franklin)	24-7 Reclaim	3	444,159					444,159
Edmonton Ave SE (Montreal-Jefferson)	25-1 Overlay	3		300,102				300,102
Montreal RAB & Montreal to Hwy 15	25-2 Const	3		662,000				662,000
Dale St SW (SGR-Roberts)	25-3 Partial	3		446,006				446,006
Hassan St (Oakland-1st Ave N)	25-4 Partial	3		794,693				794,693
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3			581,246			581,246
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3			265,051			265,051
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3			238,676			238,676
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3			108,706			108,706
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3			101,616			101,616
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3			76,751			76,751
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3			33,466			33,466
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3			476,188			476,188
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3				220,313		220,313
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3				3,291		3,291
Bradford St SE (#1324 - Century Ave SE)	27-3 Reclaim	3				316,586		316,586
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3				284,109		284,109
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3				613,424		613,424
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3				181,968		181,968
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3				341,222		341,222
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3					704,408	704,408
1st Ave SE (Main-Adams)	28-2 Reclaim	3					323,617	323,617
3rd Ave SE (Main-Adams)	28-3 Reclaim	3					311,416	311,416
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3					472,121	472,121
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3					107,660	107,660
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2					125,962	125,962
Southview Dr SW	28-7 Reclaim	3					179,180	179,180
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3					140,951	140,951
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3					182,783	182,783
G.O. Improv Bonds - Debt Tax Levy Total			2,214,525	2,202,801	1,881,700	1,960,913	2,548,098	10,808,037

General Fund

Core Servers Upgrade	IT-2501	3		41,054				41,054
General Fund Total				41,054				41,054

Grants - Federal

Airfield Lighting Systems Convert to LED	AIR-2401	2	315,000					315,000
Snow Removal Equipment	AIR-2501	3		247,500				247,500

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
8-Unit T-Hangar	AIR-2601	3			1,350,000			1,350,000
Grants - Federal Total			315,000	247,500	1,350,000			1,912,500
Grants - State								
Airport Drainage Improvements	AIR-2701	3				130,000		130,000
HATS Storage building, fuel site	HATS-08	3		9,600,000				9,600,000
Lakes & Rivers Phase 1	STWT-2405	3	3,100,000					3,100,000
South Watershed Drainage Study	STWT-2502	3		100,000				100,000
Alan St Outlet Sediment Delta Removal	STWT-2604	3			100,000			100,000
Market St Ditch Improvement	STWT-2801	3					800,000	800,000
Grants - State Total			3,100,000	9,700,000	100,000	130,000	800,000	13,830,000
HATS Fund (City, County, State)								
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
HATS Fund (City, County, State) Total				500,000	50,000	100,000		650,000
Liquor Fund								
Core Servers Upgrade	IT-2501	3		2,451				2,451
Renovations to checkout counters	LIQ-2401	3	75,000					75,000
New refrigeration system for import beer cooler	LIQ-2402	3	25,000					25,000
Liquor Fund Total			100,000	2,451				102,451
Municipal State Aid								
Edmonton Ave SE (Montreal-Jefferson)	25-1 Overlay	3		200,000				200,000
Montreal RAB & Montreal to Hwy 15	25-2 Const	3		500,000				500,000
Dale St SW (SGR-Roberts)	25-3 Partial	3		1,000,000				1,000,000
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3			1,250,000			1,250,000
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3				1,500,000		1,500,000
Municipal State Aid Total				1,700,000	1,250,000	1,500,000		4,450,000
Refuse Fund								
Roll-off Truck Chassis	REFS-2002	1	130,000					130,000
TMR Mixer	REFS-2102	2	120,000					120,000
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
Forklift	REFS-2801	3					51,500	51,500
Refuse Fund Total			817,500	250,000	105,000		51,500	1,224,000
Rural Fire Dept Fund								

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
Fire UTV replacement	FD-513	3	15,000					15,000
Rural Fire Dept Fund Total			15,000					15,000

Sale or Trade in of Equipment

GPS Trimble Unit	ENGR-2401	1	5,000					5,000
Sale or Trade in of Equipment Total			5,000					5,000

Special Assessments

Michaels Court road improvements	24-2 Const	3	135,000					135,000
Uptown Grand Sewer Realignment	24-2 Partial	3	63,370					63,370
Washington / Franklin sanitary sewer	24-4 Partial	3	177,352					177,352
Franklin St (Washington-5th Ave)	24-5 Partial	3	120,587					120,587
Oakland Avenue	24-6 Partial	3	97,782					97,782
Washington Ave W (Lynn-Franklin)	24-7 Reclaim	3	30,986					30,986
Edmonton Ave SE (Montreal-Jefferson)	25-1 Overlay	3		180,760				180,760
Montreal RAB & Montreal to Hwy 15	25-2 Const	3		420,000				420,000
Dale St SW (SGR-Roberts)	25-3 Partial	3		522,652				522,652
Hassan St (Oakland-1st Ave N)	25-4 Partial	3		287,238				287,238
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3			661,896			661,896
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3			95,802			95,802
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3			86,268			86,268
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3			39,291			39,291
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3			36,729			36,729
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3			27,741			27,741
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3			12,096			12,096
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3			172,116			172,116
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3				79,631		79,631
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3				543,359		543,359
Bradford St SE (#1324 - Century Ave SE)	27-3 Reclaim	3				114,429		114,429
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3				102,690		102,690
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3				221,720		221,720
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3				65,772		65,772
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3				123,333		123,333
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3					254,606	254,606
1st Ave SE (Main-Adams)	28-2 Reclaim	3					116,970	116,970
3rd Ave SE (Main-Adams)	28-3 Reclaim	3					112,560	112,560
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3					170,646	170,646
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3					38,913	38,913
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2					45,528	45,528
Southview Dr SW	28-7 Reclaim	3					64,764	64,764
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3					50,946	50,946
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3					66,066	66,066
Special Assessments Total			625,077	1,410,650	1,131,939	1,250,934	920,999	5,339,599

Storm Water Utility Fund

Michaels Court road improvements	24-2 Const	3	36,400					36,400
Uptown Grand Sewer Realignment	24-2 Partial	3	50,000					50,000
Washington / Franklin sanitary sewer	24-4 Partial	3	23,647					23,647
Franklin St (Washington-5th Ave)	24-5 Partial	3	37,098					37,098
Oakland Avenue	24-6 Partial	3	50,000					50,000
Edmonton Ave SE (Montreal-Jefferson)	25-1 Overlay	3		24,101				24,101

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
Montreal RAB & Montreal to Hwy 15	25-2 Const	3		56,000				56,000
Dale St SW (SGR-Roberts)	25-3 Partial	3		69,687				69,687
Hassan St (Oakland-1st Ave N)	25-4 Partial	3		38,298				38,298
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3			88,253			88,253
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3			12,774			12,774
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3			11,502			11,502
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3			5,239			5,239
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3			4,897			4,897
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3			3,699			3,699
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3			1,613			1,613
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3			22,949			22,949
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3				10,617		10,617
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3				72,448		72,448
Bradford St SE (#1324 - Century Ave SE)	27-3 Reclaim	3				15,257		15,257
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3				13,692		13,692
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3				29,563		29,563
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3				8,770		8,770
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3				16,444		16,444
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3					33,947	33,947
1st Ave SE (Main-Adams)	28-2 Reclaim	3					15,596	15,596
3rd Ave SE (Main-Adams)	28-3 Reclaim	3					15,008	15,008
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3					22,753	22,753
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3					5,188	5,188
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2					6,070	6,070
Southview Dr SW	28-7 Reclaim	3					8,635	8,635
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3					6,793	6,793
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3					8,809	8,809
Airport Drainage Improvements	AIR-2701	3				40,000		40,000
SW2 Fairway Estates Pond improvements	STWT-2401	3	80,000					80,000
SW46 Summerset Pond Improvement	STWT-2402	3	50,000					50,000
SW50 Southfork Pond Improvement	STWT-2403	3	100,000					100,000
SW 63 Bridgewater Pond Improvement	STWT-2404	3	40,000					40,000
Michigan St NE area drainage improvement	STWT-2501	3		450,000				450,000
8th Ave NW drainage improvement	STWT-2503	3		75,000				75,000
Clifton Heights Drainage Improvements	STWT-2602	3			100,000			100,000
Bradford St SE drainage improvement	STWT-2603	3				121,000		121,000
Street Infrastructure Improvements	STWT-INF	3	0	50,000	100,000	60,000	60,000	270,000
Leaf vacuum (2)	STWT-LEAF	3		250,000				250,000
Storm Water Utility Fund Total			467,145	1,013,086	350,926	387,791	182,799	2,401,747

Tax Increment

Uptown Grand Pond & Bank Stabilization	24-1 Const	3	374,000					374,000
Uptown Grand Sewer Realignment	24-2 Partial	3	414,407					414,407
Tax Increment Total			788,407					788,407

Unfunded Projects

HATS Storage building, fuel site	HATS-08	3		700,000				700,000
Splash Pad	PARK-2203	3			2,000,000			2,000,000
Unfunded Projects Total				700,000	2,000,000			2,700,000

Wastewater Fund

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
Michaels Court road improvements	24-2 Const	3	29,700					29,700
Uptown Grand Sewer Realignment	24-2 Partial	3	50,000					50,000
Washington / Franklin sanitary sewer	24-4 Partial	3	100,000					100,000
Franklin St (Washington-5th Ave)	24-5 Partial	3	18,549					18,549
Oakland Avenue	24-6 Partial	3	65,000					65,000
Washington Ave W (Lynn-Franklin)	24-7 Reclaim	3	12,000					12,000
Edmonton Ave SE (Montreal-Jefferson)	25-1 Overlay	3		12,051				12,051
Montreal RAB & Montreal to Hwy 15	25-2 Const	3		28,000				28,000
Dale St SW (SGR-Roberts)	25-3 Partial	3		34,843				34,843
Hassan St (Oakland-1st Ave N)	25-4 Partial	3		19,149				19,149
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3			44,126			44,126
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3			6,387			6,387
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3			5,751			5,751
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3			2,619			2,619
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3			2,449			2,449
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3			1,849			1,849
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3			806			806
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3			11,474			11,474
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3				5,309		5,309
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3				36,224		36,224
Bradford St SE (#1324 - Century Ave SE)	27-3 Reclaim	3				7,629		7,629
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3				6,846		6,846
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3				14,781		14,781
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3				4,385		4,385
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3				8,222		8,222
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3					16,974	16,974
1st Ave SE (Main-Adams)	28-2 Reclaim	3					7,798	7,798
3rd Ave SE (Main-Adams)	28-3 Reclaim	3					7,504	7,504
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3					11,376	11,376
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3					2,594	2,594
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2					3,035	3,035
Southview Dr SW	28-7 Reclaim	3					4,318	4,318
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3					3,396	3,396
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3					4,404	4,404
Core Servers Upgrade	IT-2501	3		3,983				3,983
Digester aeration & mixation rehab	WWTF 22-2	1	500,000	500,000				1,000,000
HATS LS MCC Building	WWTF 22-5	2		100,000				100,000
Belt press thickener 2 overhaul/replace	WWTF 23-1	1	500,000	500,000	150,000			1,150,000
Receiving/Bulk water station	WWTF 23-2	1			250,000			250,000
Building #90 Boiler/Controls replacement	WWTF 24-1	2		150,000				150,000
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 24-2	2	70,000					70,000
WWTF Collection System Infrastructure	WWTF 24-28	n/a	0	100,000	100,000	100,000	100,000	400,000
Main Lift Station Pump #3&4 VFD Replacement	WWTF 24-5	1	125,000					125,000
Roadway & Parking Lot Improvements	WWTF 24-6	3	60,000					60,000
Additional 1/2 ton Ext Cab 4x4 Pickup	WWTF 24-7	3	45,000					45,000
Aerzen scour air blower overhaul/efficiency	WWTF 24-8	3	110,000					110,000
EQ basin liner replacement	WWTF 25-4	2		69,000				69,000
Lift Station repairs & upgrades (Elementary)	WWTF 25-5	2	75,000					75,000
Replace Ox Ditch RAS Pumps	WWTF 25-6	2				150,000		150,000
Main Lift Station Pump #1&2 VFD Replacement	WWTF 25-7	1		125,000				125,000
Lift Station repairs & upgrades (Stoney Pt)	WWTF 26-1	2			150,000			150,000
Clarifier dome replacement	WWTF 26-2	3			350,000	300,000		650,000
Clarifier rake mechanism & drive replacement	WWTF 26-3	2			350,000	300,000		650,000
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			200,000			200,000

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
MBR Fine bubble diffuser system replacement	WWTF 26-6	2			125,000			125,000
Lift Station repairs/upgrades (5th Ave)	WWTF 27-1	2	50,000					50,000
Clarifier WAS Pump Replacement	WWTF 28-1	2					110,000	110,000
Phosphorous Compliance Capital Project	WWTF 28-2	1					1,000,000	1,000,000
SUV, Administrative Vehicle	WWTF 412	3					42,000	42,000
Vactor Truck & Jetting Trailer	WWTF 648	2	600,000					600,000
Wastewater Fund Total			2,410,249	1,782,126	1,750,461	933,396	1,313,399	8,189,631

Water Fund

Michaels Court road improvements	24-2 Const	3	122,800					122,800
Uptown Grand Sewer Realignment	24-2 Partial	3	11,138					11,138
Washington / Franklin sanitary sewer	24-4 Partial	3	11,823					11,823
Franklin St (Washington-5th Ave)	24-5 Partial	3	18,549					18,549
Oakland Avenue	24-6 Partial	3	75,000					75,000
Edmonton Ave SE (Montreal-Jefferson)	25-1 Overlay	3		12,051				12,051
Montreal RAB & Montreal to Hwy 15	25-2 Const	3		28,000				28,000
Dale St SW (SGR-Roberts)	25-3 Partial	3		34,843				34,843
Hassan St (Oakland-1st Ave N)	25-4 Partial	3		19,149				19,149
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3			44,126			44,126
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3			6,387			6,387
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3			5,751			5,751
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3			2,619			2,619
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3			2,449			2,449
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3			1,849			1,849
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3			806			806
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3			11,474			11,474
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3				5,309		5,309
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3				36,224		36,224
Bradford St SE (#1324 - Century Ave SE)	27-3 Reclaim	3				7,629		7,629
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3				6,846		6,846
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3				14,781		14,781
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3				4,385		4,385
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3				8,222		8,222
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3					16,974	16,974
1st Ave SE (Main-Adams)	28-2 Reclaim	3					7,798	7,798
3rd Ave SE (Main-Adams)	28-3 Reclaim	3					7,504	7,504
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3					11,376	11,376
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3					2,594	2,594
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2					3,035	3,035
Southview Dr SW	28-7 Reclaim	3					4,318	4,318
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3					3,396	3,396
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3					4,404	4,404
Core Servers Upgrade	IT-2501	3		3,370				3,370
1/2 ton work truck	WATR 072	3		60,000				60,000
Water Meter Replacement	WATR 22-24	3	450,000	450,000	400,000			1,300,000
Concentrate piping replacement	WATR 22-5	2				100,000		100,000
Permeate flush pump VFD's	WATR 22-8	3	25,000					25,000
Bulk Fill station	WATR 23-1	3			200,000			200,000
Roadway & Parking Lot Improvements	WATR 24-3	3	60,000					60,000
Bulk Tank and Containment Pit Lining	WATR 24-4	3	58,000					58,000
Plant Optimization Study	WATR 24-5	3	50,000					50,000
Membrane replacement	WATR 25-1	3		400,000				400,000
Well 4 Rehabilitation & Recovery Treatment	WATR 26-1	2	100,000					100,000
Scissors Lift	WATR 26-3	3					30,000	30,000

Source	Project #	Priority	2024	2025	2026	2027	2028	Total
Forklift	WATR 26-4	3			40,000			40,000
Well 6 Rehabilitation & Recovery Treatment	WATR 27-1	2		100,000				100,000
Well 5 Rehabilitation & Recovery Treatment	WATR 27-2	2			100,000			100,000
Well 8 Rehabilitation & Recovery Treatment	WATR 27-3	2				100,000		100,000
Sulfate Reduction of Concentrate	WATR 28-1	3					1,000,000	1,000,000
Street Infrastructure Improvements	WATR-INF	3	0	105,957	124,539	116,604	138,601	485,701
Water Fund Total			982,310	1,213,370	940,000	400,000	1,230,000	4,765,680
GRAND TOTAL			14,342,413	23,209,816	12,700,526	10,266,234	8,700,495	69,219,484



2024 Annual Budget

Fee Schedule

City of Hutchinson
2024 Fee Schedule

Fee Schedule includes the following (in alphabetical order)

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City of Hutchinson 2024 Fee Schedule						
Fee Type		2024 Fees	Notes	2023 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		\$148.96 /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	\$134.27 /sq.ft.	10.9%	2024
Basements	Finished	\$20.00 /sq.ft.		\$20.00 /sq.ft.	0.0%	2022
	Unfinished	\$28.04 /sq.ft.		\$20.65 /sq.ft.	35.8%	2024
Porches	3 Season Porch	\$104.27 /sq.ft.		\$93.98 /sq.ft.	10.9%	2024
	4 Season Porch	\$148.96 /sq.ft.		\$134.27 /sq.ft.	10.9%	2024
	Screened Porch	\$53.71 /sq.ft.		\$53.71 /sq.ft.	0.0%	2024
Garages	Attached	\$59.16 /sq.ft.	\$53.78 /sq.ft.	10.0%	2024	
	Detached	\$32.54 /sq.ft.	\$29.58 /sq.ft.	10.0%	2024	
Gazebo		\$28.75 /sq.ft.	\$28.75 /sq.ft.	0.0%	2023	
Deck		\$28.75 /sq.ft.	\$28.75 /sq.ft.	0.0%	2023	
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 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 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	\$15.00	0.0%	2023
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	\$60.00	0.0%	2023
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	\$25.00 /unit	0.0%	2023
Rental Unit Reinspection	\$60.00 /unit Double the cost of previous inspection	Second follow-up inspection Subsequent additional/follow-up inspections	\$60.00 /unit Double the cost of previous inspection	0.0%	2023
Failure to Appear at Scheduled Rental Inspection	\$60.00	Fee for not showing up at scheduled inspection	\$60.00	0.0%	2023
Rental Complaint Inspection	\$60.00		\$60.00	0.0%	2023
Existing Home Inspection (FMHA)	\$100.00		\$100.00	0.0%	2023
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.	\$75.00	0.0%	2023
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 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 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	Not Accepted		2001
Commercial Yardwaste - commingled or separated	\$13.50 /ton	Commingled yardwaste and brush mixed Compostable bags only, no plastic bags	\$12.00 /ton	12.5%	2024
Commercial Source Separated Organics	\$47.50 /ton	Prior approval of acceptance of materials is required Non-compostables not accepted; other fees may apply	\$45.00 /ton	5.6%	2024
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	Not Accepted		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	No Charge		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.	\$40.00 /ton	0.0%	2023
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.	\$423.50 /hr	0.0%	2023
	Rate for all other Customers		\$605.00 /hr	0.0%	2023
Wheel Loader	Governmental Rate	Operator and fuel included, subject to fuel surcharge	\$104.50 /hr	0.0%	2023
	Rate for all other Customers		\$132.00 /hr	0.0%	2023
Trommel Screener	Governmental Rate	Operator, fuel and equipment to feed screener are not included in this rate.	\$115.50 /hr	0.0%	2023
	Rate for all other Customers		\$165.00 /hr	0.0%	2023
65' Radial Stacking Conveyor	\$19.80 /hr	Operator and fuel not included	\$19.80 /hr	0.0%	2023
Portable Light Tower Rental	\$120.00 /event	Cost is per unit; two units available to rent	\$110.00 /event	9.1%	2024
Mobilization Charges	\$126.50 /hr	Roundtrip for delivery and pickup of equipment to and from customer's job site. Subject to fuel surcharge.	\$126.50 /hr	0.0%	2023

City of Hutchinson

2024 Fee Schedule

Fee Type	2024 Fees	Notes	2023 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

2024 Fee Schedule

Fee Type	2024 Fees	Notes	2023 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	\$10.00	0.0%	2023
Online Payments - ACH, Credit Card or Bank Checks	\$10.00	Administrative Fee	\$10.00	0.0%	2023
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 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 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	Variable	0.0%	2023
Lead Risk Assessment & Lead Clearance Testing	Variable	Current Contractor Fee	Variable	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		\$75.00	0.0%	2023
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

2024 Fee Schedule

Fee Type	2024 Fees	Notes	2023 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

2024 Fee Schedule

Fee Type	2024 Fees	Notes	2023 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

2024 Fee Schedule

Fee Type	2024 Fees	Notes	2023 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

City of Hutchinson 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 Fees	% Change	Last Change
Youth Sports/Activities:					
Adaptive Recreation	\$5.00 /session	per session	\$5.00 /session	0.0%	2017
T-Ball / Tiger Ball (PreK - Grade 2)	\$45.00	12 sessions	\$45.00	0.0%	2022
Girls Fastpitch Softball (Grades 3 - 12)	\$235.00	30 sessions	\$200.00	8.8%	2024
Baseball (Grades 3 - 8)	Fee to Association	14 sessions - Association determines the fee	Fee to Association		
Basketball: K - Grade 1	\$40.00	7 sessions	\$40.00	0.0%	2022
Grades 2 - 3	\$55.00	14 sessions	\$55.00	0.0%	2022
Grades 4 - 8	Fee to Association	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	\$90.00	0.0%	2023
Sunday Practice	\$96.00	14 sessions	\$96.00	0.0%	2023
Open Skating Pass: Adults	\$60.00		\$60.00	0.0%	2018
Families	\$100.00		\$80.00	25.0%	2024
Open Skating: Open Skate	\$5.00 /day	per person per day	Variable	0.0%	2018
Swimming Lessons Group Lessons	\$50.00	8 lessons	\$50.00	0.0%	2022
Semi-Private Swim Lessons	\$100.00	4 lessons - 2 participants	New for 2024	0.0%	2024
Private Swim Lessons	\$60.00	4 lessons - 1 participant	New for 2024	0.0%	2024
Adult Sports:					
Open Hockey	\$5.00 /day	per person per day	\$5.00 /day	0.0%	2001
Other Fees:					
West River Park Camping:					
Group Tent Site	\$50.00		New for 2024	0.0%	2024
Tents	\$20.00		\$20.00	0.0%	2023
Electric Hook-Up	\$30.00		\$30.00	0.0%	2023
Water, Sewer, Electric	\$40.00		\$40.00	0.0%	2023
Campground Cleaning Fee	\$50.00		New for 2024	0.0%	2024
Field Rental	\$50.00	1 hour	\$50.00	0.0%	2023

City of Hutchinson 2024 Fee Schedule						
Fee Type		2024 Fees	Notes	2023 Fees	% Change	Last Change
Field Setup/Striping	First Time Field Set Up	\$250.00		New for 2024	0.0%	2024
	Restriping or Relining	\$125.00		New for 2024	0.0%	2024
Roberts Park	Lights for Fields	\$15.00	per field per hour	\$100.00	0.0%	2023
Tournament Maintenance Fee		\$60.00	per hour	New for 2024	0.0%	2024
VMF Field:	Day Game	\$75.00	per hour	\$75.00	0.0%	2023
	Night Game	\$125.00	per hour	\$125.00	0.0%	2023
Shelter reservation	Non-Electrical	\$30.00	per day	\$30.00	0.0%	2020
	Electrial	\$60.00	per day	\$60.00	0.0%	2023
Masonic West River Stage Rental		\$50.00	per rental (required to also rent West River Shelter)	\$50.00	0.0%	2023
Masonic West River Stage Large Electrical Panel Access		\$50.00	per event	New for 2024	0.0%	2024
Depot building rental - 25 Adams St SE		\$80.00	4 hour rental	\$80.00	0.0%	2023
		\$20.00	per additional hour	\$15.00	33.3%	2024
		\$50.00	per rental (required to also rent depot building)	\$50.00	0.0%	
Church rental - 105 2nd Ave SE		\$60.00 /hr	2 hour minimum	\$50.00	20.0%	2024
Bleachers		\$25.00	per 3 rows	\$25.00	0.0%	2019
Picnic Tables		\$20.00	per table - with three-day rental; four table minimum	\$20.00	0.0%	2023
Garden Plot		\$40.00	10' x 20'	\$40.00	0.0%	2022
Open Gym Daily		\$5.00	per person	\$3.00	66.7%	2024
Open Gym Punch Pass		\$45.00	per 10 visits	\$25.00	80.0%	2024
Indoor Playground:	Child	\$5.00	per child	\$3.00	66.7%	2024
	Family	\$7.00	per family	\$4.00	75.0%	2024
Family Playground Pass		\$65.00	per year	\$60.00	8.3%	2024
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	\$80.00	per hour	\$60.00	33.3%	2024
Rec Center:	Basketball Rental	\$25.00	per court per hour	\$20.00	25.0%	2024
	Volleyball Rental	\$25.00	for either one or two courts per hour	\$20.00	25.0%	2024
	Pickleball Rental	\$15.00	per court per hour	\$10.00	50.0%	2024
	Swimming Pool	\$300.00	per hour	\$300.00	0.0%	2018
	Gym	\$600.00	per day	\$600.00	0.0%	2023
	Gym	\$50.00	per hour	\$50.00	0.0%	2023
	Pool Office	\$100.00	per day	\$100.00	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	\$195.00 or Per Contract	Hourly rate per contracted agreements with user groups	Per Contract Agreement	0.0%	2023
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 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 Fees	% Change	Last Change
Plan Review <div>Staff noted these fees are tied to value. As values increase, so do the fees.</div>					
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		\$400.00	0.0%	2023
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	\$450.00	0.0%	2023
Vacation of street, alley, or easement	\$425.00	Includes recording fees	\$425.00	0.0%	2023
Lot Splits (Single and Two Family)	\$275.00	Includes recording fees	\$275.00	0.0%	2023
Lot Splits (Multiple Family, Commercial, Industrial)	\$350.00	Includes recording fees	\$350.00	0.0%	2023
Planned Unit Development	\$700.00	Includes recording fees	\$700.00	0.0%	2023

City of Hutchinson

2024 Fee Schedule

Fee Type	2024 Fees	Notes	2023 Fees	% Change	Last Change
Platting: Preliminary Plat	\$500.00	Plus recording and legal fees	\$500.00	0.0%	2023
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		\$60.00	0.0%	2023
Site Plan	\$450.00		\$450.00	0.0%	2023
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	\$400.00	0.0%	2023
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	\$400.00	0.0%	2023
Land Use Permit	\$60.00		\$60.00	0.0%	2023
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	\$100.00		\$50.00	100.0%	2024
Animal Impound	\$50.00		\$50.00	0.0%	2007
Animal Maintenance/Kennel Fee:					
Initial kennel fee - first day	\$40.00	applies to both cats and dogs	\$35.00	14.3%	2024
Dogs - kennel fee after first day	\$20.00 /day	per day following the initial kennel fee	\$16.00 /day	25.0%	2024
Cats - kennel fee after first day	\$15.00 /day	per day following the initial kennel fee	\$11.00 /day	36.4%	2024
Vaccination fee	\$5.00	applies to both cats and dogs	\$5.00	0.0%	2015
Testing fee	\$44.00	applies to cats only	\$41.00	7.3%	2024
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	\$70.00		\$45.00	55.6%	2024

City of Hutchinson 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 Fees	% Change	Last Change
Security	\$65 /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".	\$60 /hr/officer	8.3%	2024
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 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 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 (download set)	\$40.00	Per set fee	\$30.00	33.3%	2024
<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

2024 Fee Schedule

Fee Type	2024 Fees	Notes	2023 Fees	% Change	Last Change
Typical Residential Improvement Assessment Rates:					
Total street reconstruction (curb, storm, water & sewer)	\$94.50	Per adjusted front foot	\$90.00	5.0%	2024
Partial street reconstruction (curb, storm, water or sewer)	\$83.50	Per adjusted front foot	\$81.50	2.5%	2024
Partial street reconstruction (curb and storm sewer)	\$73.00	Per adjusted front foot	\$73.00	0.0%	2023
Street rehabilitation (up to 15% curb replacement, no utilities)	\$56.50	Per adjusted front foot	\$59.00	-4.2%	2024
Mill/overlay of street (minor curb repairs, street surface only)	\$32.00	Per adjusted front foot	\$33.75	-5.2%	2024
Water service lateral	\$3,375.00	or based on actual construction costs	\$3,375.00	0.0%	2023
Sewer service lateral	\$3,375.00	or based on actual construction costs	\$3,375.00	0.0%	2023
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	\$9.00	0.0%	2023
Multi-family - 0.65 Residential Equivalent Unit	\$9.00	per REU's (units x rate x 0.65)	\$9.00	0.0%	2023
Water Usage Rate - Residential					
0 - 6,000 gallons/month	\$3.00	x consumption	\$3.00	0.0%	2023
6,000 - 12,000 gallons/month	\$3.75	x consumption	\$3.75	0.0%	2023
> 12,000 gallons/month	\$4.69	x consumption	\$4.69	0.0%	2023
Water Base Rate - Commercial/Industrial					
3/4" meter	\$9.00	per month	\$9.00	0.0%	2023
1" meter	\$22.50	per month	\$22.50	0.0%	2023
1.5" meter	\$45.00	per month	\$45.00	0.0%	2023
2" meter	\$72.00	per month	\$72.00	0.0%	2023
3" meter	\$144.00	per month	\$144.00	0.0%	2023
4" meter	\$225.00	per month	\$225.00	0.0%	2023
6" meter	\$450.00	per month	\$450.00	0.0%	2023
Water Usage Rate - Commercial/Industrial					
1,000 gallons/month	\$3.00	x consumption	\$3.00	0.0%	2011
Irrigation Water (May 1 - September 30)					
Annual fee	\$25.00		\$25.00	0.0%	2023
1,000 gallons/month	\$4.69	x consumption of irrigation deduct meter	\$4.69	0.0%	2023
Water Meter Fees:					
3/4"	\$425.50	Connections and flanges included	\$401.50	6.0%	2024
1"	\$548.00	* meter pricing includes water meter transmitter	\$517.00	6.0%	2024
1.5" Compound	\$2,056.00	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$1,996.50	3.0%	2024
1.5" Turbo	\$1,509.00		\$1,465.20	3.0%	2024
2" Compound	\$2,330.50		\$2,262.70	3.0%	2024
2" Turbo	\$1,747.00		\$1,696.20	3.0%	2024
3" Compound	\$2,901.50		\$2,817.10	3.0%	2024
3" Turbo	\$2,116.40		\$2,054.80	3.0%	2024
4" Compound	\$4,781.25		\$4,642.00	3.0%	2024

City of Hutchinson 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 Fees	% Change	Last Change
4" Turbo	\$3,817.00	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$3,705.90	3.0%	2024
6" Compound	\$8,190.45		\$7,951.90	3.0%	2024
6" Turbo	\$6,737.95		\$6,541.70	3.0%	2024
Water meter testing fee	\$55.00	Plus all direct costs for testing by others	\$55.00	0.0%	2023
Water meter transmitter	\$207.50	As needed, determined by the Water Dept.	\$195.80	6.0%	2024
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	\$1.00	0.0%	2023
State Drinking Water Service Connection Fee	\$0.81	Per water meter per month - State required fee	\$0.81	0.0%	2020
Bulk Water Deposit	\$60.00	Deposit for key rental	\$45.00	33.3%	2024
Key rental fee (Month or partial month)	\$60.00	Month or partial month	\$45.00	33.3%	2024
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	\$30.00	South Park loaded by City staff	\$20.00	50.0%	2024
Per load	\$30.00	2 load/day, hydrant fills	\$20.00	50.0%	2024
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	\$10.00	0.0%	2023
Multi-family - 0.65 Residential Equivalent Unit	\$10.00	per REU's (units x rate x 0.65)	\$10.00	0.0%	2023
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	\$10.00	0.0%	2023
1" meter	\$25.00	per month	\$25.00	0.0%	2023
1.5" meter	\$50.00	per month	\$50.00	0.0%	2023
2" meter	\$80.00	per month	\$80.00	0.0%	2023
3" meter	\$160.00	per month	\$160.00	0.0%	2023
4" meter	\$250.00	per month	\$250.00	0.0%	2023
6" meter	\$500.00	per month	\$500.00	0.0%	2023
Wastewater use rate - commercial/industrial					
1,000 gallons/month	\$6.42	x consumption	\$6.42	0.0%	2011

City of Hutchinson 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 Fees	% Change	Last Change
Wastewater load charges rate - commercial/industrial					
Load charges: Biochemical Oxygen Demand (BOD)	\$0.65	per pound	\$0.65	0.0%	2023
Total Suspended Solids (TSS)	\$0.31	per pound	\$0.31	0.0%	2023
Phosphorous (P)	\$10.43	per pound	\$10.43	0.0%	2023
Total Kjeldahl Nitrogen (TKN)	\$0.92	per pound	\$0.92	0.0%	2023
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	\$1.00	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	\$1,000.00	0.0%	2023
Administrative Violation Fees	\$150.00	per violation	\$150.00	0.0%	2006
Hauling Waste Fees					
Portable Toilets Waste					
Transfer pump fee	\$50.00	per hour	New for 2024		2024
Truck tipping fee	\$10.00	per 100 gallons	\$6.00	66.7%	2024
Municipal WWTP Sludge					
Truck tipping fee	\$60.00	per truck load	\$50.00	20.0%	2024
Sludge volume fee	\$350.00	per dry ton	\$325.00	7.7%	2024
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 2024 Fee Schedule						
Fee Type		2024 Fees	Notes	2023 Fees	% Change	Last Change
Garbage Rates:						
Weekly service	30-gallon container	\$21.13	per month charge	\$20.12	5.0%	2024
	60-gallon container	\$30.47	per month charge	\$29.02	5.0%	2024
	90-gallon container	\$41.92	per month charge	\$39.92	5.0%	2024
Bi-weekly service	30-gallon container	\$14.87	per month charge (60 & 90 gallon containers not available)	\$14.16	5.0%	2024
Weekly valet service	30-gallon container	\$29.88	per month charge	\$28.46	5.0%	2024
	60-gallon container	\$39.23	per month charge	\$37.36	5.0%	2024
	90-gallon container	\$50.67	per month charge	\$48.26	5.0%	2024
Senior Citizens/Low Income Rate						
	Bi-weekly standard service	\$14.87	30-gallon container; per month charge	\$14.16	5.0%	2024
	Bi-weekly valet service (low income)	\$20.78	30-gallon container, per month charge	\$19.79	5.0%	2024
	Senior citizen reduced rate (low income)	\$2.63	per month charge	\$2.50	5.2%	2024
	Senior citizen reduced valet	\$11.38	per month charge	\$10.84	5.0%	2024
	Senior citizen reduced bi-weekly valet	\$7.00	per month charge	\$6.67	4.9%	2024
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		\$6.66		\$6.47	2.9%	2024
Single & Two-Family Residential		\$5.15		\$5.00	3.0%	2024
Public/Private School & Institutional		\$25.86		\$25.11	3.0%	2024
Multi-Family Residential & Church		\$36.77		\$35.70	3.0%	2024
Commercial & Industrial		\$65.79		\$63.87	3.0%	2024
Lots 1 to 2 acres		\$8.91		\$8.65	3.0%	2024
Lots 2 to 3 acres		\$15.53		\$15.08	3.0%	2024
Lots 3 to 4 acres		\$22.15		\$21.50	3.0%	2024
Lots 4 to 5 acres		\$28.79		\$27.95	3.0%	2024
Lots over 5 acres			See Resolution No. 11637			
Drainage/Erosion Control permit		\$40.00	Drainage connection	\$40.00	0.0%	2023
		\$40.00	< 5,000 SF disturbed	\$40.00	0.0%	2023
		\$115.00	5,000 SF - 1 acre disturbed	\$115.00	0.0%	2023
		\$225.00	1 to 5 acres disturbed	\$225.00	0.0%	2023
		\$340.00	More than 5 acres disturbed	\$340.00	0.0%	2023

City of Hutchinson 2024 Fee Schedule						
Fee Type		2024 Fees	Notes	2023 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
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 (vault/casket)	Weekday Non-Winter	\$825.00	4/15 - 11/15: M-F 9am - 4pm	\$825.00	0.0%	2021
	Weekend/Holiday Non-Winter	\$1,080.00	4/15 - 11/15: Sat 9am - 2pm	\$1,080.00	0.0%	2021
	Weekday Winter	\$970.00	11/16 - 4/14: M-F 9am - 4pm	\$970.00	0.0%	2021
	Weekend/Holiday Winter	\$1,195.00	11/16 - 4/14: Sat 9am - 2pm	\$1,195.00	0.0%	2021
Inurnments (in-ground)	Weekday Non-Winter	\$435.00	4/15 - 11/15: M-F 9am - 4pm	\$390.00	11.5%	2024
	Weekend/Holiday Non-Winter	\$685.00	4/15 - 11/15: Sat 9am - 2pm	\$630.00	8.7%	2024
	Weekday Winter	\$560.00	11/16 - 4/14: M-F 9am - 4pm	\$510.00	9.8%	2024
	Weekend/Holiday Winter	\$805.00	11/16 - 4/14: Sat 9am - 2pm	\$735.00	9.5%	2024
Infants (in-ground)	Weekday Non-Winter	\$315.00	4/15 - 11/15: M-F 9am - 4pm	\$315.00	0.0%	2021
	Weekend/Holiday Non-Winter	\$565.00	4/15 - 11/15: Sat 9am - 2pm	\$565.00	0.0%	2021
	Weekday Winter	\$630.00	11/16 - 4/14: M-F 9am - 4pm	\$630.00	0.0%	2021
	Weekend/Holiday Winter	\$680.00	11/16 - 4/14: Sat 9am - 2pm	\$680.00	0.0%	2021
Disinterment	in-ground casket or urn	\$1,725.00	Disinterment	\$1,725.00	0.0%	2021
	niche	\$850.00		New for 2024	0.0%	2024
Vaulted cremains (additional charge)		\$250.00		\$250.00	0.0%	2021
Companion urn		\$240.00		\$240.00	0.0%	2019
Pot stands	Upright	\$45.00		\$40.00	12.5%	2024
	Saddle mount	\$20.00		\$25.00	-20.0%	2024
Late charges		\$100.00	funerals arrive more than 30 minutes late	\$60.00	66.7%	2024
		\$200.00	funerals arrive more than 60 minutes late	\$100.00	100.0%	2024
		\$500.00	M-F funerals arrive after 4pm (no arrivals after 4:30)	225.00	122.2%	2024
		\$500.00	S funerals arrive after 2 pm (no arrivals after 2:30)	New for 2024	0.0%	2024
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
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 2024 Fee Schedule					
Fee Type	2024 Fees	Notes	2023 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	Variable	Per quoted price	\$2,625.00	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	\$53.00	Per month. Airport Commission schedule	\$50.00	6.0%	2024
Hangars #1/19	\$285.00	Per month. Airport Commission schedule	\$270.00	5.6%	2024
Hangars #2/1-2/8	\$93.00	Per month. Airport Commission schedule	\$90.00	3.3%	2024
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	\$306.00	Per month. Airport Commission schedule	\$300.00	2.0%	2024
Hangars #4/1-4/8	\$128.00	Per month. Airport Commission schedule	\$120.00	6.7%	2024
Hangars #5/1-5/8	\$190.00	Per month. Airport Commission schedule	\$190.00	0.0%	2020
Hangars #6/1-6/2	\$360.00	Per month. Airport Commission schedule	New for 2024	0.0%	2024
Hangar 1710	\$780.00	Per month. Airport Comm schedule, may be w/ FBO agmt	New for 2024	0.0%	2024
Hangar 1720	\$780.00	Per month. Airport Comm schedule, may be w/ FBO agmt	New for 2024	0.0%	2024
City-owned storage spaces - Hangar #4	\$49.75	Per month. Adjusted to \$1.00/SF annual cost	\$47.50	4.7%	2024
City-owned storage spaces - Hangar #5	\$59.00	Per month. Adjusted to \$1.00/SF annual cost	\$56.25	4.9%	2024
Privately-owned hangar spaces:					
General Aviation	\$0.0412	per sq. ft. every other year	\$0.0412	0.0%	2023
Commercial	\$0.1390	per sq. ft. every other year	\$0.1390	0.0%	2023
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	\$50.00 /hr	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	\$300.00	0.0%	2023
Asphalt patching material	\$375.00 /ton	Per ton (up to 3 ton)	\$375.00 /ton	0.0%	2023
Other materials	Quoted		Quoted		
Equipment rental rates		See most recent FEMA reimbursement rates + 20% + Operator cost + Fuel surcharge			



2024 Annual Budget

Compensation Plans

RESOLUTION NO. 15680

CITY OF HUTCHINSON

2024 COMPENSATION PLAN

RESOLUTION ADOPTING THE PLAN, POSITION CLASSIFICATION ASSIGNMENT TABLE AND PAY GRID EFFECTIVE JANUARY 1, 2024

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 2024, the effective date is Sunday, March 3, 2024. New employees are eligible for consideration for a merit/performance increase after one year of continuous employment, generally, the first year anniversary date. First anniversary performance increases will go into effect the beginning of the pay period following their 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
7. Keystone Compass (from Keystone Compensation Group)

An approved market adjustment is applied only to the City Pay Grid, and no individual market increases will be granted in 2024. 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.

In order to maintain the established 80/20 premium split between the City and employees, premium increases to health insurance benefits may be considered in addition to the factors listed above. Additional information regarding employee benefits for 2024 can be found in Resolution No. 15642.

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 19th day of December, 2023. (This replaces Resolution No. 15544)

ATTEST:

Gary Forcier, Mayor

Matthew Jaunich, City Administrator

CITY OF HUTCHINSON				
2024 Position Classification Table				
Grade	Position		Grade	Position
110	Compost Facility Maintenance Assistant		150	Event Center/Senior Center Programmer
110	Compost Forklift Operator		150	Recreation Programmer
110	PT Adaptive Recreation Coordinator		150	Sales & Marketing Specialist
110	PT Office Specialist - Event Center		150	Senior Water Plant Operator
110	PT PRCE Receptionist		150	Senior Wastewater Operator
			150	IT Technician
120	Administrative Secretary - Public Works			
120	Motor Vehicle Licensing Clerk FT/PT		160	Arborist
120	Planning/Building/EDA Technician		160	Building Inspector
120	PRCE Office Specialist - FT		160	City Clerk/Paralegal
120	Recreation Facility Maintenance Technician		160	Compost Operations Supervisor
120	Recreation Specialist/Concessions Coordinator PT		160	Maintenance Lead Operator (PW)
120	Utility Billing Specialist		160	Parks Maintenance Lead Operator
120	Water/Wastewater Technician		160	Police Officer - FT/PT
130	Compost Laborer		170	Senior Engineering Specialist
130	Engineering Administrative Specialist		170	Server/Network Technician
130	Hospital Security Guard - FT/PT			
130	Human Resources/Administrative Technician		180	Building Official
130	Motor Vehicle Technician		180	Facilities Manager
130	Planning and Building Administrative Specialist		180	Motor Vehicle Deputy Registrar
130	Police Administrative Specialist		180	Parks Manager
130	Police Supplemental Services Specialist		180	Police Sergeant
130	Public Outreach and Education Coordinator		180	Project/Environmental/Regulatory Manager
130	Public Works Maintenance Operator		180	PRCE Facility Maintenance Manager
130	Resource Recovery Coordinator		180	Recreation Manager
130	Wastewater Maintenance Operator			
130	Wastewater Plant Operator		190	Police Lieutenant
130	Water Plant Operator		190	Assistant Finance Director
			190	Wastewater Manager
140	Compost Equipment Operator		190	Water Manager
140	Compost Operations Specialist			
140	Lab Technician/Wastewater Operator		200	Compost Manager
140	Lead Police Administrative Specialist		200	Economic Development Director
140	Parks Maintenance Equipment Operator		200	Fire Chief
140	Payroll/Benefits Specialist		200	Liquor Sales Manager
140	Plant Equipment Mechanic II		200	Public Works Manager
140	Police Data Release Coordinator			
140	Police Investigations Specialist		220	Finance Director
140	PRCE Facilities Operations Specialist		220	Human Resources Director
140	Senior Accounting Specialist		220	Information Technology Director
140	Senior Liquor Sales Clerk		220	Parks/Recreation/Community Ed (PRCE) Director
140	Senior Public Works Maintenance Operator		220	Planning Director
150	Compost Coordinator		230	City Attorney
150	Inspector		230	Police Chief/Emergency Management Director
150	Engineering Specialist		230	Public Works Director
150	Equipment Mechanic			
			260	City Administrator

2024 Hutchinson Pay Grid

Grade	MIN	MID/ MARKET	MAX
	80%	100%	120%
260	\$60.31	\$75.39	\$90.47
250	\$56.85	\$71.06	\$85.27
240	\$53.90	\$67.38	\$80.85
230	\$51.49	\$64.36	\$77.23
220	\$46.94	\$58.67	\$70.40
210	\$44.52	\$55.65	\$66.78
200	\$42.36	\$52.95	\$63.54
190	\$38.35	\$47.93	\$57.52
180	\$35.40	\$44.25	\$53.10
170	\$32.38	\$40.48	\$48.58
160	\$30.84	\$38.55	\$46.26
150	\$28.42	\$35.53	\$42.64
140	\$26.83	\$33.54	\$40.24
130	\$24.94	\$31.18	\$37.41
120	\$22.79	\$28.49	\$34.18
110	\$19.83	\$24.79	\$29.75
100	\$17.69	\$22.11	\$26.54

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)



2024 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 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 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. Diversifications 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, to the extent possible, 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 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 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. At no time shall cash be left unattended in an open or unsecure location.

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 pre-approved 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 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 City's 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 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 by December 31 of each year. Prices for products sold at the Liquor Hutch and Creekside are exempt from the fee schedule due to the dynamic nature of pricing in a competitive market.

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 cost 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 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 Rural Fire and H.A.T.S. Facility funds. (See exhibit A)
- 3) **Debt Service Funds**, which are used to account for the payment of principal and interest on the City’s general obligation bond issues. The payments are funded by ~~from~~ the City’s debt tax levy and special assessment repayments.
- 4) **Capital Projects Funds**, which are used to account for the acquisition of vehicles and equipment, and the 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 expenditures.

- 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 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. For revenue to be recorded within a given calendar year, it generally must be received within sixty (60) days after the year-end. 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. Fund balance may also be used as a short-term measure to stabilize the tax levy.

The impact on the operating budget from any new programs or activities being proposed should be minimized by providing funding with newly created revenues to the extent 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. An expenditure may exceed the budget when the overage is caused by unbudgeted revenue from grants, insurance proceeds, donations or other one-time monies.
- 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 within the same fund. 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 estimated for each project and included in future budget forecasts.

PUBLIC HEARING:

The City's budgeting process allows for public input at various city council workshops as well as the annual Truth in Taxation public hearing typically held in early December of each year.

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 the 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 expenses 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

The City will commit 40% of the next year's General fund budgeted expenditures for working capital. This provides adequate cash flow to fund operations since major revenues, including property taxes and other government aid, are received on a biannual basis.

The City will commit 10% of the next year's General fund budgeted expenditures to plan for contingencies and tax levy stabilization.

Use of Reserves

Use of the contingency or tax levy stabilization reserve requires city council approval and will be limited to non-recurring or temporary events. Use may include, but not be limited to:

- Provide resources to make up for temporary decreases in revenues
- Provide temporary resources in the event of an economic downturn while expenditure reductions are being implemented
- Provide resources to meet emergency expenditures in the event of extreme weather, natural disasters or other public emergencies
- Provide temporary funding until proceeds are received from insurance, FEMA or other potential reimbursement source, if applicable
- Stabilize or soften the impact of tax levy increases

Replenishment of Reserves

A plan to replenish reserves will be formulated during the annual budget process and five-year strategic planning. Potential sources for replenishment include budgetary surpluses, retired bond funds, uncommitted one-time monies, other city funds, and tax levy increases.

Excess Reserves

The unassigned fund balance represents reserves in excess of the 50% commitment for working capital, contingencies and levy stabilization. These funds are available for use at the city council's discretion. City council and staff will review excess reserves on an annual basis to discuss potential uses for the funds. Emphasis will be placed on one-time uses that achieve future operating cost reductions. Consideration will also be given to limiting the use of reserves to levels that do not adversely affect the City's credit rating.

Periodic Review of Reserve Targets

The reserve target amounts will be reviewed by city council and staff on an annual basis during the budget process.

2) Special Revenue Funds

- a. Special Revenue funds are used to account for 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 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.
- b. The remaining fund balance will typically be transferred into the Community Improvement fund when all debt requirements have been met for a specific debt fund. A transfer into another debt fund may be warranted to avoid any unplanned, adverse impacts to the debt tax levy.

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.
- 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 shall be identified and quantified, to the extent possible, 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, Equipment Replacement fund, Airport Construction fund, and the annual Capital Improvement Construction funds.

- 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 grants and donations.
- 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.
- The **Equipment Replacement** fund accounts for the acquisition and disposition of General fund vehicles and equipment. The main funding sources are transfers from the General fund and proceeds from the sale of vehicles/equipment.
- The **Capital Improvement Construction** funds account for the annual roadway and infrastructure improvement projects. The main funding sources are federal and state aid, grants, enterprise fund contributions, other city funds, and bond proceeds. Excess fund balance when the projects are complete generally are transferred into the debt service fund but may also be used to fund deficits in other capital improvement construction funds.

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 50% of the following year's annual operating expenses plus one year of debt service payments and transfers to the General fund (Target Cash Balance).
 - a. The Liquor fund shall be exempt from this provision since the majority of profits are transferred to the General fund.
- 2) The Water, Wastewater 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) Projects utilizing reserves shall be planned in advance and included within the 5-year Capital Plan, to the extent possible. The amount of reserve funds utilized will be limited to an amount that maintains a cash balance above the Target level and does not result in user rate increases solely due to the use of those reserves.
- 4) 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

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 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 change.*** 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 assets for the City. While the issuance of debt is an appropriate method of financing the acquisitions of capital projects and major equipment, 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 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 managed to maintain or enhance the City's credit rating.

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 improvements.

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.

Financing Options

The City will strive to maintain a "pay-go" capital funding policy, supporting capital spending without the use of debt whenever feasible. The following options will be considered, in the order presented, when debt is determined to be the most appropriate means to finance a project.

1. Interfund Loan

Interfund borrowing is preferable to external debt as the City is paying itself interest rather than to a third party. An interfund loan may be considered for circumstances in which all of the following conditions are met:

- a) The remaining cash reserve balance within the lending fund is adequate to meet cash flow needs and does not adversely affect operations or user rates.
- b) A repayment schedule will be prepared detailing the annual principal and interest payments due to the lending fund.
- c) The annual interest rate will equal the current prime lending rate or maximum amount allowable by State Statute.
- d) The repayment schedule will not exceed 15 years or the useful life of the improvement.
- e) The City Council approves the interfund loan and repayment plan via city resolution.

2. General Obligation Bonds

The City may issue general obligation bonds to finance a variety of improvement projects. These bonds typically represent the lowest cost of debt to the city as they are tax-exempt and guaranteed by the City's taxing authority to repay the debt. For enterprise funds, revenue bonds may be issued using the fund's specific revenue source to repay the debt with the City's taxing authority pledged to repay the debt.

- a. The City will use an independent municipal advisor to assist with bond financing, including the structuring of the bond issues and selling of the bonds.
- b. The City will retain external bond counsel for all debt issues. No bonded debt will be issued by the City without a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements, and determining the debt's federal income tax status.
- c. A fiscal agent will be utilized, to the extent necessary, for all bonded indebtedness to coordinate and distribute the City's debt service payments to the various bondholders. Fiscal agent fees for outstanding bonds will be paid from the respective debt funds as determined by the Finance Director.

3. Short-term External Financing

The City may solicit financing from external lending institutions based on a competitive bid process. This is the least attractive financing option for the City and will be avoided to the extent possible.

Borrowing Purposes

The four primary borrowing purposes are summarized below:

1. Long-Term Capital Improvements

The City may issue debt to finance improvements to roadways, infrastructure, and city facilities.

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 but not longer than the useful life of the equipment.

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. Refinancing to take advantage of lower interest rates will generally be considered when it provides a present value net savings of at least 3%.

4. Other Allowable

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

Debt Tax Levy

The City annually issues General Obligation tax-exempt bonds (“bonds”) in accordance with Minnesota Statutes 429 and 475. The annual debt service payments on the bonds are funded by the City’s special property tax debt levy (“debt levy”) and by special assessments repaid by property owners, if applicable. It is the intent of the city council to best manage the debt levy by using the following guidelines to finance improvement projects.

1. **Roadway & Infrastructure Projects** will generally be financed by special assessments and the debt levy, both of which are accounted for within the Debt Service fund.
 - a. Special assessments repaid by property owners benefitting from the improvement:
 - i. The debt associated with this component is generally repaid by property owners over a 10-year period, but it may be less depending on the cost of the improvement and associated assessments.
 - ii. The annual repayment installments shall be on a straight-line basis with simple interest equal to the true interest rate on the debt issuance plus 1% to cover the City’s administrative costs involved in managing the special assessments.
 - iii. The City debt levy generally is not impacted by special assessments unless significant assessments are delinquent or deferred indefinitely.
 - iv. Certain improvement projects may result in a substantial assessment to a specific 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 direct funding source in the Capital Improvement Construction fund.
 - v. Bonding under Statute 429 limits the bond proceeds to the amount of special assessments divided by the minimum threshold of 20%. The bond proceeds must be sufficient to pay the improvement costs in addition to the costs to issue the bonds. In the case of insufficient assessments, the City must either bridge the financing deficit with other funds or pursue bonding under Statute 475.
 - b. Project Costs not financed by other funds:
 - i. This component is the remainder of projects costs after all other funding sources, including federal or state aid dollars, grants, enterprise fund contributions, other funds and special assessments. The debt associated with this component is repaid by the City’s debt levy.
 - ii. The City will manage this debt component with an average annual improvement cost limit of \$1,900,000, which may be adjusted up or down by city council to account for changing interest rates and other factors. Increasing this limit to account for rising improvement costs will increase the City’s overall debt levy.
 - iii. The City will manage the aggregate of current and future roadway and infrastructure debt at a target debt levy of \$2,600,000 per year. Once the target levy is reached it should be self-sustaining, with one debt issue expiring as a new debt issue is added. City council will periodically review the target and adjust as needed for increasing construction costs or other factors that may necessitate increased financing.

2. City Facility Improvements

Debt may be required in order to finance major improvements for existing or new facilities. The debt associated with this component is repaid by the City's debt levy. Facility debt is above and beyond the debt limits established for roadway and infrastructure improvements. Facility debt levels will be analyzed and recommended by the City Administrator and Finance Director with final approval by the city council.

3. Debt Levy Target

The goal of the city council is to have a steady debt levy and to minimize any large fluctuations in the levy, to the extent possible. The city council recognizes the following future, annual debt levy targets with this policy:

Roadway & Infrastructure Debt	\$2,600,000
Facility Debt (new police facility)	<u>500,000</u>
Total Debt Levy Target	\$3,100,000

The debt levy is currently below the \$3,100,000 target and will increase moderately each year until the target is reached in, or around, 2034. The facility debt will exceed the \$500,000 target until 2034 due to front-loading the police facility debt to replace prior, existing debt that was retired early.

4. Managing the Debt Levy

- a. 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.
- b. Each debt issue shall be structured such that the its required debt levy will be stable over the 15-year debt term. This will prevent fluctuations in the overall debt levy on a year-to-year basis.
- c. Any bond premium received will generally be used to reduce the par value, resulting in lower debt. City staff will review each year for any circumstances that may necessitate retaining the bond premium, or a portion thereof.
- d. 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.
- e. The City will keep outstanding debt within the limits set by State Statutes.
- f. 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.
- g. City staff will periodically review the annual debt levy target and may make recommendations to City Council to increase the target to address rising construction costs, interest rates or other unforeseen factors.
- h. 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.

Conduit Debt

The City is granted the power to issue tax-exempt conduit revenue bonds or other tax-exempt obligations for a non-profit organization, as defined within Minnesota State Statutes. Such debt shall encourage economic development, promote increased tax capacity (tax base) and provide no liability to the City for repayment of the debt.

- A. The City reserves the right to deny any application for financing at any stage of the proceedings prior to adopting the final resolution authorizing issuance of the financing. The City Council may waive any provision of this conduit debt policy if the council determines that such waiver is in the best interests of the City.
- B. The City Council will consider projects that are beneficial and appropriate for the City.
- C. The City will consider issuing conduit financing as long as it does not interfere with the annual bank qualification limit when the City issues its own bonds.
- D. All applications and supporting materials and documents shall remain the property of the City and may be subject to disclosure and/or public review under applicable provisions of State law.
- E. The City is to be reimbursed and held harmless for and from any out-of-pocket costs related to the actual or proposed issuance of conduit revenue bonds. A nonrefundable processing fee of \$2,000 must be submitted with a written request for City financing assistance.
- F. The entity will be charged an administrative fee of 0.50% of the par value of bonds being issued, with payment made at the time of closing on the debt. In the case of a refinancing, the fee shall be calculated at 0.25%. These percentages may be adjusted, with city council approval, depending upon the size of the bonded debt.
- G. The Finance Department shall report all conduit debt issues within the Annual Comprehensive Financial Report in accordance with Generally Accepted Accounting Principles.

Debt for Private Development

The City generally requires that private developers finance the cost of public infrastructure installed for new developments.

Prior Property Tax Levy Debt Policy

The Debt Management Policy above supersedes the 2008 and 2018 policies and shall be used as the guideline for all existing and future debt.

POST-ISSUANCE TAX COMPLIANCE PROCEDURES FOR TAX-EXEMPT BONDS

I. Purpose

These procedures are adopted by the City to ensure that interest on tax-exempt bonds ("Bonds") of the City remains excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

These written procedures are intended to formally memorialize certain policies and practices of the City previously adopted or followed by the City in connection with its issuance of Bonds. The City reserves the right to use its discretion as necessary and appropriate to make exceptions to these procedures as facts and circumstances warrant.

II. Expenditure/Use of Bond Proceeds

- a. Expenditure of Bond proceeds will be regularly reviewed by the City Finance Director for consistency with the Bond documents, including any Bond Resolution and the City's Tax Certificate.
- b. The City has separately established procedures for preparation and review of requests for Bond proceeds as part of its accounting system.
- c. Requests must identify the Bond-financed property in conformity with the City's tax certificate executed at closing of the Bonds, including the character of the Bond-financed property. Such information is contained as part of the City's accounting system coding.
- d. None of the proceeds of the Bonds will be used to reimburse the City for costs paid prior to the date of issuance of the Bonds unless the City shall have fully complied with Section 1.150-2 of the Treasury Regulations with respect to such reimbursed amounts, which is summarized in Exhibit A hereto.
- e. Staff costs may be financed with Bond proceeds only to the extent that they are properly capitalized as a cost of a capital project under generally accepted accounting principles and federal tax law.
- f. Requests for expenditures will be summarized in a "final allocation" of Bond proceeds to uses not later than 18 months after the in-service date of the Bond-financed property (and in any event not later than 5 years and 60 days after the issuance of the Bonds and not later than 60 days earlier than retirement of the issue) in a manner consistent with the Code and Treasury Regulations and the applicable Tax Certificate.
- g. Expenditure of proceeds of the Bonds will be measured against the City's Tax Certificate expectation to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the capital project and fully spend the net sale and investment proceeds. In the event that exceptions under the Code are not met, calculations of rebate liability will be performed or caused to be performed by as provided herein.

- h. If there are any Bond proceeds remaining other than in a reserve or debt service fund established pursuant to the Bond Resolution after completion of the projects, such proceeds shall be applied in a manner consistent with the applicable Bond Resolution and Tax Certificate or pursuant to advice from Bond Counsel.
- i. In the event that Bond proceeds are to be loaned to a conduit borrower, such conduit borrower will be required to agree to all terms of the Tax Certificate and provide evidence of post-issuance tax compliance procedures deemed adequate and consistent with those set forth herein; and all such obligations for post-issuance tax compliance shall be assumed by such conduit borrower. The City Finance Director shall be the primary contact for all conduit borrowers and related compliance matters.

III. Use of Bond-Financed Property

- a. Use of Bond-financed property when completed and placed in service will be reviewed by the City Finance Director and, as applicable, the City Engineer. Appropriate department/facility managers, including staff responsible for asset management, shall be trained regarding restrictions on the use of Bond proceeds and facilities financed thereby and instructed to consult with regarding any third-party contract concerning use of the facilities, including without limitation leases, use, management or service contracts, and research contracts.
- b. Upon issuance of Bonds, there shall be no expectation that the Bond-financed property will be sold or otherwise disposed of by the City during the term of the Bonds, except for replacement due to normal wear and tear or obsolescence.
- c. Agreements with third parties for lease, use, management, or any other service agreement or research contract with respect to, or non-governmental use in respect of, Bond-financed property will be reviewed prior to execution for compliance with the Code. Such agreement will be approved by the City Finance Director, who will be responsible for determining whether the proposed agreement (1) results in private business use of the facilities, and (2) Revenue Procedure 2017-13 and (3) Revenue Procedure 2007-47 (regarding research sponsorship agreements).
- d. No item of Bond-financed property will be sold or transferred by the City without approval of the City Administrator or City Attorney, who shall seek advice of Bond Counsel as necessary, to provide guidance as to “remedial action” that may be required under the applicable Treasury Regulations if Bonds financing such property remain outstanding as of the date of sale or transfer of such property. Remedial action is summarized in Exhibit B hereto.
- e. The City acknowledges that any sale, transfer, change in use, or change in users of the Bond-financed property may require remedial action, as previously described, or resolution pursuant to the IRS Voluntary Closing Agreement Program (or “VCAP”) to assist in resolving violations of the federal tax laws applicable to the Bonds.

IV. Investments

- a. Investment of Bond proceeds in compliance with the arbitrage and rebate requirements of the Code and applicable Treasury Regulations will be managed and supervised by the City Finance Director.

- b. Guaranteed investment contracts (“GICs”) will be purchased according to the fair market value provisions of applicable Treasury Regulations, including bid requirements and fee limitations.
- c. Calculation of rebate liability will be performed annually by the City Finance Director or as needed by outside consultants of the City.
- d. Upon final expenditure of the gross proceeds of Bonds, and in any event promptly following the fifth anniversary of the date of issuance of the Bonds or earlier retirement of the Bonds, the City Finance Director will consult a qualified professional to prepare a spending exception report or an arbitrage rebate computation (as applicable) for the issue of Bonds.
- e. Rebate payments, as required based upon the advice of a qualified professional, will be made with Form 8038-T no later than 60 days after (a) each anniversary of the date of issuance of the Bonds and (b) the final retirement of the Bond issue.

V. Record Management and Retention

- a. Management and retention of records related to Bond issues will be maintained by City Administration staff.
- b. Records for Bonds will be retained for not less than the life of the Bonds, plus any refunding bonds, plus three years. Such records may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.
- c. Retainable records pertaining to Bond issuance shall include a transcript of documents executed in connection with the issuance of the Bonds and any amendments; and copies of rebate calculations and records of payments, including IRS 8038-T forms.
- d. Retainable records pertaining to expenditures of Bond proceeds include requisitions; trustee statements, if applicable; and final allocation of proceeds.
- e. Retainable records pertaining to use of Bond-financed property include all third-party contracts concerning use of the facilities, including (without limitation) leases, use, management or service contracts, and research contracts.
- f. Retainable records pertaining to investments include GIC documents under the Treasury Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstrate that no rebate is due.

VI. Overall Responsibility

- a. Overall administrative and coordination of this policy and the procedures set forth herein are the responsibility of the City Finance Director.
- b. Review of compliance with this policy and the procedures set forth herein shall be undertaken periodically, and in any event, not less than annually.
- c. The City understands that failure to comply with these policies and procedures could result in the retroactive loss of the exclusion of interest on Bonds from federal gross and Minnesota taxable net income; and thus, it would be advisable to consult with Bond Counsel in advance regarding deviations from the facts and expectations as set forth in the closing certifications relating to any issue of Bonds.
- d. Any violation or potential violations of federal tax requirements shall promptly be reported to the City Finance Director, and the City Finance Director will engage qualified consultants and bond counsel to further investigate potential violations or undertake appropriate remedial actions, which actions shall be approved by the governing body of the City.

EXHIBIT A

REIMBURSEMENT BOND SUMMARY

Following is a general summary of the requirements relating to bonds that are issued to reimburse expenditures that were paid prior to the date of issuance of bonds ("Reimbursement Bonds").

Reimbursement Bond proceeds cannot be used to reimburse expenditures paid more than 60 days prior to the adoption of the declaration of official intent/reimbursement resolution, which must contain:

- a general function description of the property to which the reimbursement relates or an identification of the fund or account from which the expenditure is to be paid and a general functional description of the purposes of such fund or account; and
- the maximum principal amount of debt to be issued.

Reimbursement Bonds must be issued not later than 18 months after the later of (i) the date on which the original expenditure is paid, or, ii) the date on which the property is placed in service, but in any case, not more than three years after the date on which the original expenditure is paid. If possible, actual reimbursement should be made within 30 days of the date of issuance of the Reimbursement Bonds.

Note that there are exceptions for "de minimis" amounts (not in excess of the lesser of \$100,000 or 5% of proceeds of the issue) and for "preliminary expenditures" (such as architectural, engineering, surveying, soil testing and similar costs and costs of issuance), so long as such preliminary expenditures do not exceed 20% of the aggregate issue price.

EXHIBIT B

REMEDIAL PROVISIONS APPLICABLE TO BONDS

The City acknowledges that any deliberate action by the City after Bond issuance that results in a satisfaction of private business tests or the private loan test will result in private activity bond status unless one or more qualifying remedial actions are taken by the City. Specifically, Treasury Regulations provide that actions are not treated as deliberate actions if (A) five conditional requirements are met, and (B) one of three remedial actions is taken, with respect to the disposition proceeds and nonqualified bonds*:

CONDITIONAL REQUIREMENTS

1. Reasonable Expectations – The City reasonably expected on the issue date that it would not meet the private business tests or the private loan test for the whole term of the bonds; and
2. Reasonable Bond Maturity – The term of the issue must not be unreasonable long; this requirement is met if the weighted average maturity of the bond issue is not greater than 120% of the expected economic life of the property financed; and
3. Fair Market Value Consideration – The terms of any agreement (relating to satisfaction of a private activity bond test) must be bona fide and at arm's-length, and the new user must pay a fair market value consideration for the use of the bond-financed property; and
4. Disposition Proceeds Are Gross Proceeds – The City must treat any disposition proceeds as gross proceeds subject to arbitrage/rebate restrictions; and
5. Proceeds Spent for Authorized Purpose – Except as described with respect to redemption and defeasance options below, prior to deliberate actions, the affected proceeds must have been spent for the authorized purposes under the applicable bond documents.

REMEDIAL ACTIONS – Under Treasury Regulations, Sections 1.141-12(d), (e) and (f):

1. Redemption of Non-Qualified Bonds – Under the general rule, all nonqualified bonds of the issue must be redeemed. Tax-exempt bond proceeds (i.e., refunding bond proceeds) cannot be used unless the tax-exempt bonds are qualified bonds, taking into account the purchaser's use of the facility. The bonds must be redeemed within 90 days of the date of the deliberate action or a defeasance escrow for the bonds must be established within such 90-day period. Special rules apply to transfers exclusively for cash and to defeasance escrows.

* The portion of the outstanding bonds in an amount that, if the remaining bonds were issued on the date on which the deliberate action occurs, the remaining bonds would not satisfy the private business use test or the private loan financing test, as applicable. The amount of private business use is the highest percentage of business use in any one-year period, commencing with the deliberate action

2. Alternative Use of Disposition Proceeds – To meet this requirement, all disposition proceeds must be in cash, the City must reasonably expect to expend the proceeds within 2 years, the new use must not meet the private business tests or the private loan test (and the City cannot take any action subsequent to the date of the deliberate action to cause the tests to be met), and any unused proceeds must satisfy the redemption requirement in the preceding paragraph.
3. Alternative Use of Facility – This remedial action is satisfied if the bond-financed property itself (as distinguished from the proceeds of the issue) is used in an alternative manner (e.g., for a different purpose or by a different person); the nonqualified bonds are treated as reissued on the date of the deliberate action and independently meet all of the requirements for tax exemption under Sections 141 through 150 of the Code, except the arbitrage and rebate rules of Section 148, for the remaining term of the nonqualified bonds; the deliberate action does not involve a transfer of the property to a purchaser that finances the acquisition with the proceeds of another issue of tax-exempt bonds; and any disposition proceeds, other than those arising from an agreement to provide services, resulting from the deliberate action are used to pay debt service on the bonds on the next available payment date or escrowed within 90 days of receipt and yield restricted to pay debt service on the next available payment date.

The above is only a brief summary of remedial actions, and additional special rules may be applicable. As provided in the City's Compliance Procedures for Tax-Exempt Bonds, the City Finance Director shall seek advice of Bond Counsel as necessary to provide guidance as to "remedial action" that may be required under the applicable Treasury Regulations.

The Commissioner of the IRS may, by publication, provide for additional remedial actions. In addition, the IRS provides a program in which issuers/borrowers which cannot meet a listed remedial action can enter into a closing agreement with the IRS to avoid private activity bond status. The closing agreement program includes several conditions, including providing for the redemption of the bonds and paying the IRS an amount based on an assumption that the non-qualified bonds are taxable from the date of the subsequent act until they are redeemed.

PURCHASING POLICY

Policy Overview

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

Public Purpose

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

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

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

Purchasing Agent

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

Purchasing

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

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

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

1) Purchasing Limits:

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

2) Written Quotes:

- a. Purchases estimated to cost less than \$5,000 may be made without seeking more than one quote, however more than one quote is encouraged.
- b. Purchases estimated to cost more than \$5,000 but less than \$175,000 must have at least two written quotes. Verbal quotes should not be accepted. The City will maintain documentation for a period of at least one year of its efforts to obtain at least two written quotes as required by state statute 471.345.
- c. The City will require competitive bidding on the sale, purchase or rental of supplies, materials or equipment and on contracts for the construction, alteration, repair or maintenance of real or personal property estimated to exceed \$175,000.

3) Competitive Bidding

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

4) State Pricing & Cooperative Purchasing

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

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

5) Purchase Orders

A purchase order system is essentially a budgetary control mechanism that provides the following:

- Achieves the best pricing by soliciting multiple vendor quotes in addition to state contract pricing and cooperative purchasing availability.
- Ensures the department has sufficient budgetary dollars to fund the purchase.
- Formally documents the agreed upon price for both parties and prevents overpayments.
- Serves as a legal document that can be enforced in the event of a disagreement with the vendor regarding cost, scope of work or quantity of merchandise.
- Complies with state statutes bidding and vendor quote retention requirements.

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
 - A purchase requisition is applicable to only one vendor. A project with multiple vendors each exceeding the \$5,000 threshold requires separate requisitions for each vendor.
 - Attach the written quote documentation
 - Provide a reasonable explanation of the requested purchase within the system's note feature.
 - 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.
- iv. Providing written explanations within the accounts payable invoice system in the event of cost differences from the purchase order amount.
- v. Departments should consider canceling and issuing a revised purchase order if the scope of a project/purchase changes significantly from the original quoted price.

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.
- v. Purchase orders remaining open at the end of a calendar year will be rolled forward to be applied against the next year's budget. Departments have the option to cancel the purchase order by contacting the Finance department.

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 explain the emergency reason within the accounting system's invoice note feature.

Change Orders

Project change orders require either City Administrator or City Council approval. The City Administrator is authorized to approve change orders less than \$50,000. Change orders of \$50,000 or more shall be approved by the City Council.

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. No new charge cards shall be set up without the approval of the Finance Director.
- 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 approve their invoices within the Accounts Payable system 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 approved 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 (***HutchAP@hutchinsonmn.gov***).
- i. The A/P Specialist will stamp each invoice with a received date and route to the appropriate department for approvals.
- e. A vendor invoice should provide a reasonable description of the purchase or service.
- f. Departments will provide the proper budgetary expense code for each invoice.
- g. Departments are responsible for ensuring that the merchandise is received or the services are performed prior to approving 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.

PURCHASING CARD POLICY

POLICY:

The purpose of this policy is to provide detailed information regarding the use of purchasing cards (p-card) 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 p-card is an alternate means of payment and is not meant to replace the standard purchasing order system of the city. The use of p-cards should only take place when the normal purchasing order system cannot be used and/or the use of a p-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 p-cards. The Finance Director, with the oversight of the City Administrator, is hereby designated the responsibility of p-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 Purchasing 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:

Itemized invoices or receipts are required to support all p-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 p-card and for any purchases made on it.
- 2) Ensure that the p-card is used in compliance with the City's Purchasing Policy.
 - a. Purchases must be budgeted.
 - b. Use of the p-card for personal purchases is strictly prohibited. If the p-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 p-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 p-card may only be used for the purchase of goods or services for official City business.
 - a. The p-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 p-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 p-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.
 - d. Online orders using a City p-card should be completed on a city computer as personal computers or devices may not be properly protected against online fraud.
- 4) Authorized cardholders are responsible for the secure custody of the p-card and protection against theft, misuse and fraud.
 - a. Notify the Finance Director immediately if the p-card is lost or stolen and when fraudulent activity is suspected.
 - b. When fraudulent activity is suspected, immediately contact the p-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 p-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 monthly activity file provided by the Finance department.
 - 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 monthly activity file.
 - iii. Directors remit the completed monthly activity file 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 the p-card provider 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 p-card privileges may result, including discipline, as determined by the City Administrator:

- 1) Use of the p-card for personal purchases or cash advances.
- 2) Unauthorized use of p-card.
- 3) Failure to notify the p-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 Purchasing Card

Applicant: _____ Department: _____

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

By requesting a City p-card, I acknowledge the following:

1. The p-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 Purchasing Card Policy.
3. Violation of the Purchasing 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 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 p-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 Purchasing Card

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

- 1) The p-card is a cost-effective method for the purchase and payment of small dollar material transactions and is limited to \$_____ per month.
- 2) The p-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 p-card to the City Administrator or Finance Director, along with all receipts for purchases within the current billing cycle.

If the p-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.

Purchasing Card #: _____

Employee Name: _____
(please print)

Employee Signature: _____ Date: _____

Customer Service: 1-844-386-8276

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. The following approvals are needed prior to employee travel:

- 1) **Same Day & Overnight Travel** - Department Director approval is required.
- 2) **Out of State**
 - a. 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.
 - b. 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 also 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.
- e) **Employee Time** – Actual driving time required for City business travel is considered hours worked for non-exempt employees when the travel occurs during the employee's regular work hours. This includes weekend travel that occurs during the same Monday-Friday normal work schedule. These compensable hours may result in overtime rates being applied. Travel time outside of the employee's regular work hours is not compensable. An employee's commute time to work is also not compensable.

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 and inquire about the availability of a government discount. 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 the cost of a standard room.

Rental homes, such as through Airbnb and Vrbo, may be a more cost effective alternative to hotel rooms if multiple employees are on the same overnight trip. Departments may book a rental home if the cost is less than a hotel, with advanced approval from the City Administrator and Finance Director.

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 generally 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 the total cost of each meal, including sales tax and gratuity:

- Breakfast: \$20 – Travel begins before 6:00am and extends beyond 9:00am
- Lunch: \$25 – Travel begins before 11:00am and extends beyond 2:00pm
- Dinner: \$35 – Travel begins before 4:00pm and extends beyond 7:00pm

- a) A meal may be subject to reimbursement if actual travel time exceeds the times listed above. For example, the cost of a dinner is considered unnecessary and not reimbursable if the employee is expected to arrive home before 7:00pm without stopping for a meal.
- b) All reimbursement requests for meals must include an itemized receipt detailing the food and drinks purchased. The signed credit card slip is not sufficient for reimbursement.
- c) 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.
- d) Gratuities paid by the employee over 20% will not be reimbursed. An employee will reimburse the City for any cost in excess of the meal limits or in excess of the 20% gratuity when the departmental purchasing card is used to pay for the meal.
- e) 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.
- f) 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.
- g) 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.
- h) 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.
- i) When family members are present, a separate detailed receipt for the employee's meal shall be requested.
- j) The daily meal limits may be adjusted for out-of-state travel by the Finance Director based on current IRS per diem guidelines.
- k) The City may pay the cost of employee meals as part of city-wide events where all employees are invited. Individual departmental meals or picnics will not be reimbursed. Any meals of "appreciation" for employees or non-employees generally will not be reimbursed.

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. Cost related to damage by the employee, such as hotel rooms and rental car.
- i. Travel between an employee's home and work facility
- j. Entertainment expenses
- k. In-room movies, mini-bar or other hotel services not required for City business
- l. Optional entertainment events unless included as part of the overall conference registration fee (e.g. optional golf rounds, sporting events, concerts)
- m. Personal losses incurred while on City business
- n. 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) **Itemized 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 provided to the employee 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 or cancelled check 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) Once approved, 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. Operations
- 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 G.O. Bonds Debt Service Funds
- b. General Obligation CIP Bonds Debt Service Funds
- c. Tax Increment Debt Service Funds

4. Capital Projects Funds

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

Proprietary Funds:

1. Enterprise Funds:

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

2. Internal Service Funds:

- a. Self-Insurance Fund

Component Units:

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