



# HUTCHINSON

A CITY ON PURPOSE.



## 2025 Annual Budget

City of Hutchinson, MN

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2025 Annual Budget

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# Organizational Information

December 20, 2024

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

RE: **2025 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 2025. There was one minor change to the budgets since the truth-in-taxation hearing that was held on December 3. That change was the elimination of a portion of our debt levy that was going to pay for a new fire truck. The City Council decided to wait another year to determine the final funding package for the new fire ladder truck. The budget package before you for consideration represents extensive work done by the department directors and their staff, finance director Andy Reid, myself, and the five of you. The budget development process began in April and continued throughout the summer into September when the preliminary budget and tax levy was adopted. The preliminary budget was balanced and included a property tax levy increase of 7.9%. 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 2025 final budget and tax levy numbers being presented to you today is balanced with a new proposed tax levy increase at 5.0%, and is the culmination of 8 months of work by the great staff of the city of Hutchinson that included four public work sessions and a public hearing with the city council.

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

When it comes to developing a budget, it is my belief that the annual budget, which includes a 5-year capital plan, is one of the biggest, if not the biggest, policy decision a city council can make. The policy of a budget more or less drives the "work" of the city and is one of the forces behind achieving the City's Mission and Vision Statements and funding its 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 2025 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 has been proposed the last two years, our tax levy increases continue to remain relatively low allowing us to keep our tax burden steady, if not lower than previous years. From 2023 to 2024, we saw our overall market value increase by 3.3% from \$1,504,921,500 to \$1,554,169,000. This was the twelfth straight year of an increase and one that was on top of a growth of 5.7% the previous year. With the continued growth of the City in 2024, we are likely to see a thirteenth straight year of market values increasing next year.

Most areas of property saw growth in 2024, except for Apartments which essentially remained steady. Residential value increased by 3.4%; agricultural went up by 28%, and commercial/industrial went up 3.9%. Along with our market values increasing, we have also seen our total net tax capacity increase from \$15,365,994 in 2023 to \$16,265,288 in 2024, an increase of 5.9%. Early projections showed that we will see a slight increase in our net tax capacity in 2025.

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 2025 municipal budget.

## **Tax Levy**

The tax levy for the general fund has been set at \$6,729,034, up by \$370,598 compared to 2024, an increase of 5.8 percent. This will be the tenth straight increase to the general fund tax levy. The debt service levy for 2025 has been set at \$2,547,379; an increase of 2.8% and the fourth 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 2025 sets the total city portion of the tax levy at \$9,276,413, a 5.0% increase from 2024. The EDA tax levy is budgeted to increase by 3.3%, with the HRA tax levy budgeted to increase by 3.0%. Overall, the total tax levy impact to a Hutchinson resident, that the city of Hutchinson has control over, has been set at \$9,728,184, an increase of 4.9%. For comparison purposes, the 2024 total tax levy increased by 7.1% from 2023.

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 are some additional costs in the 2025 budget related to a new position being included in the budget (fire inspector/firefighter).

The total tax increase for next year will represent at least the twelfth straight year of a municipal tax increase, which includes our general fund and debt fund levies. Since 2015, our total property tax levy impact has increased on an average basis by 3.4%. With the tax levy increase and the change in the Homestead Exclusion from the State, the proposed estimated city tax rate for next year will be at 56.50%, up from 54.32% in 2024. This will be the second straight tax rate increase in the last ten years. A home valued at \$275,000 will see an estimated city tax increase of \$153 (12%) in 2025. For comparison purposes, a 0% tax levy increase would have likely resulted in a property tax increase of eighty-five (\$85) 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 2025 with revenues of \$15,709,729 and expenditures of \$15,709,729. The need for additional budget reserves is not necessary at this time due to a healthy general fund balance. 2023 audit numbers showed that the City had a general fund balance of over \$8.3 million, approximately 55.9% of the general fund budget for 2024. The State Auditor has recommended to cities that their general fund balance should be in the range of 35% to 50%. The 2024 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 \$52,346 in State Aid for streets to account for the new TAA delivery fee revenue. The 2025 general fund revenues also include an additional \$107,000 in fuel sales revenue from the Airport, which was previously handled by the FBO (contracted). This increase in revenue will be offset with fuel expenses to the tune of about \$100,000. There was also some additional fee and revenue increases included in the 2025 budget from the DMV and Park and Recreation.

Generally speaking, property taxes account for 44% of all general fund revenues in 2025; 17% comes from charges for service (DMV, recreation and community education fees, etc.); 18%



comes from transfers-in (HUC, Liquor, Creekside, Utilities, etc.); and 13% from intergovernmental revenue (LGA, State Aid, etc.). The general fund revenues of \$15,709,729 are a budget increase of 5.5% from 2024.

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 \$492,186 in 2025. The biggest factor for this large increase is associated with general wage and performance increases, along with the addition of a new position within the Fire Department. Wages and benefits account for 68% of all general fund expenditures in 2025, 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 \$146,000 in additional spending for supplies, and about \$155,000 in additional expenses related to services and charges. \$100,000 in the supply category is related to fuel purchase costs at the airport, and about \$108,000 of the costs related to services and charges are associated with the City's need to update its software to Microsoft 365. Overall, public safety accounts for 34% of all budgeted expenditures in the general fund in 2025; 26% goes to general government; 23% goes to culture & recreation, and 14% goes to streets and highways. Those percentages are roughly the same as our 2024 budget. Overall, budgeted general fund expenditures increased by 5.5% from \$14,889,400 in 2024 to \$15,709,729 in 2025.

### **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 2024 year-end numbers will show the liquor fund with an estimated cash balance of about \$590,000; the water fund with an estimated cash balance of about \$4.3 million; the wastewater fund with an estimated cash balance of about \$7.6 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 \$1.1 million; and the Creekside fund with an estimated cash balance of about \$2.2 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.

Five of the six funds have planned deficits for next year 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 and wastewater funds. Garbage rates are expected to increase by 5% in 2025. This will be the second straight garbage rate increase. Stormwater rates are expected to increase by about 8% in 2025. There are no other rate changes within the enterprise funds planned for 2025.

Budgeted water revenues are set at \$3,853,500 in 2025, down 2.2% from 2024. Budgeted water expenses are set at \$5,277,593 in 2025, up 4.6% from 2024. Budgeted wastewater revenues are set at \$5,123,800 in 2025, up 4.3% from 2024. Budgeted wastewater expenses are set at \$8,854,087 in 2025, up 19.7% from 2024. 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 changed due to a shift in the sales tax revenue allocation from last year's budget.

Budgeted refuse revenues are set at \$1,562,200 in 2025, up 7.8% from 2024. Budgeted refuse expenses are set at \$1,740,856 in 2025, a decrease of 27.8% from 2024. Budgeted storm water revenues are set at \$1,274,800 in 2025, up 12.6% from 2024. Budgeted storm water expenses are set at \$1,623,736 in 2025, up 8.1% from 2024. The storm water fund has budgeted for a rate increase of about 8.0% and the refuse fund a rate increase of 5%.

Liquor Hutch continues to do well and is expecting revenues to increase from \$7,718,500 in 2024 to \$7,909,500 (2.5%). Liquor Hutch is seeing increases in revenue partially due to the fact that they are now selling THC infused products and 2025 will be the second full year of such a product being sold. Liquor Hutch is also projecting expenses to increase from \$7,824,379 in 2024 to \$7,916,568 (1.2%). Creekside is projecting a decrease in revenues from \$2,767,800 in 2024 to \$2,551,500, a 7.8% decrease. The decrease is associated with bit con not being available for sale in 2025. Budgeted expenses are expected to decrease slightly as well from \$3,075,715 in 2024 to \$3,023,338 (1.7%).

As noted previously, five of the six funds are projected to see a negative cash flow. The only one that is not expecting a negative cash flow is Liquor Hutch. This is all planned due to capital improvements, and those five funds 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 2025. Overall, the enterprise funds are expected to transfer \$870,000 to the general fund in 2025. These fund transfers continue to assist the City as a means to soften the tax burden to the residents of Hutchinson. The City would have to raise its property taxes or lower its expenses by about 12% to replace this revenue if these transfers did not exist. Enterprise fund revenues account for about 5.6% 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 18% 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 \$2,961,226, a 5.1% increase from 2024. Revenue collected for these payments will amount to \$2,972,373 of which \$2,547,379 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 2025 is at \$25,045,000, down from \$25,110,000 in 2024. 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 \$65,780,619 a decrease from the previous year's \$69,219,484 five-year plan. The 2025 budget portion of that plan is set at \$15,175,081, an increase of 5.8% from our 2024-budgeted amount. The increase in costs is associated with improvements to the water and wastewater infrastructure, along with the first payment on a new fire ladder truck. The five-year plan accounts for various investments throughout many different levels of city government. 32% 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.); 22% 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 the water and wastewater facilities; a new lighting system at the Roberts Park sports complex, 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 Enterprise Funds for the capital needs at a cost of 29% of the CIP, along with State/Federal Grants and aids (29%). New borrowing (17%), 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 are helping them to understand the overall value of those services to the community as a whole, and not as individuals.

When staff met with the City Council back in May to start the budget process, we were given a direction to prepare the 2025 budget in a way that keeps services in line with how services were provided in 2024. The budget presented to the Council does that with one minor exception. That one exception is the addition of a new Fire Inspector/Firefighter position that hasn't been filled in over ten years. Even with that addition, I believe the proposed budget and 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. I do not believe the proposed tax levy is excessive and history will show that the City has always been very conscientious when it comes to the tax burden it is willing to put on its residents. The 5.0% tax levy increase is below the statewide preliminary tax levy increase average of 8.8% 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 main reason behind the proposed property tax increase for 2025. That reason deals with costs associated with having reliable and talented employees, and the challenges that go with keeping them here. Included within that is the addition of another position within the fire department. Because of these, I believe it is appropriate to recommend a tax increase of 5.0% for 2025.

While 2023 was a year of preparing ourselves for the future, 2024 was a year of anticipating what that future will look like. We spent a lot of time this year planning and preparing for the next five years. We had several strategic planning sessions and 2024 saw an update to our downtown plan. All of that planning has led into future interest for the community. When interest rates dropped, we saw a significant uptick in interest in new housing within the community. As this is being written, we are looking at the possibility of at least four new housing developments being constructed in the next year or two and interest in new retail and commercial growth is starting to increase. We never really feel comfortable until we start seeing dirt move, but the interest in the community is very exciting! The future of the City looks to be exciting and bright and potential growth could have an upward pressure on the need to expand infrastructure, and this upward pressure is something the City Council needs to be mindful of.

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 2024 into 2025, 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 3.5% (through October) in 2024. These rates continue to remain at the levels of that of the State (3.0%) and Federal (4.0%) 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 \$246,250 last year to \$265,000 through November of 2024, the twelfth straight year of an increase. Home resales continue to remain steady (as inventory presents itself) and home foreclosures (lack thereof) continue to remain low. While home resales continue to remain steady, we have seen a tighter housing market, which has resulted in new homes continuing to be constructed in town. Although the lack of available lots has made the housing market tighter, there has been a lot of interest in new housing developments throughout town. Through October of this year, we have issued 18 building permits for new homes. With additional permits being pulled this fall, we are on pace for the eleventh straight year in where we have issued 20 or more new home permits.

The new homes being built this past year will push our ten-year total over 270. This past spring, the completion of the Michael Court apartments on the north side of town moved our total to at least 308 new rental units opening up over the past eight years. Not included in those numbers is the 20 new permits pulled for new mobile home units in Country Club Terrace. Along with new housing, we saw the Wealth Enhancement Group and Nautical Bowls buildings open up in town with several others doing remodels or expansions. MITGI moved their operations downtown (old Shopko building) and the Days Inn went through a major remodel this past year. Outside of private investment, construction began this past fall on a new grandstand at VMF, which should be ready for the start of baseball season in 2025. The City has added over \$350 million in new value to the community over the past ten years as well, and we are anticipating continued growth in the next year.

2025 hopes to continue the recent trend of investments within the community. 2025 should see the completion of the Les Swab Tire building on Highway 15 south and the Family Dollar building on Highway 7 west, along with potential industrial business expansions. New businesses (Hotel?) and business expansions should continue on Main Street. More single-family homes will be constructed and the construction of a new 60-70-unit apartment complex in downtown Hutchinson could start in 2025 as well. To assist with our housing shortage, the City

is currently in discussions with developers that could result in 3 to 4 new housing developments beginning construction in 2025 that could add upwards of 200 new residential lots. The City will continue to market the Industrial Park and we are hoping that a lot of the interest that is brewing currently in Hutchinson will result in projects or the start of projects in 2025.

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 2025 Hutchinson Municipal Budget and I look forward to what the future years have in store for all of us!

Sincerely,

Matthew Jaunich  
City Administrator

# CITY OFFICIALS

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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 2027  
January 2029  
January 2029  
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	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2024 / 2025 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	3.53	3.92	3.74	3.88	4.20	0.32
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	29.40	29.40	29.50	29.50	0.00
Hospital Security	4.68	4.73	4.73	0.00	0.00	0.00
Fire	1.00	1.00	1.00	1.00	1.81	0.81
Building Inspections	3.24	3.24	3.30	3.50	3.50	0.00
Engineering	3.40	2.90	3.70	3.40	3.90	0.50
Streets & Roadways	6.75	6.75	6.75	7.20	7.20	0.00
Park & Recreation Admin	2.40	2.40	2.40	2.40	2.40	0.00
Recreation	1.70	1.70	1.00	1.00	1.00	0.00
Civic Arena	1.15	1.25	1.25	1.25	1.25	0.00
Parks Department	7.00	7.00	7.00	7.00	7.00	0.00
Recreation Building	1.95	2.05	2.20	2.20	2.00	-0.20
Waterpark	0.40	0.40	0.25	0.25	0.25	0.00
Event Center	2.54	2.32	1.10	1.10	1.10	0.00
Senior Center	0.40	0.40	0.60	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
<b>General Fund</b>	<b>87.69</b>	<b>84.06</b>	<b>83.02</b>	<b>78.88</b>	<b>80.31</b>	<b>1.43</b>
Liquor	13.27	13.27	13.46	13.84	13.77	-0.07
Compost	6.90	6.90	8.90	8.90	7.90	-1.00
Refuse	2.50	2.88	4.70	4.28	4.28	0.00
Water	5.65	5.65	5.75	5.38	5.88	0.50
Sewer	7.95	7.95	7.95	8.38	8.88	0.50
Storm Water	2.95	2.95	3.05	2.85	2.85	0.00
<b>Enterprise Funds</b>	<b>39.22</b>	<b>39.60</b>	<b>43.81</b>	<b>43.63</b>	<b>43.56</b>	<b>-0.07</b>
Economic Development Authority	1.36	1.36	1.50	1.58	1.58	0.00
Housing Redevelopment Authority	3.00	2.50	3.00	3.00	3.00	0.00
<b>Special Taxing Districts</b>	<b>4.36</b>	<b>3.86</b>	<b>4.50</b>	<b>4.58</b>	<b>4.58</b>	<b>0.00</b>
<b>Total FTE</b>	<b>131.27</b>	<b>127.52</b>	<b>131.33</b>	<b>127.09</b>	<b>128.45</b>	<b>1.36</b>
<b>Annual Change</b>	<b>(0.04)</b>	<b>(3.75)</b>	<b>3.81</b>	<b>(4.24)</b>	<b>1.36</b>	

# 2025 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 28, 2024
- 2nd Council workshop to review and discuss the preliminary 5-year Capital Improvement Plan. August 27, 2024
- 3rd Council workshop to review and discuss the preliminary general fund budget. September 10, 2024
- **Council approves Preliminary 2025 tax levies:** September 24, 2024

	<u>Tax Levy</u>	<u>% Chg</u>	<u>Resolution #</u>
General Fund	\$6,906,526	8.6%	
Debt Levy	<u>\$2,623,484</u>	<u>5.9%</u>	
<b>Total City Levy</b>	<b>\$9,530,010</b>	<b>7.9%</b>	15768
HRA	\$170,000	3.0%	15766
EDA	<u>\$281,771</u>	<u>3.3%</u>	15767
<b>Total City, HRA, EDA</b>	<b>\$9,981,781</b>	<b>7.6%</b>	

- 4th Council workshop to review Enterprise Fund budgets and provide an update on the general fund budget. November 12, 2024
- **Truth in Taxation Public Hearing** December 3, 2024  
 The general fund budget was balanced with a 5.8% tax levy increase. The levy is down 2.8% from September due to revenue and expenditure adjustments made after budget meetings with all city departments. The Debt levy was reduced to eliminate anticipated debt that was previously included for a new fire ladder truck. The HRA and EDA tax levies remained at the same levy amount approved for the September preliminary levies.

- **Council approves Final 2025 budgets and tax levies:** December 19, 2024

	<u>Tax Levy</u>	<u>% Chg</u>	<u>Resolution #</u>
General Fund	\$6,729,034	5.8%	
Debt Levy	<u>\$2,547,379</u>	<u>2.8%</u>	
<b>Total City Levy</b>	<b>\$9,276,413</b>	<b>5.0%</b>	15813
HRA	\$170,000	3.0%	15814
EDA	<u>\$281,771</u>	<u>3.3%</u>	15815
<b>Total City, HRA, EDA</b>	<b>\$9,728,184</b>	<b>4.9%</b>	





2025 Annual Budget

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# Tax Levies & Tax Information

# Tax Levy and Tax Impact for 2025

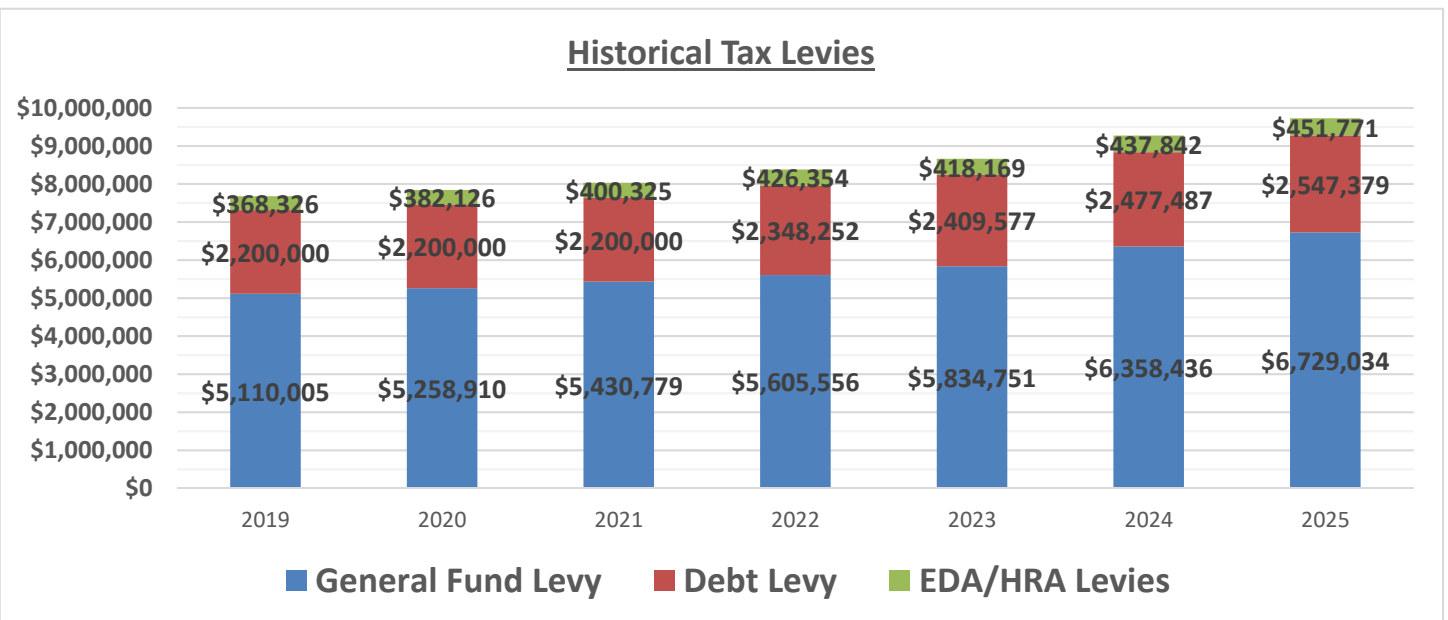
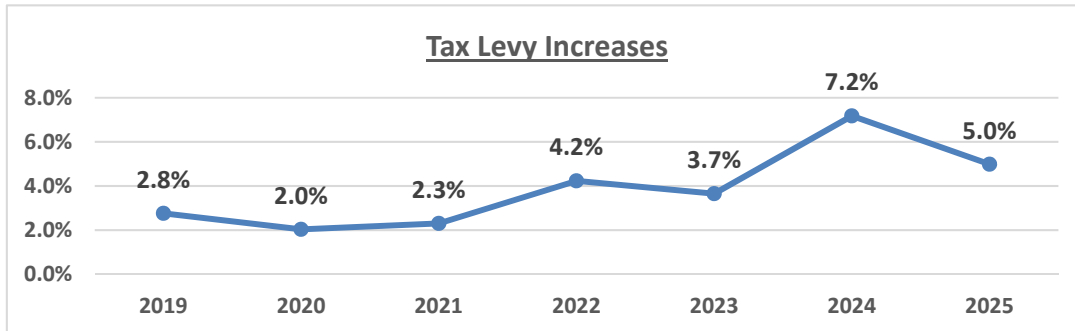
## Tax Levy

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>2024</u>	<u>2025</u>	<u>Change</u>	<u>% Change</u>
General Fund Tax Levy	6,358,436	6,729,034	370,598	5.8%
Debt Tax Levy	2,477,487	2,547,379	69,892	2.8%
Total City Tax Levy	8,835,923	9,276,413	440,490	5.0%
HRA Tax Levy	165,000	170,000	5,000	3.0%
EDA Tax Levy	272,842	281,771	8,929	3.3%
Total Tax Levies	9,273,765	9,728,184	454,419	4.9%

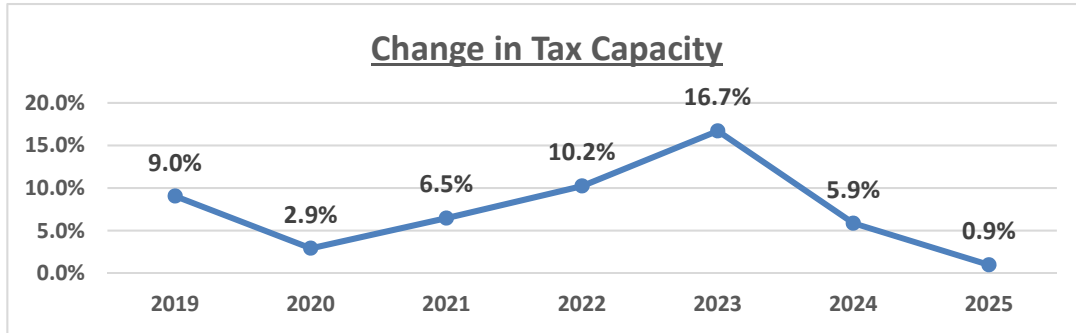


# Tax Levy and Tax Impact for 2025

## 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 2025 tax capacity is estimated at \$16,419,801, which is an increase of \$154,513 or 0.9%.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Tax Capacity	11,945,125	13,166,940	15,365,994	16,265,288	16,419,801
% Change	6.5%	10.2%	16.7%	5.9%	0.9%

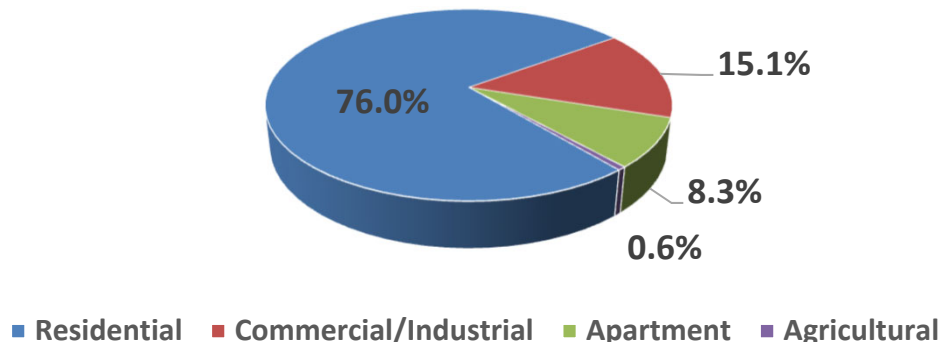


Since property market values play a major role in determining tax capacity, it is important to discuss the current trends in valuations. The table below shows the estimated market values, as provided by the McLeod County Assessor's office. The 2024 valuations, which are used to determine the 2025 tax capacity, increased by \$49,247,500 or 3.3%. Residential values increased by 3.4% and represent the largest segment of the City's market values at 76% of the total market value.

## Market Value History

<u>Property Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential	810,755,800	900,408,100	1,078,863,200	1,142,533,600	1,181,154,000
Commercial/Industrial	212,718,300	216,581,400	226,197,000	226,142,000	234,854,100
Apartment	75,577,500	106,247,100	112,166,200	129,183,100	129,117,200
Agricultural	5,882,900	5,760,500	6,760,000	7,062,800	9,043,700
Total Market Value	1,104,934,500	1,228,997,100	1,423,986,400	1,504,921,500	1,554,169,000
% Change	5.9%	11.2%	15.9%	5.7%	3.3%

## **Market Value by Property Type**

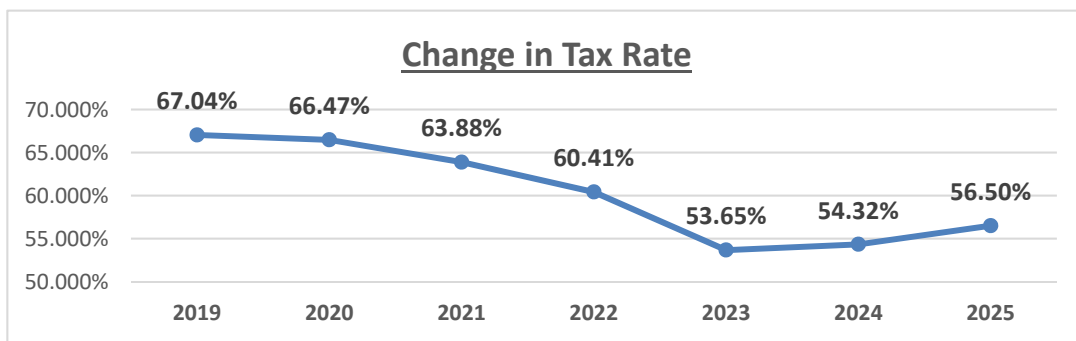


# Tax Levy and Tax Impact for 2025

## Tax Rate

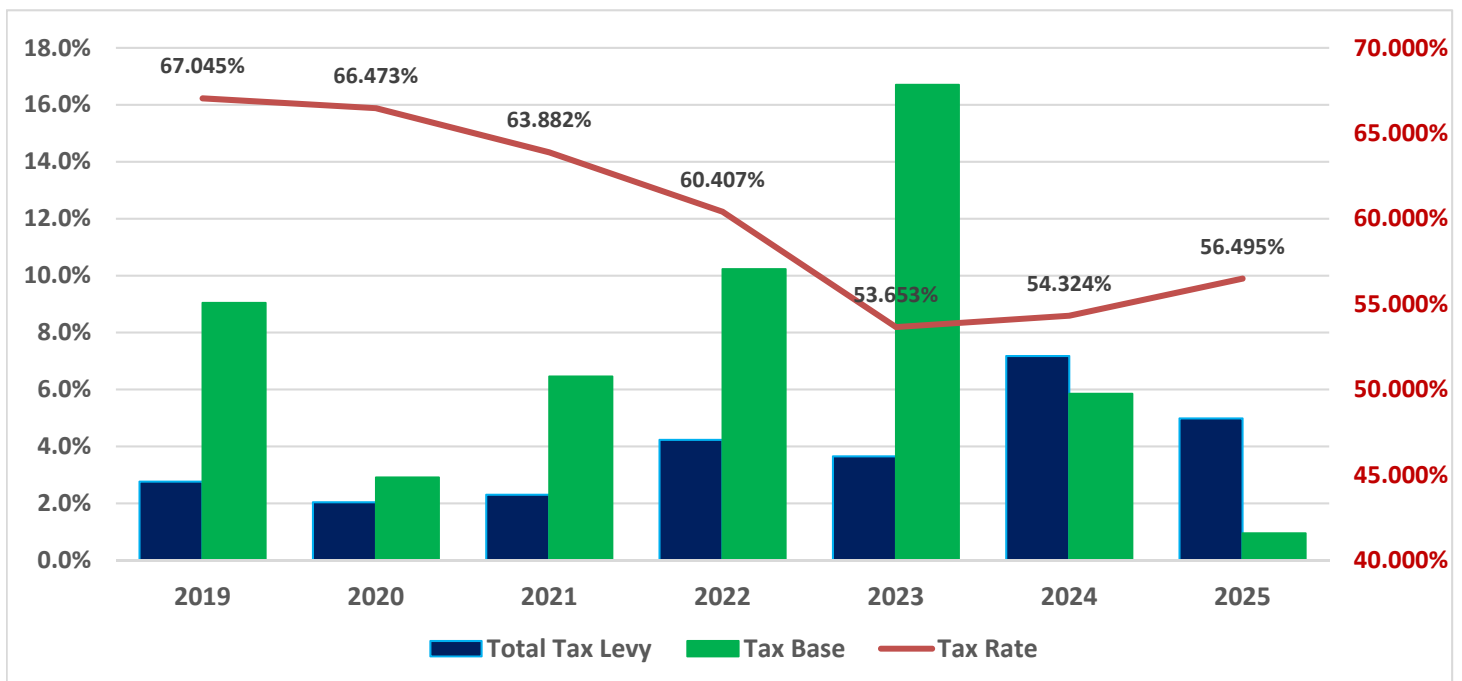
The city's tax rate is determined by dividing the tax levy by the tax capacity. The 2025 tax rate is estimated at 56.495%, which is 2.2% higher than the 2024 tax rate. The tax rate increase is due to the growth in the tax levy (5.0%) outpacing the growth in the tax base (0.9%). To determine an individual property's tax liability for city tax only, the city tax rate is applied to the property's net tax capacity.

	<u>2024</u>	<u>2025</u>	<u>Change</u>	<u>% Change</u>
City Tax Levy	8,835,923	9,276,413	440,490	5.0%
Tax Capacity	16,265,288	16,419,801	154,513	0.9%
City Tax Rate	54.324%	56.495%	2.2%	4.0%



## Historical Tax Rate Variables

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 Est</u>
City Tax Levy	7,630,779	7,953,808	8,244,328	8,835,923	9,276,413
Tax Capacity	11,945,125	13,166,940	15,365,994	16,265,288	16,419,801
Tax Rate	63.882%	60.407%	53.653%	54.324%	56.495%



# Tax Levy and Tax Impact for 2025

## Tax Impact

The median **residential** home valued at \$275,000 will pay an estimated \$1,430 in city taxes for 2025. This represents a \$152 increase *if* its market value increased 10% as shown in the example below. Residential, Commercial and Agricultural properties are expected to pick up a larger portion of the 2025 taxes due to rising valuations while values for Apartments are expected to remain flat, or see a smaller valuation increase than residential.

### Estimated Tax Impact - Residential Property at Median Value

	2024	2025	Change	% Change
Estimated Market Value	\$250,000	\$275,000	\$25,000	10.0%
Homestead Value Exclusion	-\$14,700	-\$21,800	-\$7,100	48.3%
Net Taxable Value	\$235,300	\$253,200	\$17,900	7.6%
State Tax Class Rate	1.00%	1.00%		
Tax Capacity	\$2,353	\$2,532	\$179	7.6%
Estimated Tax Rate	54.324%	56.495%	2.171%	4.0%
<b>Estimated City Tax</b>	<b>\$1,278</b>	<b>\$1,430</b>	<b>\$152</b>	<b>11.9%</b>

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 2024 and 2025 City Taxes by \$80 and \$124, respectively..

A **commercial** building valued at \$147,000, is expected to see a city tax increase due to the higher tax levy. Commercial property market values are expected to increase moderately for property taxes paid in 2025.

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

	2024	2025	Change	% Change
Net Taxable Value	\$140,000	\$147,000	\$7,000	5.0%
State Tax Class Rate	1.50%	1.50%		
Tax Capacity	\$2,100	\$2,205	\$105	5.0%
Estimated Tax Rate	54.324%	56.495%	2.171%	4.0%
<b>Estimated City Tax</b>	<b>\$1,141</b>	<b>\$1,246</b>	<b>\$105</b>	<b>9.2%</b>

A **commercial** building valued at \$1,155,000, is expected to see a city tax increase due to the higher tax levy. Commercial property market values are expected to increase moderately for property taxes paid in 2025.

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

	2024	2025	Change	% Change
Net Taxable Value	\$1,100,000	\$1,155,000	\$55,000	5.0%
State Tax Class Rate				
1st \$150K at 1.50%	2,250	2,250		
Over \$150K at 2.00%	19,000	20,100		
Tax Capacity	\$21,250	\$22,350	\$1,100	5.2%
Estimated Tax Rate	54.324%	56.495%	2.171%	4.0%
<b>Estimated City Tax</b>	<b>\$11,544</b>	<b>\$12,627</b>	<b>\$1,083</b>	<b>9.4%</b>

# Understanding Your Property Tax Bill

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## 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.

<b><i>Classifications commonly found in City of Hutchinson</i></b>		
<b><u>Class Description</u></b>	<b><u>Valuation Tiers</u></b>	<b><u>Class Rate</u></b>
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)?

In 2012, the State repealed the Market Value Homestead Credit (MVHC) and replaced it with the Homestead Market Value Exclusion (HMVE). Both methods were designed to combat the rising residential values that placed a growing tax burden on residential property owners. The HMVE:

- 1) Excluded from taxation 40% of the first \$76,000 of the property's value
- 2) The exclusion was reduced by 9% of the property's value exceeding \$76,000
- 3) Homesteads valued at more than \$413,800 received no value exclusion

For 2025, the State recognized that residential values continued to grow at a much greater rate than other property types. The HMVE was increased to shift some of the tax burden back to other property types:

- 1) Excludes from taxation 40% of the first \$95,000 of the property's value (\$76,000 previously)
- 2) The exclusion is reduced by 9% of the property's value exceeding \$95,000
- 3) Homesteads valued at more than \$517,200 receive no value exclusion (\$413,800 previously)

First \$95,000 of Homestead Value (full exclusion)      \$95,000 x 40%  
- Less: Homestead Value above \$95,000      (Total Market Value - \$95,000) x 9%  
= Equals: Homestead Market Value Exclusion Amount

	<u>2025 HMVE</u>	<u>2012 HMVE</u>
<i>Example:</i> Homestead Property Estimated Market Value:	\$ 275,000	\$ 275,000
Full Exclusion	\$ (38,000)	\$ (30,400)
Less: 9% of Value above \$95,000 (\$76,000 prior to 2025)	\$ 16,200	\$ 17,900
<b>Homestead Market Value Exclusion</b>	<b>\$ (21,800)</b>	<b>\$ (12,500)</b>
Taxable Market Value	\$ 253,200	\$ 262,500
2025 HMVE impact on Taxable Value	\$ (9,300)	

The full 40% exclusion applies to homestead properties valued at \$95,000, or less. Homestead properties valued higher than \$95,000 still receive an exclusion, however the exclusion is reduced incrementally as valuations increase above \$95,000, with no exclusion for homesteads valued at \$517,200 or higher.

### Exclusion examples at varying market valuations:

	<u>Full Exclusion</u>	<u>Partial Exclusion</u>	<u>No Exclusion</u>
Homestead Property Estimated Market Value:	\$ 95,000	\$ 275,000	\$ 517,200
<b>Homestead Market Value Exclusion</b>	<b>\$ (38,000)</b>	<b>\$ (21,800)</b>	<b>\$ -</b>
Taxable Market Value	\$ 57,000	\$ 253,200	\$ 517,200

## 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.

Total Proposed Local Budget  
- Non-Property Tax Revenue (state aid, charges for services, enterprise fund transfers, etc.)  
= **Property Tax Revenue Needed (Levy)**

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)

**Tax Capacity = Taxable Market Value x Class Rate**

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

**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:

	2023	2024	
Estimated Market Valuation	\$ 271,300	\$ 303,700	11.9%
Full Exclusion (\$76,000 x 40%)	\$ (30,400)	\$ (30,400)	
Less: 9% of Value above \$76,000	\$ 17,600	\$ 20,500	
Homestead Market Value Exclusion	<b>\$ (12,800)</b>	<b>\$ (9,900)</b>	
Taxable Market Value	\$ 258,500	\$ 293,800	13.7%
Property Classification Rate <i>Residential Homestead</i>	1.00%	1.00%	
Tax Capacity	\$ 2,585	\$ 2,938	
City of Hutchinson Tax Rate	53.653%	54.324%	1.3%
<b>City of Hutchinson Taxes Payable</b>	<b>\$ 1,387</b>	<b>\$ 1,596</b>	15.1%

### Commercial Industrial - Under \$150,000 Market Value

	2023	2024	
Estimated Market Valuation	\$ 115,000	\$ 115,000	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 115,000	\$ 115,000	0.0%
Property Classification Rate <i>Commercial value &lt; \$150K</i>	1.50%	1.50%	
Tax Capacity	\$ 1,725	\$ 1,725	
City of Hutchinson Tax Rate	53.653%	54.324%	1.3%
<b>City of Hutchinson Taxes Payable</b>	<b>\$ 926</b>	<b>\$ 937</b>	1.3%

### Commercial Industrial - Over \$150,000 Market Value

	2023	2024	
Estimated Market Valuation	\$ 525,900	\$ 525,900	
Homestead Market Value Exclusion	N/A	N/A	
Taxable Market Value	\$ 525,900	\$ 525,900	0.0%
Property Classification Rate 1st \$150,000 @ 1.50%	2,250	2,250	
Over \$150,000 @ 2.00%	7,518	7,518	
Tax Capacity	\$ 9,768	\$ 9,768	
City of Hutchinson Tax Rate	53.653%	54.324%	1.3%
<b>City of Hutchinson Taxes Payable</b>	<b>\$ 5,241</b>	<b>\$ 5,306</b>	1.3%

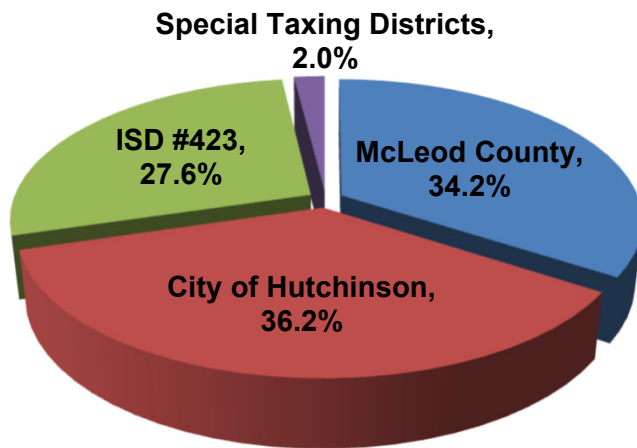
# Understanding Your Property Tax Bill

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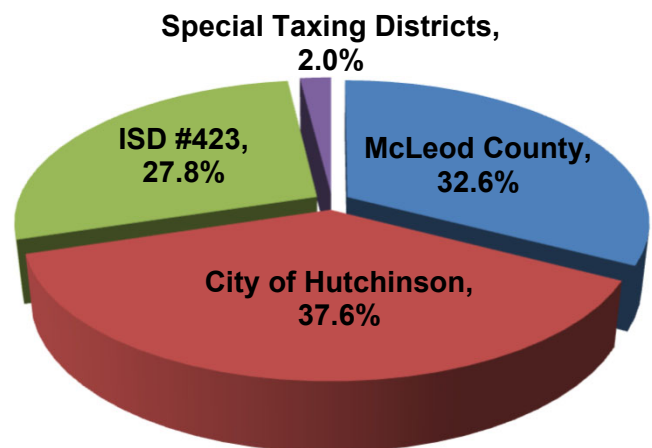
## Tax Levies Applicable to City of Hutchinson Property Owners

- 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.

### 2023 Property Tax Bill Breakdown



### 2024 Property Tax Bill Breakdown



# Price of Government

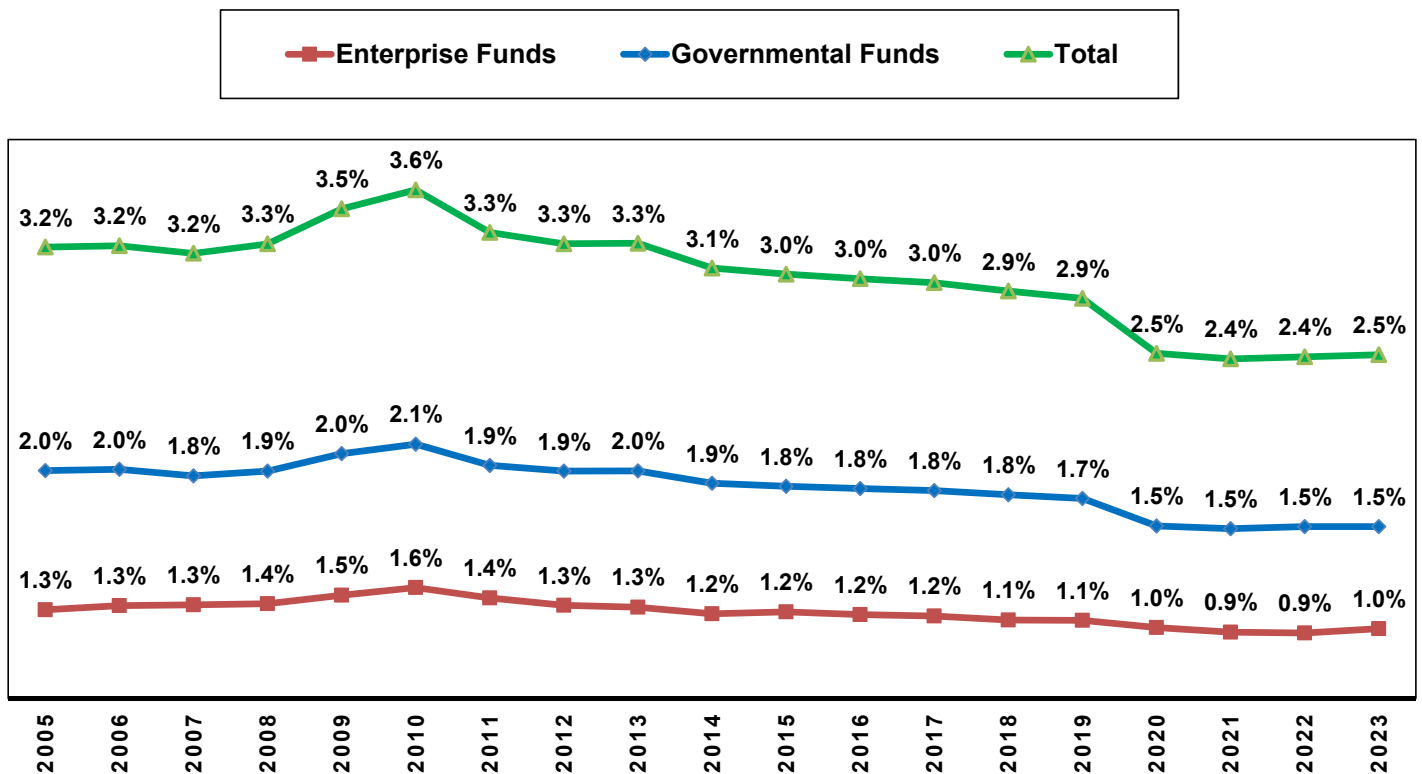
While reviewing the budget, it is helpful to keep in mind the concept of "Price of Government", which involves examining how much residents pay for City services compared to the estimated income in the community. This analysis allows the City to compare how much residents pay for those municipal services 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 2023, Hutchinson citizens spent 1.5% of each dollar earned on the day to day operations of the City and 1% on the City's enterprise funds. In total, approximately 2.5% of each dollar earned by Hutchinson citizens was spent on City services.

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)





2025 Annual Budget

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# 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	7,951,742	8,276,122	8,847,923	9,288,413	440,490	5.0%
Special Assessments	411,319	481,039	240,762	285,145	44,383	18.4%
Local Sales Tax	1,947,531	1,880,647	1,872,000	1,980,000	108,000	5.8%
Other Taxes	341,670	324,575	330,000	320,000	(10,000)	-3.0%
Licenses & Permits	507,880	379,972	403,600	427,725	24,125	6.0%
Intergovernmental Revenue	4,333,031	8,464,306	4,466,760	6,602,211	2,135,451	47.8%
Charges for Services	3,449,408	3,490,024	3,192,618	3,492,417	299,799	9.4%
Fines & Forfeitures	52,902	52,141	55,000	55,000	-	0.0%
Miscellaneous Revenue	1,048,517	2,577,371	1,836,400	1,394,400	(442,000)	-24.1%
Transfers-In	6,293,791	3,994,530	4,849,259	4,317,170	(532,089)	-11.0%
Fund Balance	108,861	1,143,628	-	-	-	0.0%
Bond Proceeds	2,145,132	1,450,890	2,350,000	3,115,000	765,000	32.6%
Sales Revenue	18,414,969	19,058,187	19,414,400	19,469,000	54,600	0.3%
<b>TOTAL REVENUES</b>	<b>47,006,753</b>	<b>51,573,430</b>	<b>47,858,722</b>	<b>50,746,481</b>	<b>2,887,759</b>	<b>6.0%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	13,095,830	13,445,111	14,187,327	14,894,932	707,605	5.0%
Supplies	2,207,280	2,251,781	2,411,873	2,511,970	100,097	4.2%
Services & Charges	6,121,962	7,366,938	7,707,850	8,809,182	1,101,332	14.3%
Miscellaneous Expenses	909,208	591,618	599,073	598,409	(664)	-0.1%
Depreciation Expense	2,924,944	2,837,439	3,095,000	3,095,000	-	0.0%
Debt Service	3,852,232	3,122,925	6,056,045	5,985,789	(70,256)	-1.2%
Bond Issuance Costs	49,825	63,012	57,200	105,000	47,800	83.6%
Transfers-Out	4,044,471	3,228,064	1,547,031	1,625,542	78,511	5.1%
Capital Outlay	6,581,673	5,906,429	10,256,030	13,092,400	2,836,370	27.7%
Cost of Sales	6,788,981	6,736,909	6,907,872	6,870,950	(36,922)	-0.5%
<b>TOTAL EXPENDITURES</b>	<b>46,576,406</b>	<b>45,550,225</b>	<b>52,825,301</b>	<b>57,589,174</b>	<b>4,763,873</b>	<b>9.0%</b>
<b>NET REVENUE / (LOSS)</b>	<b>430,347</b>	<b>6,023,205</b>	<b>(4,966,579)</b>	<b>(6,842,693)</b>	<b>(1,876,114)</b>	

## 2025 Budget Summary by Fund Type

	Governmental Funds				Enterprise Funds	Internal Service Funds
	General Fund	Capital Project Funds	Debt Service Funds	Special Revenue Funds		
				Total		
<b>REVENUES:</b>						
Property Taxes	6,741,034	-	2,547,379	-	9,288,413	-
Special Assessments	-	80,000	205,145	-	285,145	-
Local Sales Tax	-	-	-	-	1,980,000	-
Other Taxes	320,000	-	-	-	320,000	-
Licenses & Permits	415,725	-	-	-	415,725	12,000
Intergovernmental Revenue	2,166,525	4,051,734	-	379,452	6,597,711	4,500
Charges for Services	2,816,417	80,000	-	384,000	3,280,417	212,000
Fines & Forfeitures	55,000	-	-	-	55,000	-
Miscellaneous Revenue	382,400	220,000	50,000	72,200	724,600	547,800
Transfers-In	2,812,628	1,179,000	100,000	175,542	4,267,170	50,000
Bond Proceeds	-	3,115,000	-	-	3,115,000	-
Sales Revenue	-	-	-	-	19,469,000	-
<b>TOTAL REVENUES</b>	<b>15,709,729</b>	<b>8,725,734</b>	<b>2,902,524</b>	<b>1,011,194</b>	<b>28,349,181</b>	<b>22,275,300</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	10,542,600	-	-	162,621	10,705,221	4,189,711
Supplies	1,218,850	11,000	-	493,120	1,722,970	789,000
Services & Charges	3,022,832	2,108,000	-	312,655	5,443,487	3,360,695
Miscellaneous Expenses	379,905	18,000	-	18,504	416,409	77,000
Depreciation Expense	-	-	-	-	-	3,095,000
Debt Service	-	-	2,961,226	-	2,961,226	3,024,563
Bond Issuance Costs	-	105,000	-	-	105,000	-
Transfers-Out	545,542	105,000	-	-	650,542	975,000
Capital Outlay	-	7,038,141	-	-	7,038,141	6,054,259
Cost of Sales	-	-	-	-	-	6,870,950
<b>TOTAL EXPENDITURES</b>	<b>15,709,729</b>	<b>9,385,141</b>	<b>2,961,226</b>	<b>986,900</b>	<b>29,042,996</b>	<b>28,436,178</b>
<b>NET REVENUE / (LOSS)</b>	<b>-</b>	<b>(659,407)</b>	<b>(58,702)</b>	<b>24,294</b>	<b>(693,815)</b>	<b>(6,160,878)</b>

# Budget Structure & Policy

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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.



## 2025 Annual Budget

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# 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, both at 18% of operating expenditures. On the expenditure side, employee wages and benefits account for 67% 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 2025

- The city council approved a 5.8% general fund tax levy increase for 2025.
- Intergovernmental Revenue increased \$138,331. State Aid for police and fire pensions increased \$62,714 and the City is expected to receive \$52,346 of new TAA delivery fee revenue from the State to be used for street maintenance.
- Charges for Services increased \$269,275 primarily due to the addition of \$107,000 of new revenue for Airport fuel sales. The City is managing the fuel system in the absence of the Fixed-Base Operator.
- Wages & Benefits increased \$492,186, or 4.9%. This is due to several contributing factors, including the normal wage increases for employees, a 4% increase in health premiums, the addition of a new fire inspector position and a new full-time employee at the DMV which will be offset partially by reduced part-time hours worked. A 20% reduction in workers compensation rates helped to mitigate the expense increases in this category.
- The Supplies category increased \$146,017 primarily due to \$100,000 of new expense related to the Airport fueling system, which is offset by the \$107,000 of fuel sales revenue.
- The Services & Charges category increased \$155,110 primarily due to the increasing cost of software licensing, including the 2025 conversion to Microsoft 365.
- Funding for General fund fleet replacements was increased by \$25,000 for 2025, to a total of \$425,000 annually.

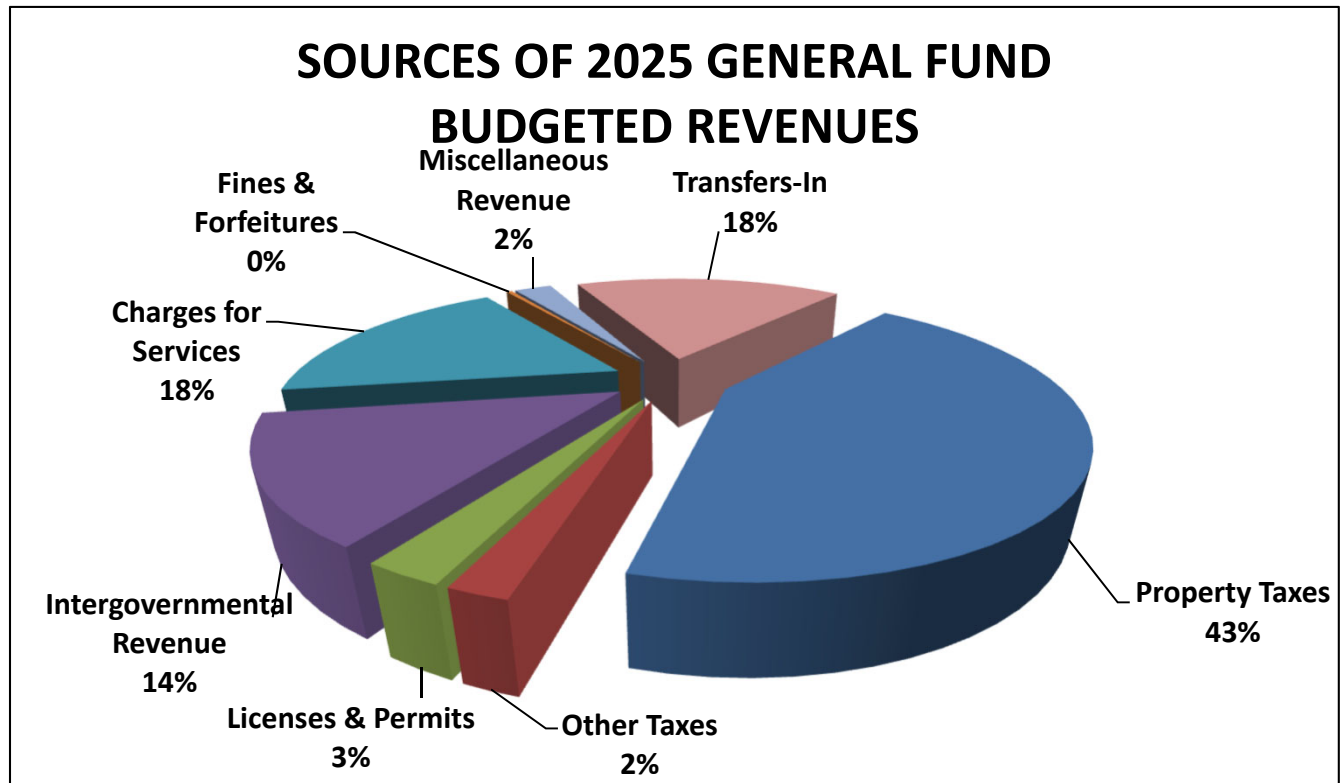
	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	5,600,340	5,862,753	6,370,436	6,741,034	370,598	5.8%
Other Taxes	341,670	324,575	330,000	320,000	(10,000)	-3.0%
Licenses & Permits	493,365	366,841	392,100	415,725	23,625	6.0%
Intergovernmental Revenue	1,795,728	1,893,496	2,028,194	2,166,525	138,331	6.8%
Charges for Services	2,769,184	2,828,196	2,547,142	2,816,417	269,275	10.6%
Fines & Forfeitures	52,902	52,141	55,000	55,000	-	0.0%
Miscellaneous Revenue	257,566	650,297	353,900	382,400	28,500	8.1%
Transfers-In	2,710,192	2,724,536	2,812,628	2,812,628	-	0.0%
Fund Balance	-	-	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>14,020,947</b>	<b>14,702,835</b>	<b>14,889,400</b>	<b>15,709,729</b>	<b>820,329</b>	<b>5.5%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	9,495,486	9,701,018	10,050,414	10,542,600	492,186	4.9%
Supplies	873,415	968,631	1,072,833	1,218,850	146,017	13.6%
Services & Charges	2,756,266	2,710,727	2,867,722	3,022,832	155,110	5.4%
Miscellaneous Expenses	717,157	360,932	381,400	379,905	(1,495)	-0.4%
Transfers-Out	610,313	488,622	517,031	545,542	28,511	5.5%
Capital Outlay	26,961	32,218	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>14,479,599</b>	<b>14,262,148</b>	<b>14,889,400</b>	<b>15,709,729</b>	<b>820,329</b>	<b>5.5%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(458,652)</b>	<b>440,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# General Fund

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	5,600,340	5,862,753	6,370,436	6,741,034	370,598	5.5%
Other Taxes	341,670	324,575	330,000	320,000	(10,000)	-3.1%
Licenses & Permits						
Building Permits	413,187	279,414	316,500	341,500	25,000	7.3%
Liquor Licenses	32,892	33,700	31,000	32,700	1,700	5.2%
Other	47,286	53,727	44,600	41,525	(3,075)	-7.4%
Total Licenses & Permits	493,365	366,841	392,100	415,725	23,625	5.7%
Intergovernmental Revenue						
Local Government Aid	1,334,205	1,349,130	1,548,963	1,551,734	2,771	0.2%
Police Pension Aid	230,378	246,827	246,826	290,072	43,246	14.9%
Fire Relief Pension Aid	127,954	142,926	142,925	162,393	19,468	12.0%
Other	103,191	154,614	89,480	162,326	72,846	44.9%
Total Intergovernmental	1,795,728	1,893,496	2,028,194	2,166,525	138,331	6.4%
Charges for Services						
Public Safety	418,708	458,742	142,934	142,412	(522)	-0.4%
Recreation	1,174,890	1,206,289	1,167,837	1,219,988	52,151	4.3%
Streets & Highways	448,740	451,616	494,181	561,517	67,336	12.0%
Other	726,847	711,550	742,190	892,500	150,310	16.8%
Total Charges for Services	2,769,184	2,828,196	2,547,142	2,816,417	269,275	9.6%
Fines & Forfeitures	52,902	52,141	55,000	55,000	-	0.0%
Miscellaneous Revenue	249,616	650,297	353,900	382,400	28,500	7.5%
<b>Total Revenues</b>	<b>11,302,805</b>	<b>11,978,299</b>	<b>12,076,772</b>	<b>12,897,101</b>	<b>820,329</b>	<b>6.4%</b>
<b>EXPENDITURES:</b>						
General Government	3,666,435	3,640,189	3,897,580	4,088,671	191,091	4.7%
Public Safety	4,756,261	5,064,964	5,083,512	5,403,969	320,457	5.9%
Streets & Highways	1,440,840	1,585,996	1,740,483	1,718,989	(21,494)	-1.3%
Culture & Recreation	3,741,322	3,194,675	3,368,457	3,546,470	178,013	5.0%
Miscellaneous	264,428	287,702	282,337	406,088	123,751	30.5%
<b>Total Expenditures</b>	<b>13,869,286</b>	<b>13,773,526</b>	<b>14,372,369</b>	<b>15,164,187</b>	<b>791,818</b>	<b>5.2%</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,566,481)</b>	<b>(1,795,227)</b>	<b>(2,295,597)</b>	<b>(2,267,086)</b>	<b>28,511</b>	
<b>OTHER FINANCING SOURCES / (USES)</b>						
Transfers in						
Liquor fund	550,000	550,000	550,000	550,000	-	0.0%
Water & Sewer funds	150,000	150,000	200,000	200,000	-	0.0%
Compost fund	120,000	120,000	120,000	120,000	-	0.0%
Utilities Commission PILOT	1,867,192	1,904,536	1,942,628	1,942,628	-	0.0%
Other	23,000	-	-	-	-	0.0%
Total Transfers in	2,710,192	2,724,536	2,812,628	2,812,628	-	0.0%
Transfers out	(610,313)	(488,622)	(517,031)	(545,542)	(28,511)	5.2%
Sale of capital assets	7,950	-	-	-	-	0.0%
<b>Total Other Financing Sources</b>	<b>2,107,829</b>	<b>2,235,914</b>	<b>2,295,597</b>	<b>2,267,086</b>	<b>(28,511)</b>	<b>-1.3%</b>
<b>Net Change in Fund Balance</b>	<b>(458,652)</b>	<b>440,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## General Fund Revenue

<b><u>Revenue Summary</u></b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% of Total</b>
Property Taxes	5,600,340	5,862,753	6,370,436	6,741,034	370,598	43%
Other Taxes	341,670	324,575	330,000	320,000	(10,000)	2%
Licenses & Permits	493,365	366,841	392,100	415,725	23,625	3%
Intergovernmental Revenue	1,795,728	1,893,496	2,028,194	2,166,525	138,331	14%
Charges for Services	2,769,184	2,828,196	2,547,142	2,816,417	269,275	18%
Fines & Forfeitures	52,902	52,141	55,000	55,000	-	0%
Miscellaneous Revenue	257,566	650,297	353,900	382,400	28,500	2%
Transfers-In	2,710,192	2,724,536	2,812,628	2,812,628	-	18%
<b>Total</b>	<b>14,020,947</b>	<b>14,702,835</b>	<b>14,889,400</b>	<b>15,709,729</b>	<b>820,329</b>	<b>100%</b>



### **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 5.8% general fund tax levy increase for 2025, increasing total current year tax revenue to \$6,729,034. Tax revenues account for 43% of the total general fund revenues. The City expects to receive another \$12,000 of delinquent tax revenue annually.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Current Ad Valorem Taxes	5,527,849	5,756,182	6,358,436	6,729,034	370,598	5.8%
Delinquent Ad Valorem Taxes	72,491	106,571	12,000	12,000	-	0.0%
<b>Total</b>	<b>5,600,340</b>	<b>5,862,753</b>	<b>6,370,436</b>	<b>6,741,034</b>	<b>370,598</b>	<b>5.8%</b>



## 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.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Hotel-Motel Tax	134,051	131,873	130,000	130,000	-	0.0%
Cable TV Franchise Fees	207,620	192,702	200,000	190,000	(10,000)	-5.0%
<b>Total</b>	<b>341,670</b>	<b>324,575</b>	<b>330,000</b>	<b>320,000</b>	<b>(10,000)</b>	<b>-3.0%</b>

### 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 2025 Building Permit revenue was increased \$25,000 as we expect the current housing market to slightly outperform the 2024 budgeted revenue level.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Alcoholic Beverages	32,892	33,700	31,000	32,700	1,700	5.5%
Tobacco	2,975	3,325	3,000	2,975	(25)	-0.8%
Building Permits	412,295	279,002	316,000	341,000	25,000	7.9%
Building Permit Surcharges	892	411	500	500	-	0.0%
Plumbing Permits	10,546	22,588	15,000	15,000	-	0.0%
Demolition Permits	2,185	1,555	1,500	1,000	(500)	-33.3%
Planning & Zoning Fees	9,039	11,529	8,000	9,000	1,000	12.5%
Other Licenses	22,541	14,730	17,100	13,550	(3,550)	-20.8%
<b>Total</b>	<b>493,365</b>	<b>366,841</b>	<b>392,100</b>	<b>415,725</b>	<b>23,625</b>	<b>6.0%</b>

### 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 2025 LGA is certified at \$3,103,467, which is an increase of \$5,542 from 2024. The City allocates 50% of LGA to the General fund and the other 50% to the Capital Projects and Equipment Replacement funds. 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. The Equipment Replacement fund receives \$50,000 of LGA to help with the rising cost of vehicles.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Local Government Aid	1,334,205	1,349,130	1,548,963	1,551,734	2,771	0.2%
Police Training Reimbursement	24,356	24,245	20,500	20,500	-	0.0%
Municipal State Aid - Streets	29,280	29,280	29,280	81,626	52,346	178.8%
Police Pension Aid	230,378	246,827	246,826	290,072	43,246	17.5%
Fire Relief Assoc Aid - State	127,954	142,926	142,925	162,393	19,468	13.6%
Airport Aid	20,446	27,445	26,200	26,200	-	0.0%
State Grants - Other	14,514	66,849	12,000	22,500	10,500	87.5%
Other Grants or Aid	14,595	6,795	1,500	11,500	10,000	666.7%
<b>Total</b>	<b>1,795,728</b>	<b>1,893,496</b>	<b>2,028,194</b>	<b>2,166,525</b>	<b>138,331</b>	<b>6.8%</b>

## 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 Hospital Security program was discontinued at the end of 2023 when the hospital decided to take that service in-house.

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Dollar</b>	<b>%</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Inc/Decr</b>	<b>Inc/Decr</b>
Motor Vehicle Fees	269,230	289,643	310,000	345,000	35,000	11.3%
School Liaison Program	52,434	48,243	57,500	57,500	-	0.0%
Hospital Security Program	321,622	328,805	-	-	-	0.0%
Rental Inspection Fees	12,150	53,305	51,000	51,000	-	0.0%
Engineering Fees	438,971	442,536	479,281	546,617	67,336	14.0%
Recreation Fees	556,784	620,314	587,500	627,500	40,000	6.8%
Campground Fees	72,601	77,736	75,000	75,000	-	0.0%
Rental Charges	116,878	91,865	78,300	88,300	10,000	12.8%
Community Education Reimb	64,174	66,506	69,987	74,888	4,901	7.0%
Waterpark Fees	329,084	310,930	313,000	313,000	-	0.0%
Airport Rentals	87,019	88,997	100,000	207,000	107,000	107.0%
Cemetery Fees	126,142	114,340	102,900	102,900	-	0.0%
Senior Center Revenue	36,870	39,615	45,500	42,500	(3,000)	-6.6%
HUC Personnel Reimb	180,512	157,981	167,040	175,392	8,352	5.0%
Other Revenues	104,713	97,380	110,134	109,820	(314)	-0.3%
<b>Total</b>	<b>2,769,184</b>	<b>2,828,196</b>	<b>2,547,142</b>	<b>2,816,417</b>	<b>269,275</b>	<b>10.6%</b>

### 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.

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Dollar</b>	<b>%</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Inc/Decr</b>	<b>Inc/Decr</b>
Court Fines	52,902	52,141	55,000	55,000	-	0.0%
<b>Total</b>	<b>52,902</b>	<b>52,141</b>	<b>55,000</b>	<b>55,000</b>	<b>-</b>	<b>0.0%</b>

### 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 in 2024 by \$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.

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Dollar</b>	<b>%</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Inc/Decr</b>	<b>Inc/Decr</b>
Interest Earnings	131,172	265,828	140,000	140,000	-	0.0%
Net Incr/Decr in FV of Invest	(184,470)	82,227	-	-	-	0.0%
Refunds & Reimbursements	252,918	249,815	188,800	203,800	15,000	7.9%
Contrib/Donation-PrivateSource	49,699	52,281	25,100	38,600	13,500	53.8%
Other Revenue	8,247	145	-	-	-	0.0%
<b>Total</b>	<b>257,566</b>	<b>650,297</b>	<b>353,900</b>	<b>382,400</b>	<b>28,500</b>	<b>8.1%</b>

## 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 2025 PILOT did not increase due to HUC's decreased operating revenues for 2023.

The transfers from the Water and Sewer funds were not changed from 2024. These transfers are intended to reimburse the General fund for shared services, such as Administrative, Legal, Finance/Accounting, Human Resources and Information Technology.

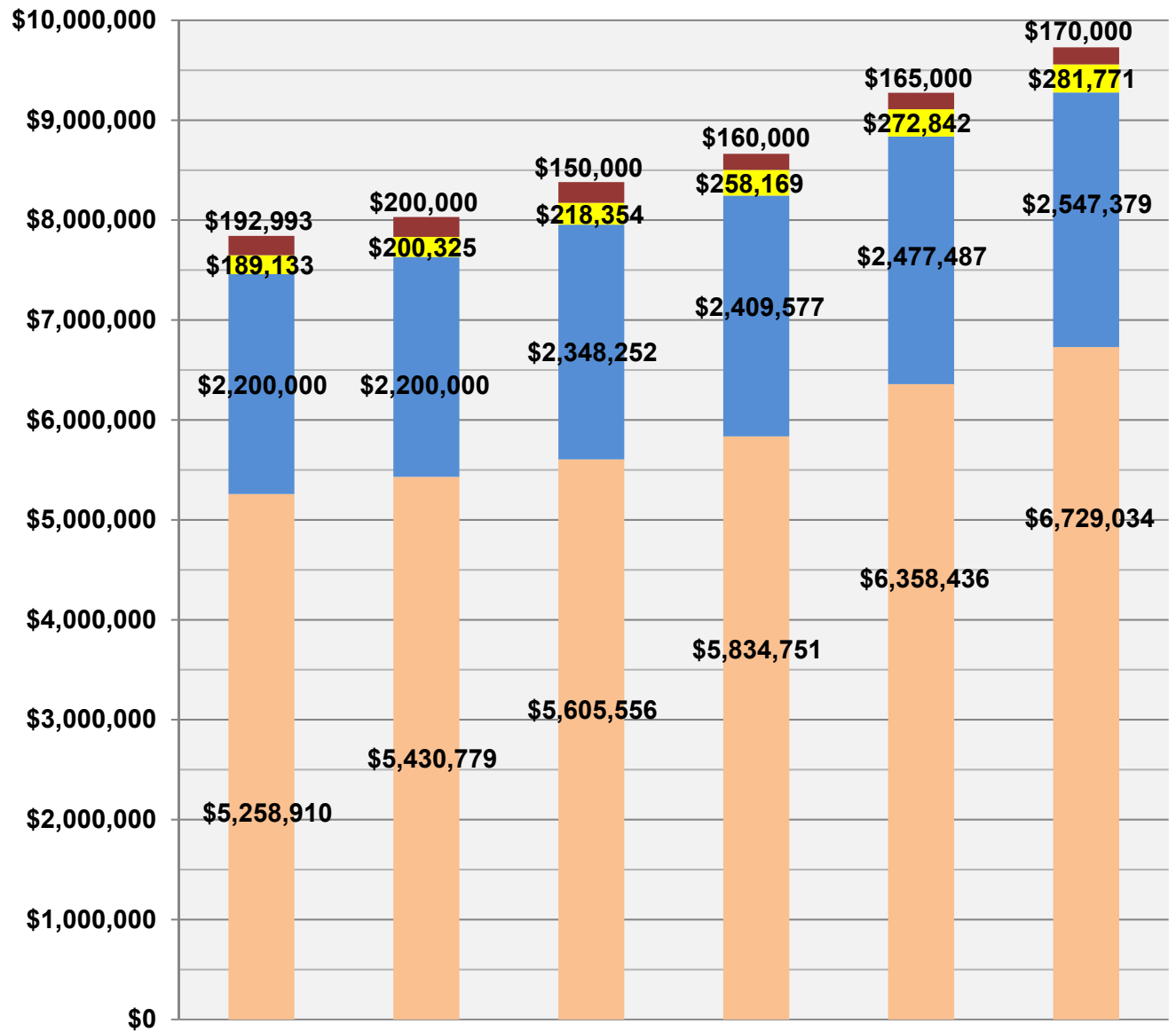
	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Transfer from Liquor Fund	550,000	550,000	550,000	550,000	-	0.0%
Transfer from Water/Sewer Fund	150,000	150,000	200,000	200,000	-	0.0%
Transfer from Compost Fund	120,000	120,000	120,000	120,000	-	0.0%
Transfer from HUC	1,867,192	1,904,536	1,942,628	1,942,628	-	0.0%
Transfer from Self Insurance Fund	46,000	23,000	-	-	-	0.0%
<b>Total</b>	<b>2,733,192</b>	<b>2,747,536</b>	<b>2,812,628</b>	<b>2,812,628</b>	<b>-</b>	<b>0.0%</b>

The Enterprise Fund transfers are in place as a means to lower the tax burden for the City's taxpayers. The 2025 transfers from the Liquor, Water, Sewer and Compost fund total \$870,000. These transfers are reducing the City Tax Rate by 5.3%, which equates to a City tax savings of 9.4% for every taxpayer. That translates into a \$135 tax reduction for a residential property valued at \$275,000.

### **Tax Impact of each Enterprise Fund:**

	<b>2025 Transfer</b>	<b>Tax Rate Reduction</b>	<b>(\$275,000 valued Home) City Tax Savings</b>	
			<b>Amount</b>	<b>%</b>
Liquor Fund	550,000	3.35%	<b>\$85</b>	5.9%
Water Fund	90,000	0.55%	<b>\$14</b>	1.0%
Sewer Fund	110,000	0.67%	<b>\$17</b>	1.2%
Compost Fund	120,000	0.73%	<b>\$19</b>	1.3%
<b>Total</b>	<b>870,000</b>	<b>5.30%</b>	<b>\$135</b>	<b>9.4%</b>
2025 Estimated Tax Rate		56.50%		
Tax Rate without these Transfers		61.79%		
Tax Rate reduction due to Transfers		-5.30%		

# Total City Tax Levy Comparison 2020 - 2025



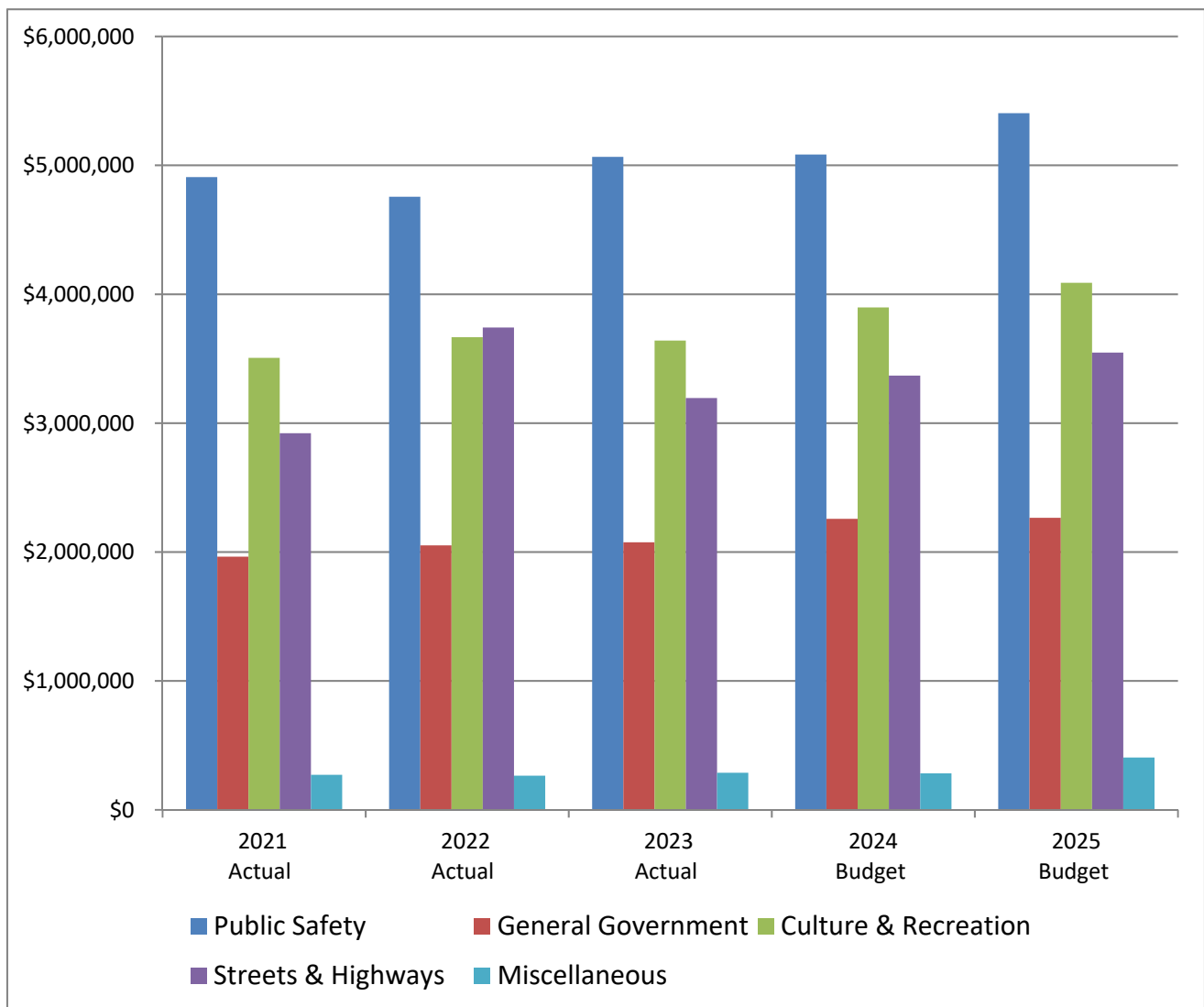
	2020	2021	2022	2023	2024	2025
General Fund	\$ 5,258,910	\$ 5,430,779	\$ 5,605,556	\$ 5,834,751	\$ 6,358,436	\$ 6,729,034
Debt Funds	\$ 2,200,000	\$ 2,200,000	\$ 2,348,252	\$ 2,409,577	\$ 2,477,487	\$ 2,547,379
EDA	\$ 189,133	\$ 200,325	\$ 218,354	\$ 258,169	\$ 272,842	\$ 281,771
HRA	\$ 192,993	\$ 200,000	\$ 208,000	\$ 160,000	\$ 165,000	\$ 170,000
<b>Total Tax Levy</b>	<b>\$ 7,841,036</b>	<b>\$ 8,031,104</b>	<b>\$ 8,380,162</b>	<b>\$ 8,662,497</b>	<b>\$ 9,273,765</b>	<b>\$ 9,728,184</b>

## Annual Levy Change:

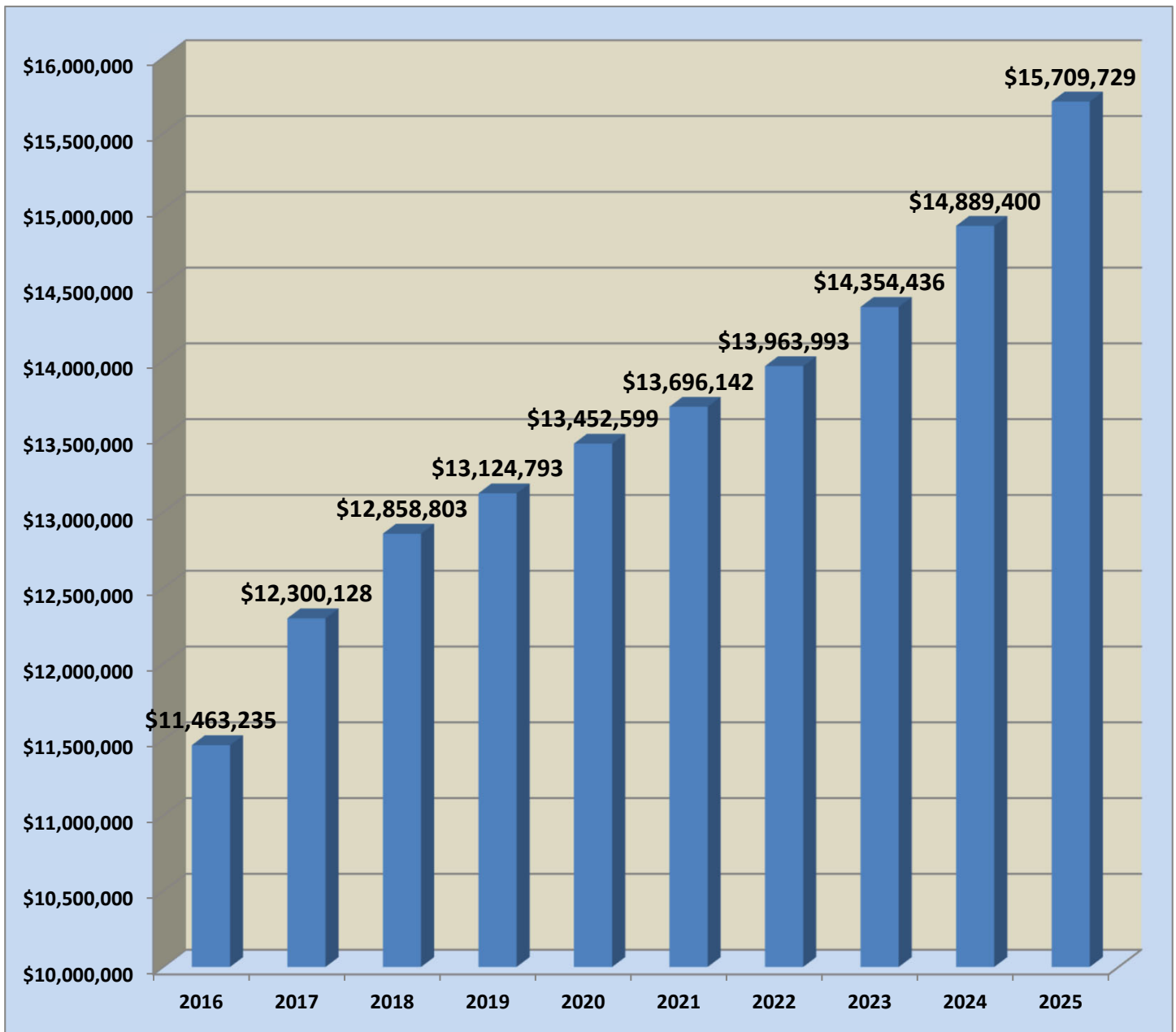
General Fund	2.9%	3.3%	3.2%	4.1%	9.0%	5.8%
Debt Funds	0.0%	0.0%	6.7%	2.6%	2.8%	2.8%
EDA	3.7%	5.9%	9.0%	18.2%	5.7%	3.3%
HRA	3.7%	3.6%	4.0%	-23.1%	3.1%	3.0%
<b>Total Tax Levy</b>	<b>2.1%</b>	<b>2.4%</b>	<b>4.3%</b>	<b>3.4%</b>	<b>7.1%</b>	<b>4.9%</b>

# EXPENDITURE COMPARISON - GENERAL FUND

	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	% of Total
Public Safety	\$4,907,905	\$4,756,261	\$5,064,964	\$5,083,512	\$5,403,969	34.4%
Streets & Highways	\$1,963,393	\$2,051,153	\$2,074,618	\$2,257,514	\$2,264,531	14.4%
General Government	\$3,506,182	\$3,666,435	\$3,640,189	\$3,897,580	\$4,088,671	26.0%
Culture & Recreation	\$2,920,759	\$3,741,322	\$3,194,675	\$3,368,457	\$3,546,470	22.6%
Miscellaneous	\$270,950	\$264,428	\$287,702	\$282,337	\$406,088	2.6%
<b>Total Expenditures</b>	<b>\$13,569,188</b>	<b>\$14,479,599</b>	<b>\$14,262,148</b>	<b>\$14,889,400</b>	<b>\$15,709,729</b>	<b>100.0%</b>



# HISTORICAL GENERAL FUND BUDGET



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

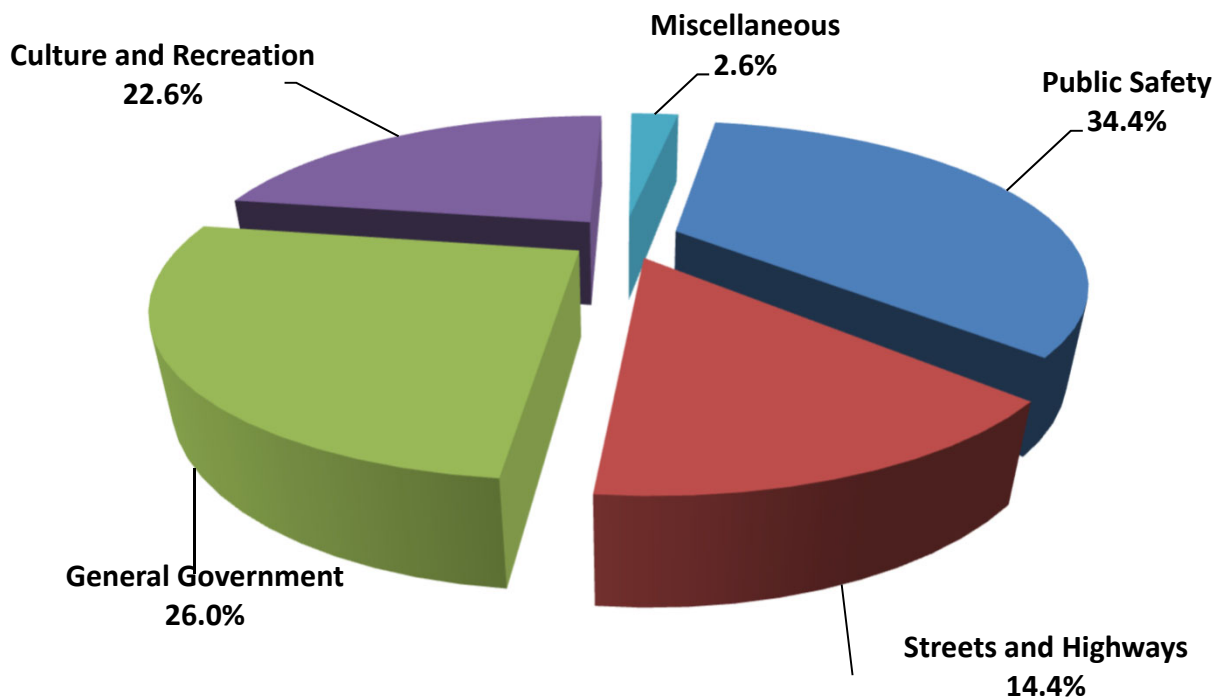
**2018 - An additional building inspector was added and the DMV increased hours to deal with the additional duties mandated by the State. Employer paid medical benefits increased 13%.**

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

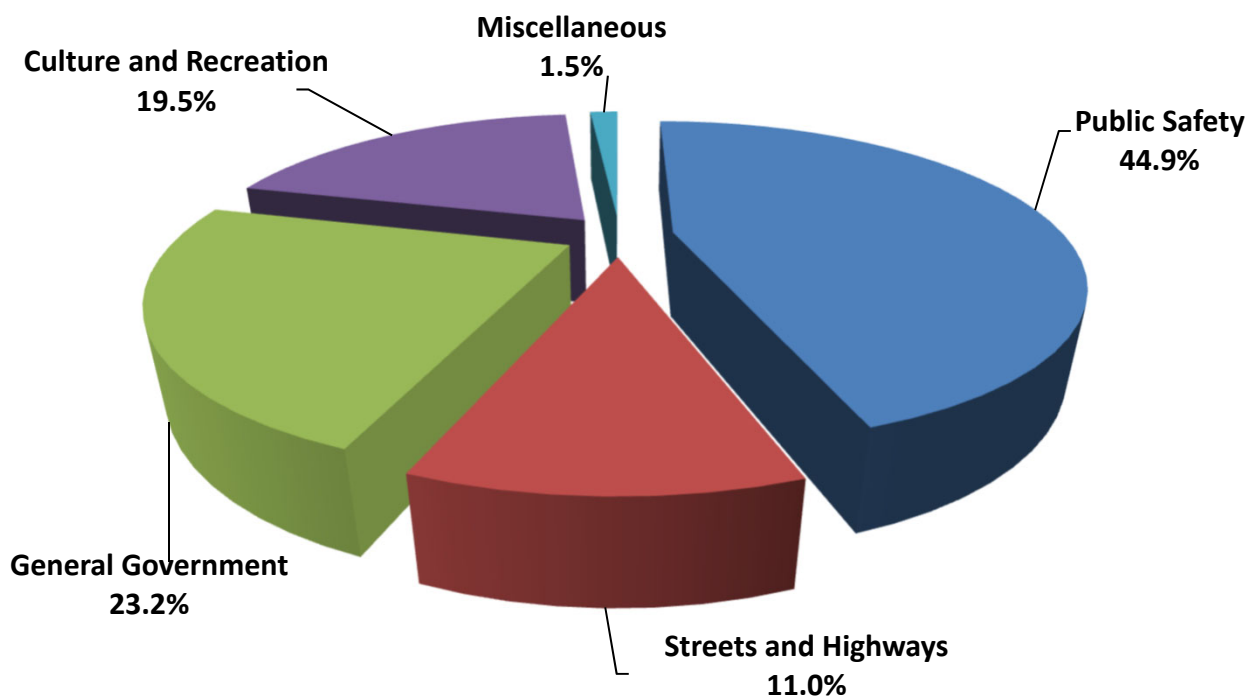
**2024 - Employer paid medical benefits increased 25%.**

**2025 - Added a Fire Inspector position to the budget.**

## DISTRIBUTION OF 2025 GENERAL FUND BUDGETED EXPENDITURES



## DISTRIBUTION OF 2025 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	2024 Budget		2025 Budget		Change
<b>General Revenue</b>	\$	<b>11,258,027</b>	\$	<b>11,623,321</b>	\$ <b>365,294</b>
Mayor & City Council		(47,477)		(47,488)	(11)
Administration		(519,041)		(544,862)	(25,821)
Elections		(29,850)		-	29,850
Finance		(425,523)		(446,531)	(21,008)
Motor Vehicle		(7,131)		(35,392)	(28,261)
Assessing		(61,499)		-	61,499
Legal		(284,955)		(301,914)	(16,959)
Planning		(157,040)		(162,488)	(5,448)
Information Services		(472,804)		(567,586)	(94,782)
City Hall		(200,095)		(210,897)	(10,802)
Unallocated Expenses		(954,900)		(970,470)	(15,570)
<b>Subtotal - General Government</b>		<b>(3,160,315)</b>		<b>(3,287,628)</b>	<b>(127,313)</b>
Police		(3,794,587)		(3,925,493)	(130,906)
Emergency Management		(13,500)		(13,500)	-
Safety Committee		(13,950)		(14,335)	(385)
Fire		(417,251)		(526,441)	(109,190)
Protective Services		(24,864)		(17,116)	7,748
<b>Subtotal - Public Safety</b>		<b>(4,264,152)</b>		<b>(4,496,885)</b>	<b>(232,733)</b>
Engineering		-		-	-
Streets & Alleys		(1,725,053)		(1,616,188)	108,865
<b>Subtotal - Streets &amp; Highways</b>		<b>(1,725,053)</b>		<b>(1,616,188)</b>	<b>108,865</b>
Park - Administration		(206,471)		(220,148)	(13,677)
Recreation		(28,861)		(37,115)	(8,254)
Senior Center		(28,464)		(35,326)	(6,862)
Civic Arena		(92,387)		(74,718)	17,669
Park Department		(963,993)		(991,328)	(27,335)
Recreation Building		(192,835)		(231,632)	(38,797)
Event Center		(121,082)		(123,993)	(2,911)
Evergreen Building - Senior Dining		(28,480)		(29,480)	(1,000)
Library		(247,865)		(257,808)	(9,943)
Waterpark		(152,082)		(158,334)	(6,252)
<b>Subtotal - Culture &amp; Recreation</b>		<b>(2,062,520)</b>		<b>(2,159,882)</b>	<b>(97,362)</b>
Cemetery		(49,927)		(54,050)	(4,123)
Airport		3,940		(8,688)	(12,628)
<b>Subtotal - Miscellaneous</b>		<b>(45,987)</b>		<b>(62,738)</b>	<b>(16,751)</b>
<b>NET REVENUE / (DEFICIT)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>



## 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Wages & Benefits	\$ 37,489	\$ 37,486	\$ 42,317	\$ 42,328	\$ 11	0.0%
Supplies	-	267	100	100	-	0.0%
Services & Charges	121	350	2,010	2,010	-	0.0%
Miscellaneous Expenses	3,169	2,070	3,050	3,050	-	0.0%
<b>Total Expenditures</b>	<b>\$ 40,779</b>	<b>\$ 40,173</b>	<b>\$ 47,477</b>	<b>\$ 47,488</b>	<b>\$ 11</b>	<b>0.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (40,779)</b>	<b>\$ (40,173)</b>	<b>\$ (47,477)</b>	<b>\$ (47,488)</b>	<b>\$ (11)</b>	<b>0.0%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 33,075	\$ -	\$ -	\$ -	\$ -	0.0%
Miscellaneous Revenues	13	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 33,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 475,576	\$ 455,492	\$ 493,420	\$ 514,227	\$ 20,807	4.2%
Supplies	144	1,064	2,000	1,800	(200)	-10.0%
Services & Charges	46,433	13,843	20,121	25,335	5,214	25.9%
Miscellaneous Expenses	2,355	1,874	3,500	3,500	-	0.0%
<b>Total Expenditures</b>	<b>\$ 524,508</b>	<b>\$ 472,273</b>	<b>\$ 519,041</b>	<b>\$ 544,862</b>	<b>\$ 25,821</b>	<b>5.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (491,420)</b>	<b>\$ (472,273)</b>	<b>\$ (519,041)</b>	<b>\$ (544,862)</b>	<b>\$ (25,821)</b>	<b>5.0%</b>

### 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. There are no elections in 2025, therefore no budget dollars are allocated.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 120	\$ -	\$ -	\$ -	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 120</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 12,112	\$ -	\$ 23,500	\$ -	\$ (23,500)	0.0%
Supplies	5,134	-	5,000	-	(5,000)	0.0%
Services & Charges	2,231	-	350	-	(350)	0.0%
Miscellaneous Expenses	888	-	1,000	-	(1,000)	0.0%
<b>Total Expenditures</b>	<b>\$ 20,365</b>	<b>\$ -</b>	<b>\$ 29,850</b>	<b>\$ -</b>	<b>\$ (29,850)</b>	<b>0.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (20,245)</b>	<b>\$ -</b>	<b>\$ (29,850)</b>	<b>\$ -</b>	<b>\$ 29,850</b>	<b>0.0%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

<b>Department: Finance</b>	<b>General Government</b>
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The Finance Department functions as an internal service department for the various other departments within the City of Hutchinson. The department is responsible for all phases of budgetary 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 3,271	\$ 2,574	\$ 2,300	\$ 2,300	\$ -	0.0%
Miscellaneous Revenues	171	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 3,442</b>	<b>\$ 2,574</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 323,084	\$ 320,550	\$ 344,253	\$ 358,120	\$ 13,867	4.0%
Supplies	1,576	1,642	1,500	2,800	1,300	86.7%
Services & Charges	66,969	71,539	80,620	86,461	5,841	7.2%
Miscellaneous Expenses	1,144	1,146	1,450	1,450	-	0.0%
<b>Total Expenditures</b>	<b>\$ 392,773</b>	<b>\$ 394,877</b>	<b>\$ 427,823</b>	<b>\$ 448,831</b>	<b>\$ 21,008</b>	<b>4.9%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (389,330)</b>	<b>\$ (392,303)</b>	<b>\$ (425,523)</b>	<b>\$ (446,531)</b>	<b>\$ (21,008)</b>	<b>4.9%</b>

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

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 35,400	\$ -	\$ -	\$ -	0.0%
Charges for Services	291,075	306,057	331,000	363,500	32,500	9.8%
Miscellaneous Revenues	297	145	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 291,373</b>	<b>\$ 341,602</b>	<b>\$ 331,000</b>	<b>\$ 363,500</b>	<b>\$ 32,500</b>	<b>9.8%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 281,608	\$ 296,199	\$ 306,173	\$ 361,522	\$ 55,349	18.1%
Supplies	8,671	4,259	5,850	6,600	750	12.8%
Services & Charges	12,070	12,695	24,708	29,370	4,662	18.9%
Miscellaneous Expenses	965	1,681	1,400	1,400	-	0.0%
<b>Total Expenditures</b>	<b>\$ 303,314</b>	<b>\$ 314,834</b>	<b>\$ 338,131</b>	<b>\$ 398,892</b>	<b>\$ 60,761</b>	<b>18.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (11,941)</b>	<b>\$ 26,768</b>	<b>\$ (7,131)</b>	<b>\$ (35,392)</b>	<b>\$ (28,261)</b>	<b>396.3%</b>

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

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Services & Charges	\$ 61,478	\$ 61,499	\$ 61,499	\$ -	\$ (61,499)	0.0%
<b>Total Expenditures</b>	<b>\$ 61,478</b>	<b>\$ 61,499</b>	<b>\$ 61,499</b>	<b>\$ -</b>	<b>\$ (61,499)</b>	<b>0.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (61,478)</b>	<b>\$ (61,499)</b>	<b>\$ (61,499)</b>	<b>\$ -</b>	<b>\$ 61,499</b>	<b>0.0%</b>

## 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Miscellaneous Revenues	\$ 150	\$ 600	\$ -	\$ -	\$ -	0.0%
Charges for Services	42,000	42,000	44,100	46,305	2,205	5.0%
<b>Total Revenues</b>	<b>\$ 42,150</b>	<b>\$ 42,600</b>	<b>\$ 44,100</b>	<b>\$ 46,305</b>	<b>\$ 2,205</b>	<b>5.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 238,723	\$ 235,393	\$ 245,385	\$ 260,539	\$ 15,154	6.2%
Supplies	17,994	19,438	22,400	22,400	-	0.0%
Services & Charges	51,398	57,951	59,270	62,480	3,210	5.4%
Miscellaneous Expenses	2,613	613	2,000	2,800	800	40.0%
<b>Total Expenditures</b>	<b>\$ 310,728</b>	<b>\$ 313,396</b>	<b>\$ 329,055</b>	<b>\$ 348,219</b>	<b>\$ 19,164</b>	<b>5.8%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (268,578)</b>	<b>\$ (270,796)</b>	<b>\$ (284,955)</b>	<b>\$ (301,914)</b>	<b>\$ (16,959)</b>	<b>6.0%</b>

### Department: Planning

### General Government

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

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

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

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ 24,710	\$ 29,540	\$ 24,000	\$ 25,000	\$ 1,000	4.2%
<b>Total Revenues</b>	<b>\$ 24,710</b>	<b>\$ 29,540</b>	<b>\$ 24,000</b>	<b>\$ 25,000</b>	<b>\$ 1,000</b>	<b>4.2%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 157,126	\$ 160,558	\$ 171,040	\$ 176,988	\$ 5,948	3.5%
Supplies	-	195	750	750	-	0.0%
Services & Charges	5,798	7,678	8,050	8,550	500	6.2%
Miscellaneous Expenses	747	923	1,200	1,200	-	0.0%
<b>Total Expenditures</b>	<b>\$ 163,672</b>	<b>\$ 169,355</b>	<b>\$ 181,040</b>	<b>\$ 187,488</b>	<b>\$ 6,448</b>	<b>3.6%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (138,962)</b>	<b>\$ (139,815)</b>	<b>\$ (157,040)</b>	<b>\$ (162,488)</b>	<b>\$ (5,448)</b>	<b>3.5%</b>

## 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.

The large increase in Services & Charges for 2025 is due mainly to the required conversion to Microsoft 365.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 129,437	\$ 139,981	\$ 146,940	\$ 155,545	\$ 8,605	5.9%
<b>Total Revenues</b>	<b>\$ 129,437</b>	<b>\$ 139,981</b>	<b>\$ 146,940</b>	<b>\$ 155,545</b>	<b>\$ 8,605</b>	<b>5.9%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 335,255	\$ 342,348	\$ 360,409	\$ 388,686	\$ 28,277	7.8%
Supplies	21,484	39,974	55,808	42,400	(13,408)	-24.0%
Services & Charges	232,464	191,415	203,427	291,945	88,518	43.5%
Miscellaneous Expenses	24	26	100	100	-	0.0%
Capital Outlay	7,586	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 596,814</b>	<b>\$ 573,764</b>	<b>\$ 619,744</b>	<b>\$ 723,131</b>	<b>\$ 103,387</b>	<b>16.7%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (467,377)</b>	<b>\$ (433,783)</b>	<b>\$ (472,804)</b>	<b>\$ (567,586)</b>	<b>\$ (94,782)</b>	<b>20.0%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ -	0.0%
Miscellaneous Revenues	(91)	379	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 2,109</b>	<b>\$ 2,579</b>	<b>\$ 2,200</b>	<b>\$ 2,200</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 99,566	\$ 104,507	\$ 109,410	\$ 112,852	\$ 3,442	3.1%
Supplies	13,249	18,093	15,850	16,875	1,025	6.5%
Services & Charges	72,187	72,110	76,385	82,720	6,335	8.3%
Miscellaneous Expenses	448	455	650	650	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 185,449</b>	<b>\$ 195,165</b>	<b>\$ 202,295</b>	<b>\$ 213,097</b>	<b>\$ 10,802</b>	<b>5.3%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (183,340)</b>	<b>\$ (192,586)</b>	<b>\$ (200,095)</b>	<b>\$ (210,897)</b>	<b>\$ (10,802)</b>	<b>5.4%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Supplies	\$ -	\$ -	\$ 500	\$ 500	\$ -	0.0%
Services & Charges	10,998	14,170	13,000	13,000	-	0.0%
<b>Total Expenditures</b>	<b>\$ 10,998</b>	<b>\$ 14,170</b>	<b>\$ 13,500</b>	<b>\$ 13,500</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (10,998)</b>	<b>\$ (14,170)</b>	<b>\$ (13,500)</b>	<b>\$ (13,500)</b>	<b>\$ -</b>	<b>0.0%</b>

## 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ 3,335	\$ 3,265	\$ 2,600	\$ 2,600	\$ -	0.0%
Intergovernmental	264,396	279,704	270,326	334,072	63,746	23.6%
Charges for Services	75,296	66,273	78,200	78,200	-	0.0%
Fines & Forfeitures	52,902	52,141	55,000	55,000	-	0.0%
Miscellaneous Revenues	15,284	15,622	10,000	10,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 411,214</b>	<b>\$ 417,005</b>	<b>\$ 416,126</b>	<b>\$ 479,872</b>	<b>\$ 63,746</b>	<b>15.3%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 3,354,991	\$ 3,482,950	\$ 3,801,618	\$ 3,952,407	\$ 150,789	4.0%
Supplies	111,714	114,920	112,500	137,600	25,100	22.3%
Services & Charges	198,599	289,148	287,795	306,858	19,063	6.6%
Miscellaneous Expenses	4,368	3,119	8,800	8,500	(300)	-3.4%
Capital Outlay	254	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 3,669,926</b>	<b>\$ 3,890,137</b>	<b>\$ 4,210,713</b>	<b>\$ 4,405,365</b>	<b>\$ 194,652</b>	<b>4.6%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (3,258,713)</b>	<b>\$ (3,473,132)</b>	<b>\$ (3,794,587)</b>	<b>\$ (3,925,493)</b>	<b>\$ (130,906)</b>	<b>3.4%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 321,622	\$ 328,805	\$ -	\$ -	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 321,622</b>	<b>\$ 328,805</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 330,528	\$ 364,732	\$ -	\$ -	\$ -	0.0%
Supplies	1,590	920	-	-	-	0.0%
Services & Charges	-	30	-	-	-	0.0%
Miscellaneous Expenses	85	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 332,204</b>	<b>\$ 365,682</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (10,582)</b>	<b>\$ (36,877)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Services & Charges	\$ 8,973	\$ 10,296	\$ 12,350	\$ 12,600	\$ 250	2.0%
Miscellaneous Expenses	867	2,046	1,600	1,735	135	8.4%
<b>Total Expenditures</b>	<b>\$ 9,840</b>	<b>\$ 12,342</b>	<b>\$ 13,950</b>	<b>\$ 14,335</b>	<b>\$ 385</b>	<b>2.8%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (9,840)</b>	<b>\$ (12,342)</b>	<b>\$ (13,950)</b>	<b>\$ (14,335)</b>	<b>\$ (385)</b>	<b>2.8%</b>

## 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Intergovernmental	\$ 6,940	\$ 19,508	\$ 8,500	\$ 8,500	\$ -	0.0%
Charges for Services	13,779	12,908	16,734	16,212	(522)	-3.1%
Miscellaneous Revenues	1,080	7,404	5,000	5,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 21,799</b>	<b>\$ 39,821</b>	<b>\$ 30,234</b>	<b>\$ 29,712</b>	<b>\$ (522)</b>	<b>-1.7%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 273,012	\$ 309,501	\$ 294,125	\$ 398,033	\$ 103,908	35.3%
Supplies	46,460	46,974	54,700	57,200	2,500	4.6%
Services & Charges	83,143	79,579	92,510	95,270	2,760	3.0%
Miscellaneous Expenses	3,199	6,844	6,150	5,650	(500)	-8.1%
<b>Total Expenditures</b>	<b>\$ 405,815</b>	<b>\$ 442,898</b>	<b>\$ 447,485</b>	<b>\$ 556,153</b>	<b>\$ 108,668</b>	<b>24.3%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (384,016)</b>	<b>\$ (403,077)</b>	<b>\$ (417,251)</b>	<b>\$ (526,441)</b>	<b>\$ (109,190)</b>	<b>26.2%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ 421,961	\$ 288,674	\$ 322,000	\$ 346,500	\$ 24,500	7.6%
Charges for Services	12,150	53,305	51,000	51,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 434,111</b>	<b>\$ 341,979</b>	<b>\$ 373,000</b>	<b>\$ 397,500</b>	<b>\$ 24,500</b>	<b>6.6%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 312,185	\$ 327,261	\$ 364,238	\$ 378,511	\$ 14,273	3.9%
Supplies	2,646	1,886	6,025	6,025	-	0.0%
Services & Charges	12,337	10,291	27,001	29,480	2,479	9.2%
Miscellaneous Expenses	309	296	600	600	-	0.0%
<b>Total Expenditures</b>	<b>\$ 327,477</b>	<b>\$ 339,735</b>	<b>\$ 397,864</b>	<b>\$ 414,616</b>	<b>\$ 16,752</b>	<b>4.2%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ 106,634</b>	<b>\$ 2,244</b>	<b>\$ (24,864)</b>	<b>\$ (17,116)</b>	<b>\$ 7,748</b>	<b>-31.2%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

<b>Department: Engineering</b>	<b>Streets &amp; Highways</b>
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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. The 2025 budget includes a new engineering technician position.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 439,600	\$ 444,066	\$ 479,881	\$ 547,217	\$ 67,336	14.0%
<b>Total Revenues</b>	<b>\$ 439,600</b>	<b>\$ 444,066</b>	<b>\$ 479,881</b>	<b>\$ 547,217</b>	<b>\$ 67,336</b>	<b>14.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 344,668	\$ 343,567	\$ 412,113	\$ 463,362	\$ 51,249	12.4%
Supplies	7,834	6,014	8,825	8,725	(100)	-1.1%
Services & Charges	84,371	79,376	55,593	72,380	16,787	30.2%
Miscellaneous Expenses	2,483	3,176	3,350	2,750	(600)	-17.9%
<b>Total Expenditures</b>	<b>\$ 439,355</b>	<b>\$ 432,134</b>	<b>\$ 479,881</b>	<b>\$ 547,217</b>	<b>\$ 67,336</b>	<b>14.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ 245</b>	<b>\$ 11,932</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

<b>Department: Streets &amp; Alleys</b>	<b>Streets &amp; Highways</b>
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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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ 1,200	\$ 3,600	\$ 5,000	\$ 1,200	\$ (3,800)	-76.0%
Intergovernmental	29,280	37,942	31,280	83,626	52,346	167.3%
Charges for Services	5,000	5,000	11,300	11,300	-	0.0%
Miscellaneous Revenues	7,918	11,672	5,000	5,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 43,398</b>	<b>\$ 58,214</b>	<b>\$ 52,580</b>	<b>\$ 101,126</b>	<b>\$ 48,546</b>	<b>92.3%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 670,068	\$ 683,762	\$ 753,637	\$ 701,307	\$ (52,330)	-6.9%
Supplies	267,031	304,077	312,300	299,300	(13,000)	-4.2%
Services & Charges	563,528	519,037	592,365	593,865	1,500	0.3%
Transfers-Out	110,313	113,622	117,031	120,542	3,511	3.0%
Miscellaneous Expenses	858	1,265	2,300	2,300	-	0.0%
Capital Outlay	-	20,721	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 1,611,798</b>	<b>\$ 1,642,484</b>	<b>\$ 1,777,633</b>	<b>\$ 1,717,314</b>	<b>\$ (60,319)</b>	<b>-3.4%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (1,568,401)</b>	<b>\$ (1,584,271)</b>	<b>\$ (1,725,053)</b>	<b>\$ (1,616,188)</b>	<b>\$ 108,865</b>	<b>-6.3%</b>

## 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 64,174	\$ 66,506	\$ 69,987	\$ 74,888	\$ 4,901	7.0%
Miscellaneous Revenues	5,205	6,628	4,000	4,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 69,379</b>	<b>\$ 73,134</b>	<b>\$ 73,987</b>	<b>\$ 78,888</b>	<b>\$ 4,901</b>	<b>6.6%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 199,200	\$ 210,509	\$ 225,908	\$ 237,336	\$ 11,428	5.1%
Supplies	2,259	825	1,450	1,700	250	17.2%
Services & Charges	62,646	48,677	51,700	58,600	6,900	13.3%
Miscellaneous Expenses	1,353	1,541	1,400	1,400	-	0.0%
<b>Total Expenditures</b>	<b>\$ 265,459</b>	<b>\$ 261,552</b>	<b>\$ 280,458</b>	<b>\$ 299,036</b>	<b>\$ 18,578</b>	<b>6.6%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (196,080)</b>	<b>\$ (188,418)</b>	<b>\$ (206,471)</b>	<b>\$ (220,148)</b>	<b>\$ (13,677)</b>	<b>6.6%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 154,849	\$ 175,211	\$ 185,000	\$ 185,000	\$ -	0.0%
Miscellaneous Revenues	18,110	20,005	12,000	15,000	3,000	25.0%
<b>Total Revenues</b>	<b>\$ 172,959</b>	<b>\$ 195,216</b>	<b>\$ 197,000</b>	<b>\$ 200,000</b>	<b>\$ 3,000</b>	<b>1.5%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 133,205	\$ 118,883	\$ 122,761	\$ 128,015	\$ 5,254	4.3%
Supplies	36,258	40,222	50,500	50,500	-	0.0%
Services & Charges	40,304	49,212	48,300	54,300	6,000	12.4%
Miscellaneous Expenses	485	315	4,300	4,300	-	0.0%
<b>Total Expenditures</b>	<b>\$ 210,252</b>	<b>\$ 208,632</b>	<b>\$ 225,861</b>	<b>\$ 237,115</b>	<b>\$ 11,254</b>	<b>5.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (37,293)</b>	<b>\$ (13,416)</b>	<b>\$ (28,861)</b>	<b>\$ (37,115)</b>	<b>\$ (8,254)</b>	<b>28.6%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 39,943	\$ 43,221	\$ 49,500	\$ 46,500	\$ (3,000)	-6.1%
Miscellaneous Revenues	2,655	1,645	1,600	1,600	-	0.0%
<b>Total Revenues</b>	<b>\$ 42,598</b>	<b>\$ 44,866</b>	<b>\$ 51,100</b>	<b>\$ 48,100</b>	<b>\$ (3,000)</b>	<b>-5.9%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 53,221	\$ 37,794	\$ 39,214	\$ 40,976	\$ 1,762	4.5%
Supplies	662	1,505	2,250	2,250	-	0.0%
Services & Charges	34,440	36,712	38,100	39,700	1,600	4.2%
Miscellaneous Expenses	942	1,723	-	500	500	0.0%
<b>Total Expenditures</b>	<b>\$ 89,265</b>	<b>\$ 77,734</b>	<b>\$ 79,564</b>	<b>\$ 83,426</b>	<b>\$ 3,862</b>	<b>4.9%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (46,667)</b>	<b>\$ (32,868)</b>	<b>\$ (28,464)</b>	<b>\$ (35,326)</b>	<b>\$ (6,862)</b>	<b>24.1%</b>



## 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.							
	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change	
Revenues:							
Intergovernmental	\$ 9,771	\$ -	\$ -	\$ -	\$ -	0.0%	
Charges for Services	319,765	360,545	320,750	361,000	40,250	0	
Miscellaneous Revenues	10,400	25,647	-	10,000	10,000	0.0%	
Total Revenues	\$ 339,936	\$ 386,192	\$ 320,750	\$ 371,000	\$ 50,250	15.7%	
Expenditures:							
Wages & Benefits	\$ 148,742	\$ 174,165	\$ 174,187	\$ 195,768	\$ 21,581	12.4%	
Supplies	21,869	42,023	48,500	52,500	4,000	8.2%	
Services & Charges	199,939	163,138	188,950	195,950	7,000	3.7%	
Miscellaneous Expenses	1,435	1,330	1,500	1,500	-	0.0%	
Transfers-Out	500,000	-	-	-	-	0.0%	
Capital Outlay	9,771	-	-	-	-	0.0%	
Total Expenditures	\$ 881,755	\$ 380,657	\$ 413,137	\$ 445,718	\$ 32,581	7.9%	
Net Revenue / (Loss)	\$ (541,820)	\$ 5,535	\$ (92,387)	\$ (74,718)	\$ 17,669	-19.1%	

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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
Revenues:						
Intergovernmental	\$ 2,555	\$ -	\$ -	\$ -	\$ -	0.0%
Charges for Services	106,968	108,356	105,500	105,500	-	0.0%
Miscellaneous Revenues	137,174	145,192	118,500	133,500	15,000	12.7%
Total Revenues	\$ 246,697	\$ 253,548	\$ 224,000	\$ 239,000	\$ 15,000	6.7%
Expenditures:						
Wages & Benefits	\$ 740,225	\$ 769,412	\$ 806,243	\$ 825,428	\$ 19,185	2.4%
Supplies	178,195	197,208	212,350	223,000	10,650	5.0%
Services & Charges	142,014	181,397	168,500	181,000	12,500	7.4%
Miscellaneous Expenses	1,074	4,953	900	900	-	0.0%
Capital Outlay	9,350	11,497	-	-	-	0.0%
Total Expenditures	\$ 1,070,858	\$ 1,164,467	\$ 1,187,993	\$ 1,230,328	\$ 42,335	3.6%
Net Revenue / (Loss)	\$ (824,162)	\$ (910,919)	\$ (963,993)	\$ (991,328)	\$ (27,335)	2.8%

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.							
	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change	
<b>Revenues:</b>							
Charges for Services	\$ 90,920	\$ 100,974	\$ 87,500	\$ 92,500	\$ 5,000	5.7%	
Miscellaneous Revenues	3,500	-	-	-	-	0.0%	
<b>Total Revenues</b>	<b>\$ 94,420</b>	<b>\$ 100,974</b>	<b>\$ 87,500</b>	<b>\$ 92,500</b>	<b>\$ 5,000</b>	<b>5.7%</b>	
<b>Expenditures:</b>							
Wages & Benefits	\$ 191,701	\$ 204,095	\$ 214,365	\$ 226,162	\$ 11,797	5.5%	
Supplies	5,915	16,968	20,600	42,600	22,000	106.8%	
Services & Charges	40,921	45,907	44,370	54,370	10,000	22.5%	
Miscellaneous Expenses	450	575	1,000	1,000	-	0.0%	
<b>Total Expenditures</b>	<b>\$ 238,986</b>	<b>\$ 267,545</b>	<b>\$ 280,335</b>	<b>\$ 324,132</b>	<b>\$ 43,797</b>	<b>15.6%</b>	
<b>Net Revenue / (Loss)</b>	<b>\$ (144,566)</b>	<b>\$ (166,571)</b>	<b>\$ (192,835)</b>	<b>\$ (231,632)</b>	<b>\$ (38,797)</b>	<b>20.1%</b>	

## 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 62,754	\$ 33,747	\$ 30,000	\$ 35,000	\$ 5,000	16.7%
<b>Total Revenues</b>	<b>\$ 86,475</b>	<b>\$ 33,747</b>	<b>\$ 30,000</b>	<b>\$ 35,000</b>	<b>\$ 5,000</b>	<b>16.7%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 143,518	\$ 88,236	\$ 95,313	\$ 98,543	\$ 3,230	3.4%
Supplies	4,387	2,910	4,000	4,250	250	6.3%
Services & Charges	107,226	55,011	51,569	56,000	4,431	8.6%
Miscellaneous Expenses	170	170	200	200	-	0.0%
<b>Total Expenditures</b>	<b>\$ 255,301</b>	<b>\$ 146,327</b>	<b>\$ 151,082</b>	<b>\$ 158,993</b>	<b>\$ 7,911</b>	<b>5.2%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (168,826)</b>	<b>\$ (112,580)</b>	<b>\$ (121,082)</b>	<b>\$ (123,993)</b>	<b>\$ (2,911)</b>	<b>2.4%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 6,591	\$ 6,800	\$ 6,600	\$ 6,600	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 6,591</b>	<b>\$ 6,800</b>	<b>\$ 6,600</b>	<b>\$ 6,600</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Supplies	\$ 2,853	\$ 2,144	\$ 3,750	\$ 3,750	\$ -	0.0%
Services & Charges	31,138	30,554	31,330	32,330	1,000	3.2%
<b>Total Expenditures</b>	<b>\$ 33,990</b>	<b>\$ 32,698</b>	<b>\$ 35,080</b>	<b>\$ 36,080</b>	<b>\$ 1,000</b>	<b>2.9%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (27,399)</b>	<b>\$ (25,898)</b>	<b>\$ (28,480)</b>	<b>\$ (29,480)</b>	<b>\$ (1,000)</b>	<b>3.5%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Supplies	\$ 2,080	\$ 2,422	\$ 3,300	\$ 3,300	\$ -	0.0%
Services & Charges	223,983	231,398	244,465	254,408	9,943	4.1%
Miscellaneous Expenses	100	100	100	100	-	0.0%
<b>Total Expenditures</b>	<b>\$ 226,163</b>	<b>\$ 233,920</b>	<b>\$ 247,865</b>	<b>\$ 257,808</b>	<b>\$ 9,943</b>	<b>4.0%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (226,163)</b>	<b>\$ (233,920)</b>	<b>\$ (247,865)</b>	<b>\$ (257,808)</b>	<b>\$ (9,943)</b>	<b>4.0%</b>

## 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 328,926	\$ 310,928	\$ 313,000	\$ 313,000	\$ -	0.0%
Miscellaneous Revenues	3,000	2,700	2,000	2,500	500	25.0%
<b>Total Revenues</b>	<b>\$ 331,926</b>	<b>\$ 313,628</b>	<b>\$ 315,000</b>	<b>\$ 315,500</b>	<b>\$ 500</b>	<b>0.2%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 330,845	\$ 290,366	\$ 299,629	\$ 299,904	\$ 275	0.1%
Supplies	83,835	72,379	93,250	92,750	(500)	-0.5%
Services & Charges	53,892	57,607	73,153	80,130	6,977	9.5%
Miscellaneous Expenses	720	790	1,050	1,050	-	0.0%
<b>Total Expenditures</b>	<b>\$ 469,293</b>	<b>\$ 421,143</b>	<b>\$ 467,082</b>	<b>\$ 473,834</b>	<b>\$ 6,752</b>	<b>1.4%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (137,367)</b>	<b>\$ (107,515)</b>	<b>\$ (152,082)</b>	<b>\$ (158,334)</b>	<b>\$ (6,252)</b>	<b>4.1%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 126,412	\$ 114,840	\$ 103,150	\$ 103,150	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 126,412</b>	<b>\$ 114,840</b>	<b>\$ 103,150</b>	<b>\$ 103,150</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 83,701	\$ 96,853	\$ 99,991	\$ 103,675	\$ 3,684	3.7%
Supplies	17,210	22,753	16,875	27,275	10,400	61.6%
Services & Charges	42,507	30,597	35,861	25,900	(9,961)	-27.8%
Miscellaneous Expenses	465	154	350	350	-	0.0%
<b>Total Expenditures</b>	<b>\$ 143,883</b>	<b>\$ 150,357</b>	<b>\$ 153,077</b>	<b>\$ 157,200</b>	<b>\$ 4,123</b>	<b>2.7%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (17,471)</b>	<b>\$ (35,517)</b>	<b>\$ (49,927)</b>	<b>\$ (54,050)</b>	<b>\$ (4,123)</b>	<b>8.3%</b>

### 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Intergovernmental	\$ 20,446	\$ 27,445	\$ 26,200	\$ 26,200	\$ -	0.0%
Charges for Services	87,019	93,017	100,000	207,000	107,000	107.0%
Miscellaneous Revenues	22,507	28,608	7,000	7,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 129,971</b>	<b>\$ 149,070</b>	<b>\$ 133,200</b>	<b>\$ 240,200</b>	<b>\$ 107,000</b>	<b>80.3%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 30,906	\$ 38,471	\$ 43,240	\$ 50,518	\$ 7,278	16.8%
Supplies	12,366	7,548	11,900	111,900	100,000	840.3%
Services & Charges	56,734	70,991	52,170	62,520	10,350	19.8%
Miscellaneous Expenses	20,539	20,334	21,950	23,950	2,000	9.1%
<b>Total Expenditures</b>	<b>\$ 120,545</b>	<b>\$ 137,345</b>	<b>\$ 129,260</b>	<b>\$ 248,888</b>	<b>\$ 119,628</b>	<b>92.5%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ 9,426</b>	<b>\$ 11,726</b>	<b>\$ 3,940</b>	<b>\$ (8,688)</b>	<b>\$ (12,628)</b>	<b>-320.5%</b>

## 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 5.8% for 2025 operations. Other revenue includes the Local Government Aid (LGA), transfers from Enterprise Funds and the PILOT payment from Hutchinson Utilities.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Taxes	\$ 5,600,340	\$ 5,862,753	\$ 6,370,436	\$ 6,741,034	\$ 370,598	5.8%
Other Taxes	341,670	324,575	330,000	320,000	(10,000)	-3.0%
Licenses & Permits	42,159	41,762	38,500	40,425	1,925	5.0%
Intergovernmental	1,334,386	1,350,572	1,548,963	1,551,734	2,771	0.2%
Charges for Services	12,238	10,881	12,500	12,500	-	0.0%
Miscellaneous Revenues	(52,564)	348,820	145,000	145,000	-	0.0%
Transfers-In	2,710,192	2,724,536	2,812,628	2,812,628	-	0.0%
<b>Total Revenues</b>	<b>\$ 9,988,420</b>	<b>\$ 10,663,899</b>	<b>\$ 11,258,027</b>	<b>\$ 11,623,321</b>	<b>\$ 365,294</b>	<b>3.2%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ 9,988,420</b>	<b>\$ 10,663,899</b>	<b>\$ 11,258,027</b>	<b>\$ 11,623,321</b>	<b>\$ 365,294</b>	<b>3.2%</b>

### 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 2025 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 2025 budget includes a \$25,000 increase to the vehicle replacement funding.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Intergovernmental	\$ 127,954	\$ 142,926	\$ 142,925	\$ 162,393	\$ 19,468	13.6%
Miscellaneous Revenues	59,036	35,230	43,800	43,800	-	0.0%
<b>Total Revenues</b>	<b>\$ 186,990</b>	<b>\$ 178,156</b>	<b>\$ 186,725</b>	<b>\$ 206,193</b>	<b>\$ 19,468</b>	<b>10.4%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 194,229	\$ 207,926	\$ 207,925	\$ 227,393	\$ 19,468	9.4%
Services & Charges	207,426	218,518	222,200	215,300	(6,900)	-3.1%
Miscellaneous Expenses	664,900	303,409	311,500	308,970	(2,530)	-0.8%
Transfers-Out	-	375,000	400,000	425,000	25,000	6.3%
<b>Total Expenditures</b>	<b>\$ 1,066,556</b>	<b>\$ 1,104,853</b>	<b>\$ 1,141,625</b>	<b>\$ 1,176,663</b>	<b>\$ 35,038</b>	<b>3.1%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (879,565)</b>	<b>\$ (926,697)</b>	<b>\$ (954,900)</b>	<b>\$ (970,470)</b>	<b>\$ (15,570)</b>	<b>1.6%</b>

## General Fund - Five Year Forecast

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

The current five-year forecast indicates that tax levy increases of 5.8% to 7.7% may be needed to balance expenditures in future years. The City can mitigate those levy increases with increases to other revenue sources and/or by holding or reducing 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 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030
<b>REVENUES:</b>						
Taxes	\$ 6,741,034	\$ 7,150,506	\$ 7,649,762	\$ 8,235,849	\$ 8,787,209	\$ 9,405,517
Other Taxes	320,000	321,300	322,613	323,939	325,278	326,631
Licenses & Permits	415,725	415,725	415,725	415,725	415,725	415,725
Intergovernmental Revenue	2,166,525	2,171,866	2,177,260	2,182,709	2,188,212	2,193,770
Charges for Services	2,816,417	2,835,032	2,890,427	2,947,680	3,006,883	3,068,119
Fines & Forfeitures	55,000	55,000	55,000	55,000	55,000	55,000
Miscellaneous Revenues	382,400	386,476	390,634	394,874	399,200	403,611
Transfers-In	2,812,628	2,851,481	2,891,111	2,931,533	2,972,764	3,014,819
<b>TOTAL REVENUES</b>	<b>\$ 15,709,729</b>	<b>\$ 16,187,386</b>	<b>\$ 16,792,532</b>	<b>\$ 17,487,309</b>	<b>\$ 18,150,271</b>	<b>\$ 18,883,192</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 10,542,600	\$ 10,956,773	\$ 11,446,941	\$ 12,010,911	\$ 12,552,867	\$ 13,173,593
Supplies	1,218,850	1,244,727	1,266,212	1,298,378	1,320,944	1,354,418
Services & Charges	3,022,832	3,030,375	3,095,550	3,163,811	3,233,815	3,307,040
Miscellaneous Expenses	379,905	383,764	385,865	390,015	392,209	396,451
Transfers-Out	545,542	571,747	597,964	624,194	650,436	651,690
<b>TOTAL EXPENDITURES</b>	<b>\$ 15,709,729</b>	<b>\$ 16,187,386</b>	<b>\$ 16,792,532</b>	<b>\$ 17,487,309</b>	<b>\$ 18,150,271</b>	<b>\$ 18,883,192</b>
<b>NET REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Estimated Tax Levy % Increase</b>	<b>5.8%</b>	<b>6.3%</b>	<b>7.0%</b>	<b>7.7%</b>	<b>6.7%</b>	<b>7.0%</b>
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Estimated Prior Year Fund Balance	8,625,230	8,939,230	9,262,930	9,598,830	9,948,530	10,311,530
Estimated Surplus (2%)	314,000	323,700	335,900	349,700	363,000	377,700
Estimated Fund Balance	8,939,230	9,262,930	9,598,830	9,948,530	10,311,530	10,689,230
<b>Fund Balance %</b>	<b>55.2%</b>	<b>55.2%</b>	<b>54.9%</b>	<b>54.8%</b>	<b>54.6%</b>	<b>54.4%</b>
<i>City Policy: 40% Working Capital</i>	<i>6,474,954</i>	<i>6,717,013</i>	<i>6,994,924</i>	<i>7,260,108</i>	<i>7,553,277</i>	<i>7,855,408</i>
<i>Public Emergencies/Levy 10%</i>	<i>1,618,739</i>	<i>1,679,253</i>	<i>1,748,731</i>	<i>1,815,027</i>	<i>1,888,319</i>	<i>1,963,852</i>
<b>Excess Over 50% Minimum</b>	<b>845,537</b>	<b>866,664</b>	<b>855,175</b>	<b>873,395</b>	<b>869,934</b>	<b>869,970</b>



2025 Annual Budget

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# Enterprise Funds

# Enterprise Funds - 2025 Budget Summary

	Total	Liquor	Compost	Refuse	Water	Wastewater	Storm Water
<b>REVENUES:</b>							
Sales Revenue	19,469,000	7,899,000	2,372,500	1,507,700	2,601,000	3,896,800	1,192,000
Local Sales Tax	1,980,000	-	-	-	990,000	990,000	-
Licenses & Permits	12,000	-	-	-	-	6,000	6,000
Intergovernmental Revenue	4,500	-	-	4,500	-	-	-
Charges for Services	212,000	-	107,000	-	100,000	5,000	-
Miscellaneous Revenue	547,800	10,500	72,000	50,000	162,500	226,000	26,800
Transfers-In	50,000	-	-	-	-	-	50,000
<b>TOTAL REVENUES</b>	<b>22,275,300</b>	<b>7,909,500</b>	<b>2,551,500</b>	<b>1,562,200</b>	<b>3,853,500</b>	<b>5,123,800</b>	<b>1,274,800</b>
<b>EXPENDITURES:</b>							
Wages & Benefits	4,189,711	936,298	897,840	349,221	702,663	990,321	313,368
Supplies	789,000	25,500	126,850	45,000	253,900	289,400	48,350
Services & Charges	3,360,695	312,270	308,390	1,032,135	556,490	895,390	256,020
Miscellaneous Expenses	77,000	6,500	13,500	2,500	15,500	33,000	6,000
Depreciation Expense	3,095,000	58,000	290,000	172,000	1,120,000	1,200,000	255,000
Debt Service	3,024,563	-	73,808	-	1,150,228	1,614,347	186,180
Transfers-Out	975,000	550,000	120,000	105,000	90,000	110,000	-
Capital Outlay	6,054,259	45,000	305,000	35,000	1,388,812	3,721,629	558,818
Cost of Sales	6,870,950	5,983,000	887,950	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>28,436,178</b>	<b>7,916,568</b>	<b>3,023,338</b>	<b>1,740,856</b>	<b>5,277,593</b>	<b>8,854,087</b>	<b>1,623,736</b>
<b>NET REVENUE / (LOSS)</b>	<b>(6,160,878)</b>	<b>(7,068)</b>	<b>(471,838)</b>	<b>(178,656)</b>	<b>(1,424,093)</b>	<b>(3,730,287)</b>	<b>(348,936)</b>

## Reconciliation to Cash:

Net Revenue	(6,160,878)	(7,068)	(471,838)	(178,656)	(1,424,093)	(3,730,287)	(348,936)
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	70,325	-	70,325	-	-	-	-
<b>Annual Cash Flow</b>	<b>(2,995,553)</b>	<b>50,932</b>	<b>(111,513)</b>	<b>(6,656)</b>	<b>(304,093)</b>	<b>(2,530,287)</b>	<b>(93,936)</b>
Add: Transfers-Out	975,000	550,000	120,000	105,000	90,000	110,000	-
Add: Capital Expenditures	6,054,259	45,000	305,000	35,000	1,388,812	3,721,629	558,818
<b>Cash Provided by Operations</b>	<b>4,033,706</b>	<b>645,932</b>	<b>313,487</b>	<b>133,344</b>	<b>1,174,719</b>	<b>1,301,342</b>	<b>464,882</b>

# 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 2025**

- Sales revenue is expected to increase 2.5% from the 2024 budgeted assumption as city staff expects a same or similar year to 2024.
- Cost of Sales is the largest expenditure and is based on the level of sales revenue, factoring in a budgeted gross margin of 24.3% for 2025.
- The Transfer-Out expenditure is the Liquor fund's transfer of excess profits to the General fund. The 2025 General fund tax levy is approximately 9% lower because of the Liquor store's profits.
- Capital Outlay includes two projects for 2025. A new refrigeration system for the import beer cooler (\$25,000) and new flooring in the wine area (\$20,000).

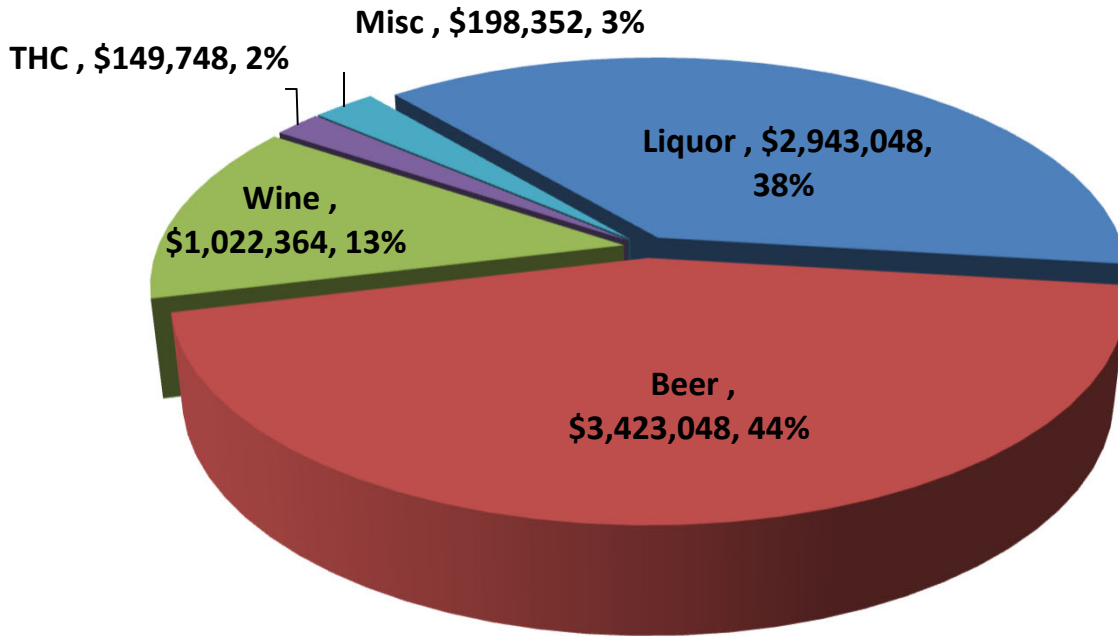
	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Sales - Liquor	2,692,467	2,834,110	2,907,000	3,017,000	110,000	3.8%
Sales - Beer	3,421,423	3,422,898	3,495,000	3,492,000	(3,000)	-0.1%
Sales - Wine	999,725	1,015,528	1,030,000	1,038,000	8,000	0.8%
Sales - THC Products	-	33,083	72,000	150,000	78,000	108.3%
Sales - Other	184,688	201,508	204,000	202,000	(2,000)	-1.0%
<b>Total Sales</b>	<b>7,298,303</b>	<b>7,507,128</b>	<b>7,708,000</b>	<b>7,899,000</b>	<b>191,000</b>	<b>2.5%</b>
Miscellaneous Revenue	16,980	10,694	10,500	10,500	-	0.0%
<b>TOTAL REVENUES</b>	<b>7,315,282</b>	<b>7,517,822</b>	<b>7,718,500</b>	<b>7,909,500</b>	<b>191,000</b>	<b>2.5%</b>
<b>EXPENDITURES:</b>						
Cost of Sales	5,516,884	5,684,338	5,852,000	5,983,000	131,000	2.2%
Wages & Benefits	841,572	874,415	924,229	936,298	12,069	1.3%
Supplies	23,069	28,211	25,500	25,500	-	0.0%
Services & Charges	311,783	281,105	308,150	312,270	4,120	1.3%
Miscellaneous Expenses	6,073	5,965	6,500	6,500	-	0.0%
Depreciation Expense	72,966	61,566	58,000	58,000	-	0.0%
Capital Outlay	-	-	100,000	45,000	(55,000)	-55.0%
Transfers-Out	550,000	550,000	550,000	550,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>7,322,347</b>	<b>7,485,600</b>	<b>7,824,379</b>	<b>7,916,568</b>	<b>92,189</b>	<b>1.2%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(7,064)</b>	<b>32,222</b>	<b>(105,879)</b>	<b>(7,068)</b>	<b>98,811</b>	

## **Reconciliation of Net Revenue to Cash:**

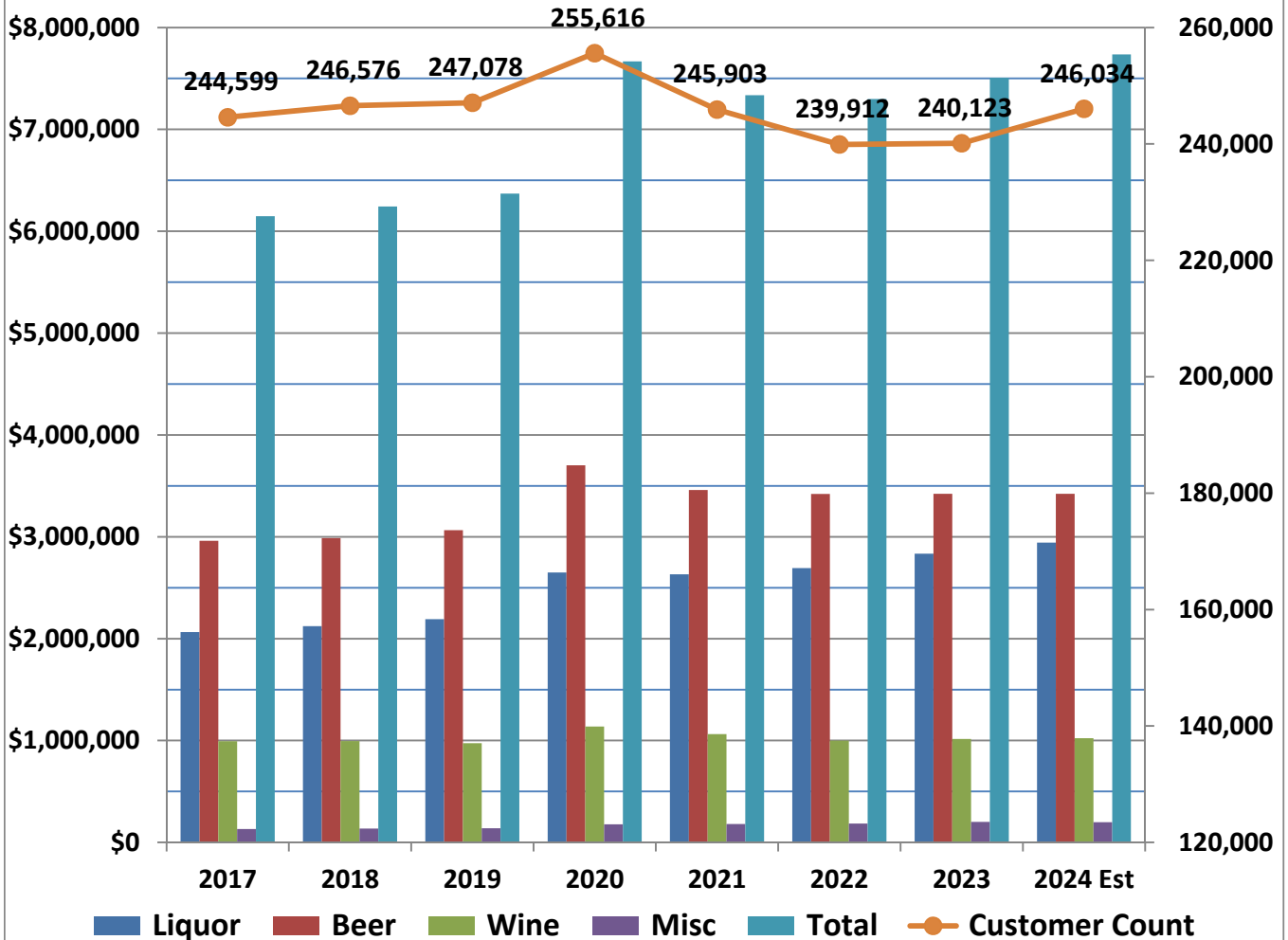
Add:	Depreciation (non-cash expense)	58,000	58,000
<b>Net Change in Cash for the Year</b>		<b>(47,879)</b>	<b>50,932</b>
Add:	Capital Outlay	100,000	45,000
	Transfers-Out	550,000	550,000
<b>Cash Provided by Operations</b>		<b>602,121</b>	<b>645,932</b>



## 2024 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 2025

- The 2025 production model assumes a slight decrease in the sale of bagged product and a 53.8% decrease in the sale of bulk product. The significant decrease in bulk sales is due to the bitcon inventory being depleted in late 2024 and will not be replenished until late 2025. 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 2025 includes site improvements for finished bulk storage (\$150,000), improvements to the bagging line equipment (\$100,000) and a used flat-bed trailer (\$25,000).
- The Transfer-Out expenditure is the Compost fund's transfer of excess profits to the General fund.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Sales - Bagged Product	2,209,612	2,037,531	2,059,250	2,042,750	(16,500)	-0.8%
Sales - Bulk Product	352,783	177,247	365,500	169,000	(196,500)	-53.8%
Sales - Other	333,784	150,249	195,550	160,750	(34,800)	-17.8%
<b>Total Sales</b>	<b>2,896,178</b>	<b>2,365,027</b>	<b>2,620,300</b>	<b>2,372,500</b>	<b>(247,800)</b>	<b>-9.5%</b>
Charges for Services	112,477	111,156	95,500	107,000	11,500	12.0%
Miscellaneous Revenue	952	166,770	52,000	72,000	20,000	38.5%
<b>TOTAL REVENUES</b>	<b>3,009,607</b>	<b>2,642,953</b>	<b>2,767,800</b>	<b>2,551,500</b>	<b>(216,300)</b>	<b>-7.8%</b>
<b>EXPENDITURES:</b>						
Cost of Sales	2,017,339	1,669,505	1,759,400	1,591,200	(168,200)	-9.6%
Inventory Cost Adjustment	(745,243)	(616,934)	(703,528)	(703,250)	278	0.0%
Wages & Benefits	770,578	799,377	888,535	897,840	9,305	1.0%
Supplies	146,582	124,509	149,500	126,850	(22,650)	-15.2%
Services & Charges	309,342	308,373	287,500	308,390	20,890	7.3%
Miscellaneous Expenses	12,640	10,740	13,500	13,500	-	0.0%
Depreciation Expense	280,378	272,543	290,000	290,000	-	0.0%
Capital Outlay	-	-	197,000	305,000	108,000	54.8%
Debt Service	6,897	4,898	73,808	73,808	-	0.0%
Transfers-Out	120,000	120,000	120,000	120,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>2,918,515</b>	<b>2,693,011</b>	<b>3,075,715</b>	<b>3,023,338</b>	<b>(52,377)</b>	<b>-1.7%</b>
<b>NET REVENUE / (LOSS)</b>	<b>91,092</b>	<b>(50,058)</b>	<b>(307,915)</b>	<b>(471,838)</b>	<b>(163,923)</b>	

## Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	290,000	290,000
	Cost of Goods Markup (non-cash adjustment)	70,353	70,325
<b>Net Change in Cash for the Year</b>		<b>52,438</b>	<b>(111,513)</b>
Add:	Capital Outlay	197,000	305,000
	Transfers-Out	120,000	120,000
<b>Cash Provided by Operations</b>		<b>369,438</b>	<b>313,487</b>

# 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 2025

- The 2025 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 was in 2024 (6%).
- The refuse hauling contract is the largest expenditure in this fund and is budgeted at \$653,400 for 2025. 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 April 30, 2028.
- The cost to dispose an estimated 3,123 tons of waste material at the local landfill is budgeted for 2025 at \$265,650. This includes the weekly residential refuse material in addition to the hard goods pick-up, which is done twice each year.
- Capital Outlay for 2025 consists of a new vehicle estimated at \$35,000.
- The Transfer-Out includes \$50,000 to the Storm Water fund to help fund a new leaf vacuum and \$55,000 to the Tree Disease Mitigation fund, which 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Refuse Sales	1,331,179	1,352,058	1,398,100	1,507,700	109,600	7.8%
Intergovernmental Revenue	39,686	44,553	21,500	4,500	(17,000)	-79.1%
Miscellaneous Revenue	(8,337)	85,771	30,000	50,000	20,000	66.7%
<b>TOTAL REVENUES</b>	<b>1,362,528</b>	<b>1,482,381</b>	<b>1,449,600</b>	<b>1,562,200</b>	<b>112,600</b>	<b>7.8%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	217,418	269,847	337,416	349,221	11,805	3.5%
Supplies	49,511	49,676	60,750	45,000	(15,750)	-25.9%
Services & Charges	887,223	961,068	969,000	1,032,135	63,135	6.5%
Miscellaneous Expenses	253	5,646	1,150	2,500	1,350	117.4%
Depreciation Expense	139,251	136,285	172,000	172,000	-	0.0%
Capital Outlay	-	-	817,500	35,000	(782,500)	-95.7%
Transfers-Out	55,000	55,000	55,000	105,000	50,000	90.9%
<b>TOTAL EXPENDITURES</b>	<b>1,348,655</b>	<b>1,477,522</b>	<b>2,412,816</b>	<b>1,740,856</b>	<b>(671,960)</b>	<b>-27.8%</b>
<b>NET REVENUE / (LOSS)</b>	<b>13,873</b>	<b>4,859</b>	<b>(963,216)</b>	<b>(178,656)</b>	<b>784,560</b>	

## Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	172,000	172,000
<b>Net Change in Cash for the Year</b>		<b>(791,216)</b>	<b>(6,656)</b>
Add:	Capital Outlay	817,500	35,000
	Transfers-Out	55,000	105,000
<b>Cash Provided by Operations</b>		<b>81,284</b>	<b>133,344</b>

# Refuse Fund - Summary of Landfill Activity

## Tonnage Summary:

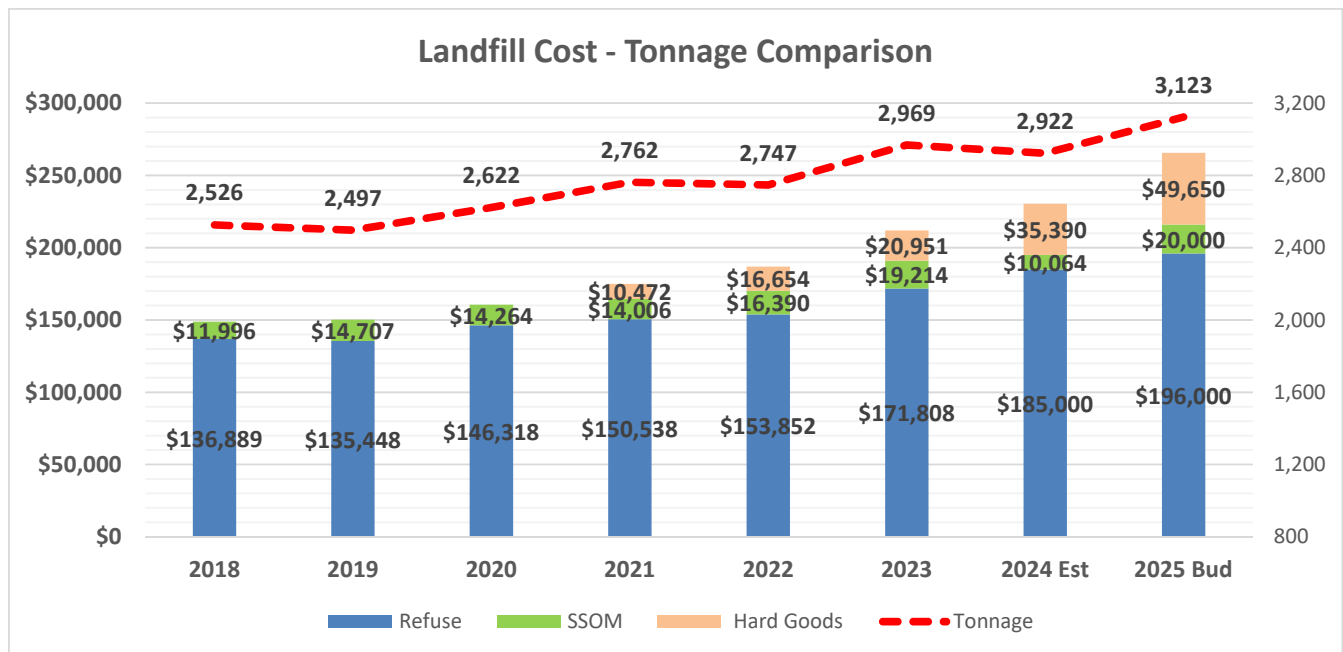
	Refuse	SSOM	Hard Goods	Total
2018	2,316	210		2,526
2019	2,251	246		2,497
2020	2,385	237		2,622
2021	2,409	224	129	2,762
2022	2,402	225	120	2,747
2023	2,597	249	123	2,969
2024 Est	2,664	130	128	2,922
2025 Bud	2,743	250	130	3,123

## Cost Summary:

	Refuse	SSOM	Hard Goods	Total
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	\$171,808	\$19,214	\$20,951	\$211,973
2024 Est	\$185,000	\$10,064	\$35,390	\$230,454
2025 Bud	\$196,000	\$20,000	\$49,650	\$265,650

## Cost per Ton:

	Refuse	SSOM	Hard Goods	Total
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		\$125.02
2022	\$64.05	\$72.84	\$138.78	\$275.68
2023	\$66.16	\$77.16	\$170.33	\$313.66
2024 Est	\$69.44	\$77.42	\$276.48	\$423.34
2025 Bud	\$71.45	\$80.00	\$381.92	\$533.38



# 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 2025

- 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 2025 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, which charges higher water rates for landscaping irrigation.
- Capital Outlay for 2025 includes \$450,000 for the multi-year water meter replacement project. This is the third of a four-year project with similar expenditure amounts each year. Replacement of an RO Membrane is budgeted at \$400,000 and rehabilitation and recovery treatment is planned for city well #6 for \$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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Local Sales Tax	973,765	1,043,759	1,057,000	990,000	(67,000)	-6.3%
Water Sales	2,488,421	2,667,005	2,681,000	2,601,000	(80,000)	-3.0%
Charges for Services	81,527	84,800	88,668	100,000	11,332	12.8%
Miscellaneous Revenue	12,678	227,987	114,500	162,500	48,000	41.9%
Fund Balance	21,772	216,362	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>3,578,163</b>	<b>4,239,913</b>	<b>3,941,168</b>	<b>3,853,500</b>	<b>(87,668)</b>	<b>-2.2%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	564,614	586,085	631,441	702,663	71,222	11.3%
Supplies	210,087	281,726	244,225	253,900	9,675	4.0%
Services & Charges	452,236	471,443	599,400	556,490	(42,910)	-7.2%
Miscellaneous Expenses	1,101	12,908	13,500	15,500	2,000	14.8%
Depreciation Expense	1,112,756	1,080,179	1,120,000	1,120,000	-	0.0%
Debt Service	148,885	116,468	1,366,550	1,150,228	(216,322)	-15.8%
Capital Outlay	-	-	982,310	1,388,812	406,502	41.4%
Transfers-Out	278,836	461,515	90,000	90,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>2,768,515</b>	<b>3,010,324</b>	<b>5,047,426</b>	<b>5,277,593</b>	<b>230,167</b>	<b>4.6%</b>
<b>NET REVENUE / (LOSS)</b>	<b>809,648</b>	<b>1,229,588</b>	<b>(1,106,258)</b>	<b>(1,424,093)</b>	<b>(317,835)</b>	

## Reconciliation of Net Revenue to Cash:

Add:	Depreciation (non-cash expense)	1,120,000	1,120,000
<b>Net Change in Cash for the Year</b>		<b>13,742</b>	<b>(304,093)</b>
Add:	Capital Outlay	982,310	1,388,812
	Transfers-Out	90,000	90,000
<b>Cash Provided by Operations</b>		<b>1,086,052</b>	<b>1,174,719</b>

# 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 2025**

- 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 2025 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.
- Capital Outlay for 2025 includes a major improvement project to biosolid processing, estimated at \$1,770,000. Lift station improvements are budgeted at \$375,000 and sewer lining at \$300,000. 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 Wastewater system infrastructure installed during the annual street improvement process. These transfers are budgeted as Capital Outlay.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Local Sales Tax	973,765	836,888	815,000	990,000	175,000	21.5%
Wastewater Sales	3,362,121	4,094,470	3,906,500	3,896,800	(9,700)	-0.2%
Licenses & Permits	6,000	5,800	6,000	6,000	-	0.0%
Charges for Services	11,190	3,340	7,500	5,000	(2,500)	-33.3%
Miscellaneous Revenue	58,818	474,596	176,000	226,000	50,000	28.4%
Fund Balance	-	30,909	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>4,411,895</b>	<b>5,446,003</b>	<b>4,911,000</b>	<b>5,123,800</b>	<b>212,800</b>	<b>4.3%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	776,012	760,379	892,971	990,321	97,350	10.9%
Supplies	263,400	220,295	297,600	289,400	(8,200)	-2.8%
Services & Charges	665,391	893,623	840,650	895,390	54,740	6.5%
Miscellaneous Expenses	26,863	28,987	36,000	33,000	(3,000)	-8.3%
Depreciation Expense	1,082,548	1,038,117	1,200,000	1,200,000	-	0.0%
Debt Service	240,849	206,719	1,609,355	1,614,347	4,993	0.3%
Capital Outlay	-	-	2,410,249	3,721,629	1,311,380	54.4%
Transfers-Out	188,893	90,580	110,000	110,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>3,243,957</b>	<b>3,238,701</b>	<b>7,396,825</b>	<b>8,854,087</b>	<b>1,457,263</b>	<b>19.7%</b>
<b>NET REVENUE / (LOSS)</b>	<b>1,167,938</b>	<b>2,207,302</b>	<b>(2,485,825)</b>	<b>(3,730,287)</b>	<b>(1,244,463)</b>	

## **Reconciliation of Net Revenue to Cash:**

Add:	Depreciation (non-cash expense)	1,200,000	1,200,000
<b>Net Change in Cash for the Year</b>		<b>(1,285,825)</b>	<b>(2,530,287)</b>
Add:	Capital Outlay	2,410,249	3,721,629
	Transfers-Out	110,000	110,000
<b>Cash Provided by Operations</b>		<b>1,234,425</b>	<b>1,301,342</b>

# 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 2025

- The 2025 budget includes an 8.0% increase in storm water utility rates to address increasing pond maintenance costs in addition to storm water infrastructure projects.
- 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 2025 a new leaf vacuum estimated at \$136,000, with the Refuse fund contributing \$50,000 to that purchase via the Transfer-In revenue within this budget. Drainage and pond improvements are budgeted at \$344,500. 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Storm Water Sales	1,038,768	1,072,500	1,100,500	1,192,000	91,500	8.3%
Licenses & Permits	8,515	7,331	5,500	6,000	500	9.1%
Miscellaneous Revenue	13,301	60,801	26,300	26,800	500	1.9%
Transfers-In	-	-	-	50,000	50,000	0.0%
Fund Balance	87,088	896,357	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>1,147,673</b>	<b>2,036,988</b>	<b>1,132,300</b>	<b>1,274,800</b>	<b>142,500</b>	<b>12.6%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	297,402	301,590	311,298	313,368	2,070	0.7%
Supplies	45,563	31,013	51,350	48,350	(3,000)	-5.8%
Services & Charges	103,092	288,278	223,375	256,020	32,645	14.6%
Miscellaneous Expenses	9,560	2,778	6,000	6,000	-	0.0%
Depreciation Expense	237,044	248,748	255,000	255,000	-	0.0%
Debt Service	43,943	37,199	187,480	186,180	(1,300)	-0.7%
Capital Outlay	-	-	467,145	558,818	91,673	19.6%
Transfers-Out	771,820	194,568	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>1,508,424</b>	<b>1,104,173</b>	<b>1,501,648</b>	<b>1,623,736</b>	<b>122,088</b>	<b>8.1%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(360,751)</b>	<b>932,815</b>	<b>(369,348)</b>	<b>(348,936)</b>	<b>20,412</b>	

## Reconciliation of Net Revenue to Cash:

Add: Depreciation (non-cash expense)	255,000	255,000
<b>Net Change in Cash for the Year</b>	<b>(114,348)</b>	<b>(93,936)</b>
Add: Capital Outlay	467,145	558,818
<b>Cash Provided by Operations</b>	<b>352,797</b>	<b>464,882</b>



2025 Annual Budget

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## Other Governmental Funds



## Other Governmental Funds - 2025 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
<b>REVENUES:</b>							
Property Taxes	2,547,379	-	2,547,379	-	-	-	-
Special Assessments	285,145	80,000	205,145	-	-	-	-
Intergovernmental Revenue	4,431,186	4,051,734	-	165,000	214,452	-	-
Charges for Services	464,000	80,000	-	-	374,000	10,000	-
Miscellaneous Revenue	342,200	220,000	50,000	200	47,000	10,000	15,000
Transfers-In	1,454,542	1,179,000	100,000	-	120,542	-	55,000
Bond Proceeds	3,115,000	3,115,000	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>12,639,452</b>	<b>8,725,734</b>	<b>2,902,524</b>	<b>165,200</b>	<b>755,994</b>	<b>20,000</b>	<b>70,000</b>
<b>EXPENDITURES:</b>							
Wages & Benefits	162,621	-	-	106,235	51,386	-	5,000
Supplies	504,120	11,000	-	32,620	436,500	4,000	20,000
Services & Charges	2,420,655	2,108,000	-	24,553	255,602	2,500	30,000
Miscellaneous Expenses	36,504	18,000	-	1,998	12,506	4,000	-
Debt Service	2,961,226	-	2,961,226	-	-	-	-
Bond Issuance Costs	105,000	105,000	-	-	-	-	-
Transfers-Out	105,000	105,000	-	-	-	-	-
Capital Outlay	7,038,141	7,038,141	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>13,333,267</b>	<b>9,385,141</b>	<b>2,961,226</b>	<b>165,406</b>	<b>755,994</b>	<b>10,500</b>	<b>55,000</b>
<b>NET REVENUE / (LOSS)</b>	<b>(693,815)</b>	<b>(659,407)</b>	<b>(58,702)</b>	<b>(206)</b>	<b>-</b>	<b>9,500</b>	<b>15,000</b>

# 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 2025**

- 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, less \$50,000 which is placed in the Equipment Replacement fund. The other 50% LGA is being used for General fund operations. Total LGA for 2025 was certified at \$3,103,467, or a \$5,542 increase from 2024.
- 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 2025 Capital Outlay includes \$1,415,000 for planned improvements to various facilities, \$65,000 for the Northwoods Park playground replacements and \$400,641 to fund a portion of a new fire ladder truck. See the City's 5-year Capital Plan for a full listing of planned improvements.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	3,151	3,792	-	-	-	0.0%
Intergovernmental Revenue	1,709,794	3,837,318	1,498,862	1,501,734	2,872	0.2%
Charges for Services	75,895	79,404	80,000	80,000	-	0.0%
Miscellaneous Revenue	384,925	248,003	35,000	50,000	15,000	42.9%
Transfers-In	1,337,454	-	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>3,511,219</b>	<b>4,168,517</b>	<b>1,613,862</b>	<b>1,631,734</b>	<b>17,872</b>	<b>1.1%</b>
<b>EXPENDITURES:</b>						
Supplies	37,067	28,242	10,000	10,000	-	0.0%
Services & Charges	310,574	508,484	450,000	450,000	-	0.0%
Miscellaneous Expenses	1,752	16,651	-	-	-	0.0%
Transfers-Out	63,914	60,285	5,000	5,000	-	0.0%
Capital Outlay	3,210,790	2,270,208	1,275,200	2,034,141	758,941	59.5%
<b>TOTAL EXPENDITURES</b>	<b>3,624,097</b>	<b>2,883,870</b>	<b>1,740,200</b>	<b>2,499,141</b>	<b>758,941</b>	<b>43.6%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(112,878)</b>	<b>1,284,647</b>	<b>(126,338)</b>	<b>(867,407)</b>	<b>(741,069)</b>	

# Equipment Replacement Fund

The Equipment Replacement fund accounts for the acquisitions and dispositions of General fund fleet and equipment. The Fleet Committee meets a 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 2025

- 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 2025. 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 2025 capital outlay consists of replacing the following equipment:

Parks - 1/2 ton pickup with snowplow	\$45,000
Parks - 3/4 ton pickup with snowplow	\$65,000
Public Works - Used Tandem-axle dump truck	\$75,000
Public Works - Snow Plow Truck	\$279,000
<b>Total</b>	<b>\$464,000</b>

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

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Intergovernmental Revenue	-	-	50,000	50,000	-	0.0%
Miscellaneous Revenue	39,631	179,296	90,000	90,000	-	0.0%
Transfers-In	350,000	375,000	400,000	425,000	25,000	6.3%
<b>TOTAL REVENUES</b>	<b>389,631</b>	<b>554,296</b>	<b>540,000</b>	<b>565,000</b>	<b>25,000</b>	<b>4.6%</b>
<b>EXPENDITURES:</b>						
Services & Charges	-	2,240	-	-	-	0.0%
Capital Outlay	175,772	746,062	680,000	464,000	(216,000)	-31.8%
Debt Service	55,092	-	-	-	-	0.0%
Miscellaneous Expenses	-	-	3,000	3,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>230,864</b>	<b>748,302</b>	<b>683,000</b>	<b>467,000</b>	<b>(216,000)</b>	<b>-31.6%</b>
<b>NET REVENUE / (LOSS)</b>	<b>158,767</b>	<b>(194,006)</b>	<b>(143,000)</b>	<b>98,000</b>	<b>241,000</b>	

# 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 2025.

## **Budgetary Highlights for 2025**

- 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 2025 budget assumes that \$1,000,000 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 in 2024 was due to the anticipated sale of the old police station and emergency operations properties. These two facilities were no longer needed with the new police facility that opened in 2023.
- Services & Charges includes an estimated \$1,000,000 in costs related to the lakes and river basin restoration project and \$25,000 for other needs that may arise in the year.
- There are no Transfers-In or Transfers-Out planned for 2025 within this fund. Capital Outlay of \$50,000 is planned to replace signs in various city parks.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Special Assessments	73,696	100,431	50,000	80,000	30,000	60.0%
Intergovernmental Revenue	-	215,091	500,000	1,000,000	500,000	100.0%
Miscellaneous Revenue	21,604	144,840	720,000	80,000	(640,000)	-88.9%
Transfers-In	31,420	116,551	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>126,720</b>	<b>576,913</b>	<b>1,270,000</b>	<b>1,160,000</b>	<b>(110,000)</b>	<b>-8.7%</b>
<b>EXPENDITURES:</b>						
Supplies	1,678	845	1,000	1,000	-	0.0%
Services & Charges	131,510	202,701	550,000	1,025,000	475,000	86.4%
Miscellaneous Expenses	15,000	34,119	15,000	15,000	-	0.0%
Transfers-Out	888,608	1,136,812	-	-	-	0.0%
Capital Outlay	-	-	-	50,000	50,000	0.0%
<b>TOTAL EXPENDITURES</b>	<b>1,036,796</b>	<b>1,374,477</b>	<b>566,000</b>	<b>1,091,000</b>	<b>525,000</b>	<b>92.8%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(910,076)</b>	<b>(797,564)</b>	<b>704,000</b>	<b>69,000</b>	<b>(635,000)</b>	

# 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 2025**

- The City's planned projects for 2025 include the following:
  - Hassan Street partial reconstruction
  - Dale Street partial reconstruction (South Grade Road to Roberts Road)
  - Franklin Street development project - sewer realignment
  - Franklin Street development project - 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 2025 project budget has been compiled with an estimated \$1,500,000 of MSA used for the Dale Street project.
- Transfers-In relate to the anticipated contributions from the Water, Sewer and Storm Water funds towards the utility infrastructure installed during the projects that service those funds operations.
- Services and Charges consist of the fees to engineer and administer the construction projects.
- Transfers-Out represent the fund balance being closed into the Debt Service fund. This typically occurs one year later when all projects have been finalized.
- Capital outlay consists of the actual improvement costs for the approved projects.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Bond Proceeds	2,145,132	1,450,890	2,350,000	3,115,000	765,000	32.6%
Special Assessments	-	-	-	-	-	0.0%
Intergovernmental Revenue	448,070	2,111,708	-	1,500,000	1,500,000	0.0%
Miscellaneous Revenue	(1,759)	3,138	-	-	-	0.0%
Transfers-In	1,194,130	604,474	1,364,600	754,000	(610,600)	-44.7%
<b>TOTAL REVENUES</b>	<b>3,785,573</b>	<b>4,170,210</b>	<b>3,714,600</b>	<b>5,369,000</b>	<b>1,654,400</b>	<b>44.5%</b>
<b>EXPENDITURES:</b>						
Services & Charges	-	523,134	378,200	633,000	254,800	67.4%
Transfers-Out	44,087	7,811	100,000	100,000	-	0.0%
Capital Outlay	3,095,388	2,857,941	3,279,200	4,490,000	1,210,800	36.9%
Bond Issuance Costs	49,825	63,012	57,200	105,000	47,800	83.6%
<b>TOTAL EXPENDITURES</b>	<b>3,189,300</b>	<b>3,451,898</b>	<b>3,814,600</b>	<b>5,328,000</b>	<b>1,513,400</b>	<b>39.7%</b>
<b>NET REVENUE / (LOSS)</b>	<b>596,273</b>	<b>718,312</b>	<b>(100,000)</b>	<b>41,000</b>	<b>141,000</b>	

# 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 10 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 2025**

- The property taxes levied in 2025 to repay the city's debt obligations increased 2.8% from 2024. 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 2024 Construction fund.
- There are no debt service funds to be closed in 2025 therefore there is no budgeted activity in the Transfers-Out line item. The next debt fund to be closed will not occur until 2030.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Property Taxes	2,348,252	2,409,577	2,477,487	2,547,379	69,892	2.8%
Tax Increment Taxes	-	-	-	-	-	0.0%
Special Assessments	337,623	380,608	190,762	205,145	14,383	7.5%
Miscellaneous Revenue	59,087	92,838	50,000	50,000	-	0.0%
Transfers-In	505,282	5,347	100,000	100,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>3,250,244</b>	<b>2,888,370</b>	<b>2,818,249</b>	<b>2,902,524</b>	<b>84,275</b>	<b>3.0%</b>
<b>EXPENDITURES:</b>						
Debt Service	3,356,566	2,757,642	2,818,852	2,961,226	142,374	5.1%
Transfers-Out	450,000	62,871	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>3,806,566</b>	<b>2,820,513</b>	<b>2,818,852</b>	<b>2,961,226</b>	<b>142,374</b>	<b>5.1%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(556,322)</b>	<b>67,857</b>	<b>(603)</b>	<b>(58,702)</b>	<b>(58,099)</b>	

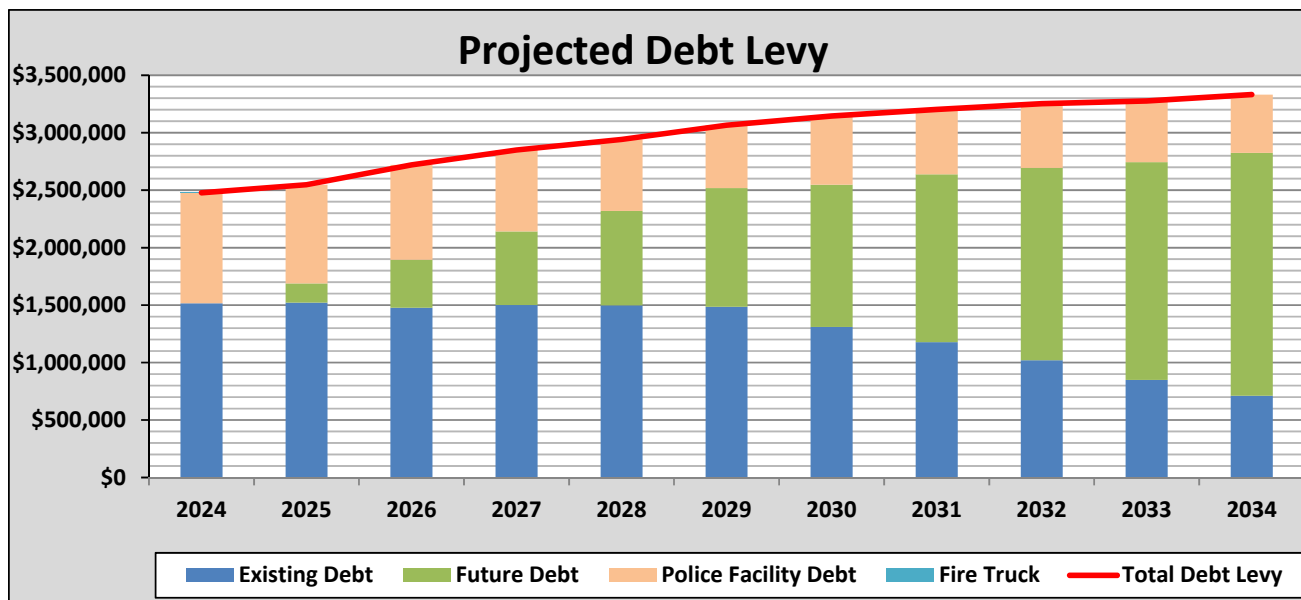
## General Obligation Bonds

### 2025 annual debt service listed by debt issue:

Debt Series	Maturity	2025 Debt Service Payments			Remaining Debt
		Interest	Principal	Total	
2014	2/1/2030	19,575	185,000	204,575	560,000
2015	2/1/2031	23,930	160,000	183,930	820,000
2016	2/1/2032	22,650	185,000	207,650	1,040,000
2017	2/1/2033	40,350	150,000	190,350	1,270,000
2018	2/1/2034	43,800	155,000	198,800	1,295,000
2019	2/1/2035	43,913	210,000	253,913	1,620,000
2020	2/1/2036	19,648	170,000	189,648	1,775,000
2021	2/1/2037	60,650	140,000	200,650	1,915,000
2022	2/1/2038	84,925	105,000	189,925	1,800,000
2023	2/1/2039	60,750	60,000	120,750	1,290,000
2024	2/1/2040	73,722	-	73,722	2,075,000
New PD	2/1/2052	327,313	620,000	947,313	9,585,000
Total		821,226	2,140,000	2,961,226	25,045,000

### Debt service requirements for existing bond issues:

	Interest	Principal	Total	Remaining Debt
2026	769,719	2,135,000	2,904,719	22,910,000
2027	699,210	2,060,000	2,759,210	20,850,000
2028	630,579	1,970,000	2,600,579	18,880,000
2029	563,210	1,935,000	2,498,210	16,945,000
2030	498,426	1,870,000	2,368,426	15,075,000
2031	438,248	1,745,000	2,183,248	13,330,000
2032	381,070	1,665,000	2,046,070	11,665,000
2033	327,953	1,470,000	1,797,953	10,195,000
2034	283,664	1,305,000	1,588,664	8,890,000
2035	247,861	1,140,000	1,387,861	7,750,000
2036	217,343	965,000	1,182,343	6,785,000
2037	193,213	830,000	1,023,213	5,955,000
2038	165,363	680,000	845,363	5,275,000
2039	141,913	535,000	676,913	4,740,000
2040	129,163	450,000	579,163	4,290,000
2041-2052	788,975	4,290,000	5,078,975	-
Total	6,475,906	25,045,000	31,520,906	



# 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 2025 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 2025**

- 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 every 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 of those in attendance. 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 hours called to rural incidents in addition to an allocation of training hours.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Intergovernmental Revenue	140,000	160,000	160,000	165,000	5,000	3.1%
Miscellaneous Revenue	52,100	8,447	200	200	-	0.0%
<b>TOTAL REVENUES</b>	<b>192,100</b>	<b>168,447</b>	<b>160,200</b>	<b>165,200</b>	<b>5,000</b>	<b>3.1%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	93,610	105,578	101,951	106,235	4,284	4.2%
Supplies	28,979	28,622	32,970	32,620	(350)	-1.1%
Services & Charges	18,770	21,192	24,503	24,553	50	0.2%
Miscellaneous Expenses	1,120	1,786	2,173	1,998	(175)	-8.1%
Capital Outlay	52,107	-	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>194,586</b>	<b>157,177</b>	<b>161,597</b>	<b>165,406</b>	<b>3,809</b>	<b>2.4%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(2,486)</b>	<b>11,269</b>	<b>(1,397)</b>	<b>(206)</b>	<b>1,191</b>	



# 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 2025**

- Intergovernmental Revenue is the State and County contributions toward the operating and capital improvement costs of the shared facility.
- Charges for Services represents the receipts from the various governmental departments utilizing the facility's refueling system.
- Transfers-In is the City's contribution from the General fund toward operating and capital improvement costs of the shared 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Intergovernmental Revenue	196,252	202,140	208,204	214,452	6,248	3.0%
Charges for Services	390,895	373,237	363,808	374,000	10,192	2.8%
Miscellaneous Revenue	28,585	52,235	47,000	47,000	-	0.0%
Transfers-In	110,313	113,622	117,031	120,542	3,511	3.0%
<b>TOTAL REVENUES</b>	<b>726,045</b>	<b>741,235</b>	<b>736,043</b>	<b>755,994</b>	<b>19,951</b>	<b>2.7%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	35,318	42,886	45,072	51,386	6,314	14.0%
Supplies	517,235	453,726	455,145	436,500	(18,645)	-4.1%
Services & Charges	147,906	156,287	176,550	255,602	79,052	44.8%
Miscellaneous Expenses	5,035	5,239	11,850	12,506	656	5.5%
Capital Outlay	20,654	-	47,426	-	(47,426)	0.0%
<b>TOTAL EXPENDITURES</b>	<b>726,148</b>	<b>658,139</b>	<b>736,043</b>	<b>755,994</b>	<b>19,951</b>	<b>2.7%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(104)</b>	<b>83,096</b>	<b>-</b>	<b>-</b>	<b>0</b>	

# 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 2025

- 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 \$25,839 at the end of 2024.

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Intergovernmental Revenue	3,500	-	-	-	-	0.0%
Charges for Services	8,240	9,890	10,000	10,000	-	0.0%
Miscellaneous Revenue	3,760	18,089	5,000	10,000	5,000	100.0%
<b>TOTAL REVENUES</b>	<b>15,500</b>	<b>27,979</b>	<b>15,000</b>	<b>20,000</b>	<b>5,000</b>	<b>33.3%</b>
<b>EXPENDITURES:</b>						
Supplies	3,873	3,204	5,000	4,000	(1,000)	-20.0%
Services & Charges	2,526	2,463	2,000	2,500	500	25.0%
Miscellaneous Expenses	4,246	3,338	4,000	4,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>10,646</b>	<b>9,005</b>	<b>11,000</b>	<b>10,500</b>	<b>(500)</b>	<b>-4.5%</b>
<b>NET REVENUE / (LOSS)</b>	<b>4,854</b>	<b>18,974</b>	<b>4,000</b>	<b>9,500</b>	<b>5,500</b>	

# 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 2025**

- Transfers-In represents the annual funding from the Refuse fund, as approved by City Council.
- Miscellaneous Revenue consists of interest earnings.
- Expenditures mainly include the cost of removing trees that are diseased, or susceptible to disease, and replacing with other tree species.
- This fund has an estimated cash balance of \$575,000 at the end of 2024.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Transfers-In	55,000	55,000	55,000	55,000	-	0.0%
Miscellaneous Revenue	(2,987)	24,161	10,000	15,000	5,000	50.0%
<b>TOTAL REVENUES</b>	<b>52,013</b>	<b>79,161</b>	<b>65,000</b>	<b>70,000</b>	<b>5,000</b>	<b>7.7%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	3,819	3,936	4,000	5,000	1,000	25.0%
Supplies	6,822	33,080	6,000	20,000	14,000	233.3%
Services & Charges	20,350	30,850	25,000	30,000	5,000	20.0%
<b>TOTAL EXPENDITURES</b>	<b>30,991</b>	<b>67,866</b>	<b>35,000</b>	<b>55,000</b>	<b>20,000</b>	<b>57.1%</b>
<b>NET REVENUE / (LOSS)</b>	<b>21,022</b>	<b>11,295</b>	<b>30,000</b>	<b>15,000</b>	<b>(15,000)</b>	



2025 Annual Budget

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## 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 2025**

- 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 2025.
- 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 2025 and is budgeted within the Dental Claims line item.
- The annual fee for the employee assistance program is estimated at \$4,500 for 2025 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 after 2022.

	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Dental Premiums	111,457	111,245	114,500	112,000	(2,500)	-2.2%
Miscellaneous Revenue	156	18,162	1,500	10,000	8,500	566.7%
<b>TOTAL REVENUES</b>	<b>111,613</b>	<b>129,407</b>	<b>116,000</b>	<b>122,000</b>	<b>6,000</b>	<b>5.2%</b>
<b>EXPENDITURES:</b>						
Dental Claims	99,917	102,529	103,000	103,000	-	0.0%
Services & Charges	4,993	4,970	5,800	5,000	(800)	-13.8%
Miscellaneous Expenses	8,491	-	2,000	2,000	-	0.0%
Transfers-Out	23,000	-	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>136,401</b>	<b>107,499</b>	<b>110,800</b>	<b>110,000</b>	<b>(800)</b>	<b>-0.7%</b>
<b>NET REVENUE / (LOSS)</b>	<b>(24,788)</b>	<b>21,909</b>	<b>5,200</b>	<b>12,000</b>	<b>6,800</b>	



**2025 Annual Budget**

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**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 1<sup>st</sup>.
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 PLANS FUNDED BY LOCAL GOVERNMENT AID

General Fund (50%)		\$1,551,733
Facility Plan (General Fund facilities)	\$800,000	
Playground Replacement Plan	\$50,000	
Miscellaneous Infrastructure Maintenance Plan	\$450,000	
Undesignated - use at council discretion	<u>\$201,733</u>	
Capital Projects Fund **		\$1,501,733
Equipment Replacement Fund (General Fund)		<u>\$50,000</u>
<b>TOTAL 2025 LGA</b>		<b>\$3,103,466</b>

### **FACILITY PLAN:**

The \$800,000 of LGA annually allocated to the Facility is intended for improvements and major repairs to our various General fund facilities, including:

- Building envelope
- Roof
- HVAC and other mechanical systems
- Interior components; flooring, windows, lighting, restrooms, counter areas, etc.
- Parking Lots and sidewalks
- ADA compliance

Also included are the many recreational facilities and amenities, including:

- Ballfields, including lights, fencing, stands, restrooms and other amenities
- Park shelters and restrooms
- Tennis and Pickleball courts
- Library pavillion
- Depot and historical Church

### **PLAYGROUND REPLACEMENT PLAN**

In 2020, the City began allocating \$50,000 per year to fund playground replacements and other improvements in the City's 41 parks. This was an unfunded issued prior to 2020. Since the start of this plan, the City has received donations totaling more than \$32,000 for various park improvements. These donations stretch the City's monies further and in many cases will likely escalate a project to take advantage of those donations.

## **MISCELLANEOUS INFRASTRUCTURE MAINTENANCE PLAN**

Funding for this plan began in 2015 to address maintenance needs of various City infrastructure (excluding Enterprise Funds), including the following:

- Alleys, roadways and streetscapes
- Sidewalks, trails, walkways, retaining walls
- Streetlight replacements
- Traffic signal maintenance
- Public parking lots
- Other miscellaneous infrastructure
- Equipment for City staff to do maintenance work rather than contracting the work at higher rates. The payback on the equipment purchases is relatively short and helps stretch the plan's dollars further.

Originally, this plan allocated a substantial amount of monies to seal coating streets every other year. Since then, the City has used other strategies to preserve roadways. Our favorable pavement management index (PCI) indicates that our actions are working.

## **EQUIPMENT REPLACEMENT FUND**

This fund accounts for the replacements and disposals of General Fund vehicles and equipment. The funding sources include an annual \$425,000 transfer from the General fund and a \$50,000 allocation of LGA. The funding has slowly been increasing from \$192,615 back in 2012 when it was cut to help with budgetary issues during the recession. The budgetary cut resulted in a severely underfunded replacement plan.

The following is a look at our current estimated average annual costs and funding need over the next 5-years and 10-years, excluding the potential replacement of the Fire ladder truck. The ladder truck is estimated to cost \$2.4M and likely will require debt. City staff will look at potential grants and city reserves as we analyze the best approach once the Fire Department has made a final recommendation on the truck.

	<b><u>5-yr CIP</u></b>	<b><u>10-yr CIP</u></b>
Light Fleet - Avg Annual Cost	\$354,600	\$434,400
Heavy Fleet - Avg Annual Cost	\$214,800	\$213,200
Total Annualized Cost	\$569,400	\$647,600
Residual Value on Disposals (10% estimate)	-\$85,400	-\$97,100
Avg Annual Funding Needed	\$484,000	\$550,500
Current Annual Funding	\$475,000	\$475,000
<b>Avg Annual Funding Shortfall</b>	<b>-\$9,000</b>	<b>-\$75,500</b>

2025 through 2029  
**Capital Improvement Plan**  
Hutchinson, MN  
**Department Summary**

Department	2025	2026	2027	2028	2029	Total
Administration	15,000					15,000
Airport	235,000		325,000		1,500,000	2,060,000
Aquatic Center	210,000					210,000
Building Inspections		40,000				40,000
Cemetery	60,000		122,000		16,000	198,000
City Center	80,000	50,000	50,000	750,000	50,000	980,000
Civic Arena		100,000			200,000	300,000
Compost	305,000	399,000	180,000	125,000		1,009,000
Engineering			43,000		70,000	113,000
Fire	695,641	811,322	824,841			2,331,804
Information Technology	73,836	41,000				114,836
Infrastructure Improvements	6,019,824	4,622,969	3,904,577	2,644,057	4,150,831	21,342,258
Library				10,000	100,000	110,000
Liquor Fund	45,000					45,000
Parks	1,125,000	2,818,000	1,055,000	449,000	122,000	5,569,000
Police	40,000	149,000	122,000	129,116	148,000	588,116
Public Works		10,300,000	100,000		150,000	10,550,000
Recreation Building	168,500		250,000		10,000	428,500
Refuse	35,000	430,000		51,500		516,500
Senior Dining				10,000	30,000	40,000
Storm Water	886,000	484,210	487,791	982,799	950,000	3,790,800
Streets	354,000	198,500	416,000	133,000	409,000	1,510,500
Wastewater	3,606,323	2,096,105	1,862,408	1,536,380	716,484	9,817,700
Water	1,220,957	1,289,539	316,604	918,601	354,904	4,100,605
<b>GRAND TOTAL</b>	<b>15,175,081</b>	<b>23,829,645</b>	<b>10,059,221</b>	<b>7,739,453</b>	<b>8,977,219</b>	<b>65,780,619</b>

2025 through 2029  
**Capital Improvement Plan**  
Hutchinson, MN  
**Projects By Department**

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
<b>Administration</b>								
New Election Equipment	ADMIN-2501	2	15,000					15,000
<b>Administration Total</b>			<b>15,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>
<b>Airport</b>								
Bi-directional Tractor	AIR-055	3			275,000			275,000
Snow Removal Equipment	AIR-2501	3			50,000			50,000
Runway Obstruction Removals	AIR-2502	4	35,000					35,000
Drainage Ditch Outlet Cleaning	AIR-2503	4	20,000					20,000
8-Unit T-Hangar	AIR-2601	3					1,500,000	1,500,000
Airport Drainage Improvements	AIR-2701	3	180,000					180,000
<b>Airport Total</b>			<b>235,000</b>	<b>0</b>	<b>325,000</b>	<b>0</b>	<b>1,500,000</b>	<b>2,060,000</b>
<b>Aquatic Center</b>								
Surge tank & major repairs	AQUA-	2	150,000					150,000
Pool re-coat	AQUA-2502	3	60,000					60,000
<b>Aquatic Center Total</b>			<b>210,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>210,000</b>
<b>Building Inspections</b>								
New vehicle - Bldg Inspector	BLDG-462	3		40,000				40,000
<b>Building Inspections Total</b>			<b>0</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,000</b>
<b>Cemetery</b>								
Fencing & Roadways	CEM 01	3	60,000		40,000			100,000
Toolcat 5600	CEMT 412	3			82,000			82,000
Cemetery mower	CEMT 898	4					16,000	16,000
<b>Cemetery Total</b>			<b>60,000</b>	<b>0</b>	<b>122,000</b>	<b>0</b>	<b>16,000</b>	<b>198,000</b>
<b>City Center</b>								
City Center Facility Analysis	C.CTR-2501	3	30,000					30,000
City Center Remodel	C.CTR-2801	3				300,000		300,000
City Center Garage	C.CTR-2802	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
<b>City Center Total</b>			<b>80,000</b>	<b>50,000</b>	<b>50,000</b>	<b>750,000</b>	<b>50,000</b>	<b>980,000</b>
<b>Civic Arena</b>								
West rink rubber floor	CA-2601	3		100,000				100,000
East Rink Insulation Resurface	CA-2901	2					200,000	200,000
<b>Civic Arena Total</b>			<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>300,000</b>

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
<b>Compost</b>								
Office Expansion	COMP-2201	2		175,000				175,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3	150,000					150,000
Bagging Line Improvements	COMP-2404	3	130,000	27,000	30,000	55,000		242,000
Flatbed Trailer (Used)	COMP-2501	4	25,000					25,000
Wheel Loader	COMP-2601	2		197,000				197,000
Forklift	COMP-2701	3			50,000			50,000
Stacking Conveyor	COMP-2702	3			100,000			100,000
Skid Loader	COMP-2801	3				70,000		70,000
<b>Compost Total</b>			<b>305,000</b>	<b>399,000</b>	<b>180,000</b>	<b>125,000</b>	<b>0</b>	<b>1,009,000</b>
<b>Engineering</b>								
GPS Trimble unit and Robot	ENGR-2901	3					70,000	70,000
1/2 ton work truck	ENGR 945	3			43,000			43,000
<b>Engineering Total</b>			<b>0</b>	<b>0</b>	<b>43,000</b>	<b>0</b>	<b>70,000</b>	<b>113,000</b>
<b>Fire</b>								
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 Ladder Truck	FD-595	2	600,641	668,822	824,841			2,094,304
SUV, command vehicle	FD-856	3		56,000				56,000
Garage door modifications	FIRE-2502	2	95,000					95,000
<b>Fire Total</b>			<b>695,641</b>	<b>811,322</b>	<b>824,841</b>	<b>0</b>	<b>0</b>	<b>2,331,804</b>
<b>Information Technology</b>								
Core Servers Upgrade	IT-2501	3	73,836					73,836
Replace Minivan	IT-670	3		41,000				41,000
<b>Information Technology Total</b>			<b>73,836</b>	<b>41,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>114,836</b>
<b>Infrastructure Improvements</b>								
2025 Street/Trail Segment Maint: M/O & Sealcoating	25-2 Const	3	906,750					906,750
Dale St SW (SGR-Roberts)	25-3 Partial	3	2,116,260					2,116,260
Hassan St (Oakland-1st Ave N)	25-4 Partial	3	2,173,265					2,173,265
Franklin Street - Sewer, Street Rehab	25-4Partial	3	589,164					589,164
Franklin Street - Pond, Bank stabilization	25-5 Pond	3	234,385					234,385
2026 Street/Trail Segment Maint: M/O & Sealcoating	26-01 Maint	3		570,000				570,000
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3		2,374,535				2,374,535
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3		322,791				322,791
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3		302,043				302,043
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3		141,246				141,246
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3		133,745				133,745
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3		140,049				140,049
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3		33,117				33,117
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3		605,443				605,443
2027 Street/Trail Segment Maint: M/O & Sealcoating	27-01 Maint	3			285,000			285,000
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3			396,662			396,662
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3			1,086,717			1,086,717
Bradford St SE (Summerset Ln - Century Ave SE)	27-3 Reclaim	3			431,868			431,868

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3			407,595			407,595
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3			591,252			591,252
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3			296,409			296,409
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3			409,074			409,074
2028 Street/Trail Segment Maint: M/O & Sealcoating	28-01 Maint	3				285,000		285,000
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3				517,991		517,991
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3				719,151		719,151
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3				163,991		163,991
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2				191,868		191,868
Southview Dr SW	28-7 Reclaim	3				272,934		272,934
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3				214,701		214,701
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3				278,421		278,421
2029 Street/Trail Segment Maint: M/O & Sealcoating	29-01 Maint	3					285,000	285,000
Edmonton Ave SE (Montreal-Jefferson)	29-11 Overlay	3					850,818	850,818
5th Ave SE (Bridge - Hwy 22)	29-1 Overlay	3					671,034	671,034
Boulder Cir SW (Dead end - Boulder St SW)	29-1 Reclaim	3					103,545	103,545
Sunset St SW (Linden-Southview)	29-2 Reclaim	3					154,967	154,967
2nd Ave SW (Franklin-Main)	29-3 Reclaim	2					139,084	139,084
McDonald Dr SW (Lakewood - School)	29-4 Reclaim	3					1,106,352	1,106,352
Grove St SW (5th-Washington)	29-5 Reclaim	3					840,031	840,031
Infrastructure Improvements Total			6,019,824	4,622,969	3,904,577	2,644,057	4,150,831	21,342,258

### Library

Library sidewalk improvements	LIB-2801	2				10,000		10,000
HVAC replacement	LIB-2901	3					100,000	100,000
Library Total			0	0	0	10,000	100,000	110,000

### Liquor Fund

New refrigeration system for import beer cooler	LIQ-2501	3	25,000					25,000
New flooring in wine area	LIQ-2502	3	20,000					20,000
Liquor Fund Total			45,000	0	0	0	0	45,000

### Parks

Gang mower replacement	PARK-024	2			21,000			21,000
Wide-area mower	PARK-082	2		100,000				100,000
1/2 Ton 4x2 Pickup	PARK-175	3				41,000		41,000
Splash Pad	PARK-2203	3		2,000,000				2,000,000
1/2 Ton 4x4 Pickup w/Snowplow (2021)	PARK-221	2	45,000					45,000
Northwoods Park - Playground Replacement	PARK-2501	3	65,000					65,000
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
Roberts Park Lighting Improvements	PARK-2509	3	800,000					800,000
Masonic West River Campground Expansion	PARK-2602	5		500,000				500,000

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
Roberts Park Concession/Restroom Building	PARK-2603	3		50,000				50,000
Irrigation at Library Square	PARK-2604	3		30,000				30,000
Masonic West River - Playground Replacement	PARK-2605	3		100,000				100,000
Parks Cold Storage	PARK-2702	3			150,000			150,000
Soil Top Dresser	PARK-2704	4			26,000			26,000
Pickleball courts	PARK-2705	4			600,000			600,000
Roberts Park Complex Perimeter Fencing	PARK-2707	4			100,000			100,000
John Deere ProGator 1600	PARK-2801	4				31,000		31,000
North Park - Playground Replacement	PARK-2802	3			100,000			100,000
Roberts Park parking lot improvements	PARK-2803	4				285,000		285,000
South Park - Playground Replacement	PARK-2804	3				20,000		20,000
Tartan Park- Playground Replacements	PARK-2901	3					40,000	40,000
Truck, 1-ton	PARK-314	3				72,000		72,000
Tractor w/cab	PARK-357	3					82,000	82,000
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	3	65,000					65,000
Truck, 1-ton snowplow	PARK-664	3			58,000			58,000
1/2 Ton 4X2 Pickup	PARK-954	4		38,000				38,000
<b>Parks Total</b>			<b>1,125,000</b>	<b>2,818,000</b>	<b>1,055,000</b>	<b>449,000</b>	<b>122,000</b>	<b>5,569,000</b>

#### Police

Replace Equinox	PD-205	3			52,000			52,000
Mill & Resurface Tarmac at Life-Fire Range	PD-2501	2	40,000					40,000
Refurbishing Live Fire House Panels	PD-2801	5				75,116		75,116
Replace Equinox	PD-480	3				54,000		54,000
SUV, Suburban #4	PD-SQ4	2		82,000				82,000
Squad car #1 replacement	PD-SQD1	2			70,000			70,000
Squad car #2 replacement	PD-SQD2	2					74,000	74,000
Squad car #5 replacement	PD-SQD5	2		67,000				67,000
Squad car #6 replacement	PD-SQD6	2					74,000	74,000
<b>Police Total</b>			<b>40,000</b>	<b>149,000</b>	<b>122,000</b>	<b>129,116</b>	<b>148,000</b>	<b>588,116</b>

#### Public Works

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 HVAC replacement	HATS-2901	3					150,000	150,000
<b>Public Works Total</b>			<b>0</b>	<b>10,300,000</b>	<b>100,000</b>	<b>0</b>	<b>150,000</b>	<b>10,550,000</b>

#### Recreation Building

HVAC replacement for Gym	REC-2501	3	150,000					150,000
New court divider curtain	REC-2502	3	18,500					18,500
Replace gym floor	REC-2701	3			250,000			250,000
Office carpet replacement	REC-2901	4					10,000	10,000
<b>Recreation Building Total</b>			<b>168,500</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>10,000</b>	<b>428,500</b>

#### Refuse

Office Expansion	REFS-2202	2		175,000				175,000
Scale Improvements & Relocation	REFS-2301	3		150,000				150,000
Mid-Size SUV	REFS-2501	3	35,000					35,000
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
<b>Refuse Total</b>			<b>35,000</b>	<b>430,000</b>	<b>0</b>	<b>51,500</b>	<b>0</b>	<b>516,500</b>

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
<b>Senior Dining</b>								
Senior Dining lighting improvements	<i>Sr Dine-2801</i>	3				10,000		10,000
HVAC replacement	<i>Sr Dine-2901</i>	3					30,000	30,000
<b>Senior Dining Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>30,000</b>	<b>40,000</b>
<b>Storm Water</b>								
SW50 Southfork Pond Improvement	<i>STWT-2403</i>	3	100,000					100,000
SW 63 Bridgewater Pond Improvement	<i>STWT-2404</i>	3		40,000				40,000
Michigan St NE area drainage improvement	<i>STWT-2501</i>	3	500,000					500,000
8th Ave NW drainage improvement	<i>STWT-2503</i>	3					75,000	75,000
Sherwood drainage improvements	<i>STWT-2601</i>	3					400,000	400,000
Bradford St SE drainage improvement	<i>STWT-2603</i>	3			121,000			121,000
Alan St Outlet Sediment Delta Removal	<i>STWT-2604</i>	3		100,000				100,000
MITGI Site Pond	<i>STWT-2605</i>	3	100,000					100,000
2026 Bobcat Tracked Skid Loader	<i>STWT-2606</i>	3		102,000				102,000
Street Infrastructure Improvements	<i>STWT-2629</i>	3		142,210	166,791	122,799	100,000	531,800
Market St Ditch Improvement	<i>STWT-2801</i>	3				800,000		800,000
Vac-All Sweeper-CB Cleaner	<i>STWT-879</i>	3					375,000	375,000
Street Infrastructure Improvements	<i>STWT-INF</i>	3	50,000	100,000	60,000	60,000		270,000
Leaf vacuum	<i>STWT-LEAF</i>	3	136,000					136,000
Leaf Vacuum	<i>STWT-LEAF2</i>	3			140,000			140,000
<b>Storm Water Total</b>			<b>886,000</b>	<b>484,210</b>	<b>487,791</b>	<b>982,799</b>	<b>950,000</b>	<b>3,790,800</b>
<b>Streets</b>								
Water St Garage Siding/Soffits	<i>STRT 003</i>	4			30,000			30,000
Asphalt Zipper milling machine	<i>STRT 074</i>	3			73,000			73,000
Roller, vibratory CP142	<i>STRT 101</i>	3					77,000	77,000
Asphalt Premix Heater w/trailer	<i>STRT 113</i>	3				55,000		55,000
1-ton 4x4 truck	<i>STRT 170</i>	3				78,000		78,000
Truck, tandem (2023)	<i>STRT 218</i>	3	75,000					75,000
Truck, single axel	<i>STRT 441</i>	3	279,000					279,000
1/2 ton pickup	<i>STRT 775</i>	3		45,000				45,000
Truck single axel	<i>STRT 781</i>	3			313,000			313,000
1-ton flatbed truck	<i>STRT 837</i>	3		84,000				84,000
Truck, single axle w/ dump	<i>STRT 894</i>	3					332,000	332,000
Tandem-axle Dump Truck (2022)	<i>STRT 972</i>	3		69,500				69,500
<b>Streets Total</b>			<b>354,000</b>	<b>198,500</b>	<b>416,000</b>	<b>133,000</b>	<b>409,000</b>	<b>1,510,500</b>
<b>Wastewater</b>								
Digester aeration & mixation rehab	<i>WWTF 22-2</i>	1	700,000					700,000
HATS LS MCC Building	<i>WWTF 22-5</i>	2	100,000					100,000
Belt press thickener 2 overhaul/replace	<i>WWTF 23-1</i>	1	800,000					800,000
Receiving/Bulk water station	<i>WWTF 23-2</i>	1		500,000				500,000
Building #90 Boiler/Controls replacement	<i>WWTF 24-1</i>	2	150,000					150,000
Belt Press Thickener #1 Overhaul/Replacement	<i>WWTF 25-11</i>	1	900,000					900,000
WW/Parks Garage Sheet Metal Replacement	<i>WWTF 25-12</i>	3	110,000					110,000
Replace Solar Field Inverters	<i>WWTF 25-13</i>	2	100,000	100,000				200,000
Roadway & Parking Lot Improvements - Phase 2	<i>WWTF 25-14</i>	3	60,000					60,000
Sewer Lining	<i>WWTF 25-16</i>	2	300,000	300,000	300,000	300,000	300,000	1,500,000
WWTF Collection System Infrastructure	<i>WWTF 25-29</i>	11	111,323	71,105	62,408	56,380	66,084	367,300
Replace Ox Ditch RAS Pumps	<i>WWTF 25-6</i>	2			150,000			150,000



Department	Project #	Priority	2025	2026	2027	2028	2029	Total
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		500,000	500,000			1,000,000
Clarifier rake mechanism & drive replacement	WWTF 26-3	2		500,000	500,000			1,000,000
WWTF buildings 50,60 & 80 roof replace	WWTF 26-4	2			150,000			150,000
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
Clarifier WAS Pump Replacement	WWTF 28-1	2				110,000		110,000
Forklift Replacement	WWTF 28-10	3				31,900		31,900
Phosphorous Compliance Capital Project	WWTF 28-2	1				1,000,000		1,000,000
Replace MBR Aeration Blower #3 w/ PD Blower	WWTF 29-02	2					170,000	170,000
Replace MBR Perm Pump #2	WWTF 29-03	2					89,600	89,600
Replace Main Lift Station Pump #4	WWTF 29-04	2					75,800	75,800
Replace 2020 John Deere Mower	WWTF 29-05	2					15,000	15,000
SUV, Administrative Vehicle	WWTF 964	3				38,100		38,100
Wastewater Total			3,606,323	2,096,105	1,862,408	1,536,380	716,484	9,817,700

## Water

1/2 ton work truck	WATR 072	3					38,100	38,100
Water Meter Replacement	WATR 22-24	3	450,000	400,000				850,000
Concentrate piping replacement	WATR 22-5	2			100,000			100,000
Bulk Fill station	WATR 23-1	3		500,000				500,000
Membrane replacement	WATR 25-1	3	400,000					400,000
Gate & Gate Controller	WATR 25-10	4	20,000					20,000
RO Skid Valves Replacement	WATR 2511	3	25,000					25,000
Plant Optimization Study Phase 2	WATR 2512	3	50,000					50,000
HVAC for Meter Room	WATR 2513	3	15,000					15,000
1/2 Ton Work Truck	WATR 2514	3	55,000					55,000
Compressor Replacement	WATR 2610	3		75,000				75,000
Plant Optimization Study Phase 3	WATR 2611	3		50,000				50,000
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				750,000		750,000
Galvanized Service Line Replacements - Phase 1	WATR 2910	3					250,000	250,000
Street Infrastructure Improvements	WATR-INF	3	105,957	124,539	116,604	138,601	66,804	552,505
Water Total			1,220,957	1,289,539	316,604	918,601	354,904	4,100,605
GRAND TOTAL			15,175,081	23,829,645	10,059,221	7,739,453	8,977,219	65,780,619

2025 through 2029  
**Capital Improvement Plan**  
Hutchinson, MN  
**Funding Source Summary**

Source	2025	2026	2027	2028	2029	Total
Airport Construction Fund	14,050				150,000	164,050
Capital Equipment Notes	200,000					200,000
Capital Projects Fund	534,141	30,000	40,000	75,116	52,500	731,757
Capital Projects Fund - Facilities Plan	1,415,000	286,500	580,000	1,055,000	440,000	3,776,500
Capital Projects Fund - Misc Infrastructure Maint	20,000					20,000
Capital Projects Fund - Playground Plan	65,000	100,000	50,000	20,000	40,000	275,000
Community Improvement Fund	50,000	500,000				550,000
Compost Fund	307,451	399,000	180,000	125,000		1,011,451
Cooperative Agreement - EDA/HRA	2,145					2,145
Cooperative Agreement - HUC	18,382				17,500	35,882
Donations	75,000		50,000			125,000
Equipment Replacement - Heavy Fleet	279,000	77,000	463,000		332,000	1,151,000
Equipment Replacement - Small Fleet	185,000	622,500	425,000	331,000	323,000	1,886,500
General Fund	41,054					41,054
G.O. Improv Bonds - Debt Tax Levy	3,008,397	1,621,978	1,943,849	1,809,358	2,270,258	10,653,840
Grants - Federal			175,000		1,350,000	1,525,000
Grants - McLeod County					50,000	50,000
Grants - State	501,450	10,262,500	500,000	1,300,000	135,000	12,698,950
HATS Fund (City, County, State)			100,000			100,000
Liquor Fund	47,451					47,451
Municipal State Aid	1,500,000	1,500,000	700,000		950,000	4,650,000
Refuse Fund	35,000	430,000		51,500		516,500
Special Assessments	757,384	1,216,571	1,011,099	674,761	1,066,240	4,726,055
Storm Water Utility Fund	823,283	449,420	612,604	262,767	682,165	2,830,239
Unfunded Projects		2,700,000	600,000			3,300,000
Wastewater Fund	3,875,551	2,104,710	1,674,816	1,076,365	697,568	9,429,010
Water Fund	1,420,342	1,529,466	953,853	958,586	420,988	5,283,235
<b>GRAND TOTAL</b>	<b>15,175,081</b>	<b>23,829,645</b>	<b>10,059,221</b>	<b>7,739,453</b>	<b>8,977,219</b>	<b>65,780,619</b>

2025 through 2029  
**Capital Improvement Plan**  
Hutchinson, MN  
**Projects By Funding Source Summary**

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
<b>Airport Construction Fund</b>								
Runway Obstruction Removals	AIR-2502	4	8,050					8,050
Drainage Ditch Outlet Cleaning	AIR-2503	4	6,000					6,000
8-Unit T-Hangar	AIR-2601	3					150,000	150,000
Airport Construction Fund Total			14,050	0	0	0	150,000	164,050

**Capital Equipment Notes**

Fire Ladder Truck	FD-595	2	200,000					200,000
Capital Equipment Notes Total			200,000	0	0	0	0	200,000

**Capital Projects Fund**

New Election Equipment	ADMIN-2501	2	15,000					15,000
Fencing & Roadways	CEM 01	3	60,000		40,000			100,000
GPS Trimble unit and Robot	ENGR-2901	3					52,500	52,500
Fire Ladder Truck	FD-595	2	400,641					400,641
Irrigation at Library Square	PARK-2604	3		30,000				30,000
Mill & Resurface Tarmac at Life-Fire Range	PD-2501	2	40,000					40,000
Refurbishing Live Fire House Panels	PD-2801	5				75,116		75,116
New court divider curtain	REC-2502	3	18,500					18,500
Capital Projects Fund Total			534,141	30,000	40,000	75,116	52,500	731,757

**Capital Projects Fund -  
Facilities Plan**

Surge tank & major repairs	AQUA-	2	150,000					150,000
Pool re-coat	AQUA-2502	3	60,000					60,000
West rink rubber floor	CA-2601	3		100,000				100,000
East Rink Insulation Resurface	CA-2901	2					200,000	200,000
City Center Facility Analysis	C.CTR-2501	3	30,000					30,000
City Center Remodel	C.CTR-2801	3				300,000		300,000
City Center Garage	C.CTR-2802	4				400,000		400,000
Install Epoxy Floor in Apparatus Bay	FD-2602	3		44,500				44,500
Garage floor concrete improvements	FD-2603	2		42,000				42,000
Garage door modifications	FIRE-2502	2	95,000					95,000
HATS HVAC replacement	HATS-2901	3					50,000	50,000
Library sidewalk improvements	LIB-2801	2				10,000		10,000
HVAC replacement	LIB-2901	3					100,000	100,000
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
Roberts Park Lighting Improvements	PARK-2509	3	800,000					800,000
Roberts Park Concession/Restroom Building	PARK-2603	3		50,000				50,000

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
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
HVAC replacement for Gym	REC-2501	3	150,000					150,000
Replace gym floor	REC-2701	3			250,000			250,000
Office carpet replacement	REC-2901	4					10,000	10,000
Senior Dining lighting improvements	Sr Dine-2801	3				10,000		10,000
HVAC replacement	Sr Dine-2901	3					30,000	30,000
Water St Garage Siding/Soffits	STRT 003	4			30,000			30,000
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			1,415,000	286,500	580,000	1,055,000	440,000	3,776,500

#### Capital Projects Fund - Misc Infrastructure Maint

Masonic West River Campground Gate	PARK-2507	4	20,000					20,000
Capital Projects Fund - Misc Infrastructure Maint Total			20,000	0	0	0	0	20,000

#### Capital Projects Fund - Playground Plan

Northwoods Park - Playground Replacement	PARK-2501	3	65,000					65,000
Masonic West River - Playground Replacement	PARK-2605	3		100,000				100,000
North Park - Playground Replacement	PARK-2802	3			50,000			50,000
South Park - Playground Replacement	PARK-2804	3				20,000		20,000
Tartan Park- Playground Replacements	PARK-2901	3					40,000	40,000
Capital Projects Fund - Playground Plan Total			65,000	100,000	50,000	20,000	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	0	0	0	550,000

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
<b>Compost Fund</b>								
Office Expansion	COMP-2201	2		175,000				175,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3	150,000					150,000
Bagging Line Improvements	COMP-2404	3	130,000	27,000	30,000	55,000		242,000
Flatbed Trailer (Used)	COMP-2501	4	25,000					25,000
Wheel Loader	COMP-2601	2		197,000				197,000
Forklift	COMP-2701	3			50,000			50,000
Stacking Conveyor	COMP-2702	3			100,000			100,000
Skid Loader	COMP-2801	3				70,000		70,000
Core Servers Upgrade	IT-2501	3	2,451					2,451
Compost Fund Total			307,451	399,000	180,000	125,000	0	1,011,451

#### Cooperative Agreement - EDA/HRA

Core Servers Upgrade	IT-2501	3	2,145					2,145
Cooperative Agreement - EDA/HRA Total			2,145	0	0	0	0	2,145

#### Cooperative Agreement - HUC

GPS Trimble unit and Robot	ENGR-2901	3					17,500	17,500
Core Servers Upgrade	IT-2501	3	18,382					18,382
Cooperative Agreement - HUC Total			18,382	0	0	0	17,500	35,882

#### Donations

North Park - Playground Replacement	PARK-2802	3			50,000			50,000
MITGI Site Pond	STWT-2605	3	75,000					75,000
Donations Total			75,000	0	50,000	0	0	125,000

#### Equipment Replacement - Heavy Fleet

Bi-directional Tractor	AIR-055	3			100,000			100,000
Snow Removal Equipment	AIR-2501	3			50,000			50,000
Truck, single axel	STRT 441	3	279,000					279,000
Truck single axel	STRT 781	3			313,000			313,000
Truck, single axle w/ dump	STRT 894	3					332,000	332,000
2026 Bobcat Tracked Skid Loader	STWT-2606	3		77,000				77,000
Equipment Replacement - Heavy Fleet Total			279,000	77,000	463,000	0	332,000	1,151,000

#### Equipment Replacement - Small Fleet

New vehicle - Bldg Inspector	BLDG-462	3		40,000				40,000
Toolcat 5600	CEMT 412	3			82,000			82,000
Cemetery mower	CEMT 898	4					16,000	16,000
1/2 ton work truck	ENGR 945	3			43,000			43,000
SUV, command vehicle	FD-856	3		56,000				56,000
Replace Minivan	IT-670	3		41,000				41,000
Gang mower replacement	PARK-024	2			21,000			21,000
Wide-area mower	PARK-082	2		100,000				100,000
1/2 Ton 4x2 Pickup	PARK-175	3				41,000		41,000

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
1/2 Ton 4x4 Pickup w/Snowplow (2021)	PARK-221	2	45,000					45,000
Soil Top Dresser	PARK-2704	4			26,000			26,000
John Deere Progator 1600	PARK-2801	4				31,000		31,000
Truck, 1-ton	PARK-314	3				72,000		72,000
Tractor w/cab	PARK-357	3					82,000	82,000
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	3	65,000					65,000
Truck, 1-ton snowplow	PARK-664	3			58,000			58,000
1/2 Ton 4X2 Pickup	PARK-954	4		38,000				38,000
Replace Equinox	PD-205	3			52,000			52,000
Replace Equinox	PD-480	3				54,000		54,000
SUV, Suburban #4	PD-SQ4	2		82,000				82,000
Squad car #1 replacement	PD-SQD1	2			70,000			70,000
Squad car #2 replacement	PD-SQD2	2					74,000	74,000
Squad car #5 replacement	PD-SQD5	2		67,000				67,000
Squad car #6 replacement	PD-SQD6	2					74,000	74,000
Asphalt Zipper milling machine	STRT 074	3			73,000			73,000
Roller, vibratory CP142	STRT 101	3					77,000	77,000
Asphalt Premix Heater w/trailer	STRT 113	3				55,000		55,000
1-ton 4x4 truck	STRT 170	3				78,000		78,000
Truck, tandem (2023)	STRT 218	3	75,000					75,000
1/2 ton pickup	STRT 775	3		45,000				45,000
1-ton flatbed truck	STRT 837	3		84,000				84,000
Tandem-axle Dump Truck (2022)	STRT 972	3		69,500				69,500
Equipment Replacement - Small Fleet Total			185,000	622,500	425,000	331,000	323,000	1,886,500

#### General Fund

Core Servers Upgrade	IT-2501	3	41,054					41,054
General Fund Total			41,054	0	0	0	0	41,054

#### G.O. Improv Bonds - Debt Tax Levy

2025 Street/Trail Segment Maint: M/O & Sealcoating	25-2 Const	3	781,750					781,750
Dale St SW (SGR-Roberts)	25-3 Partial	3	171,762					171,762
Hassan St (Oakland-1st Ave N)	25-4 Partial	3	1,584,020					1,584,020
Franklin Street - Sewer, Street Rehab	25-4Partial	3	303,155					303,155
Franklin Street - Pond, Bank stabilization	25-5 Pond	3	167,710					167,710
2026 Street/Trail Segment Maint: M/O & Sealcoating	26-01 Maint	3		420,000				420,000
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3		83,022				83,022
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3		215,194				215,194
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3		201,362				201,362
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3		94,164				94,164
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3		89,164				89,164
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3		93,366				93,366
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3		22,078				22,078

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3		403,628				403,628
2027 Street/Trail Segment Maint: M/O & Sealcoating	27-01 Maint	3			210,000			210,000
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3			266,721			266,721
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3			30,722			30,722
Bradford St SE (Summerset Ln - Century Ave SE)	27-3 Reclaim	3			290,394			290,394
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3			274,071			274,071
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3			397,566			397,566
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3			199,308			199,308
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3			275,067			275,067
2028 Street/Trail Segment Maint: M/O & Sealcoating	28-01 Maint	3				210,000		210,000
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3				351,179		351,179
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3				487,560		487,560
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3				111,179		111,179
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2				130,080		130,080
Southview Dr SW	28-7 Reclaim	3				185,040		185,040
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3				145,560		145,560
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3				188,760		188,760
2029 Street/Trail Segment Maint: M/O & Sealcoating	29-01 Maint	3					210,000	210,000
Edmonton Ave SE (Montreal-Jefferson)	29-11 Overlay	3					74,483	74,483
5th Ave SE (Bridge - Hwy 22)	29-1 Overlay	3					3,091	3,091
Boulder Cir SW (Dead end - Boulder St SW)	29-1 Reclaim	3					69,915	69,915
Sunset St SW (Linden-Southview)	29-2 Reclaim	3					104,636	104,636
2nd Ave SW (Franklin-Main)	29-3 Reclaim	2					93,910	93,910
McDonald Dr SW (Lakewood - School)	29-4 Reclaim	3					747,024	747,024
Grove St SW (5th-Washington)	29-5 Reclaim	3					567,199	567,199
Sherwood drainage improvements	STWT-2601	3					400,000	400,000
G.O. Improv Bonds - Debt Tax Levy Total			3,008,397	1,621,978	1,943,849	1,809,358	2,270,258	10,653,840

#### Grants - Federal

Bi-directional Tractor	AIR-055	3			175,000			175,000
8-Unit T-Hangar	AIR-2601	3					1,350,000	1,350,000
Grants - Federal Total			0	0	175,000	0	1,350,000	1,525,000

#### Grants - McLeod County

HATS HVAC replacement	HATS-2901	3					50,000	50,000
Grants - McLeod County Total			0	0	0	0	50,000	50,000

#### Grants - State

Runway Obstruction Removals	AIR-2502	4	26,950					26,950
Drainage Ditch Outlet Cleaning	AIR-2503	4	14,000					14,000



Source	Project #	Priority	2025	2026	2027	2028	2029	Total
Airport Drainage Improvements	AIR-2701	3	130,000					130,000
HATS Storage building, fuel site	HATS-08	3		9,600,000				9,600,000
HATS HVAC replacement	HATS-2901	3					50,000	50,000
Michigan St NE area drainage improvement	STWT-2501	3	305,500					305,500
Alan St Outlet Sediment Delta Removal	STWT-2604	3		100,000				100,000
MITGI Site Pond	STWT-2605	3	25,000					25,000
Market St Ditch Improvement	STWT-2801	3				800,000		800,000
Clarifier dome replacement	WWTF 26-2	3		250,000	250,000			500,000
Clarifier rake mechanism & drive replacement	WWTF 26-3	2		250,000	250,000			500,000
MBR Fine bubble diffuser system replacement	WWTF 26-6	2		62,500				62,500
Phosphorous Compliance Capital Project	WWTF 28-2	1				500,000		500,000
Replace MBR Aeration Blower #3 w/ PD Blower	WWTF 29-02	2					85,000	85,000
Grants - State Total			501,450	10,262,500	500,000	1,300,000	135,000	12,698,950

#### HATS Fund (City, County, State)

Wash bay improvements	HATS-05	3			100,000			100,000
HATS Fund (City, County, State) Total			0	0	100,000	0	0	100,000

#### Liquor Fund

Core Servers Upgrade	IT-2501	3	2,451					2,451
New refrigeration system for import beer cooler	LIQ-2501	3	25,000					25,000
New flooring in wine area	LIQ-2502	3	20,000					20,000
Liquor Fund Total			47,451	0	0	0	0	47,451

#### Municipal State Aid

Dale St SW (SGR-Roberts)	25-3 Partial	3	1,500,000					1,500,000
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3		1,500,000				1,500,000
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3			700,000			700,000
Edmonton Ave SE (Montreal-Jefferson)	29-11 Overlay	3					500,000	500,000
5th Ave SE (Bridge - Hwy 22)	29-1 Overlay	3					450,000	450,000
Municipal State Aid Total			1,500,000	1,500,000	700,000	0	950,000	4,650,000

#### Refuse Fund

Office Expansion	REFS-2202	2		175,000				175,000
Scale Improvements & Relocation	REFS-2301	3		150,000				150,000
Mid-Size SUV	REFS-2501	3	35,000					35,000
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			35,000	430,000	0	51,500	0	516,500



Source	Project #	Priority	2025	2026	2027	2028	2029	Total
<b>Special Assessments</b>								
2025 Street/Trail Segment Maint: M/O & Sealcoating	25-2 Const	3	125,000					125,000
Dale St SW (SGR-Roberts)	25-3 Partial	3	213,878					213,878
Hassan St (Oakland-1st Ave N)	25-4 Partial	3	408,506					408,506
Franklin Street - Sewer, Street Rehab	25-4Partial	3	10,000					10,000
2026 Street/Trail Segment Maint: M/O & Sealcoating	26-01 Maint	3		150,000				150,000
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3		624,878				624,878
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3		84,945				84,945
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3		79,485				79,485
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3		37,170				37,170
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3		35,196				35,196
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3		36,855				36,855
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3		8,715				8,715
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3		159,327				159,327
2027 Street/Trail Segment Maint: M/O & Sealcoating	27-01 Maint	3			75,000			75,000
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3			102,585			102,585
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3			281,048			281,048
Bradford St SE (Summerset Ln - Century Ave SE)	27-3 Reclaim	3			111,690			111,690
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3			105,413			105,413
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3			152,910			152,910
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3			76,658			76,658
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3			105,795			105,795
2028 Street/Trail Segment Maint: M/O & Sealcoating	28-01 Maint	3				75,000		75,000
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3				131,693		131,693
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3				182,835		182,835
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3				41,693		41,693
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2				48,780		48,780
Southview Dr SW	28-7 Reclaim	3				69,390		69,390
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3				54,585		54,585
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3				70,785		70,785
2029 Street/Trail Segment Maint: M/O & Sealcoating	29-01 Maint	3					75,000	75,000
Edmonton Ave SE (Montreal-Jefferson)	29-11 Overlay	3					218,159	218,159
5th Ave SE (Bridge - Hwy 22)	29-1 Overlay	3					172,060	172,060
Boulder Cir SW (Dead end - Boulder St SW)	29-1 Reclaim	3					26,550	26,550
Sunset St SW (Linden-Southview)	29-2 Reclaim	3					39,735	39,735
2nd Ave SW (Franklin-Main)	29-3 Reclaim	2					35,663	35,663

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
McDonald Dr SW (Lakewood - School)	29-4 Reclaim	3					283,680	283,680
Grove St SW (5th-Washington)	29-5 Reclaim	3					215,393	215,393
Special Assessments Total			757,384	1,216,571	1,011,099	674,761	1,066,240	4,726,055

### Storm Water Utility Fund

Dale St SW (SGR-Roberts)	25-3 Partial	3	24,127					24,127
Hassan St (Oakland-1st Ave N)	25-4 Partial	3	93,041					93,041
Franklin Street - Sewer, Street Rehab	25-4Partial	3	108,940					108,940
Franklin Street - Pond, Bank stabilization	25-5 Pond	3	66,675					66,675
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3		83,317				83,317
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3		11,326				11,326
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3		10,598				10,598
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3		4,956				4,956
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3		4,693				4,693
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3		4,914				4,914
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3		1,162				1,162
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3		21,244				21,244
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3			13,678			13,678
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3			37,473			37,473
Bradford St SE (Summerset Ln - Century Ave SE)	27-3 Reclaim	3			14,892			14,892
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3			14,055			14,055
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3			20,388			20,388
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3			10,221			10,221
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3			14,106			14,106
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3				17,559		17,559
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3				24,378		24,378
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3				5,559		5,559
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2				6,504		6,504
Southview Dr SW	28-7 Reclaim	3				9,252		9,252
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3				7,278		7,278
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3				9,438		9,438
Edmonton Ave SE (Montreal-Jefferson)	29-11 Overlay	3					29,088	29,088
5th Ave SE (Bridge - Hwy 22)	29-1 Overlay	3					22,941	22,941
Boulder Cir SW (Dead end - Boulder St SW)	29-1 Reclaim	3					3,540	3,540
Sunset St SW (Linden-Southview)	29-2 Reclaim	3					5,298	5,298
2nd Ave SW (Franklin-Main)	29-3 Reclaim	2					4,755	4,755
McDonald Dr SW (Lakewood - School)	29-4 Reclaim	3					37,824	37,824
Grove St SW (5th-Washington)	29-5 Reclaim	3					28,719	28,719
Airport Drainage Improvements	AIR-2701	3	50,000					50,000

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
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	194,500					194,500
8th Ave NW drainage improvement	STWT-2503	3					75,000	75,000
Bradford St SE drainage improvement	STWT-2603	3			121,000			121,000
2026 Bobcat Tracked Skid Loader	STWT-2606	3		25,000				25,000
Street Infrastructure Improvements	STWT-2629	3		142,210	166,791	122,799	100,000	531,800
Vac-All Sweeper-CB Cleaner	STWT-879	3					375,000	375,000
Street Infrastructure Improvements	STWT-INF	3	50,000	100,000	60,000	60,000		270,000
Leaf vacuum	STWT-LEAF	3	136,000					136,000
Leaf Vacuum	STWT-LEAF2	3			140,000			140,000
Storm Water Utility Fund Total			823,283	449,420	612,604	262,767	682,165	2,830,239

#### 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
Pickleball courts	PARK-2705	4			600,000			600,000
Unfunded Projects Total			0	2,700,000	600,000	0	0	3,300,000

#### Wastewater Fund

Dale St SW (SGR-Roberts)	25-3 Partial	3	49,050					49,050
Hassan St (Oakland-1st Ave N)	25-4 Partial	3	79,431					79,431
Franklin Street - Sewer, Street Rehab	25-4Partial	3	136,764					136,764
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3		41,659				41,659
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3		5,663				5,663
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3		5,299				5,299
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3		2,478				2,478
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3		2,346				2,346
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3		2,457				2,457
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3		581				581
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3		10,622				10,622
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3			6,839			6,839
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3			18,737			18,737
Bradford St SE (Summerset Ln - Century Ave SE)	27-3 Reclaim	3			7,446			7,446
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3			7,028			7,028
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3			10,194			10,194
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3			5,111			5,111
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3			7,053			7,053
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3				8,780		8,780
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3				12,189		12,189

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3				2,780		2,780
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2				3,252		3,252
Southview Dr SW	28-7 Reclaim	3				4,626		4,626
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3				3,639		3,639
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3				4,719		4,719
Edmonton Ave SE (Montreal-Jefferson)	29-11 Overlay	3					14,544	14,544
5th Ave SE (Bridge - Hwy 22)	29-1 Overlay	3					11,471	11,471
Boulder Cir SW (Dead end - Boulder St SW)	29-1 Reclaim	3					1,770	1,770
Sunset St SW (Linden-Southview)	29-2 Reclaim	3					2,649	2,649
2nd Ave SW (Franklin-Main)	29-3 Reclaim	2					2,378	2,378
McDonald Dr SW (Lakewood - School)	29-4 Reclaim	3					18,912	18,912
Grove St SW (5th-Washington)	29-5 Reclaim	3					14,360	14,360
Fire Ladder Truck	FD-595	2		500,000	250,000			750,000
Core Servers Upgrade	IT-2501	3	3,983					3,983
Bulk Fill station	WATR 23-1	3		250,000				250,000
Digester aeration & mixation rehab	WWTF 22-2	1	700,000					700,000
HATS LS MCC Building	WWTF 22-5	2	100,000					100,000
Belt press thickener 2 overhaul/replace	WWTF 23-1	1	800,000					800,000
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
Belt Press Thickener #1 Overhaul/Replacement	WWTF 25-11	1	900,000					900,000
WW/Parks Garage Sheet Metal Replacement	WWTF 25-12	3	110,000					110,000
Replace Solar Field Inverters	WWTF 25-13	2	100,000	100,000				200,000
Roadway & Parking Lot Improvements - Phase 2	WWTF 25-14	3	60,000					60,000
Sewer Lining	WWTF 25-16	2	300,000	300,000	300,000	300,000	300,000	1,500,000
WWTF Collection System Infrastructure	WWTF 25-29	11	111,323	71,105	62,408	56,380	66,084	367,300
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		250,000	250,000			500,000
Clarifier rake mechanism & drive replacement	WWTF 26-3	2		250,000	250,000			500,000
WWTF buildings 50,60 & 80 roof replace	WWTF 26-4	2			150,000			150,000
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		62,500				62,500
Clarifier WAS Pump Replacement	WWTF 28-1	2				110,000		110,000
Forklift Replacement	WWTF 28-10	3				31,900		31,900
Phosphorous Compliance Capital Project	WWTF 28-2	1				500,000		500,000
Replace MBR Aeration Blower #3 w/ PD Blower	WWTF 29-02	2					85,000	85,000
Replace MBR Perm Pump #2	WWTF 29-03	2					89,600	89,600
Replace Main Lift Station Pump #4	WWTF 29-04	2					75,800	75,800
Replace 2020 John Deere Mower	WWTF 29-05	2					15,000	15,000

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
SUV, Administrative Vehicle	WWTF 964	3				38,100		38,100
Wastewater Fund Total			3,875,551	2,104,710	1,674,816	1,076,365	697,568	9,429,010

#### Water Fund

Dale St SW (SGR-Roberts)	25-3 Partial	3	157,443					157,443
Hassan St (Oakland-1st Ave N)	25-4 Partial	3	8,267					8,267
Franklin Street - Sewer, Street Rehab	25-4 Partial	3	30,305					30,305
Michigan St SE/NE (5th Ave-Hwy 7)	26-1 Partial	3		41,659				41,659
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	26-2 Reclaim	3		5,663				5,663
Garden Rd NE (Dead end - Hwy 7E)	26-3 Reclaim	3		5,299				5,299
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	26-4 Reclaim	3		2,478				2,478
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	26-5 Reclaim	3		2,346				2,346
Morningside Dr NE (Hilltop Dr NE - Dead end)	26-6 Reclaim	3		2,457				2,457
Genes Dr NE (Lindy Ln NE - Dead end)	26-7 Reclaim	3		581				581
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	26-8 Reclaim	3		10,622				10,622
Blackbird/Blackhawk/Bluejay	27-1 Overlay	3			6,839			6,839
School Rd SW (SGR SW - Roberts Rd SW)	27-2 Partial	3			18,737			18,737
Bradford St SE (Summerset Ln - Century Ave SE)	27-3 Reclaim	3			7,446			7,446
Sherwood St SE (Summerset Ln SE - Century Ave SE)	27-4 Reclaim	3			7,028			7,028
Larson St SW (Roberts-Lewis)	27-5 Reclaim	3			10,194			10,194
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	27-6 Reclaim	3			5,111			5,111
Orchard Ave SE (Bradford St SE - Elks Dr SE)	27-7 Reclaim	3			7,053			7,053
Harrington St SW (Linden-Juul Rd SW)	28-1 Partial	3				8,780		8,780
4th Ave SW (Lynn Rd-Main)	28-4 Reclaim	3				12,189		12,189
Sherwood Cir SE (Sherwood St SE - Dead end)	28-5 Reclaim	3				2,780		2,780
Southview Ct SW (Linden-Sunset)	28-6 Reclaim	2				3,252		3,252
Southview Dr SW	28-7 Reclaim	3				4,626		4,626
Miller Ave (Harrington-Lynn)	28-8 Reclaim	3				3,639		3,639
Boulder St SW (Roberts Rd SW - School Rd SW)	28-9 Reclaim	3				4,719		4,719
Edmonton Ave SE (Montreal-Jefferson)	29-11 Overlay	3					14,544	14,544
5th Ave SE (Bridge - Hwy 22)	29-1 Overlay	3					11,471	11,471
Boulder Cir SW (Dead end - Boulder St SW)	29-1 Reclaim	3					1,770	1,770
Sunset St SW (Linden-Southview)	29-2 Reclaim	3					2,649	2,649
2nd Ave SW (Franklin-Main)	29-3 Reclaim	2					2,378	2,378
McDonald Dr SW (Lakewood - School)	29-4 Reclaim	3					18,912	18,912
Grove St SW (5th-Washington)	29-5 Reclaim	3					14,360	14,360
Fire Ladder Truck	FD-595	2		168,822	574,841			743,663
Core Servers Upgrade	IT-2501	3	3,370					3,370
1/2 ton work truck	WATR 072	3					38,100	38,100
Water Meter Replacement	WATR 22-24	3	450,000	400,000				850,000

Source	Project #	Priority	2025	2026	2027	2028	2029	Total
Concentrate piping replacement	WATR 22-5	2			100,000			100,000
Bulk Fill station	WATR 23-1	3		250,000				250,000
Membrane replacement	WATR 25-1	3	400,000					400,000
Gate & Gate Controller	WATR 25-10	4	20,000					20,000
RO Skid Valves Replacement	WATR 2511	3	25,000					25,000
Plant Optimization Study Phase 2	WATR 2512	3	50,000					50,000
HVAC for Meter Room	WATR 2513	3	15,000					15,000
1/2 Ton Work Truck	WATR 2514	3	55,000					55,000
Compressor Replacement	WATR 2610	3		75,000				75,000
Plant Optimization Study Phase 3	WATR 2611	3		50,000				50,000
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				750,000		750,000
Galvanized Service Line Replacements - Phase 1	WATR 2910	3					250,000	250,000
Street Infrastructure Improvements	WATR-INF	3	105,957	124,539	116,604	138,601	66,804	552,505
Receiving/Bulk water station	WWTF 23-2	1		250,000				250,000
Water Fund Total			1,420,342	1,529,466	953,853	958,586	420,988	5,283,235
GRAND TOTAL			15,175,081	23,829,645	10,059,221	7,739,453	8,977,219	65,780,619



## 2025 Annual Budget

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# Fee Schedule

**City of Hutchinson**  
**2025 Fee Schedule**

Fee Schedule includes the following (in alphabetical order)

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**City of Hutchinson**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Building/Plumbing/Mechanical Permits</b>					
<b>Fixed Fees:</b>					
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 \$125.00 \$250.00	Residential remodels & accessory structures Residential demolition Commercial demolition	\$60.00 \$125.00 \$250.00	0.0%	2022
<b>Residential Square Foot Valuation:</b>					
Dwellings	\$148.96 /sq.ft.	<b>Rate x Sq. Ft. to arrive at the Construction Valuation which is used to calculate the actual fee (see fee rates under Construction Valuation)</b>  Example: 100 sq. ft. 3-Season Porch Construction Valuation = \$93.98 x 100 sq. ft Construction Valuation = <u>\$9,398</u>  <b>Fee (\$2,001 - \$25,000 valuation range)</b> 1st \$2,000 of value: \$ 80.17 Remaining value \$7,398/1,000 x \$15.44 <u>\$114.23</u> <b>Total Fee: \$194.40</b>	\$148.96 /sq.ft.	0.0%	2024
Basements	\$20.00 /sq.ft.		\$20.00 /sq.ft.	0.0%	2022
Unfinished	\$28.04 /sq.ft.		\$28.04 /sq.ft.	0.0%	2024
Porches	\$104.27 /sq.ft.		\$104.27 /sq.ft.	0.0%	2024
3 Season Porch	\$148.96 /sq.ft.		\$148.96 /sq.ft.	0.0%	2024
4 Season Porch	\$53.71 /sq.ft.		\$53.71 /sq.ft.	0.0%	2024
Screened Porch					
Garages	\$59.16 /sq.ft.		\$59.16 /sq.ft.	0.0%	2024
Attached	\$32.54 /sq.ft.		\$32.54 /sq.ft.	0.0%	2024
Detached					
Gazebo	\$28.75 /sq.ft.		\$28.75 /sq.ft.	0.0%	2023
Deck	\$28.75 /sq.ft.		\$28.75 /sq.ft.	0.0%	2023
<b>Construction Valuation:</b>					
\$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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 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.			
<b>Plumbing Permit Fees:</b>					
Fixture of Item Fee	\$15.00	\$12 per roughed-in fixture or item. Minimum of \$60.00	\$15.00	0.0%	2023
<b>Mechanical Permit Fees:</b>					
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
<b>Miscellaneous Fees:</b>					
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
<b>Fire Sprinkler Fees:</b>					
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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Creekside</b>					
<b>Gate Fee:</b>					
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	\$14.00 /ton	Commingled yardwaste, brush mixed. Compost bags only	\$13.50 /ton	3.7%	2024
Dirty Load Tip Fee	Varies	Loads tipped that are contaminated with garbage and have a billable tip fee will be charged 4 times the original tip fee if the truck is not available to re-load	New for 2025		2025
Re-Load Fee	\$250.00 /ea	Loads that are rejected after being tipped that are contaminated with garbage will be charged \$250.00 to re-load the materials on to the truck for disposal elsewhere	New for 2025		2025
Commercial Source Separated Organics	\$49.00 /ton	Prior approval of acceptance of materials is required Non-compostables not accepted; other fees may apply	\$47.50 /ton	3.2%	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
<b>Equipment Rates:</b>					
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	\$120.00 /event	0.0%	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**  
**2025 Fee Schedule**

Fee Type		2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Event Center</b>						
<b>Great Room:</b>	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
<b>Half Great Room:</b>	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
<b>Quarter Great Room:</b>	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
<b>Meeting Room:</b>	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
<b>Program Room:</b>	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
	Hofer	\$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
Coffee		\$15.00 /30 cups	Hutchinson Event Center catered events	\$15.00 /30 cups	0.0%	2014
		\$20.00 /50 cups	Non HEC catered events	\$20.00 /50 cups	0.0%	2014

**City of Hutchinson**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
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
Returned Online Payment - 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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Fire Department</b>					
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	\$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
<b>HRA</b>					
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%	Percentage 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%	Percentage 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%	Percentage 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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Legal</b>					
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
<b>Licenses</b>					
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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Liquor Licenses:</b>					
Club Liquor License		<i>Club fees are currently 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
<b>Mapping and Printing</b>					
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
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



**City of Hutchinson**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
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
<ul style="list-style-type: none"> <li>- Purchase a combination of all three data sets for \$1,350 /sq. mile not to exceed a maximum charge of \$18,100</li> <li>- Special mapping requests = Data Price + \$50 /hr</li> <li>- All data is provided in Arcview Shape File format on a CD</li> <li>- An additional \$50 charge will be applied to digital data converted to a .dxf format for CAD systems</li> <li>- The City reserves the right to waive fees by Council direction for other governmental organizations. Commercial-type printing of private,</li> </ul>					

## Parks, Recreation & Community Education

**Note:** All PRCE fees are subject to change due to factors including, but not limited to: facility availability, holidays, equipment need changes

### 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
Swimming Pool	Full Pool Rental	\$350.00	per hour	\$300.00	16.7%	2018

**City of Hutchinson**  
**2025 Fee Schedule**

Fee Type		2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Youth Sports/Activities:</b>						
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	\$235.00	0.0%	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		\$100.00	0.0%	2024
Open Skating:	Open Skate	\$5.00 /day	per person per day	Variable	0.0%	2024
Swimming Lessons	Group Lessons	\$50.00	8 lessons	\$50.00	0.0%	2022
	Semi-Private Swim Lessons	\$100.00	4 lessons - 2 participants	\$100.00	0.0%	2024
	Private Swim Lessons	\$60.00	4 lessons - 1 participant	\$60.00	0.0%	2024
Open Hockey		\$5.00 /day	per person per day	\$5.00 /day	0.0%	2001
<b>Other Fees:</b>						
West River Park Camping:						
	Group Tent Site	\$50.00		\$50.00	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		\$50.00	0.0%	2024
Field Rental		\$50.00	1 hour	\$50.00	0.0%	2023

# City of Hutchinson

## 2025 Fee Schedule

Fee Type		2025 Fees	Notes	2024 Fees	% Change	Last Change
Field Setup/Striping	First Time Field Set Up	\$250.00		\$250.00	0.0%	2024
	Restriping or Relining	\$125.00		\$125.00	0.0%	2024
Roberts Park	Lights for Fields	\$20.00	per field per hour	\$15.00	33.3%	2023
Tournament Maintenance Fee		\$80.00	per hour (includes 2 staff)	\$60.00	33.3%	2024
VMF Field:	Day Game	\$100.00	per hour	\$75.00	33.3%	2023
	Night Game	\$150.00	per hour	\$125.00	20.0%	2023
Shelter reservation	Tier 1 (based on park amenities)	\$30.00	per day	\$30.00	0.0%	2020
	Tier 2 (based on park amenities)	\$50.00	per day	New for 2025		2025
	Tier 3 (based on park amenities)	\$75.00	per day	\$60.00	25.0%	2023
Masonic West River Stage Rental		\$75.00	per rental (required to also rent West River Shelter)	\$50.00	50.0%	2023
Masonic West River Stage Electrical Panel Access		\$50.00	per event	\$50.00	0.0%	2024
Depot building rental - 25 Adams St SE		\$120.00	6 hour rental	\$80.00	50.0%	2023
		\$10.00	per additional hour	\$20.00	-50.0%	2024
Depot pavilion rental - 25 Adams St SE		\$50.00	per rental (required to also rent depot building)	\$50.00	0.0%	
Church rental - 105 2nd Ave SE		\$250.00	per day	\$60.00	316.7%	2024
		\$125.00	pre-event day rental	New for 2025		2025
Bleachers		\$30.00	per 3 rows	\$25.00	20.0%	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	\$5.00	0.0%	2024
Open Gym Punch Pass		\$45.00	per 10 visits	\$45.00	0.0%	2024
Open Pickleball		\$5.00	per person	New for 2025		2025
Open Pickleball Punch Pass		\$45.00	per 10 visits	New for 2025		2025
Pickleball Season Pass		\$200.00	per season (October - April)	New for 2025		2025
Indoor Playground:	Child	\$5.00	per child	\$5.00	0.0%	2024
	Family	\$7.00	per family	\$7.00	0.0%	2024
Family Playground Pass		\$75.00	per season (October - April)	\$65.00	15.4%	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
	Dry Floor	\$80.00	per hour	\$80.00	0.0%	2024
Rec Center:	Basketball Rental (during PRCE Office Hours Only)	\$25.00	per court per hour	\$25.00	0.0%	2024
	Volleyball Rental (during PRCE Office Hours Only)	\$25.00	for either one or two courts per hour	\$25.00	0.0%	2024
	Pickleball Rental (during PRCE Office Hours Only)	\$15.00	per court per hour	\$15.00	0.0%	2024
	Gym	\$600.00	per day	\$600.00	0.0%	2023
	Gym	\$50.00	per hour (2 hour minimum)	\$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	\$200.00 or Per Contract	Hourly rate per contracted agreements with user groups	\$195.00 or Per Contract	2.6%	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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Plan Review</b>					
Staff noted these fees are tied to value. As values increase, so do the fees.					
Plan Review is 65% of the building permit fee Plan Review Fee for similar plans is 25% of Building Permit Fee (per MN Rule 1300.0160) <b>All other non-specified valuations to be determined by Building Official.</b>					
<b>State Surcharge Fee:</b>					
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
<b>Planning and Land Use</b>					
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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
Platting: Preliminary Plat	\$500.00 + \$10 per lot	Plus recording and legal fees	\$500.00 + \$10 per lot	0.0%	2023
Final Plat	\$250.00 + \$10 per lot	Plus recording and legal fees	\$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		\$100.00	0.0%	2024
Animal Impound	\$50.00		\$50.00	0.0%	2007
Animal Maintenance/Kennel Fee:					
Initial kennel fee - first day	\$45.00	applies to both cats and dogs	\$40.00	12.5%	2024
Dogs - kennel fee after first day	\$23.00 /day	per day following the initial kennel fee	\$20.00 /day	15.0%	2024
Cats - kennel fee after first day	\$16.00 /day	per day following the initial kennel fee	\$15.00 /day	6.7%	2024
Quarantee Boarding	\$40.00 /day		New for 2025	0.0%	2025
Vaccination fee	\$5.00	applies to both cats and dogs	\$5.00	0.0%	2015
Testing fee	\$44.00	applies to cats only	\$44.00	0.0%	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

**City of Hutchinson**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
Police Service of Papers	\$70.00		\$70.00	0.0%	2024
Security	\$67 /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 \$67/hr. Please refer to "Rental Policy".	\$65 /hr/officer	3.1%	2024
Vehicle Impound Storage	\$10.00 /day	Per day	\$10.00 /day	0.0%	2007
<b>The following are court assessed fees for violation of specific ordinances</b>					
ATV Traffic Control Regulations	\$125.00	Ordinance No. 73.15	\$125.00	0.0%	2012
City Parking Lots & Ramps	\$25.00	Ordinance No. 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	Ordinance No. 93.18	\$25.00	0.0%	2012
Drive through private property to avoid traffic control device	\$85.00	Ordinance No. 71.08	\$85.00	0.0%	2012
Emergency Parking Prohibition	\$100.00	Ordinance No. 72.05	\$100.00	0.0%	2012
Equipment Requirements/Muffler	\$50.00	Ordinance No. 73.03	\$50.00	0.0%	2012
Excessive Vehicle Noise Prohibited	\$85.00	Ordinance No. 71.11	\$85.00	0.0%	2012
Fail to Remove Animal Waste	\$30.00	Ordinance No. 93.01	\$30.00	0.0%	2012
Fire Lanes; Rush Hour Traffic	\$50.00	Ordinance No. 72.13	\$50.00	0.0%	2012
Loading Zone	\$25.00	Ordinance No. 72.09	\$25.00	0.0%	2012
Motor-home/Trailer/Rec vehicle park restriction	\$25.00	Ordinance No. 72.07	\$25.00	0.0%	2012
Motorized Scooters	\$85.00	Ordinance No. 73.17	\$85.00	0.0%	2012
No Burning Permit in Possession	\$100.00	Ordinance No. 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	Ordinance No. 70.05	\$25.00	0.0%	2012
No Parking-Snow Emergency	\$50.00	Ordinance No. 72.15	\$50.00	0.0%	2012
Nuisance Parking	\$25.00	Ordinance No. 92.19	\$25.00	0.0%	2012
Parallel Parking	\$25.00	Ordinance No. 72.02	\$25.00	0.0%	2012
Parking for Advertising or Sale Prohibited	\$50.00	Ordinance No. 72.11	\$50.00	0.0%	2012
Parking/Standing/Stopping Prohibited	\$25.00	Ordinance No. 72.01	\$25.00	0.0%	2012
Physically Handicapped Parking	\$200.00	Ordinance No. 72.12	\$200.00	0.0%	2012
Possession of uncased loaded firearm	\$125.00	Ordinance No. 130.05	\$125.00	0.0%	2012
Residential zoning district violation	\$40.00	Ordinance No. 154.056	\$40.00	0.0%	2012
Traffic Congestion Street/Restriction/Exemption	\$25.00	Ordinance No. 71.06	\$25.00	0.0%	2012
Truck Parking Restricted	\$25.00	Ordinance No. 72.06	\$25.00	0.0%	2012
Use of Bike/Skateboards/Rollerskates/Like	\$25.00	Ordinance No. 73.31	\$25.00	0.0%	2012
U-Turns Restriction	\$25.00	Ordinance No. 71.04	\$25.00	0.0%	2012
Vehicle repair on street/public parking lot restriction	\$85.00	Ordinance No. 72.1	\$85.00	0.0%	2012
Violate Angle Parking Ordinance	\$25.00	Ordinance No. 72.03	\$25.00	0.0%	2012
Violate motorized golf cart ordinance	\$50.00	Ordinance No. 73.16	\$50.00	0.0%	2012
Violation of Time Limit Parking	\$25.00	Ordinance No. 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 2025 Fee Schedule					
Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Public Works</b>					
<b>Engineering:</b>					
* 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	\$40.00	0.0%	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. The developer shall meet all design standards and financial surety requirements of the City.</i></p>					

**City of Hutchinson**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Typical Residential Improvement Assessment Rates:</b>					
Total street reconstruction (curb, storm, water & sewer)	\$94.50	Per adjusted front foot	\$94.50	0.0%	2024
Partial street reconstruction (curb, storm, water or sewer)	\$83.50	Per adjusted front foot	\$83.50	0.0%	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	\$56.50	0.0%	2024
Mill/overlay of street (minor curb repairs, street surface only)	\$32.00	Per adjusted front foot	\$32.00	0.0%	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
<b>Water Rates:</b>					
<b>Water Base Rate - Residential</b>					
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
<b>Water Usage Rate - Residential</b>					
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
<b>Water Base Rate - Commercial/Industrial</b>					
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
<b>Water Usage Rate - Commercial/Industrial</b>					
1,000 gallons/month	\$3.00	x consumption	\$3.00	0.0%	2011
<b>Irrigation Water (May 1 - September 30)</b>					
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
<b>Water Meter Fees:</b>					
3/4"	\$425.50	Connections and flanges included	\$425.50	0.0%	2024
1"	\$548.00	* meter pricing includes water meter transmitter	\$548.00	0.0%	2024
1.5" Compound	\$2,056.00		\$2,056.00	0.0%	2024
1.5" Turbo	\$1,509.00		\$1,509.00	0.0%	2024
2" Compound	\$2,330.50		\$2,330.50	0.0%	2024
2" Turbo	\$1,747.00		\$1,747.00	0.0%	2024
3" Compound	\$2,901.50		\$2,901.50	0.0%	2024
3" Turbo	\$2,116.40		\$2,116.40	0.0%	2024
4" Compound	\$4,781.25		\$4,781.25	0.0%	2024



**City of Hutchinson**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
4" Turbo	\$3,817.00	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$3,817.00	0.0%	2024
6" Compound	\$8,190.45		\$8,190.45	0.0%	2024
6" Turbo	\$6,737.95		\$6,737.95	0.0%	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.	\$207.50	0.0%	2024
<b>Other Water Fees</b>					
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	\$60.00	0.0%	2024
Key rental fee (Month or partial month)	\$60.00	Month or partial month	\$60.00	0.0%	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	\$30.00	0.0%	2024
Per load	\$30.00	2 load/day, hydrant fills	\$30.00	0.0%	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
<b>Wastewater Rates:</b>					
<b>Wastewater Base Rate - Residential</b>					
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
<b>Wastewater Usage Rate - Residential</b>					
1,000 gallons/month	\$6.42	x consumption	\$6.42	0.0%	2011
<b>Wastewater Base Rate - Commercial/Industrial</b>					
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
<b>Wastewater use rate - commercial/industrial</b>					
1,000 gallons/month	\$6.42	x consumption	\$6.42	0.0%	2011

# City of Hutchinson

## 2025 Fee Schedule

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Wastewater load charges rate - commercial/industrial</b>					
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
<b>Industrial Pretreatment Program Fees:</b> <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
<b>Hauling Waste Fees</b>					
Portable Toilets Waste					
Transfer pump fee	\$50.00	per hour	\$50.00	0.0%	2024
Truck tipping fee	\$10.00	per 100 gallons	\$10.00	0.0%	2024
Municipal WWTP Sludge					
Truck tipping fee	\$60.00	per truck load	\$60.00	0.0%	2024
Sludge volume fee	\$350.00	per dry ton	\$350.00	0.0%	2024
<b>Telecommunications Application Fee:</b>					
Telecommunication permit application	\$775.00		\$775.00	0.0%	2012
Lease rates	Negotiated		Negotiated		
<b>Right-of-Way Permit Fees:</b>					
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**  
**2025 Fee Schedule**

Fee Type		2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Garbage Rates:</b>						
Weekly service	30-gallon container	\$22.19	per month	\$21.13	5.0%	2024
	60-gallon container	\$31.99	per month	\$30.47	5.0%	2024
	90-gallon container	\$44.02	per month	\$41.92	5.0%	2024
Bi-weekly service	30-gallon container	\$15.61	per month (60 & 90 gallon containers not available)	\$14.87	5.0%	2024
Weekly valet service	30-gallon container	\$31.37	per month	\$29.88	5.0%	2024
	60-gallon container	\$41.19	per month	\$39.23	5.0%	2024
	90-gallon container	\$53.20	per month	\$50.67	5.0%	2024
Senior Citizens/Low Income Rate						
	Bi-weekly standard service	\$15.61	30-gallon container; per month charge	\$14.87	5.0%	2024
	Bi-weekly valet service (low income)	\$21.82	30-gallon container, per month charge	\$20.78	5.0%	2024
	Senior citizen reduced rate (low income)	\$2.76	per month	\$2.63	5.0%	2024
	Senior citizen reduced valet	\$11.95	per month	\$11.38	5.0%	2024
	Senior citizen reduced bi-weekly valet	\$7.35	per month	\$7.00	5.0%	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
<b>Storm Water Utility:</b>						
Golf Course, Park, Open Space		\$7.19	per acre per month	\$6.66	8.0%	2024
Single & Two-Family Residential		\$5.56	per acre per month	\$5.15	8.0%	2024
Public/Private School & Institutional		\$27.93	per acre per month	\$25.86	8.0%	2024
Multi-Family Residential & Church		\$39.71	per acre per month	\$36.77	8.0%	2024
Commercial & Industrial		\$71.05	per acre per month	\$65.79	8.0%	2024
Lots 1 to 2 acres		\$9.62	per acre per month	\$8.91	8.0%	2024
Lots 2 to 3 acres		\$16.77	per acre per month	\$15.53	8.0%	2024
Lots 3 to 4 acres		\$23.92	per acre per month	\$22.15	8.0%	2024
Lots 4 to 5 acres		\$31.09	per acre per month	\$28.79	8.0%	2024
Lots over 5 acres			per acre per month			
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

## 2025 Fee Schedule

Fee Type		2025 Fees	Notes	2024 Fees	% Change	Last Change
<b>Cemetery:</b>						
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	Unit A all rows, Units C-D-I top 4 rows	\$1,800.00	0.0%	2020
		\$1,600.00	Units C-D-I bottom rows	\$1,800.00	-11.1%	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	\$435.00	0.0%	2024
	Weekend/Holiday Non-Winter	\$685.00	4/15 - 11/15: Sat 9am - 2pm	\$685.00	0.0%	2024
	Weekday Winter	\$560.00	11/16 - 4/14: M-F 9am - 4pm	\$560.00	0.0%	2024
	Weekend/Holiday Winter	\$805.00	11/16 - 4/14: Sat 9am - 2pm	\$805.00	0.0%	2024
Inurnments (above-ground)	Weekday Non-Winter	\$390.00	4/15 - 11/15: M-F 9am - 4pm	\$390.00	0.0%	2024
	Weekend/Holiday Non-Winter	\$630.00	4/15 - 11/15: Sat 9am - 2pm	\$630.00	0.0%	2024
	Weekday Winter	\$510.00	11/16 - 4/14: M-F 9am - 4pm	\$510.00	0.0%	2024
	Weekend/Holiday Winter	\$735.00	11/16 - 4/14: Sat 9am - 2pm	\$735.00	0.0%	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		\$850.00	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		\$45.00	0.0%	2024
	Saddle mount	\$20.00		\$20.00	0.0%	2024
Late charges		\$100.00	funerals arrive more than 30 minutes late	\$100.00	0.0%	2024
		\$200.00	funerals arrive more than 60 minutes late	\$200.00	0.0%	2024
		\$500.00	M-F funerals arrive after 4pm (no arrivals after 4:30)	500.00	0.0%	2024
		\$500.00	S funerals arrive after 2 pm (no arrivals after 2:30)	\$500.00	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**  
**2025 Fee Schedule**

Fee Type	2025 Fees	Notes	2024 Fees	% Change	Last Change
Memorial 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
Commemorative Bench Program					
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
<b>Airport:</b>					
City-owned hangars:					
Hangars #1/9-1/18	\$53.00	Per month. Airport Commission schedule	\$53.00	0.0%	2024
Hangars #1/19	\$285.00	Per month. Airport Commission schedule	\$285.00	0.0%	2024
Hangars #2/1-2/8	\$93.00	Per month. Airport Commission schedule	\$93.00	0.0%	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	\$306.00	0.0%	2024
Hangars #4/1-4/8	\$128.00	Per month. Airport Commission schedule	\$128.00	0.0%	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	\$360.00	0.0%	2024
Hangar 1710	\$780.00	Per month. Airport Comm schedule, may be w/ FBO agmt	\$780.00	0.0%	2024
Hangar 1720	\$780.00	Per month. Airport Comm schedule, may be w/ FBO agmt	\$780.00	0.0%	2024
City-owned storage spaces - Hangar #4	\$49.75	Per month. Adjusted to \$1.00/SF annual cost	\$49.75	0.0%	2024
City-owned storage spaces - Hangar #5	\$59.00	Per month. Adjusted to \$1.00/SF annual cost	\$59.00	0.0%	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
<b>Operations &amp; Maintenance:</b>					
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			



2025 Annual Budget

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## Compensation Plans

## **RESOLUTION NO. 15818**

### **CITY OF HUTCHINSON 2025 COMPENSATION PLAN**

#### **RESOLUTION ADOPTING THE PLAN, POSITION CLASSIFICATION ASSIGNMENT TABLE AND PAY GRID EFFECTIVE JANUARY 1, 2025**

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.)

#### **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 165 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.
3. When an employee is transferred internally to a position that falls in the same grade, whether the transfer was due to the employee's choice or management decision, the employee's current rate of pay will be maintained unless the supervisor requests an exception for an increase or decrease in rate of pay.

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.

Internal Transfer – An internal transfer is the appointment of a current, active regular employee to a position that is within the same salary range or grade as the position held prior to transfer.

## **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
<b>Outstanding Performer (4.51 - 5)</b>	7%	6%	5%	4%	3%	2%
<b>Exceeds Expectations (3.51 - 4.5)</b>	6%	5%	4%	3%	2%	1%
<b>Solid Performer (2.51 - 3.5)</b>	5%	4%	3%	2%	1%	0%
<b>Needs Improvement (1.51 - 2.5)</b>	2%	0%	0%	0%	0%	0%
<b>Unsatisfactory (0 - 1.5)</b>	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, or employees that have been promoted, demoted, or transferred during the calendar year. For 2025, the effective date is Sunday, March 2, 2025. New employees and employees that have been promoted, demoted, or transferred during the calendar year are eligible for consideration

for a merit/performance increase after one year of continuous employment, generally, the first year anniversary date after being appointed to the position. 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 2025. 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 1<sup>st</sup>.

Information regarding employee benefits for 2025 can be found in Resolution No.15792.

### **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 19<sup>th</sup> day of December, 2024. (This replaces Resolution No. 15680)

ATTEST:

\_\_\_\_\_  
Gary Forcier, Mayor

\_\_\_\_\_  
Matthew Jaunich, City Administrator

2025 Hutchinson Pay Grid			
Grade	MIN	MID/ MARKET	MAX
	80%	100%	120%
260	\$62.727	\$78.409	\$94.091
250	\$59.123	\$73.903	\$88.684
240	\$56.059	\$70.074	\$84.089
230	\$53.546	\$66.932	\$80.319
220	\$48.813	\$61.017	\$73.220
210	\$46.300	\$57.875	\$69.450
200	\$44.053	\$55.066	\$66.079
190	\$39.880	\$49.850	\$59.820
185	\$38.345	\$47.934	\$57.522
180	\$36.816	\$46.020	\$55.224
170	\$33.679	\$42.099	\$50.519
165	\$32.874	\$41.101	\$49.317
160	\$32.074	\$40.093	\$48.112
150	\$29.561	\$36.952	\$44.342
140	\$27.901	\$34.876	\$41.852
130	\$25.938	\$32.423	\$38.907
120	\$23.700	\$29.625	\$35.551
110	\$20.628	\$25.785	\$30.942
100	\$18.399	\$22.999	\$27.598

**CITY OF HUTCHINSON**  
**2025 Position Classification Table**

Grade	Position	Grade	Position
100	PT PRCE Custodian	150	Senior Water Plant Operator
		150	Senior Wastewater Operator
110	Compost Facility Maintenance Assistant	150	Wastewater Laboratory Specialist
110	Compost Forklift Operator	150	Wastewater Maintenance Specialist
110	PT Adaptive Recreation Coordinator		
110	PT Office Specialist - Event Center	160	Building Inspector
110	PT PRCE Receptionist	160	City Clerk/Paralegal
		160	Compost Operations Supervisor
120	Administrative Secretary - Public Works	160	Fire Inspector/Fire Fighter
120	Community Service Officer - PT	160	Maintenance Lead Operator (PW)
120	Motor Vehicle Licensing Clerk FT/PT	160	Parks Maintenance Lead Operator
120	Planning/Building/EDA Technician	160	Police Cadet
120	PRCE Office Specialist - FT		
120	Recreation Facility Maintenance Technician	165	Police Officer - FT/PT
120	Recreation Specialist/Concessions Coordinator PT		
120	Utility Billing Specialist	170	Senior Engineering Specialist
		170	Server/Network Technician
130	Compost Laborer		
130	Engineering Administrative Specialist	180	Building Official
130	Human Resources/Administrative Technician	180	Facilities Manager
130	Motor Vehicle Technician	180	Motor Vehicle Deputy Registrar
130	Planning and Building Administrative Specialist	180	Parks Manager
130	Police Administrative Specialist	180	Project/Environmental/Regulatory Manager
130	Police Supplemental Services Specialist	180	PRCE Facility Maintenance Manager
130	Public Outreach and Education Coordinator	180	Recreation Manager
130	Public Works Administrative Specialist		
130	Public Works Maintenance Operator	185	Police Sergeant
130	Wastewater Maintenance Operator		
130	Wastewater Plant Operator	190	City Engineer
130	Water Plant Operator	190	Assistant Finance Director
		190	Wastewater Manager
140	Compost Equipment Operator	190	Water Manager
140	Compost Operations Specialist		
140	Lead Police Administrative Specialist	200	Compost Manager
140	Parks Maintenance Equipment Operator	200	Economic Development Director
140	Payroll/Benefits Specialist	200	Fire Chief
140	Police Data Release Coordinator	200	Liquor Sales Manager
140	Police Investigations Specialist	200	Police Lieutenant
140	PRCE Facilities Operations Specialist	200	Public Works Manager
140	Senior Accounting Specialist		
140	Senior Liquor Sales Clerk	220	Finance Director
140	Senior Public Works Maintenance Operator	220	Human Resources Director
140	Vegetation Mangement Specialist	220	Information Technology Director
		220	Parks/Recreation/Community Ed (PRCE) Director
150	Aquatics & Recreation Programmer	220	Planning Director
150	Distribution/Collection Systems Specialist		
150	Inspector	230	Public Works Director
150	IT Technician		
150	Engineering Specialist	240	City Attorney
150	Equipment Mechanic	240	Police Chief/Emergency Management Director
150	Event Center/Senior Center Programmer		
150	Sales & Marketing Specialist	260	City Administrator

## **RESOLUTION NO. 15819**

### **CITY OF HUTCHINSON 2025 SEASONAL, TEMPORARY, AND PART TIME COMPENSATION PLAN**

#### **RESOLUTION ADOPTING THE POSITION PAY LEVEL ASSIGNMENT TABLE AND PAY SCHEDULE EFFECTIVE JANUARY 1, 2025**

WHEREAS, the City Council has considered the existing pay levels of seasonal, temporary, and part-time liquor positions for the City of Hutchinson and the current economic conditions,

BE IT RESOLVED, that a Compensation Plan specific to seasonal, temporary, and part-time liquor positions is hereby adopted. All positions covered by this Resolution shall be grouped in levels based on range of difficulty and responsibility. For each position there shall be a title reflective of responsibilities.

#### **A. Annual Market Adjustment Consideration**

As part of the budget preparation process, an annual market adjustment to the existing pay schedule, typically expressed as half of the total percentage increase made to the City of Hutchinson Compensation for regular positions, is recommended to the City Council for review and consideration for approval. (See Attachment A for Pay Schedule)

#### **B. Position Pay Level Assignment**

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

The Human Resources Director and Department Director may jointly approve a level adjustment of a position without City Council Approval.

#### **C. 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.

#### **D. Review of the Plan**

At a minimum, the Seasonal, Temporary, and Part Time Compensation Plan will be reviewed annually as part of the overall review of employee compensation through the budget process.

#### **E. Filing of the Plan**

Upon adoption of the Resolution, a copy of the 2025 Seasonal, Temporary, and Part Time 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 Seasonal, Temporary, and Part Time 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 Seasonal, Temporary, and Part Time City Position Level Table and 2025 Seasonal, Temporary, Part Time Pay Schedule, to be reviewed from time to time, as appropriate.

Adopted by the City Council this 19<sup>th</sup> day of December, 2024. (This replaces the 2022 Seasonal, Temporary, Part Time Pay Schedule)

ATTEST:

Gary Forcier, Mayor

Matthew Jaunich, City Administrator

2025 City of Hutchinson Seasonal / Temporary / Part-Time Pay Schedule						
Pay Level	85%	90%	93%	96%	100%	104%
Level A		\$12.24	\$12.65	\$13.06	\$13.62	\$14.18
Level B		\$14.28	\$14.79	\$15.25	\$15.91	\$16.52
Level C		\$16.52	\$17.09	\$17.65	\$18.36	\$19.13
Level D		\$19.74	\$20.40	\$21.06	\$21.93	\$22.85
Level E	\$24.28	\$25.70	\$26.62	\$27.44	\$28.56	\$29.73

Attachment A

Seasonal / Temporary / Part-Time Position Pay Levels							
<b>Level A</b>			<b>Level C</b>			<b>Level D</b>	
Building Attendant			Bike/Park Patrol			Aquatics Supervisor	
Warming House Attendant			Concessions Lead			Concessions Supervisor	
			EDA Intern			Lead Ice Arena Worker	
<b>Level B</b>			Head Election Judge			Lead Poll Worker	
Absentee Voting Team Member			Head Lifeguard			Parks Seasonal Maintenance Lead	
Admissions/Pool Attendant			Ice Arena Worker (18+)			Public Works/Engineering Specialist	
Concessions Worker			IT Intern			Skating Instructor Supervisor	
Election Judge			Park Maintenance			Swimming Lesson Supervisor	
Ice Arena Worker (Under 18)			Parks Maintenance Specialist*			Tournament Supervisor	
Lifeguard			Part Time Compost Monitor			Women to Workforce Intern (EDA)	
Park Maintenance (Under 18)			Part Time Liquor Sales Clerk				
Skating Instructor			Part Time PRCE Office Specialist			<b>Level E</b>	
Swimming Lesson Instructor*			Public Works/Engineering Intern*			Aquatic Center Manager	
Temporary Liquor Sales Clerk			Public Works/Engineering Worker			DARE Instructor	
Youth Coach			Skating Instructor Lead				
			Youth Head Coach				
<b>* - Add \$1.00/hour for additional duties</b>							

Attachment B





**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

<b><u>Officer Position</u></b>	<b><u>Annual Officer Pay</u></b>
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

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



2025 Annual Budget

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# 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 1<sup>st</sup>.
- 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 1<sup>st</sup> - 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 1<sup>st</sup> of each year.

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

December 31<sup>st</sup> - 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 bound 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.

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\* 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 11<sup>th</sup> day of the month, or next business day if the 11<sup>th</sup> 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: \_\_\_\_\_

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### **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)