

Hutchinson's Vision Statement

Our vision for the city of Hutchinson is that we will continue to be an involved, progressive, and innovative community that promotes our regional prominence while preserving our hometown character and delivering quality, cost-effective services.



Questions/comments please contact:

City of Hutchinson
Finance Department
111 Hassan ST SE
Hutchinson, MN 55350

or

call (320)587-5151

The Adopted 2007 Budget is available
online at:
<http://www.ci.hutchinson.mn.us>

For general information please call (320)587-5151

CITY OF HUTCHINSON

2008

Proposed BUDGET SUMMARY

Hutchinson Minnesota's hometown.™



Understanding Hutchinson's 2008 Proposed Budget

HUTCHINSON'S APPROACH TO BUDGETING

The beginning of the 2008 budget process started with the City Council setting parameters as a framework for City Directors to follow. City Council being very cognizant of the tax levy impact to citizens and the LGA reductions challenged city staff to keep expenditure increases to a minimum while reviewing areas where potential increases in revenue could be generated. Partnerships among departments and other outside entities was also a focal point in the 2008 budget process as another means of containing costs in a growing and expanding community.

EXPENDITURES FOR OPERATING BUDGET

The expenditures from the operating budget provide services to benefit the residents and businesses of the City of Hutchinson. Of the total General Operating Budget 66% is spent on employee salaries and benefits, with the remaining balance primarily spent on capital items, such as vehicles and buildings..etc. along with operational costs such as utilities, contractual services and supplies and maintenance costs. The brochure provides total appropriations by individual department functions. Additional detail can be obtained in the complete budget book available at City Center or online at www.ci.hutchinson.mn.us/Finance

LONG TERM DEBT

The City of Hutchinson incurs long term debt on an annual basis to maintain the community's infrastructure. These items include: roads, storm, water and wastewater improvements such as the Hwy 7 project. Further explanation is given inside this document.

REVENUE SOURCES FOR OPERATING BUDGET

- ◆ The revenues to support the General fund comes from a variety of sources. The largest of which is property and delinquent taxes at 35.6% of total expenditures.
- ◆ General Government revenues make up the next largest share at 24.1%. Revenues generated in this category include license fees, building permits, fines, program fees, facility rentals, interest earnings and reimbursements for services provided.
- ◆ Intergovernmental Revenue makes up the next largest portion of revenue at 23.2%, with Local Government Aid (**LGA**) contributing 19.5% of the total. LGA is established by the State of Minnesota Legislative process. Because this revenue is subject to the State Budget Process, the amount the City receives is often difficult to predict. Recent years have seen some large reductions followed by some small increases and decreases from one year to the next. Various other State and Federal money along with other local jurisdiction revenue falls into this category as well.
- ◆ Enterprise & Miscellaneous Transfers make up the last 17.1% of the General Fund Revenues. These revenues are deposited from other city operations into Hutchinson's General Operating Fund and Capital Improvement Fund. Revenues from Enterprise Departments come from Service Charges, User Fees and Profits from products sold. Water and Sewer as an example of User Fees and profits from the Liquor Hutch for product sold.

Fiscal Year 2008 Proposed Budget Summary

TOTAL ESTIMATED REVENUES

General Operating Fund

General Government	24.1%	\$2,699,503
Charges for Services	\$1,778,073	
Reimbursements	\$402,950	
Permit Fees	\$336,180	
Licenses & Fines	\$101,300	
Interest, Fund Balance	\$81,000	
Taxes (current & delinquent)	35.6%	\$3,993,000
Intergovernmental Revenue	23.2%	\$2,604,741
Local Government Aid (LGA)	\$2,180,166	
Local, State, Federal	\$424,575	
Transfers	17.1%	\$1,911,574
Water & Sewer	\$129,800	
LGA Reserve	\$110,774	
Liquor Hutch	\$332,000	
Misc. Contributions	\$84,000	
Hutchinson Hospital	\$150,000	
Hutchinson Utilities	\$1,105,000	
Total General Fund Revenues		\$11,208,818

TOTAL APPROPRIATIONS

General Operating Fund

MAYOR & CITY COUNCIL	\$71,445	
ADMINISTRATION	\$357,781	
ELECTIONS	\$19,763	
FINANCE DEPARTMENT	\$619,645	
MOTOR VEHICLE	\$205,898	
ASSESSING	\$54,900	
LEGAL	\$211,944	
INFORMATION TECHNOLOGY	\$280,187	
PLANNING	\$160,624	
CITY HALL	\$151,068	
CEMETERY	\$144,736	
UNALLOCATED GENERAL EXPENSE	\$712,450	
General Government Expenditures Total	27%	\$2,990,441
SAFETY COMMITTEE	\$20,370	
PROTECTIVE INSPECTIONS	\$283,768	
EMERGENCY MANAGEMENT	\$19,000	
POLICE	\$3,084,861	
FIRE	\$465,013	
Public Safety Expenditures Total	35%	\$3,873,012
PARK/RECREATION ADMINISTRATION	\$214,162	
RECREATION	\$222,070	
SENIOR PROGRAMMING	\$70,351	
CIVIC ARENA	\$308,238	
PARK DEPARTMENT	\$879,818	
RECREATION BUILDING & POOL	\$137,216	
EVENTS CENTER	\$243,354	
LIBRARY	\$187,598	
EVERGREEN BUILDING	\$15,600	
Culture & Recreation Expenditures Total	20%	\$2,278,407
ENGINEERING	\$472,046	
STREETS & ALLEYS	\$1,495,563	
Streets & Highways Expenditures Total	17%	\$1,967,609
AIRPORT	\$99,349	
Airport Expenditures Total	1%	\$99,349
TOTAL GENERAL FUND EXPENDITURES		\$11,208,818

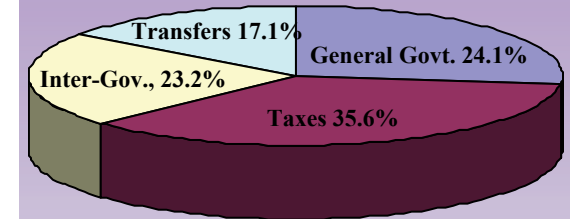
Enterprise Funds Breakdown

Liquor Hutch	
Total Budgeted Revenues	\$4,655,478
Total Budgeted Expenses	\$4,753,985
LESS: Pricipal Payment	75,000
Capital Purchases	4,000
Transfer to General Fund	\$332,000
Net Income (Loss) Before Transfer	\$312,493
Refuse	
Total Budgeted Revenues	\$1,188,286
Total Budgeted Expenses	\$1,301,897
LESS: Capital Purchases	\$8,000
Net Income (Loss) Before Transfer	(\$105,611)
CreekSide Soils	
Total Budgeted Revenues	\$2,580,500
Total Budgeted Expenses	\$2,724,464
LESS: Pricipal Payment	\$55,000
Capital Purchases	\$48,000
Transfer	\$50,000
Net Income (Loss) Before Transfer	\$9,036
Water Treatment	
Total Budgeted Revenues	\$1,968,753
Total Budgeted Expenses	\$3,238,729
LESS: Pricipal Payment	\$322,390
Capital Purchases	\$715,000
Transfer to General Fund	\$64,900
Net Income (Loss) Before Transfer	(\$167,686)
Waste Water Treatment	
Total Budgeted Revenues	\$3,383,300
Total Budgeted Expenses	\$11,034,487
LESS: Pricipal Payment	\$473,800
Capital Purchases	\$6,769,800
Transfer to General Fund	\$64,900
Net Income (Loss) Before Transfer	(\$342,687)
Storm Water	
Total Budgeted Revenues	\$523,100
Total Budgeted Expenses	\$623,027
LESS: Capital Purchases	\$335,000
Net Income (Loss) Before Transfer	\$235,073

2008 Revenue Sources

\$11,208,818

General Fund

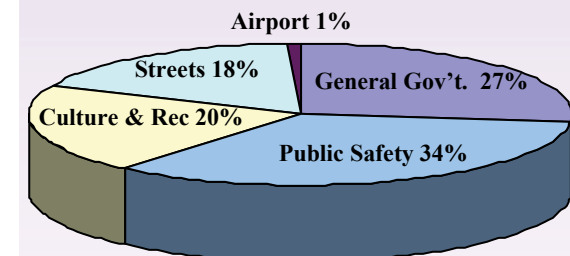


Note: LGA is Part of Inter-Gov. Revenue, accts for 19.5%

2008 Expenditures

\$11,208,818,

General Fund



(The 2008 budget is 4.5% greater than 2007)

2008 Proposed City Property Tax Levy \$5,605,900

(Your 2007 Property Tax Levy was \$5,367,326. 2008 increased by 4.4%.)

Part of your property tax is utilized for general operations of the City. This amount, \$3,981,000 makes up 71% of the tax levy. Improvement Bonds such as streets, water & sewer projects represent \$1,423,861 or 26% of the tax levy and is not included in this document because it falls outside of the General Operating Fund. The balance of \$160,600 or 3% of the tax levy is for General Obligation Bonds utilized for the City share of the Hutchinson Area Transportation building (HATS). This amount is also paid but again falls outside of the General Operating Fund.