



# City of Hutchinson

## 2011 Preliminary General Fund Truth & Taxation Meeting

Tuesday, December 14, 2010

6:00 p.m.



# 2010 Market Values

- County Starts with the 2009 Market Residential/Commercial Values
- Market values are adjusted for 2010 based on several factors:
  - ▣ Sales data: **October 1<sup>st</sup>, 2008 – September 30<sup>th</sup>, 2009;**
  - ▣ New Residential/Commercial Construction from the year **2009;**
- County then actually sets the 2010 Market Value on **January 2<sup>nd</sup>, 2010** from that data:
- **March 2010** - Estimated Market Valuation/Market Values notices are sent out to property owners:
- **April 2010** - “The City of Hutchinson Board of Equalization” is held to discuss the 2010 Market Values and make any adjustments if necessary:
- **November 2010** – Final Market Valuation/Market Value notices sent out, and preliminary levies applied to that value.



# Global Statement

- The City of Hutchinson exists so that residents, businesses, property owners and visitors are provided with quality services and programs that support a safe, healthy, sustainable and business-friendly community with a small town atmosphere for a cost of government similar to, or less than comparable out-state Minnesota cities.



# Governing Core Areas – Ends Statements

- **Public Safety** ( Police, Fire, Emergency Management, Bldg Inspections)
  - Provide Residents & Visitors a “Safe” Environment w/protection of property
- **Health & Recreation** (Rec. Center, Event Center, Ice Arena..etc)
  - Provide and Contribute to a “Healthy Quality of Life”
- **Transportation** (Engineering, Street Dept.)
  - Provide safe and effective movement throughout the city
- **Economic Development** (EDA, HRA)
  - Provide Diversification, job growth, employment opportunities
- **Environment** (Parks, Storm water..etc)
  - Provide concepts that are sustainable & environmental friendly (ie....manage community growth)
- **Good Government** (Administration, Finance...etc)
  - Citizens perceive the City is delivering quality services at a reasonable price and that there is adequate planning for the future.



# Good Government

- Ensure effective long range planning with community participation & feedback.
  - Community members & stakeholders feel they are engaged in the process
  - Stakeholders see a connection between current and long term goals
  - City Enterprises are recognized as running efficiently and providing reasonable benefit to residents
  - Community recognizes effective partnerships and positive relationships with private and public entities are in place and provide mutual benefits.



# Types of Budgets

## □ **General Fund Budget**

- Police, Fire, Park & Rec., Streets, Engineering, Bldg Inspections, P&Z, Administration

## □ **Debt Service Budget**

- Accounts for all principal and interest payments

## □ **Enterprise Budgets**

- Sewer, Water, Refuse, Storm Water
- Liquor Store
- Creekside Soils

## □ **Special Revenue Budget**

- Public Sites

## □ **Special Budget ( Have Separate Levies)**

- Housing and Redevelopment Authority
- Economic Development Authority



## Timeline - 2011 Budget Process

- Council Set Parameters for General Fund Budget – Early in 2010
- Certified Preliminary GF Tax Levy – September 14, 2010
- Public Hearings on 2011 Preliminary Budget – September 20, 2010 and November 18, 2010
- Truth & Taxation Hearing – December 14, 2010
- Set Final Levy's – December 28

*(The City maintains the option to reduce tax levy [after] the September certification of tax levy to the county.)*



## Pro-Active Measures Taken By City Council and City Management

- ❑ Reduce Reliance on LGA to fund the General Operating Budget (*Capital Expenditures moving forward*)
- ❑ Reduction of 8 Full-time & 2 Part-time Employees
- ❑ Reduction in staff hours for 3 Full-time Employees (1-City Hall, 2 – Event Cntr)
- ❑ Consolidation of the Administrator & Finance Director positions
- ❑ Early retirement program – 5 positions (4 FT, 1 PT)
- ❑ No Market (Cost-of-Living) Adjustment budgeted
- ❑ Reductions in operating expenses, over-time budgets & seasonal budgets
- ❑ Increases in certain user fees & some fees once waived will no longer be waived



# What is LGA?

- LGA stands for Local Government Aid.
  - Revenue sharing program of State monies that are funneled back to some local taxing jurisdictions (primarily cities/counties in outstate MN, plus a few suburbs in the Metropolitan area). This revenue sharing is based on a formula.
  - Changes in LGA are debated nearly every year in the MN State House and Senate.
  - Annual amounts under this program are subject to “un-allotment” by the Governor. The recent history of un-allotments is as follows:
    - 2008 - \$317,000 (Dec.)
    - 2009 - \$272,000
    - 2010 - \$627,987 in addition MVC – Reduction \$294,722  
(Total reduction of ~ \$922,709)



## City of Hutchinson Historical Staffing Levels

- City Staffing Levels in 2001
  - ▣ Full-Time Employees – 102
  - ▣ Part-Time Employees – 39
- City Staffing Levels in 2011
  - ▣ Full-Time Employees – 95 (Better Equipment, More efficient, Seasonal EE's)
  - ▣ Part-Time Employees – 28
- Population 2001 – 13,185, Projected for 2011 – 14,000+
- Increased Miles of streets, trails, sidewalks, Park acres, School District grounds

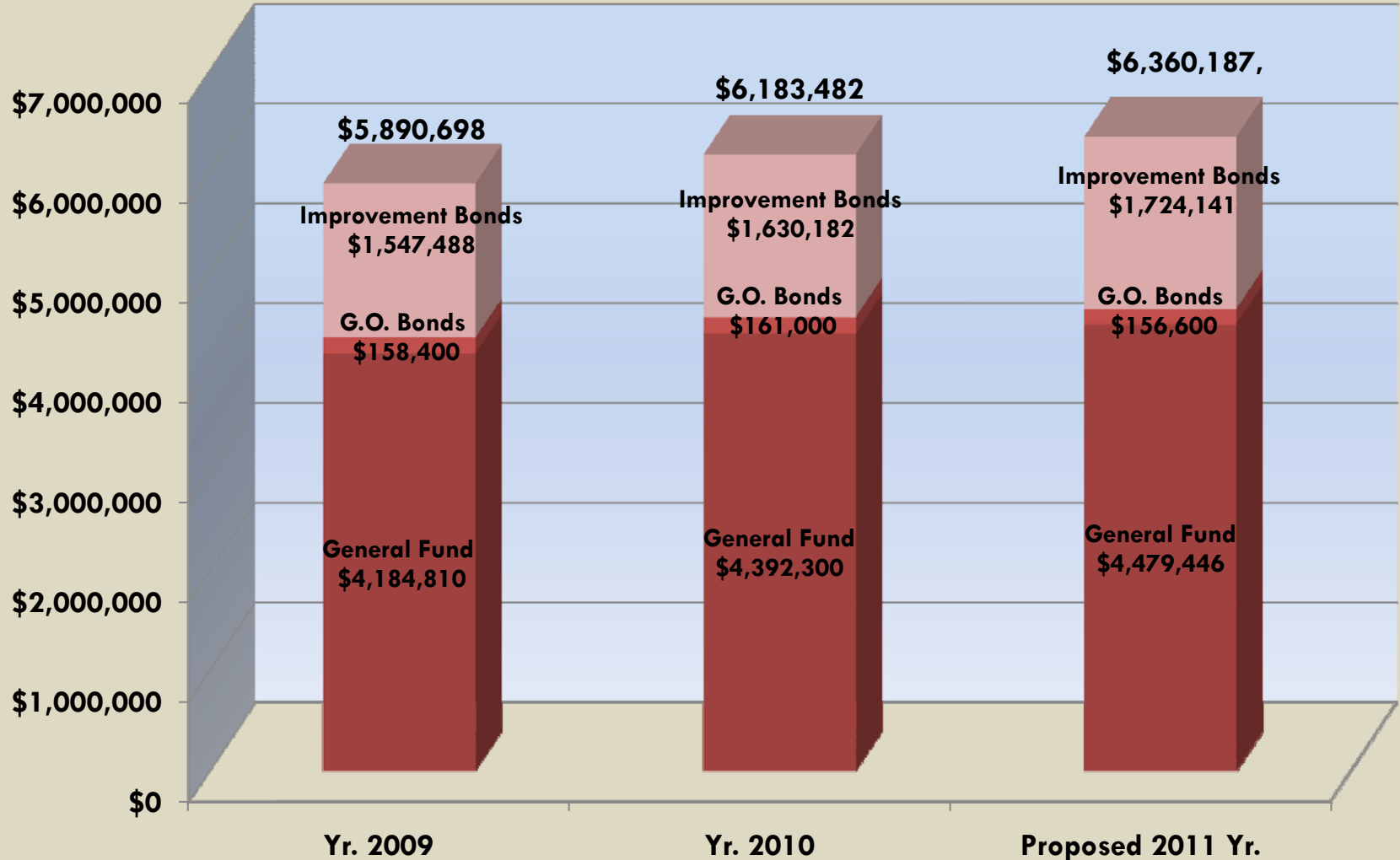


# Preliminary Tax Levy Info.

- General Fund Tax Levy
  - ▣ Preliminary General Fund Tax Levy – increase of 2% over 2010 , \$4,479,446
  - ▣ Includes Voter Approved Special Mosquito Levy of \$35,000
  
- Debt Fund Tax Levy
  - ▣ Preliminary Tax Levy increase of 5% - \$1,880,741 (~ 30% of Total Tax Levy)
  
- Levy Impact on Tax Payer – **2.9% overall Prelim. Levy increase**
  - ▣ 2010 - \$812 in taxes paid for City Services – Home Value \$142,000
  - ▣ 2011 - \$805 in taxes paid for City Services – Home value \$134,700

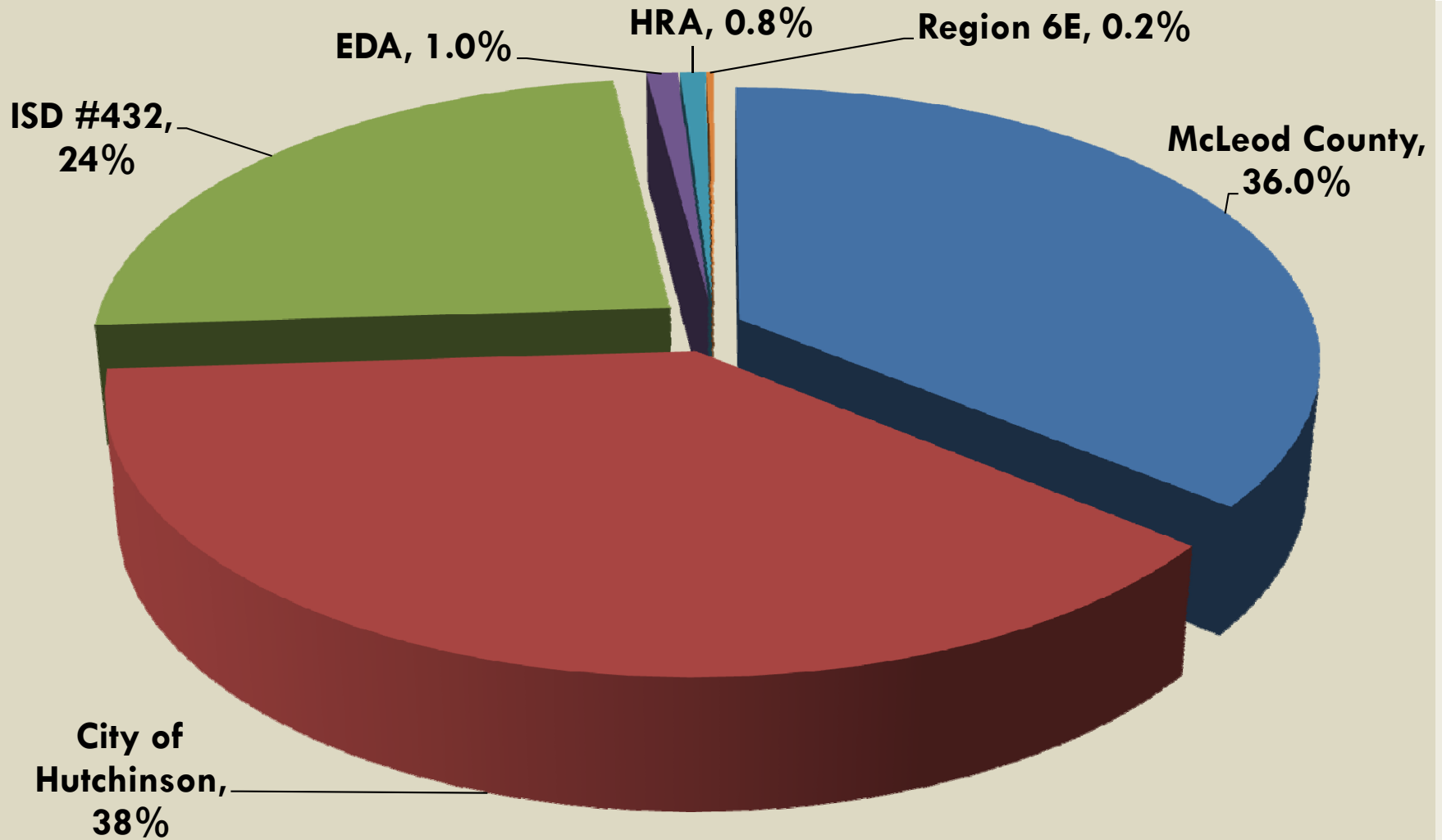


# 2011 Total Preliminary Levy





# 2010 Tax Bill Breakdown (Residential Home)



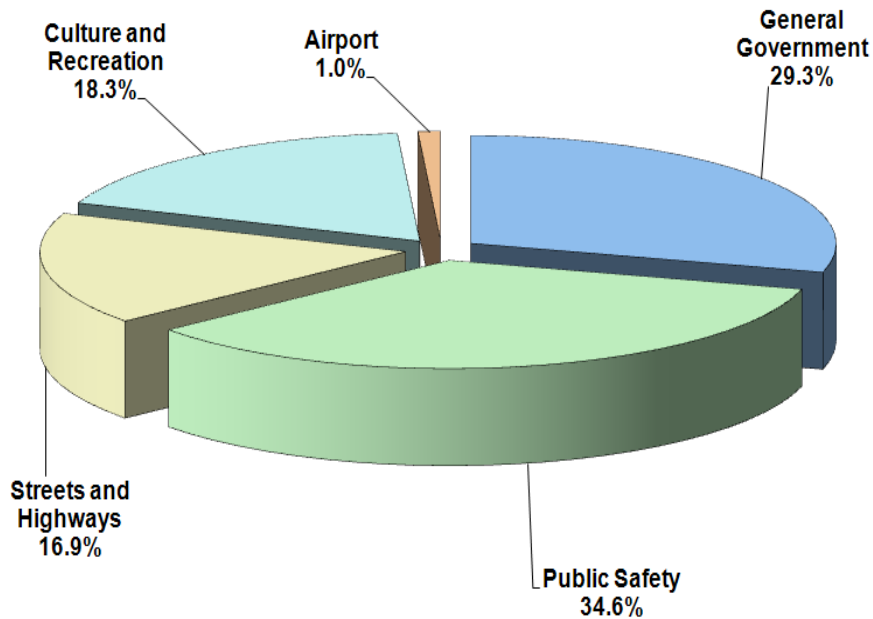


# 2011 Preliminary Budget

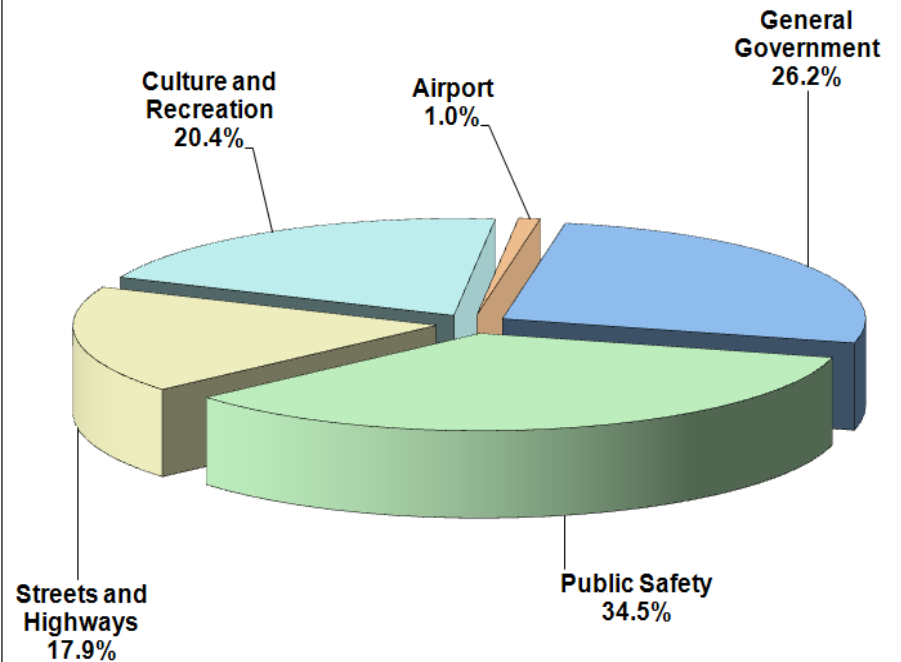
<i>Description</i>	2008 BUDGET	2009 BUDGET	2010 BUDGET	2011 BUDGET
<b>REVENUES</b>				
Taxes	3,981,000	4,184,810	4,392,300	4,479,446
Delinquent Taxes	12,000	12,000	12,000	12,000
Licenses	56,300	57,989	58,281	51,300
Permits	336,180	304,696	297,596	246,600
Intergovernmental (Aids, PRCE Reim....etc)	424,575	378,471	379,971	422,277
LGA	2,180,166	2,205,753	1,784,272	722,000
Charges for Services	1,778,073	1,757,664	1,767,647	1,843,596
Fines & Forfeitures	45,000	45,000	45,000	45,000
Interest Income	70,000	70,000	70,000	70,000
Refunds & Reimbursements	402,950	408,632	419,850	568,385
Transfers (\$150,000 one time Transfer, Tree Program, Rural Co)	194,774	157,000	160,000	275,500
W/S Fund Transfer	129,800	136,290	86,290	86,290
Creekside Transfer	-	52,500	105,125	57,881
Liquor Transfer	332,000	348,600	366,030	451,030
Hospital Transfer	150,000	157,500	165,375	185,220
Utilities Transfer	1,105,000	1,160,250	1,018,263	1,105,614
Surcharges	1,000	1,000	1,000	400
Fund Balance	10,000	47,168	10,000	15,000
<b>Total Revenues</b>	<b>11,208,818</b>	<b>11,485,323</b>	<b>11,139,000</b>	<b>10,637,539</b>
<b>EXPENDITURES</b>				
Salaries & Benefits	7,405,549	7,727,061	7,206,138	6,607,157
Supplies & Maintenance	572,811	615,630	648,573	761,532
Professional & Contractual Services	386,849	429,858	448,679	465,925
Services & Charges	2,105,515	1,965,735	2,084,311	2,233,927
Capital Projects Fund Transfer	436,000	457,800	480,690	-
HATS Transfers	87,050	87,050	87,050	87,050
Miscellaneous Expenses (Lodging Tax, ATM, Coalition, LMC)	151,644	152,989	152,559	181,948
Capital Outlay	63,400	49,200	31,000	-
Contingency	-	-	-	300,000
<b>Total Expenditures</b>	<b>11,208,818</b>	<b>11,485,323</b>	<b>11,139,000</b>	<b>10,637,539</b>
<b>Total Revenues over/(under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# 2011 Preliminary Budget - Expenditures

## Distribution of 2010 General Fund Expenditures

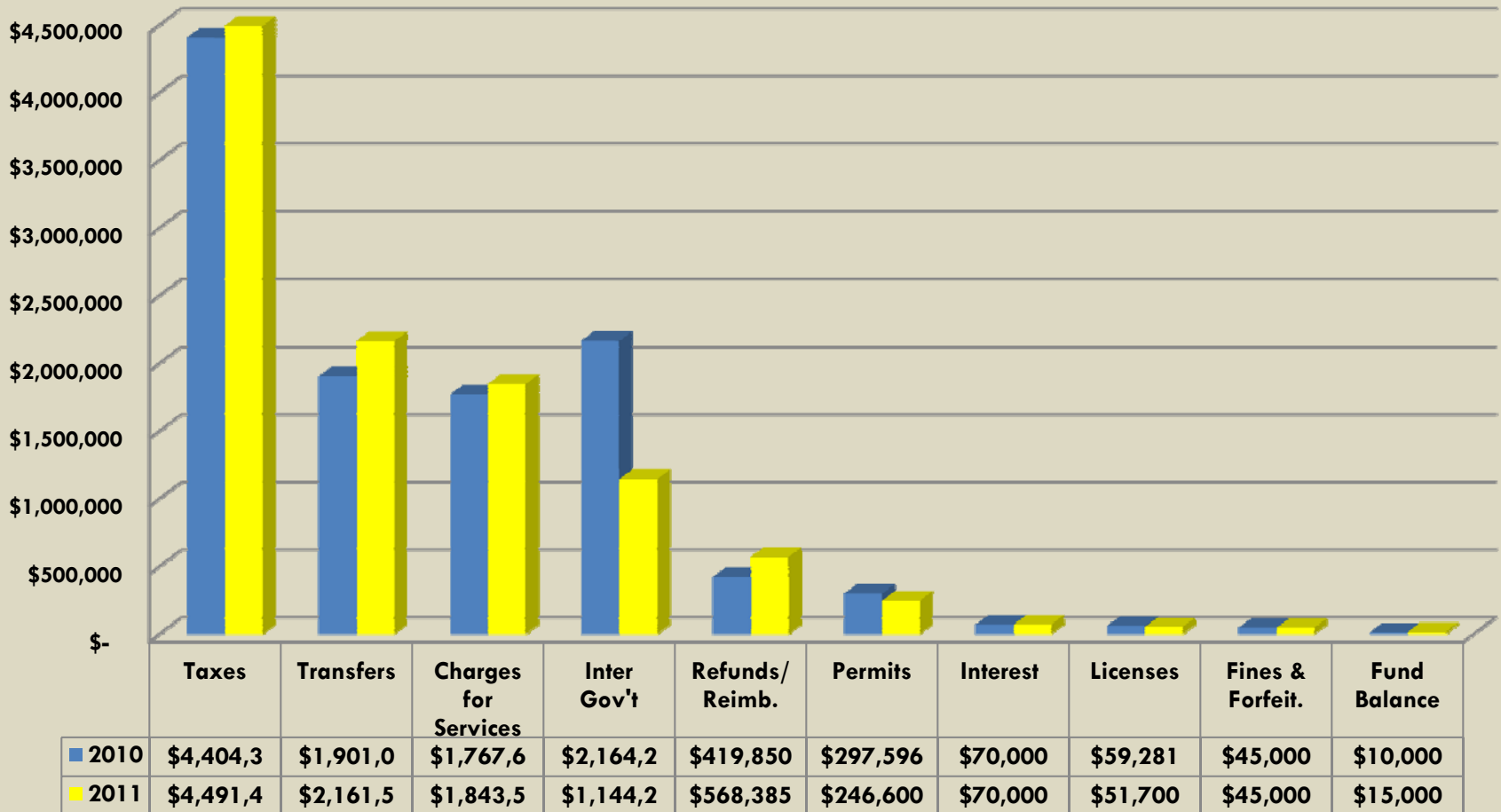


## Distribution of 2011 General Fund Expenditures



# 2011 Preliminary Budget - Revenues

## 2010 & 2011 REVENUE SOURCES



# 5 Year Budget 2011-2015

## 5 YEAR BUDGET PROJECTIONS

<i>Description</i>	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget	Assumptions
<b>REVENUES</b>						
Taxes	4,479,446	4,703,418	4,938,589	5,185,519	5,444,795	5% increase
Delinquent Taxes	12,000	12,000	12,000	12,000	12,000	
Licenses	51,300	52,839	54,424	56,057	57,739	3% increase
Permits	246,600	253,998	261,618	269,466	277,550	3% increase
Intergovernmental (Aids..etc)	422,277	422,277	422,277	422,277	422,277	
LGA	722,000	722,000	722,000	722,000	722,000	
Charges for Services	1,843,596	1,898,904	1,955,871	2,014,547	2,074,984	3% increase
Fines & Forfeitures	45,000	45,000	45,000	45,000	45,000	
Interest Income	70,000	70,000	70,000	70,000	70,000	
Refunds & Reimbursements	568,385	498,385	498,385	568,385	498,385	
Transfers	275,500	125,500	125,500	125,500	125,500	
W/S Fund Transfer	86,290	90,605	95,135	99,891	104,886	5% increase
Creekside Transfer	57,881	60,775	63,814	67,004	70,355	5% increase
Liquor Transfer	451,030	473,582	497,261	522,124	548,230	5% increase
Hospital Transfer	185,220	194,481	204,205	214,415	225,136	5% increase
Utilities Transfer	1,105,614	1,160,895	1,218,939	1,279,886	1,343,881	5% increase
Surcharges	400	400	400	400	400	
Fund Balance	15,000	10,000	-	10,000	-	
<b>Total Revenues</b>	<b>10,637,539</b>	<b>10,795,058</b>	<b>11,185,418</b>	<b>11,684,472</b>	<b>12,043,117</b>	
<b>EXPENDITURES</b>						
Salaries & Benefits	6,607,157	6,937,515	7,284,391	7,648,610	8,031,041	5% Increase
Supplies & Maintenance	761,532	784,378	807,909	832,147	857,111	3% increase
Consulting (Prof & Contractual Services)	465,925	465,925	465,925	465,925	500,925	
Services & Charges	2,233,927	2,300,945	2,369,973	2,441,072	2,514,305	3% increase
HATS Transfers	87,050	87,050	87,050	87,050	87,050	
Miscellaneous Expenses (Lodging Tax, ATM, Coalition, LMC)	181,948	181,948	181,948	181,948	181,948	
Contingency	300,000	-	-	-	-	
<b>Total Expenditures</b>	<b>10,637,539</b>	<b>10,757,761</b>	<b>11,197,196</b>	<b>11,656,752</b>	<b>12,172,379</b>	
<b>Total Revenues over/(under) Expenditures</b>	<b>-</b>	<b>37,297</b>	<b>(11,778)</b>	<b>27,720</b>	<b>(129,263)</b>	



# City of Hutchinson

Questions?