



# 2020 Annual Budget

City of Hutchinson, MN

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2020 Annual Budget

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# Organizational Information



December 20, 2019

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

RE: **2020 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 2020. There have been a couple of minor adjustments to the enterprise funds and CIP since the truth-in-taxation hearing that was held on December 4. Those changes had no impact on the tax levy. 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 3.1%. 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 2020 final budget and tax levy numbers being presented to you today is balanced with a new proposed tax levy increase at 2.1%, and is the culmination of 8 months of work by the great staff of the city of Hutchinson that included five work sessions and a public hearing with the city council.

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

When it comes to developing a budget, it is my belief that the annual budget, which includes a 5-year capital plan, is one of the biggest, if not the biggest, policy decision a city council can make. The policy of a budget more or less drives the “work” of the city and is one of the forces behind achieving the City’s Mission and Vision Statements and funding its six core areas of focus. My

philosophy in helping to develop this budget and future budgets is to balance the needs of the City Council, department directors and staff with the costs associated with the desired service levels and needs of the public, all the time being aware of the desire to keep the tax levy low to encourage growth within the community. Ultimately, the needs versus the wants are decided by you, the elected officials.

The development of the 2020 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?

This coming year represents the seventh straight year that the City will see its Local Government Aid (LGA) increased. 2020's payment will be a significant increase for the City. The 2019 Legislature increased funding to the LGA program by \$26 million to a level we have not seen since 2002. Our 2020 LGA payment is expected to be at \$2,569,936, a \$168,221 increase from our 2019 amount, essentially "restoring" our payment (outside of inflation/property growth).

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, for the City, our tax base continues to grow and our tax levy increases continue to remain relatively low allowing us to keep our tax burden steady, if not lower than previous years. From 2018 to 2019, we saw our overall market value increase by 3.7% from \$1,005,529,700 to \$1,043,205,000. This was the seventh straight year of an increase and one that was on top of a growth of 7.7% the previous year. With the continued growth of the City in 2019, we are likely to see an eighth straight year of market values increasing next year.

All areas of property saw growth in 2019. Specifically, AG value went up 5.9%; apartments went up 4.9%; residential went up 4.1%; and our commercial/industrial value increased by 1.9%. Along with our market values increasing, we have also seen our total taxable tax capacity increase from \$9,999,135 in 2018 to \$10,903,202, an increase of 9.0%. The City is expecting another increase in our tax capacity in 2020, continuing to driving down city property tax rates.

One thing to be aware of when setting tax levies in Hutchinson is that the city's value (60%) and tax capacity (49%) is wrapped up mostly in our residential homesteaded property. While

Hutchinson's residential homesteaded property values and tax capacity is lower than the state average, it is the fourth and fifth highest (out of 19) among outstate regional centers we compare ourselves too. 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 2020 municipal budget.

### **Tax Levy**

The tax levy for the general fund has been set at \$5,270,910 up by \$148,905 from 2019, an increase of 2.9 percent. This will be the fifth straight increase to the general fund tax levy. The debt service levy for 2020 has been set at \$2,200,000; the same as it was in 2019 and is the fourth straight year of a 0% increase to the debt service levy. Due to excellent planning by previous staffs and city councils, the debt service levy is not expected to increase again until 2023. The EDA and HRA tax levies are budgeted to increase by 3.7% and 3.7% respectively. Overall, the total tax levy impact to a Hutchinson resident has been set at \$7,841,036, up by \$162,705 from 2019, an increase of 2.1%. For comparison purposes, the 2019 total tax levy increased by 3.0% from 2018.

The main reason behind the need for a tax levy increase is to cover costs associated with general wage and benefit increases. Most of this is normal growth related to general wage and benefit increases, with some minor increases due to additional labor costs due to classification changes or changes in hours worked. Labor costs are and continue to be the biggest driver of our tax levy. Of the \$148,905 in new taxes, \$45,000 is specifically for a tax abatement related to Uponor coming to town about two years ago. The \$45,000 is the equivalent to just under a 1% tax increase.

The total tax increase for next year will represent at least the seventh straight year of a municipal tax increase, which includes our general fund and debt fund levies. Since 2011, our total property tax levy impact has increased on an average basis by 2.0%. Even with the tax levy increase, the proposed estimated city tax rate for next year will be at 66.34%, down from 67.05% in 2019. This will be the sixth straight year in which Hutchinson residents will see its city tax rate decrease. A home valued at \$166,500 will see an estimated city tax increase of \$37 (4.1%) in 2020. It is more likely that a home owner will see a property tax increase due to their home value increasing, then as a result of the Council raising its tax levy. For comparison purposes, a 0% tax levy increase would have resulted in a minor property tax increase of nineteen dollars.

### **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 2020 with revenues of \$13,452,599 and expenditures of \$13,452,599. The need for additional budget reserves is not needed at this time due to a healthy general fund balance. 2018 audit numbers showed that the City had a general fund balance of \$7,248,735, approximately 55% of the general fund budget for 2019. The State Auditor has recommended to cities that their general fund balance should be in the range of 30% to 50%. The 2019 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 notable additional changes to general fund revenues. Next year's PILOT payment will be based on 4.5% of HUC's total operating revenue, an increase from 4% in 2019 and 3.25% in 2018. This increase will result in an additional revenue stream totaling just over \$192,000 (11.5% increase). This is the final year of a three-year phase in of our PILOT. With the increase in LGA, we have allocated all of that increase to the general fund. That is an additional \$168,221 (15.3%) over what we received in 2019.

The general fund also includes a \$69,000 transfer from our self-insurance fund to help cover the City's employee HSA contribution costs, a decrease of \$23,000. This is the second year of a phase out this contribution. We have about another 3-4 years of transfer money available to cover these costs and the city began preparing last year for the general fund to absorb these costs for the foreseeable future. General fund revenue also includes the loss of \$37,000 from a drug task force grant that we will no longer be receiving and we tempered down expected revenue from building permits by \$25,000. Generally speaking, property taxes account for 39% of all general fund revenues in 2020; 21% comes from charges for service (DMV, recreation and community education fees, etc.); 20% comes from transfers-in (HUC, Liquor, Creekside, Hospital, etc.); and 13% from intergovernmental revenue (LGA, State Aid, etc.). The general fund revenues of \$13,452,599 are a budget increase of 2.5% from 2019.

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 over \$296,000 in 2020. This is due to normal growth due to performance evaluations and increased benefit costs, and includes some additional labor costs due to classification changes or changes in hours worked. Wages and benefits account for 68% of all general fund expenditures in 2020. 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. This will continue be an important issue for the City as we move forward into the baby-boom retirement years where we'll see more competition between all industries for well-qualified skilled workers.

The general fund expenditures also include \$45,000 in funding for a business subsidy (Uponor Tax Abatement). Overall, public safety accounts for 34% of all budgeted expenditures in the general fund in 2020; 26% goes to general government; 23% goes to culture and recreation, and 15% goes to streets and highways. Those percentages are roughly the same as our 2019 budget. Overall, budgeted general fund expenditures increased by 2.5% from \$13,124,793 in 2019 to \$13,452,599 in 2020.

### **Public Enterprise Funds**

Liquor Hutch, Creekside, water, sewer, 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 good fund balances. It is estimated that 2019 year-end numbers will show the liquor fund with an estimated cash balance of about \$100,000; the water fund with an estimated cash balance of about \$3.9 million; the sewer fund with an estimated cash balance of about \$6.3 million; the storm sewer fund with an estimated cash balance of about \$1 million; the refuse fund with an estimated cash balance of about \$1.4 million; and the Creekside fund with an estimated cash

balance of about \$2.4 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.

The 2020 budget for one of the six enterprise funds projects sufficient revenue to cover the expenses outside of depreciation. The other five funds have planned deficits that will be touched on shortly. With that being said, revenues and expenses for next year are expected to remain relatively steady in the water, sewer and refuse funds with none of those funds experiencing a rate increase. Garbage rates were last increased in 2008 with water and sewer rates last being increased in 2011. Budgeted water revenues are set at \$3,184,500 in 2020, up from \$3,111,000 (2.4%) in 2019. Budgeted water expenses are set at \$4,668,274 in 2020, up from \$4,140,611 (12.7%) in 2019. Budgeted sewer revenues are set at \$4,061,500 in 2020, up from \$3,967,000 (2.4%) in 2019. Budgeted sewer expenses are set at \$5,339,567 in 2020, up from \$5,080,750 (5.1%) in 2019. Both the water and sewer funds are seeing an increase in revenue and costs due to demand and capital expenses planned for next year. Budgeted refuse revenues are set at \$1,272,100 in 2020, up from \$1,240,100 (2.6%) in 2019. Budgeted refuse expenses are set at \$1,438,169 in 2020, a slight decrease from \$1,438,615 in 2019. Budgeted storm water revenues are set at \$988,485 in 2020, up from \$967,300 (2.2%) in 2019. Budgeted storm water expenses are set at \$1,394,763 in 2020, up from \$1,230,925 (13.3%) in 2019. The storm water fund has budgeted for a rate increase of about 3.0%. The largest increase in storm water expenses is associated with some additional capital expenditures in 2020.

Liquor Hutch is projecting revenue to grow from \$6,360,000 in 2019 to \$6,476,000 in 2020 (1.8%). This revenue growth is the result of a projected minor sales growth based off of 2019 forecasted sales. Liquor Hutch is also projecting expenses to grow from \$6,488,622 in 2019 to \$6,578,288 in 2020. This growth in expenses of 1.4% is due to basic wage and benefit increases and the cost of products. Creekside is projecting a slight decrease in revenue from \$2,504,420 in 2019 to \$2,490,150 in 2020, a 0.6% decrease. Budgeted expenses are expected to increase from \$2,632,202 in 2019 to \$3,196,381 in 2020 (21.4%). One of the big factors behind the large increase in expenses is due to a significant capital cost related to a new compost screener. Additionally, we are projecting a slight decrease in revenues in 2020 due to the anticipated loss of one of our customers.

In the 2020 budget, only one of the City's enterprise funds (sewer) is expected to see a positive cash flow. The other five funds are projected to see a negative cash flow. The positive growth in the sewer fund should result in a growth of an already healthy fund balance. The five funds experiencing a negative cash flow were planned due to capital improvements, and already have healthy fund balances that can take on the loss. Liquor Hutch (\$500,000) and Creekside (\$110,000) continue to be a valuable asset to the community and will contribute \$610,000 to the general fund in 2020. Overall, the enterprise funds are expected to transfer \$730,000 to the general fund in 2020, the same as last year. 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 14% to replace this revenue if these transfers did not exist. Enterprise fund revenues account for about 5.4% of our total general fund revenue. When you include the money the City receives from Hutchinson Utilities (\$1,867,191), total enterprise money coming into the general fund is at \$2,597,191. This is about 19% of our general fund revenue.

## **Debt Service Funds**

Debt service funds are maintained to account for the payment of principal and interest related to debt issued by the City. Fund balances of these funds are restricted to debt service requirements and are not available for current expenditure purposes until the debt is retired. Debt service payments for next year will cost the City \$2,777,764, a 3.3% decrease from 2019 (\$2,871,443). Revenue collected for these payments will amount to \$2,726,687 of which \$2,200,000 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 2020 is at \$17,010,000, up from \$16,630,000 in 2019.

2020 will be the fourth full year under the City's new Debt Management Plan. The original plan was adopted in 2008 and called for an annual debt levy to be set at \$2.2 million and that levy would be sustained for the years to follow. The City reached that sustained debt levy in 2016. In an effort to address rising costs and higher capital needs, the City council revised its debt plan in 2016 and targeted a \$2.6 million debt levy to cover future capital needs. However, due to the structure of the City's existing debt, the city will not need to increase our debt levy again until 2023. Starting in 2023, the debt levy will be increased annually by approximately 1.75% until the \$2.6 million debt levy target is reached in 2032.

## **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 enables the City to maintain a stable property tax rate, prevents peaks and valleys in its debt retirement program, and establishes and thereafter improves its credit 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 \$55,039,040, an increase from the previous year's \$51,949,665 five-year plan. The 2020 budget portion of that plan is set at \$10,077,214, a decrease of 12.2% from our 2019-budgeted amount. The decrease for next year is because funding for a new police station was pushed back a year. Overall, the increase in funding for the 5-year plan is to account for a new police station in 2021, improvements to Main Street with the 2020 project, and facility upgrades to Creekside, the water and wastewater plants. The five-year plan accounts for various investments throughout many different levels of city government. 38% of the five-year plan will go to investments in the City's infrastructure system (new construction, reclaims, partial reconstruction); 28% will be spent on enterprise related activities (Creekside, Liquor Hutch, water, sewer, etc.); 20% will be spent on public safety improvements; with the remaining dollars being spent on various public works, park & recreation, and general government projects. The largest projects slated for next year includes the Highway 15/Main Street project; the second phase of the South Central Trunk Storm Sewer Project; the first phase of a new police station; a new roof at the rec center; a new compost screener at Creekside; facility improvements to water and wastewater facilities; and heavy equipment/fleet vehicle

replacements to various departments. Funding for the five-year CIP will come from various sources. The largest revenue source over the next five years will come from borrowing to help pay for the capital needs to the tune of 33% of the CIP and from enterprise fund revenues (31%). Property taxes (22%), special assessments (8%), and State and Federal aid/grants (6%) make up the majority of the rest of the funding.

## **Conclusion**

As with past years, developing budgets is an on-going process of balancing costs with the desired levels of services, needs and wants of the community, elected officials and department directors. Having to balance the wants of the community and sometimes their unwillingness to pay for those wants is always a challenging aspect of the city budgeting process. Budgets that require property tax increases are always difficult for me to recommend. Excessive taxes are an impediment to economic development and growth. Many residents will question the value of services they do not use. The difficult part as public policy makers is helping them to understand the overall value of those services to the community as a whole, and not as individuals. With that being said, I do not believe the proposed tax levy is excessive and history will show that the City has always been very conscientious when it comes to the tax burden it's willing to put on its residents. The 2.1% tax levy increase is well below the state-wide preliminary tax levy increase average of 7.5% 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.

Much of the reasoning behind the proposed increase for 2020 deals with costs associated with having reliable and talented employees, and the challenges that go with keeping them here. Those challenges are expected to increase in future years as we face increased labor costs without any "new" revenue to help cover those costs, putting more of burden on the tax levy. Next year's budget also includes a \$45,000 increase to help cover the costs of a planned business subsidy to Uponsor. To help meet some of our capital needs, we have also shifted an additional \$50,000 of our LGA funding into the Facility Fund to help cover playground replacements costs, and an additional \$25,000 into our Miscellaneous Maintenance Fund to assist us with increasing maintenance costs. Because of examples like this, I believe it is appropriate to recommend a modest tax increase of 2.1% for 2020.

As I noted back in early November, the "State of the City" is healthy, we are growing, and we are building upon 2018 and placing ourselves as an attractive regional center for the years to come! The greatest relief to a City's tax burden is growth and more importantly, growth within the commercial and industrial tax bases. Signs point to continued growth of those tax bases occurring within the City. Both Warrior Manufacturing (45,000 sq. ft.) and Hutchinson Health (\$21 million) began major expansions this past year. We have had 87 new rental units open up over the past three years and there are plans for an additional 205 units to open up in the next 2-3 years. The City has added over \$151 million in new value to the community over the past 3 years as well, and we are anticipating continued growth next year.

The City's average monthly unemployment rate continues to remain low with an average monthly rate of 3.9% (through October) in 2019. Unemployment rates have dropped seven of the last nine years and continue to remain at historically low levels for the community. 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 \$161,900 last year to \$183,500 through November of 2019, the seventh straight year of an increase. Home resales continue to remain high and home foreclosures (lack thereof) continue to remain low. While

home resales continue to remain high, we have seen a tighter housing market, which has resulted in new homes continuing to be constructed in town. Through September of this year, we have issued 20 building permits for new homes, representing the sixth straight year where we have issued 20 or more new home permits.

2018 was a year in which we strengthened and reaffirmed our position as an attractive regional center in outstate Minnesota and 2019 was a year of building upon 2018 and saw us place ourselves as an attractive regional center for the years to come. 2019 brought us two new manufacturers to the community in Zephyr Wind Services and Firelake Manufacturing. 2019 also brought us the opening of Thrifty White and the opening of the third phase (29 units) of a new 87-unit apartment complex on Denver Avenue. Phase 4 has started and should open by the end of 2020 with phase 5 likely to start next year with an opening in 2021. The Century Court Townhomes plugged away at their first phase (3 of 7 units) of new townhomes being constructed, which are set to open in 2020. 2019 also brought major remodels at Wal-Mart and Target along with a major expansion of the McLeod County Historical Society & Museum. Work also began on the expansion of Woodstone Senior Living (38 units) and Prince of Peace (13 units), and we saw the near completion of the Shops at Hutch.

2020 looks to be just as exciting as 2019 and should continue the recent trend of investments within the community. 2020 should see the Shops at Hutch (old KFC lot) completed with at least two new businesses opening in the winter/spring of 2020. Hutchinson Health, Warrior Manufacturing, Woodstone Senior Living, and Prince of Peace are anticipating completion of their expansions in 2020. 2020 should also bring the conclusion of phase four of the Highfield Apartments, and phase one of the new townhomes located off of Century Avenue SW. The City is also expecting Marshalls to move into the old JC Penney story at the Mall and it was announced in the fall of 2019 that the Civil Air Patrol will be constructing their main facility in Hutchinson come 2020. That new facility is expected to bring in thousands of people to the community on an annual basis. On top of this, the City will continue to market the Industrial Park and the old medical clinic site for additional commercial and industrial growth, and we anticipate continued growth in new homes being built to offset the tight housing market.

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 not only handle growth, but any challenges that may present themselves in the future. I hope the information provided to you is useful in helping you understand the 2020 Hutchinson Municipal Budget and I look forward to what the upcoming year has in store for all of us!

Sincerely,

Matthew Jaunich  
City Administrator

# CITY OFFICIALS

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## Council Members

Gary Forcier, Mayor  
Chad Czmowski  
Steve Cook  
Mary Christensen  
Dave Sebesta

## Term Expires

12/31/2020  
12/31/2020  
12/31/2020  
12/31/2022  
12/31/2022

## City Administrator

Matt Jaunich

## Department Directors

---

Tom Gifferson - Police  
Mike Schumann - Fire  
Kent Exner - Public Works  
Dolf Moon - Parks & Recreation  
Dan Jochum - Planning  
Miles Seppelt - EDA  
Jean Ward - HRA

Marc Seborá - Legal  
Tom Kloss - IT  
Brenda Ewing - HR  
Andy Reid - Finance  
Mary Filzen - Motor Vehicle  
Candice Woods - Liquor store  
Andy Kosek - Compost/Refuse

# 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  
Economic Development Authority (EDA)  
Housing & Redevelopment Authority (HRA)  
Library Board

Park/Recreation/Community Ed. Advisory Board  
Planning Commission  
Police Civil Service Commission  
Senior Advisory Board  
Sustainability Committee  
Utilities Commission

**Economic  
Development  
Director**

**Human Resources  
Director**

**City Attorney**

**Motor Vehicle  
Supervisor**

**Information  
Technology  
Director**

**Compost  
Manager**

**Public Works  
Director &  
City Engineer**

**Finance  
Director**

**PRCE  
Director**

**Fire  
Chief**

**Planning  
Director**

**Liquor Sales  
Manager**

**Police Chief /  
Emergency  
Management**

Public Works Manager  
Water Supervisor  
Wastewater Supervisor

Recreation Facilities/Oper Mgr  
Recreation Services Coordinator  
Parks Supervisor

Building Official  
Facilities Manager

Lieutenant  
Sergeant

## City Employee Count

(Full-Time and Part-Time Only)

Department	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2020 / 2019 Change
City Administration	3.23	3.23	3.23	3.40	0.17
Finance	3.00	3.00	3.00	3.00	0.00
Motor Vehicle	3.40	3.94	3.74	3.74	0.00
Legal	1.50	1.50	1.50	1.50	0.00
Planning & Zoning	1.30	1.20	1.20	1.20	0.00
Information Technology	3.00	3.00	3.00	3.00	0.00
City Hall Building	1.50	1.00	1.00	1.00	0.00
Police	32.95	32.95	32.95	32.95	0.00
Hospital Security	4.68	4.68	4.68	4.68	0.00
Fire	1.00	1.00	1.00	1.00	0.00
Building Inspections	2.50	3.43	3.70	3.14	-0.56
Engineering	3.60	3.50	3.50	3.50	0.00
Streets & Roadways	6.55	6.75	6.75	6.75	0.00
Park & Recreation Admin	2.00	2.40	2.40	2.40	0.00
Recreation	1.43	1.70	1.70	1.70	0.00
Civic Arena	1.15	1.15	1.15	1.15	0.00
Parks Department	6.00	6.00	6.00	6.83	0.83
Recreation Building	1.25	1.95	1.95	1.95	0.00
Waterpark	0.40	0.40	0.40	0.40	0.00
Event Center	2.54	2.54	2.54	2.54	0.00
Senior Center	0.40	0.40	0.40	0.40	0.00
Library	0.00	0.00	0.00	0.00	0.00
Cemetery	0.95	1.00	1.00	1.00	0.00
Airport	0.20	0.50	0.50	0.50	0.00
<b>Subtotal - General Fund</b>	<b>84.53</b>	<b>87.22</b>	<b>87.29</b>	<b>87.73</b>	<b>0.44</b>
Liquor	13.27	13.27	13.27	13.27	0.00
Compost	5.90	5.90	6.71	6.90	0.19
Refuse	1.88	2.50	2.50	2.50	0.00
Water	5.55	5.65	5.65	5.65	0.00
Sewer	7.85	7.95	7.95	7.95	0.00
Storm Water	2.70	2.95	2.95	2.95	0.00
<b>Subtotal - Enterprise Funds</b>	<b>37.15</b>	<b>38.22</b>	<b>39.03</b>	<b>39.22</b>	<b>0.19</b>
Economic Development Authority	1.00	1.00	1.00	1.36	0.36
Housing Redevelopment Authority	4.00	4.00	3.00	3.00	0.00
<b>Subtotal - Special Taxing Districts</b>	<b>5.00</b>	<b>5.00</b>	<b>4.00</b>	<b>4.36</b>	<b>0.36</b>
<b>Total FTE</b>	<b>126.68</b>	<b>130.44</b>	<b>130.32</b>	<b>131.31</b>	<b>0.99</b>
<b>Annual Change</b>	<b>3.45</b>	<b>3.76</b>	<b>(0.12)</b>	<b>0.99</b>	

# 2020 Budget Process Timeline

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City staff and councilmembers meet several times throughout each year to plan and 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.

- 1st Council workshop to review and discuss the initial general fund budget and debt levy. May 28, 2019
  
- 2nd Council workshop to review and discuss the preliminary 5-year Capital Improvement Plan. August 27, 2019
  
- 3rd Council workshop to review and discuss the preliminary general fund budget. September 10, 2019
  
- **Council approves preliminary tax levy increases:** September 24, 2019
  - General Fund 4.5%, Debt Levy 0%
  - HRA 3.7%
  - EDA 3.7%
  - Total City Tax Levy 3.1%
  
- 4th Council workshop to review Enterprise Fund budgets. November 12, 2019
  
- General fund budget update at City Council meeting. November 26, 2019
  
- **Truth & Taxation Public Hearing** December 5, 2019

The general fund budget was balanced with a 2.9% tax levy increase. The debt fund tax levy remains unchanged while the EDA and HRA levies are proposed to increase by 3.7% and 3.7%. The City's total tax levy increase is 2.1%.
  
- **Council Approves final budgets and tax levy increases:** December 19, 2019

<b>2020 Tax Levy increases:</b>	<b>Resolution #</b>
- General Fund 2.9%, Debt Levy 0%	15131
- HRA 3.7%	15132
- EDA 3.7%	15133
- Total City Tax Levy 2.1%	



**2020 Annual Budget**

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**Tax Levies & Tax Information**

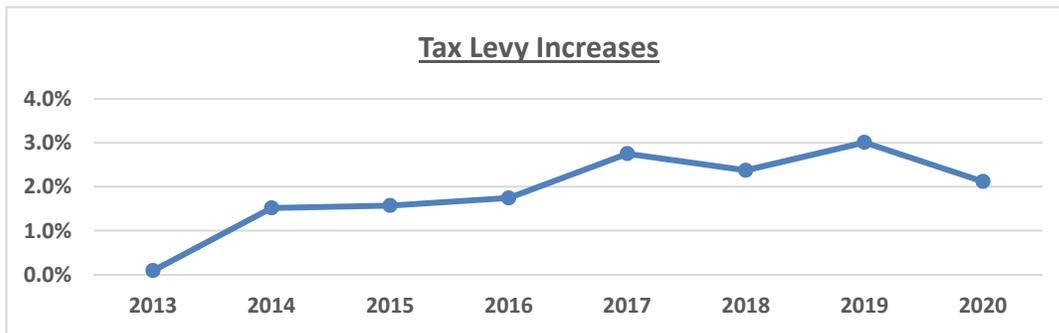
# Tax Levy and Tax Impact for 2020

## Tax Levy

The City tax levy for 2020 is \$7,458,910, which is an increase of \$148,905 or 2.0%. This is based on a 2.9% General fund tax increase while the Debt tax levy remains unchanged.

The 2020 tax levies necessary to fund the annual operations of the EDA and HRA each increased 3.7%. These entities are special taxing districts that are subject to tax levy limits set by Minnesota State Statute.

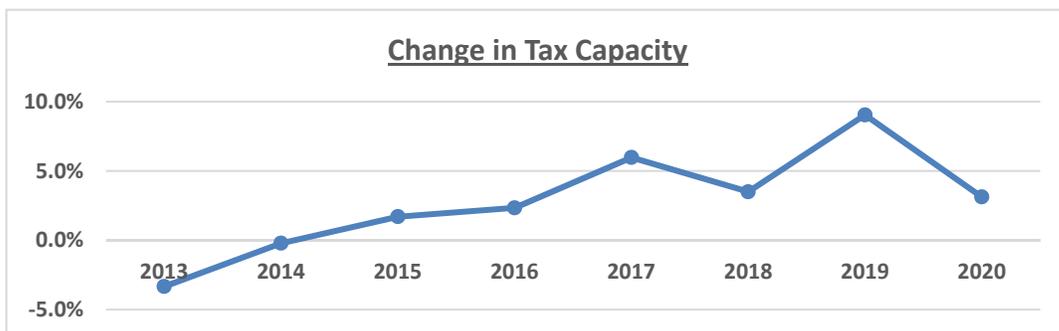
	<u>2019</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
General Fund Tax Levy	5,110,005	5,258,910	148,905	2.9%
Debt Tax Levy	2,200,000	2,200,000	-	0.0%
Total City Tax Levy	7,310,005	7,458,910	148,905	2.0%
EDA Tax Levy	182,303	189,133	6,830	3.7%
HRA Tax Levy	186,023	192,993	6,970	3.7%
Total Tax Levies	7,678,331	7,841,036	162,705	2.1%



## 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. The City's 2020 tax capacity is estimated at \$11,243,553, which is an increase of \$340,351 or 3.1%

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Capacity	9,117,121	9,661,581	9,999,135	10,903,202	11,243,553
% Change	2.3%	6.0%	3.5%	9.0%	3.1%



# Tax Levy and Tax Impact for 2020

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 2019 valuations, which are used to determine the 2020 tax capacity, increased by \$37,675,300 or 3.7%. Residential values, which account for 74% of the total market value, increased \$30,565,800 or 4.1%, Commercial/Industrial, Apartments and Agricultural increased 1.9%, 4.9% and 5.9%, respectively.

The city expects that valuations will increase moderately in the next one to two years due to new commercial and residential activity. We expect that the city's tax capacity will increase moderately as well, assuming existing valuations continue to increase moderately, or hold steady.

### Market Value History

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential	610,489,900	647,287,100	677,723,600	738,358,400	768,924,200
Commercial/Industrial	186,613,800	187,822,600	191,228,500	200,045,000	203,784,200
Apartment	61,944,700	58,843,800	58,855,200	62,077,800	65,150,200
Agricultural	6,580,600	5,360,700	5,452,200	5,048,500	5,346,400
<b>Total Market Value</b>	<b>865,629,000</b>	<b>899,314,200</b>	<b>933,259,500</b>	<b>1,005,529,700</b>	<b>1,043,205,000</b>
<b>% Change</b>	<b>1.3%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>7.7%</b>	<b>3.7%</b>

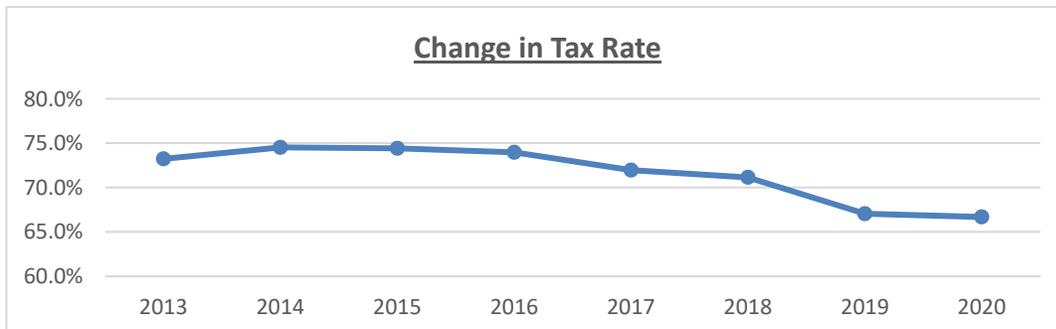
### Tax Rate

The city's tax rate is determined by dividing the tax levy by the tax capacity. The 2020 tax rate is estimated at 66.339%, which is 0.705% lower than the 2019 tax rate. To determine an individual property's tax liability for city tax only, the city tax rate is applied to the property's net tax capacity.

	<u>2019</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
City Tax Levy	7,310,005	7,458,910	148,905	2.0%
Tax Capacity	10,903,202	11,243,553	340,351	3.1%
<b>City Tax Rate</b>	<b>67.045%</b>	<b>66.339%</b>	<b>-0.705%</b>	<b>-1.1%</b>

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

When setting its tax levy, the City looks at several indicators, including inflationary rates and the City's tax base. Keeping tax increases lower than the growth in tax base results in a declining tax rate, which is evidenced by the City's tax rate since 2014. The 2020 tax rate is expected to decrease by less than 1% as the estimated tax base growth of 3.1% is slightly higher than the tax levy increase of 2.0%.



# Tax Levy and Tax Impact for 2020

## Tax Impact

Based on the estimated tax rate of 66.339%, the median **residential** home valued at \$166,500 will pay an estimated \$957 in city taxes for 2020. Even though the city's tax rate went down 0.705%, the median home may see a city tax increase of approximately \$37 due to the estimated valuation increase of 4.1%.

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

	<u>2019</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
Estimated Market Value	\$160,000	\$166,500	\$6,500	4.1%
Homestead Exclusion	-\$22,800	-\$22,300	\$500	-2.2%
Net Taxable Value	\$137,200	\$144,200	\$7,000	5.1%
State Tax Class Rate	1.00%	1.00%		
Tax Capacity	\$1,372	\$1,442	\$70	5.1%
Estimated Tax Rate	67.045%	66.339%	-0.705%	-1.1%
<b>Estimated City Tax</b>	<b>\$920</b>	<b>\$957</b>	<b>\$37</b>	<b>4.0%</b>

A **commercial** building valued at \$149,300 will pay an estimated \$1,486 in city taxes for 2020. This property's tax bill would increase by \$12 due to the estimated valuation increase of 1.9%. If the valuation stays flat, this property would see a slight reduction in city taxes due to the decreasing tax rate.

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

	<u>2018</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Net Taxable Value	\$146,500	\$149,300	\$2,800	1.9%
State Tax Class Rate	1.50%	1.50%		
Tax Capacity	\$2,198	\$2,240	\$42	1.9%
Estimated Tax Rate	67.045%	66.339%	-0.705%	-1.1%
<b>Estimated City Tax</b>	<b>\$1,473</b>	<b>\$1,486</b>	<b>\$12</b>	<b>0.8%</b>

A **commercial** building valued at \$1,065,900 will pay an estimated \$13,645 in city taxes for 2020. This property's tax bill would increase by \$122 due to the estimated valuation increase of 1.9%. If the valuation stays flat, this property would see a slight reduction in city taxes due to the decreasing tax rate.

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

	<u>2018</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Net Taxable Value	\$1,046,000	\$1,065,900	\$19,900	1.9%
State Tax Class Rate				
1st \$150K at 1.50%	2,250	2,250		
Over \$150K at 2.00%	17,920	18,318		
Tax Capacity	\$20,170	\$20,568	\$398	2.0%
Estimated Tax Rate	67.045%	66.339%	-0.705%	-1.1%
<b>Estimated City Tax</b>	<b>\$13,523</b>	<b>\$13,645</b>	<b>\$122</b>	<b>0.9%</b>

## Historical Tax Rate Variables

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 Est</u>
City Tax Levy	6,769,035	6,951,796	7,113,466	7,310,005	7,458,910
Tax Capacity	9,117,121	9,661,581	9,999,135	10,903,202	11,243,553
Tax Rate	73.966%	71.953%	71.141%	67.045%	66.339%

# 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 base.
- Your property taxes may go down if local governments reduce spending, receive more non-tax revenue, or if your taxable market value decreases greater than the city's total tax base.

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. 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 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.

### ***Classifications commonly found in City of Hutchinson***

<b><i>Class Description</i></b>	<b><i>Valuation Tiers</i></b>	<b><i>Class Rate</i></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 \$2,140,000	0.50%
Residential Non-Homestead (Apartments) 4+ Units		1.25%
Residential Non-Homestead 1-3 Units		1.25%
Unimproved Residential Land		1.25%

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

# Understanding Your Property Tax Bill

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## What is the Homestead Market Value Exclusion (HMVE)?

The HMVE, enacted in 2011, replaces the market value homestead credit (MVHC). The HMVE provides a tax reduction to all homesteads valued below \$413,800 by shifting a portion of the tax burden that would otherwise fall on the homestead to other types of property. The MVHC provided tax credits to homesteads, which resulted in local governments receiving less tax dollars than was levied. The program was originally created with the State funding the local governments for the shortfall created by the tax credits, however through budget cuts at the State level, local funding was cut and local governments were presented with a budget shortfall. The new HMVE program allows local governments to collect its full levy.

The HMVE formula basically provides property tax relief to homestead property owners by reducing the taxable market value which ultimately reduces the property owner's tax liability. This results in a shifting of the tax burden to other property types. The formula to determine the homestead exclusion is as follows:

$$\begin{array}{r}
 \text{First \$76,000 of Homestead Value (full exclusion)} \quad \$76,000 \times 40\% \\
 - \text{ Homestead Value above \$76,000} \quad (\text{Total Market Value} - \$76,000) \times 9\% \\
 = \text{ Homestead Market Value Exclusion Amount}
 \end{array}$$

<i>Example:</i> Homestead Property Estimated Market Value:	\$ 166,500
Full Exclusion (\$76,000 of value x 40%)	\$ (30,400)
Less: 9% of Value above \$76,000	\$ 8,100
<b>Homestead Market Value Exclusion</b>	<b>\$ (22,300)</b>
Taxable Market Value	\$ 144,200

The full 40% exclusion applies to homestead properties valued at \$76,000, or less. Homestead properties valued higher than \$76,000 still receive an exclusion, however the exclusion is reduced incrementally as valuations increase above \$76,000, with no exclusion for homesteads valued higher than \$413,800.

### Exclusion examples at varying market valuations:

	<b>Full Exclusion</b>	<b>Partial Exclusion</b>	<b>No Exclusion</b>
Homestead Property Estimated Market Value:	\$ 76,000	\$ 250,000	\$ 425,000
Full Exclusion (\$76,000 x 40%)	\$ (30,400)	\$ (30,400)	\$ (30,400)
Less: 9% of Value above \$76,000	\$ -	\$ 15,700	\$ 30,400
<b>Homestead Market Value Exclusion</b>	<b>\$ (30,400)</b>	<b>\$ (14,700)</b>	<b>\$ -</b>
Taxable Market Value	\$ 45,600	\$ 235,300	\$ 425,000

## How are my taxes determined?

Your local jurisdiction determines how much property tax revenue is needed per the approved budget. Officials calculate the local tax levy by subtracting all non-property tax revenue from the total proposed budget.

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

The levy is spread among all taxable properties according to their **tax capacity**. (A property's tax capacity is calculated by multiplying its taxable market value by its class rate.)

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

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

$$\text{Local Tax Rate} = \frac{\text{Property Tax Revenue Needed (Levy)}}{\text{Total Tax Capacity (all properties)}}$$

# Understanding Your Property Tax Bill

Finally, the county auditor calculates and applies any credits, voter-approved school referendum levies, and, for certain types of property, the state general tax.

By combining the above calculations, we get the **basic formula** to determine the tax due for an individual property.

Taxable Market Value	
x Class Rate	
= Tax Capacity	
x Local Tax Rate	
= Base Tax	
- Credits	
+ Referendum Levy Amounts	
+ State General Tax (if applicable)	
= <b>Total Property Tax Payable</b>	

## Example Calculations to Determine the City of Hutchinson Portion of Your Tax Bill:

<b>Residential Homestead Property:</b>	<u><b>2018</b></u>	<u><b>2019</b></u>
Estimated Market Valuation	\$ 165,400	\$ 175,600
Full Exclusion (\$76,000 x 40%)	\$ (30,400)	\$ (30,400)
Less: 9% of Value above \$76,000	\$ 8,000	\$ 9,000
Homestead Market Value Exclusion	<b>\$ (22,400)</b>	<b>\$ (21,400)</b>
Taxable Market Value	\$ 143,000	\$ 154,200
Property Classification Rate <i>Residential Homestead</i>	1.00%	1.00%
Tax Capacity	\$ 1,430	\$ 1,542
City of Hutchinson Tax Rate	71.141%	67.045%
City of Hutchinson Taxes Payable	\$ 1,017	\$ 1,034

<b>Commercial Industrial - Under \$150,000 Market Value</b>	<u><b>2018</b></u>	<u><b>2019</b></u>
Estimated Market Valuation	\$ 142,500	\$ 116,500
Homestead Market Value Exclusion	<b>N/A</b>	<b>N/A</b>
Taxable Market Value	\$ 142,500	\$ 116,500
Property Classification Rate <i>Commercial value &lt; \$150K</i>	1.50%	1.50%
Tax Capacity	\$ 2,138	\$ 1,748
City of Hutchinson Tax Rate	71.141%	67.045%
City of Hutchinson Taxes Payable	\$ 1,521	\$ 1,172

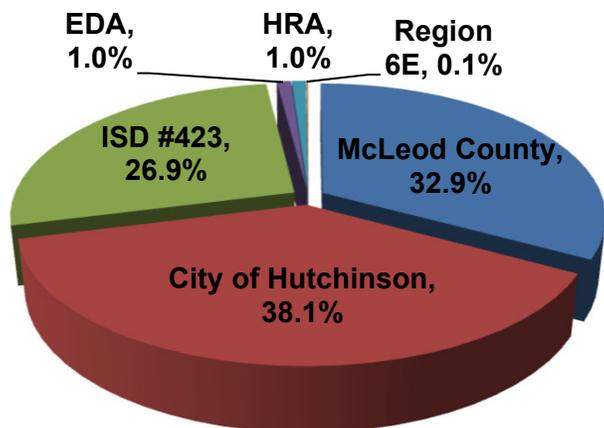
<b>Commercial Industrial - Over \$150,000 Market Value</b>	<u><b>2018</b></u>	<u><b>2019</b></u>
Estimated Market Valuation	\$ 984,800	\$ 1,012,200
Homestead Market Value Exclusion	<b>N/A</b>	<b>N/A</b>
Taxable Market Value	\$ 984,800	\$ 1,012,200
Property Classification Rate 1st \$150,000 @ 1.50%	2,250	2,250
Over \$150,000 @ 2.00%	16,696	17,244
Tax Capacity	\$ 18,946	\$ 19,494
City of Hutchinson Tax Rate	71.141%	67.045%
City of Hutchinson Taxes Payable	\$ 13,478	\$ 13,070

# Understanding Your Property Tax Bill

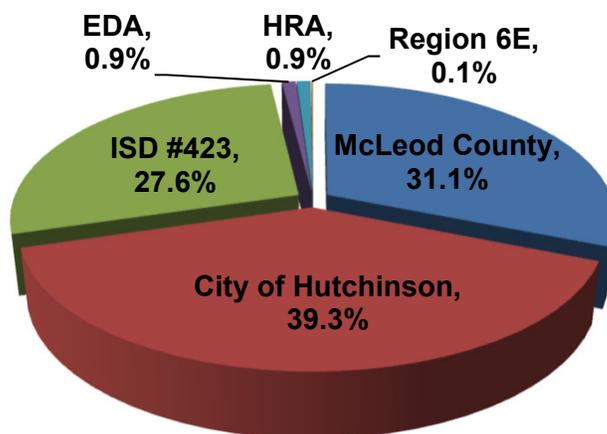
## Tax Levies Applicable to City of Hutchinson Property Owners

- City of Hutchinson General Fund and Debt Levies - Hutchinson City Council approves final tax levies.
- Hutchinson Economic Development Authority Special Taxing District (EDA).
  - EDA Board recommends tax levy to Hutchinson City Council. City Council approves final tax levy.
  - Tax levy limited by Minnesota State statute.
- 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.
- McLeod County - County Commissioners approve final tax levy.
- Independent School District #423 - School Board approves final tax levy.
- Region 6E - Regional Economic Development Commission servicing the Counties of:
  - Kandiyohi, McLeod, Meeker & Renville
- The State General Tax is applicable mainly to Commercial/Industrial properties.

**2019 Property Tax Bill Breakdown**



**2018 Property Tax Bill Breakdown**



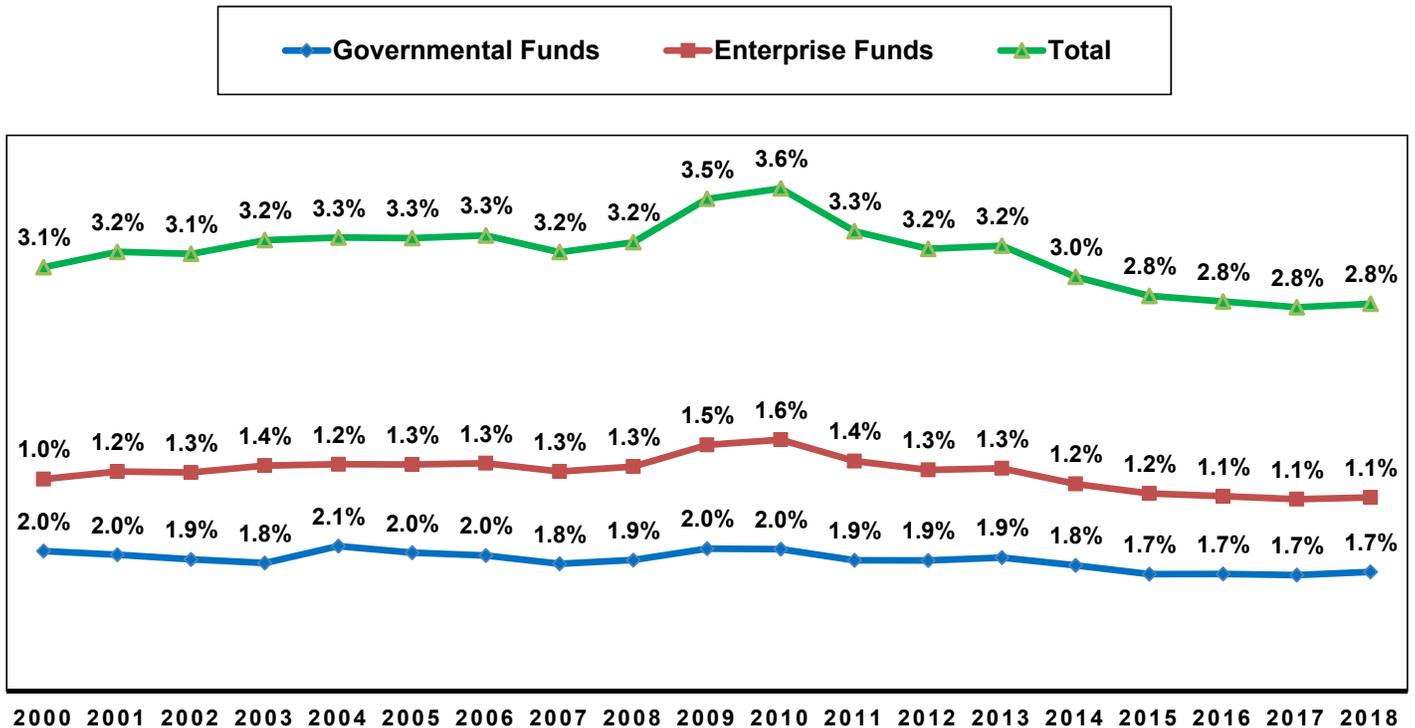
# Price of Government

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 all 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 see how that has changed over time.

The graph below shows the City's price of government since the year 2000. The price has been stable throughout the analysis period but did increase during the recession to its highest level in 2010. Since 2010, the price has slowly decreased, indicating that personal income is growing at a faster rate than the cost of City services.

For 2018, Hutchinson citizens spent 1.7% of each dollar earned on the day to day operations of the City and 1.1% on the City's enterprise funds. In total, approximately 2.8% of each dollar earned by Hutchinson citizens was spent on City services in 2018. The only enterprise funds included in this analysis are Water, Sewer, Storm Water and Refuse. The Liquor and Compost funds are excluded as they are business-type entities that are not necessarily utilized by every citizen.

**Price of Government for the City of Hutchinson**  
(percent of every dollar earned going to pay for City services, excluding Electric & Gas Utilities)



Note: Data for 2019 was not available due to the lag in availability of U.S. Bureau of Economic Analysis Data



2020 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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	6,972,814	7,197,328	7,332,005	7,480,910	148,905	2.0%
Tax Increment Taxes	151,744	128,882	20,000	-	(20,000)	-100.0%
Special Assessments	781,190	1,088,179	424,749	404,187	(20,562)	-4.8%
Local Sales Tax	1,308,599	1,482,066	1,330,000	1,474,000	144,000	10.8%
Other Taxes	293,840	298,908	315,000	305,000	(10,000)	-3.2%
Licenses & Permits	697,437	577,570	425,200	399,450	(25,750)	-6.1%
Intergovernmental Revenue	3,775,292	4,571,366	5,373,299	3,606,726	(1,766,573)	-32.9%
Charges for Services	3,206,777	3,428,732	3,337,602	3,337,835	233	0.0%
Fines & Forfeitures	50,233	55,989	50,000	55,000	5,000	10.0%
Miscellaneous Revenue	1,384,415	7,261,990	1,195,550	1,147,675	(47,875)	-4.0%
Transfers-In	5,213,957	4,454,441	3,454,145	4,231,191	777,046	22.5%
Fund Balance	601,872	389,593	-	-	-	0.0%
Bond Proceeds	2,528,214	2,444,484	2,670,000	2,600,000	(70,000)	-2.6%
Sales Revenue	15,793,873	16,547,738	16,372,775	16,568,735	195,960	1.2%
<b>TOTAL REVENUES</b>	<b>42,760,258</b>	<b>49,927,265</b>	<b>42,300,325</b>	<b>41,610,709</b>	<b>(689,616)</b>	<b>-1.6%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	11,006,146	11,604,124	12,046,120	12,490,376	444,256	3.7%
Supplies	1,540,200	1,751,686	1,797,361	1,854,047	56,686	3.2%
Services & Charges	6,049,621	6,409,899	6,256,447	6,599,006	342,559	5.5%
Miscellaneous Expenses	729,713	791,229	839,238	876,783	37,545	4.5%
Depreciation Expense	3,722,679	3,388,693	3,293,500	3,447,500	154,000	4.7%
Debt Service	2,925,282	3,050,167	6,309,601	6,195,598	(114,003)	-1.8%
Bond Issuance Costs	63,431	49,997	70,000	60,000	(10,000)	-14.3%
Transfers-Out	3,891,598	2,794,964	1,078,970	1,064,000	(14,970)	-1.4%
Capital Outlay	6,217,409	5,412,725	8,963,756	9,635,651	671,895	7.5%
Cost of Sales	5,313,662	5,712,550	5,711,630	5,761,060	49,430	0.9%
<b>TOTAL EXPENDITURES</b>	<b>41,459,741</b>	<b>40,966,033</b>	<b>46,366,623</b>	<b>47,984,021</b>	<b>1,617,398</b>	<b>3.5%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>1,300,517</b>	<b>8,961,232</b>	<b>(4,066,298)</b>	<b>(6,373,312)</b>	<b>(2,307,014)</b>	

## 2020 Budget Summary by Fund Type

	Total	General Fund	Enterprise Funds	Capital Project Funds	Debt Service Funds	Special Revenue Funds	Internal Service Funds
<b>REVENUES:</b>							
Property Taxes	7,480,910	5,270,910	-	10,000	2,032,840	-	167,160
Special Assessments	404,187	-	-	27,500	376,687	-	-
Local Sales Tax	1,474,000	-	1,474,000	-	-	-	-
Other Taxes	305,000	305,000	-	-	-	-	-
Licenses & Permits	399,450	388,450	11,000	-	-	-	-
Intergovernmental Revenue	3,606,726	1,730,963	12,500	1,551,463	-	311,800	-
Charges for Services	3,337,835	2,790,585	151,250	70,000	-	326,000	-
Fines & Forfeitures	55,000	55,000	-	-	-	-	-
Miscellaneous Revenue	1,147,675	245,500	255,250	145,000	50,000	38,925	413,000
Transfers-In	4,231,191	2,666,191	-	1,300,000	100,000	165,000	-
Bond Proceeds	2,600,000	-	-	2,600,000	-	-	-
Sales Revenue	16,568,735	-	16,568,735	-	-	-	-
<b>TOTAL REVENUES</b>	<b>41,610,709</b>	<b>13,452,599</b>	<b>18,472,735</b>	<b>5,703,963</b>	<b>2,559,527</b>	<b>841,725</b>	<b>580,160</b>
<b>EXPENDITURES:</b>							
Wages & Benefits	12,490,376	9,162,882	3,190,346	-	-	137,148	-
Supplies	1,854,047	858,150	579,161	10,000	-	406,736	-
Services & Charges	6,599,006	2,679,017	2,864,400	850,500	-	196,789	8,300
Miscellaneous Expenses	876,783	647,550	93,400	15,000	-	12,233	108,600
Depreciation Expense	3,447,500	-	3,057,500	-	-	-	390,000
Debt Service	6,195,598	-	3,387,834	30,000	2,460,464	-	317,300
Bond Issuance Costs	60,000	-	-	60,000	-	-	-
Transfers-Out	1,064,000	105,000	785,000	105,000	-	-	69,000
Capital Outlay	9,635,651	-	2,896,741	6,103,500	-	57,819	577,591
Cost of Sales	5,761,060	-	5,761,060	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>47,984,021</b>	<b>13,452,599</b>	<b>22,615,442</b>	<b>7,174,000</b>	<b>2,460,464</b>	<b>810,725</b>	<b>1,470,791</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(6,373,312)</b>	<b>-</b>	<b>(4,142,707)</b>	<b>(1,470,037)</b>	<b>99,063</b>	<b>31,000</b>	<b>(890,631)</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

- **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 and other public infrastructure.

- **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
- Sewer 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:

- Equipment Replacement fund (Central Garage)
- Self Insurance fund

## **Component Units**

A component unit is a legally separate organization authorized by Minnesota statute for which the city council is financially accountable. They are classified as such because they have a separate board of directors approved by the city council and may not exercise any of the powers enumerated by the authorizing statutes without prior approval of the city council. They do not provide services entirely or almost entirely to the City and there is no debt that is expected to be repaid almost entirely with the City's resources. A tax levy, limited by state statute, is the main funding source for operations of each component unit.

The component units are discretely presented within the City's financial statements. Discretely presented essentially means that the component unit is reported within the City's combined financial statements as a separate column to emphasize that it is legally separate from the City. The City has two component units which are not included within this budget document. Budgets for each component unit are available upon request of the specific entity.

- ***Hutchinson Economic Development Authority (EDA)***
- ***Hutchinson Housing and Redevelopment Authority (HRA)***

The City has other funds which are not formally budgeted, including Special Revenue funds, Debt Service funds and Capital Improvement Project funds.

## **Basis of Accounting**

The City is required to account for revenues and expenditures according to generally accepted accounting principles (GAAP). The budget was prepared using the following basis of accounting, which is consistent with the accounting methods used for financial reporting:

All governmental funds are maintained on a ***modified accrual basis*** with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. Proprietary funds are maintained on the ***accrual basis***. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the period in which the liability is incurred.

## **Financial Policies**

The City has a responsibility to provide quality services to its residents and considers it important to do so in a fiscally responsible fashion designed to keep services and taxes as consistent as possible over time. The City approved a Financial Management Plan (Plan) that is designed to serve as the framework upon which consistent operations may be built and sustained, guides responsible use of municipal resources and contributes to the City's overall financial health. The Plan serves three main purposes:

- 1) The plan draws together the City's major financial policies into a single document.
- 2) The plan establishes principles to guide both staff and City Council members to make consistent and informed financial decisions.
- 3) The plan provides guidelines for ensuring and maintaining an appropriate level of funds, unreserved and reserved, to sustain the financial integrity of the City.

The objectives of the Financial Management Plan include:

- Provide both short term and long term future financial stability by ensuring adequate funding for the provision of services needed by the community.
- Protect the City Council's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- Prevent financial difficulties in the future.
- Provide sound principles to guide the decisions of the City Council and Administration.
- Employ revenue policies which prevent undue or unbalanced reliance on certain revenues, distribute the cost of municipal services fairly, and provide funding to operate desired programs.
- Provide essential public facilities and prevent deterioration of the City's public facilities and infrastructure.
- Protect and enhance the City's credit rating and prevent default on any municipal debt.
- Create a document that City staff and City Council Members can reference during financial planning, budget preparation and other financial management issues.

Portions of certain financial policies related to the budgetary formulation and compliance are summarized below. The entire policies are within the Financial Management Plan which is a supplemental document at the end of this budget.

## **Revenue Policy**

The City will conservatively estimate and budget for its annual revenues using an objective, analytical process. All existing and potential revenue sources will be re-examined annually.

Revenue sources that are non-recurring in nature shall not be used to fund ongoing programs or operations of the City. This includes revenue such as sales of assets, settlement from a lawsuit, inter-fund transfers and other one-time payments. These revenue items should be used to build reserves or for projects that will result in long-term operating costs savings. Non-recurring revenue may also include grants and donations. These revenue sources should be dedicated to the use designated by the grantor or donor. The annual budget shall be prepared in a manner that eliminates, or minimizes, reliance on unpredictable or non-recurring revenues for on-going operating costs.

Property tax payments are the largest source of revenue in the City's General fund, accounting for approximately 40% of the total annual revenue. The City will strive to proactively avoid large increases in property taxes and will explore all other alternatives, including:

- Other policy options; debt management, fees & charges, cost allocation, expense cuts and use of reserves.
- Budget scenarios for a 0% tax levy increase, including potential reductions in service levels.
- Consideration will be given to staying within the amount of revenue generated by increased market value with no increase in the tax rate.

If after exhausting these alternatives, a tax increase is required, the goal of the City will be to keep any property tax rate increase at or below the prevailing inflation rate. City services will be funded to the maximum extent possible by the increases in market valuation (new tax base growth and valuation increases).

Possible factors for considering an increase in property tax include:

- Long-term protection of the City's infrastructure.
- Meeting legal mandates imposed by outside agencies.
- Maintaining adequate fund balance and reserve funds sufficient to the City's Fund Balance Policy.
- Funding City development and redevelopment projects that will clearly result in future tax base increases. The expenditures of development and redevelopment funds must be in accordance with a defined strategy as shown in the City's comprehensive plan, capital improvement plan, and other council documents.

Property tax increases to meet other purposes will be based on the following criteria:

- A clear expression of community need.
- The existence of community partnerships willing to share resources.
- Establishment of clearly defined objectives and measurements of success, including appropriate sunset provisions.
- Voter approved referendums for specific community needs or projects.

## **Operating Budget Policy**

The City Administrator shall submit a balanced General fund budget that provides for all current expenditures with current revenues, matching ongoing operating expenses with the appropriate source of ongoing revenues, except in emergency situations or in the event of unforeseen needs.

The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' budgets.

Any inclusion of previous years' excess fund balance in the adopted budget will be intended for one-time or non-recurring expenses or projects.

The impact on the operating budget from any new programs or activities being proposed should be minimized by providing funding with newly created revenues wherever possible.

The City Administrator will ensure that a budgetary control system is in place to adhere to the adopted budget and will provide monthly reports comparing actual revenues and expenditures to the budgeted amounts. The legal level of budgetary control is at the department level within a fund

- Departments shall not exceed the budget within the four main expense categories without City Administrator approval. Specific expense items within a category may be over budget as long as the category in total does not exceed the budget. The main expense categories are as follows:
  - Wages & Benefits
  - Services & Charges
  - Supplies
  - Miscellaneous
- Surplus departmental revenue may not be used to justify overspending an expenditure without approval from the City Administrator.

- The City Administrator is authorized to approve a transfer of funds from one appropriation to another within the budget of any department of the City. Department means any city function organized under the direct control of a single department head. Such approval shall be made by written memorandum setting forth the reasons therefore.
- No officer or employee of the City shall place any order or make any purchase except for a purpose and to the amount authorized in the budget resolution, or as authorized by the City Administrator.

### ***Fund Balance Policy***

The City understands it has a responsibility to maintain prudent financial practices to ensure stable operations for the benefit of city residents and businesses. Fund balance reserves are an important component in ensuring the overall financial health of a community by giving the City cushion to meet contingency or cash flow timing needs.

The office of the State Auditor recommends that at year-end, local governments maintain an unrestricted fund balance in their general fund and special revenue funds of approximately 35 to 50% of fund operating revenues, or no less than five months of operating expenditures. While the bond rating agencies do not have recommended fund balance levels, the agencies look favorably on larger fund balances, which protect against contingencies and cash flow needs.

- **General Fund**

The City will maintain an unrestricted fund balance in the General fund of an amount not less than 40% of the next year's General fund budgeted expenditures. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aid, are received in the second half of the City's fiscal year.

- **Enterprise Funds**

It is the goal of each enterprise fund to cover the costs of operations, including depreciation and a transfer to the General fund, to maintain a financially healthy enterprise. The City will maintain cash reserves in the Enterprise funds at a minimum level equal to 25% of the annual operating costs plus one year of debt service payments.

### ***Capital Improvement Plan***

Each year, as part of the annual budgeting process, the City of Hutchinson prepares a five-year Capital Improvement Plan (CIP) that includes the following years' capital budget. The CIP identifies projects that will support existing and projected needs in the following areas: transportation, parks & recreation and public safety, etc. It is based upon numerous long range planning documents that are updated regularly as identified by the Facilities Committee, Fleet Committee, Resource Allocation Committee and City staff. The CIP prioritizes the use of limited resources that are available for capital items by identifying which projects will be funded, how they will be paid for and when they will be purchased. It establishes a comprehensive development program that is used to maximize outside revenue sources and effectively plan for the growth and maintenance of the City's infrastructure.

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.



# 2020 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 39% of the revenues required to fund the general operations. Charges for Services and Transfers from enterprise funds are the next largest sources of revenue at 21% and 20% of operating expenditures. On the expenditure side, employee wages and benefits account for 68% of the total general fund expenditures. Controlling wages and benefits is the largest challenge for the City's general fund and we are always looking for opportunities to keep costs as low as possible.

## Budgetary Highlights for 2020

- The city council approved a 2.9% general fund tax levy increase for 2020.
- Licenses & Permits decreased \$25,750, as the city anticipates a moderate decrease in 2020 building activity.
- Intergovernmental Revenue increased \$152,907. This is due to increased LGA of \$168,221, in addition to a \$37,000 loss of police task force revenues.
- Charges for Services decreased \$40,272 as a result of reducing the Waterpark revenue by \$60,000.
- Miscellaneous Revenue decreased \$72,000 due to a couple factors. The annual dividend received on the city's liability and property insurance has fallen significantly in recent years. We adjusted this assumption down by \$30,000. In addition, \$34,500 of shop supply revenue has been shifted to another fund. In conjunction with this move, corresponding expenses were also shifted to the other fund, resulting in a net zero impact to the general fund.
- Transfers-In increased \$169,016 as a result of an increased PILOT payment from Hutchinson Utilities (\$192,016). This was offset by a planned \$23,000 reduction in the self insurance fund transfer. The city has been using self insurance monies to fund the city's contributions to employee HSA accounts. We are reducing that funding 20% annually over the five year period of 2019-2023.
- Wages & Benefits increased \$296,869. The main factor is employee wage increases in addition to a 7% increase in health premiums.
- Miscellaneous Expenses includes \$45,000 of new expense related to a Tax Abatement subsidy given to a new manufacturing business in the City. The abatement will last up to 15 years, or a maximum abatement amount of \$902,291.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	4,759,282	4,967,540	5,122,005	5,270,910	148,905	2.9%
Other Taxes	293,840	298,908	315,000	305,000	(10,000)	-3.2%
Licenses & Permits	686,987	566,915	414,200	388,450	(25,750)	-6.2%
Intergovernmental Revenue	1,472,960	1,595,109	1,578,056	1,730,963	152,907	9.7%
Charges for Services	2,739,971	2,813,460	2,830,857	2,790,585	(40,272)	-1.4%
Fines & Forfeitures	50,233	55,989	50,000	55,000	5,000	10.0%
Miscellaneous Revenue	317,561	349,472	317,500	245,500	(72,000)	-22.7%
Transfers-In	2,349,544	3,009,477	2,497,175	2,666,191	169,016	6.8%
<b>TOTAL REVENUES</b>	<b>12,670,378</b>	<b>13,656,870</b>	<b>13,124,793</b>	<b>13,452,599</b>	<b>327,806</b>	<b>2.5%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	8,231,858	8,655,948	8,866,013	9,162,882	296,869	3.3%
Supplies	777,542	824,702	870,578	858,150	(12,428)	-1.4%
Services & Charges	2,455,892	2,554,239	2,655,282	2,679,017	23,735	0.9%
Miscellaneous Expenses	520,974	550,176	620,950	647,550	26,600	4.3%
Transfers-Out	600,000	501,288	101,970	105,000	3,030	3.0%
Capital Outlay	24,958	41,722	10,000	-	(10,000)	0.0%
<b>TOTAL EXPENDITURES</b>	<b>12,611,224</b>	<b>13,128,075</b>	<b>13,124,793</b>	<b>13,452,599</b>	<b>327,806</b>	<b>2.5%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>59,154</b>	<b>528,795</b>	<b>-</b>	<b>-</b>	<b>-</b>	

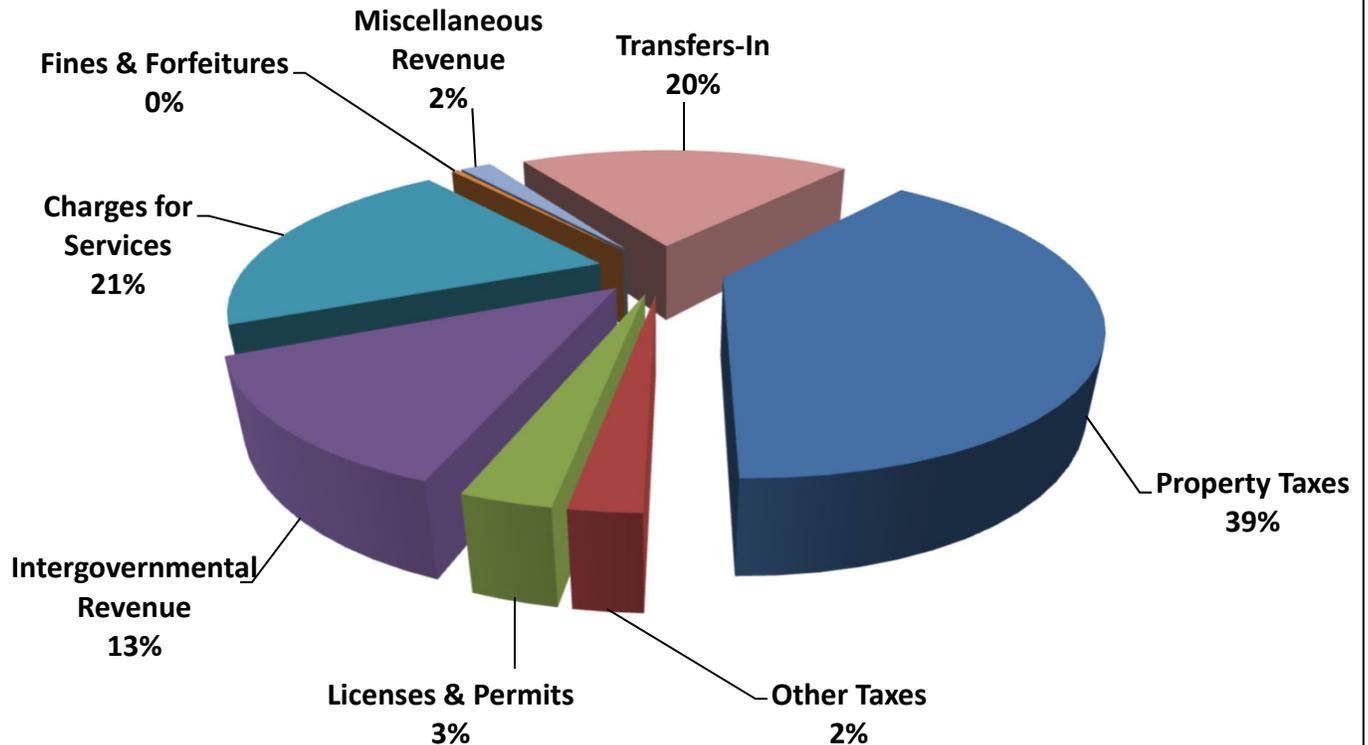
# General Fund

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	4,759,282	4,967,540	5,122,005	5,270,910	148,905	2.9%
Other Taxes	293,840	298,908	315,000	305,000	(10,000)	-3.2%
Licenses & Permits						
Building Permits	617,225	482,345	345,500	320,500	(25,000)	-7.2%
Liquor Licenses	26,200	28,383	27,500	28,500	1,000	3.6%
Other	43,562	56,187	41,200	39,450	(1,750)	-4.2%
Total Licenses & Permits	686,987	566,915	414,200	388,450	(25,750)	-6.2%
Intergovernmental Revenue						
Local Government Aid	1,000,000	1,100,252	1,100,252	1,268,473	168,221	15.3%
Police Pension Aid	169,345	194,302	190,000	207,616	17,616	9.3%
Fire Relief Pension Aid	108,253	109,292	109,292	111,162	1,870	1.7%
Other	195,361	191,263	178,512	143,712	(34,800)	-19.5%
Total Intergovernmental	1,472,960	1,595,109	1,578,056	1,730,963	152,907	9.7%
Charges for Services						
Public Safety	440,700	446,868	458,025	454,585	(3,440)	-0.8%
Recreation	1,186,008	1,220,645	1,210,251	1,140,540	(69,711)	-5.8%
Streets & Highways	446,519	491,072	478,204	494,809	16,605	3.5%
Other	666,744	654,875	684,377	700,651	16,274	2.4%
Total Charges for Services	2,739,971	2,813,460	2,830,857	2,790,585	(40,272)	-1.4%
Fines & Forfeitures	50,233	55,989	50,000	55,000	5,000	10.0%
Miscellaneous Revenue	315,561	342,977	317,500	245,500	(72,000)	-22.7%
<b>Total Revenues</b>	<b>10,318,834</b>	<b>10,640,898</b>	<b>10,627,618</b>	<b>10,786,408</b>	<b>158,790</b>	<b>1.5%</b>
<b>EXPENDITURES:</b>						
General Government	3,032,467	3,126,912	3,320,936	3,463,100	142,164	4.3%
Public Safety	4,164,943	4,423,780	4,506,747	4,575,306	68,559	1.5%
Streets & Highways	1,745,239	1,913,786	1,908,439	1,947,456	39,017	2.0%
Culture & Recreation	2,846,244	2,918,604	3,022,872	3,104,575	81,703	2.7%
Miscellaneous	222,330	243,704	263,829	257,162	(6,667)	-2.5%
<b>Total Expenditures</b>	<b>12,011,224</b>	<b>12,626,787</b>	<b>13,022,823</b>	<b>13,347,599</b>	<b>324,776</b>	<b>2.5%</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,692,390)</b>	<b>(1,985,889)</b>	<b>(2,395,205)</b>	<b>(2,561,191)</b>	<b>(165,986)</b>	
<b>OTHER FINANCING SOURCES / (USES)</b>						
Transfers in						
Liquor fund	500,000	500,000	500,000	500,000	-	0.0%
Water & Sewer funds	120,000	120,000	120,000	120,000	-	0.0%
Compost fund	110,000	110,000	110,000	110,000	-	0.0%
Utilities Commission PILOT	1,196,331	1,398,853	1,675,175	1,867,191	192,016	11.5%
Hospital Lease Repayment	248,213	260,624	-	-	-	0.0%
Other	175,000	620,000	92,000	69,000	(23,000)	-25.0%
Total Transfers in	2,349,544	3,009,477	2,497,175	2,666,191	169,016	6.3%
Transfers out	(600,000)	(501,288)	(101,970)	(105,000)	(3,030)	3.0%
Sale of capital assets	2,000	6,495	-	-	-	0.0%
<b>Total Other Financing Sources</b>	<b>1,751,544</b>	<b>2,514,684</b>	<b>2,395,205</b>	<b>2,561,191</b>	<b>165,986</b>	<b>6.9%</b>
<b>Net Change in Fund Balance</b>	<b>59,154</b>	<b>528,795</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## General Fund Revenue

<b><u>Revenue Summary</u></b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% of Total</b>
Property Taxes	4,759,282	4,967,540	5,122,005	5,270,910	148,905	39.2%
Other Taxes	293,840	298,908	315,000	305,000	(10,000)	2.3%
Licenses & Permits	686,987	566,915	414,200	388,450	(25,750)	2.9%
Intergovernmental Revenue	1,472,960	1,595,109	1,578,056	1,730,963	152,907	12.9%
Charges for Services	2,739,971	2,813,460	2,830,857	2,790,585	(40,272)	20.7%
Fines & Forfeitures	50,233	55,989	50,000	55,000	5,000	0.4%
Miscellaneous Revenue	317,561	349,472	317,500	245,500	(72,000)	1.8%
Transfers-In	2,349,544	3,009,477	2,497,175	2,666,191	169,016	19.8%
<b>Total</b>	<b>12,670,378</b>	<b>13,656,870</b>	<b>13,124,793</b>	<b>13,452,599</b>	<b>327,806</b>	<b>100.0%</b>

### SOURCES OF 2020 GENERAL FUND BUDGETED REVENUES



# General Fund Revenue

## Taxes & Penalties

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 2.9% general fund tax levy increase for 2020, increasing total tax revenue to \$5,258,910, which represents 39% of the total general fund revenues.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Current Ad Valorem Taxes	4,720,734	4,909,979	5,110,005	5,258,910	148,905	2.9%
Delinquent Ad Valorem Taxes	38,548	57,560	12,000	12,000	-	0.0%
<b>Total</b>	<b>4,759,282</b>	<b>4,967,540</b>	<b>5,122,005</b>	<b>5,270,910</b>	<b>148,905</b>	<b>2.9%</b>

## 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. The Lodging Tax budget was adjusted down \$10,000 as the new hotel in town did not translate into as much new revenue as anticipated in 2019.

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 operations of the public cable station operations.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Hotel-Motel Tax	100,864	103,941	120,000	110,000	(10,000)	-8.3%
Cable TV Franchise Fees	192,976	194,967	195,000	195,000	-	0.0%
<b>Total</b>	<b>293,840</b>	<b>298,908</b>	<b>315,000</b>	<b>305,000</b>	<b>(10,000)</b>	<b>-3.2%</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 2020 budget assumes a \$25,000 decrease in Building Permit revenue as the city anticipates building activity to slow moderately, compared to recent years with high activity.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
Alcoholic Beverages	26,200	28,383	27,500	28,500	1,000	3.6%
Tobacco	3,275	2,975	3,250	3,000	(250)	-7.7%
Building Permits	616,514	481,471	345,000	320,000	(25,000)	-7.2%
Building Permit Surcharges	711	874	500	500	-	0.0%
Plumbing Permits	13,765	19,868	16,000	15,000	(1,000)	-6.3%
Demolition Permits	1,950	1,975	1,000	1,500	500	50.0%
Planning & Zoning Fees	13,723	9,960	8,500	8,500	-	0.0%
Tree Applications/Permits	-	5,260	-	-	-	0.0%
Other Licenses	10,849	16,149	12,450	11,450	(1,000)	-8.0%
<b>Total</b>	<b>686,987</b>	<b>566,915</b>	<b>414,200</b>	<b>388,450</b>	<b>(25,750)</b>	<b>-6.2%</b>

## General Fund Revenue

### Intergovernmental Revenue

This revenue category includes Local Government Aid (LGA), municipal state aid for street maintenance, aid for police and fire pensions, drug task force grants and airport aid.

The City's 2020 LGA is certified at \$2,569,936, which is an increase of \$168,221. The general fund is utilizing only \$1,268,473 (49%) of LGA in 2020 with the remaining \$1,301,463 of LGA transferred into the Capital Projects fund to address General fund facility capital improvements 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.

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</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>
Local Government Aid	1,000,000	1,100,252	1,100,252	1,268,473	168,221	15.3%
Police Training Reimbursement	6,994	21,054	19,800	20,500	700	3.5%
Municipal State Aid - Streets	27,735	29,280	27,500	29,000	1,500	5.5%
State E911	44,691	44,691	44,600	44,600	-	0.0%
Police Pension Aid	169,345	194,302	190,000	207,616	17,616	9.3%
PERA Reimbursement	17,912	17,912	17,912	17,912	-	0.0%
Drug Task Force Grant	40,572	39,128	37,000	-	(37,000)	0.0%
Fire Relief Assoc Aid - State	108,253	109,292	109,292	111,162	1,870	1.7%
Airport Aid	44,128	17,726	26,200	26,200	-	0.0%
State Grants - Other	12,538	21,034	5,500	5,500	-	0.0%
Other Revenue	789	438	-	-	-	0.0%
<b>Total</b>	<b>1,472,960</b>	<b>1,595,109</b>	<b>1,578,056</b>	<b>1,730,963</b>	<b>152,907</b>	<b>9.7%</b>

### Charges for Services

This revenue category includes fees or rents related to engineering services, recreational activities, motor vehicle licensing & registration, cemetery burial plots, airport hangars and the community event center.

Also included is reimbursement from other entities for services provided by the City due to partnerships with ISD #423, Hutchinson Health and Hutchinson Utilities.

Revenues for the waterpark continue to trend downward with weather being a major factor. Expenses have also trended lower for the waterpark as city staff mitigates the decreasing revenues with expense savings.

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</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	278,776	284,585	295,000	290,000	(5,000)	-1.7%
School Liaison Program	51,228	52,066	54,747	44,747	(10,000)	-18.3%
Hospital Security Program	306,950	310,020	319,228	324,016	4,788	1.5%
Rental Inspection Fees	45,980	43,220	42,000	42,000	-	0.0%
Engineering Fees	437,513	480,001	470,704	487,309	16,605	3.5%
Recreation Fees	501,166	529,060	491,420	491,000	(420)	-0.1%
Park Fees	35,390	31,467	30,000	24,000	(6,000)	-20.0%
Campground Fees	55,395	53,088	52,000	55,000	3,000	5.8%
Rental Charges	135,234	149,952	146,725	147,833	1,108	0.8%
HUC Energy Tree Reimbursement	30,000	27,500	15,000	-	(15,000)	0.0%
Community Education Reimb	76,055	78,186	77,306	79,407	2,101	2.7%
Waterpark Fees	333,560	324,395	370,000	310,000	(60,000)	-16.2%
Airport Rentals	66,746	66,291	68,000	83,824	15,824	23.3%
Cemetery Fees	102,585	85,962	96,000	98,400	2,400	2.5%
Senior Center Revenue	56,704	58,742	60,000	59,500	(500)	-0.8%
HUC Personnel Reimb	173,427	173,427	173,427	173,427	-	0.0%
Other Revenues	53,261	65,499	69,300	80,122	10,822	15.6%
<b>Total</b>	<b>2,739,971</b>	<b>2,813,460</b>	<b>2,830,857</b>	<b>2,790,585</b>	<b>(40,272)</b>	<b>-1.4%</b>

## General Fund Revenue

### 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. The 2020 budget was increased moderately to bring in line with recent actuals.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
Court Fines	50,233	55,989	50,000	55,000	5,000	10.0%
<b>Total</b>	<b>50,233</b>	<b>55,989</b>	<b>50,000</b>	<b>55,000</b>	<b>5,000</b>	<b>10.0%</b>

### Miscellaneous Revenues

This revenue category includes investment interest income and reimbursement from ISD #423 for grounds maintenance services provided by the City.

Refunds & Reimbursements have been adjusted downward \$63,000 due to two factors. First, the annual dividend received on the city's liability and property insurance has fallen significantly in recent years. We adjusted this assumption down by \$30,000. In addition, \$34,500 of shop supply revenue has been shifted to another fund. In conjunction with this move, corresponding expenses were also shifted to the other fund, resulting in a net zero impact to the general fund.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
Interest Earnings	59,962	87,546	80,000	80,000	-	0.0%
Net Incr/Decr in FV of Invest	(28,905)	(36,999)	-	-	-	0.0%
Refunds & Reimbursements	198,731	211,361	201,500	138,500	(63,000)	-31.3%
Contrib/Donation-PrivateSource	81,861	80,580	34,500	26,500	(8,000)	-23.2%
Other Revenue	5,913	6,984	1,500	500	(1,000)	-66.7%
<b>Total</b>	<b>317,561</b>	<b>349,472</b>	<b>317,500</b>	<b>245,500</b>	<b>(72,000)</b>	<b>-22.7%</b>

### 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.

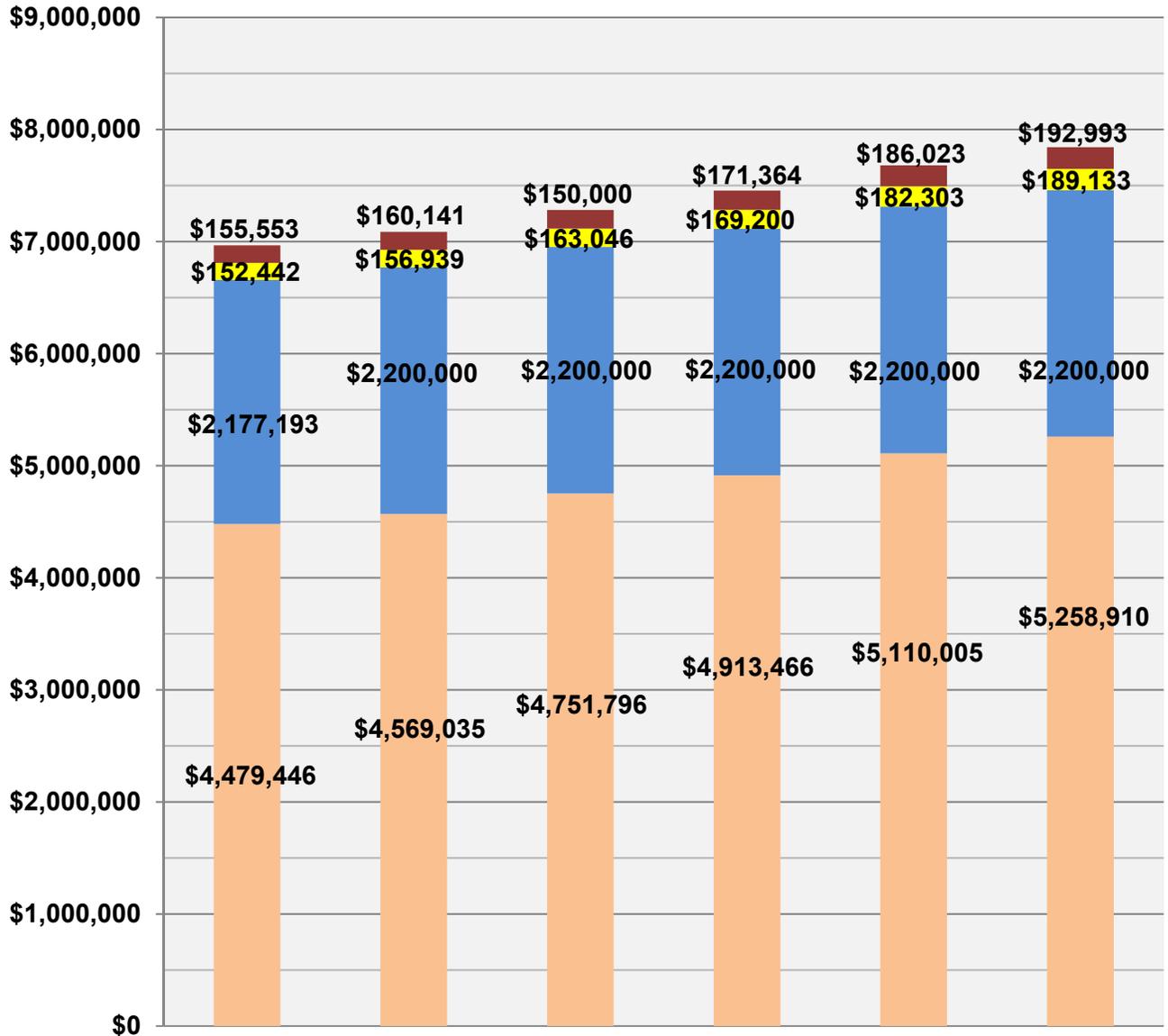
The PILOT (payment in lieu of taxes) from Hutchinson Utilities increased \$192,016 for 2020. This is the final year of a three-year phased-in increase of the PILOT from 2.75% to 4.50% of operating revenues. The PILOT percentages were 3.25% in 2018, 4.00% in 2019 and 4.50% in 2020. The increase puts the PILOT in line with other municipal utilities.

While future PILOT payments are capped at 2% annual increases, the PILOT cannot decrease in any year.

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

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
Transfer from Liquor Fund	500,000	500,000	500,000	500,000	-	0.0%
Transfer from Water/Sewer Fund	120,000	120,000	120,000	120,000	-	0.0%
Transfer from Compost Fund	110,000	110,000	110,000	110,000	-	0.0%
Transfer from HUC	1,196,331	1,398,853	1,675,175	1,867,191	192,016	11.5%
Transfer from Hospital	248,213	260,624	-	-	-	0.0%
Transfer from Self Insurance Fund	119,000	120,000	92,000	69,000	(23,000)	-25.0%
Other Transfer	56,000	500,000	-	-	-	0.0%
<b>Total</b>	<b>2,349,544</b>	<b>3,009,477</b>	<b>2,497,175</b>	<b>2,666,191</b>	<b>169,016</b>	<b>6.8%</b>

## Total City Tax Levy Comparison 2015-2020



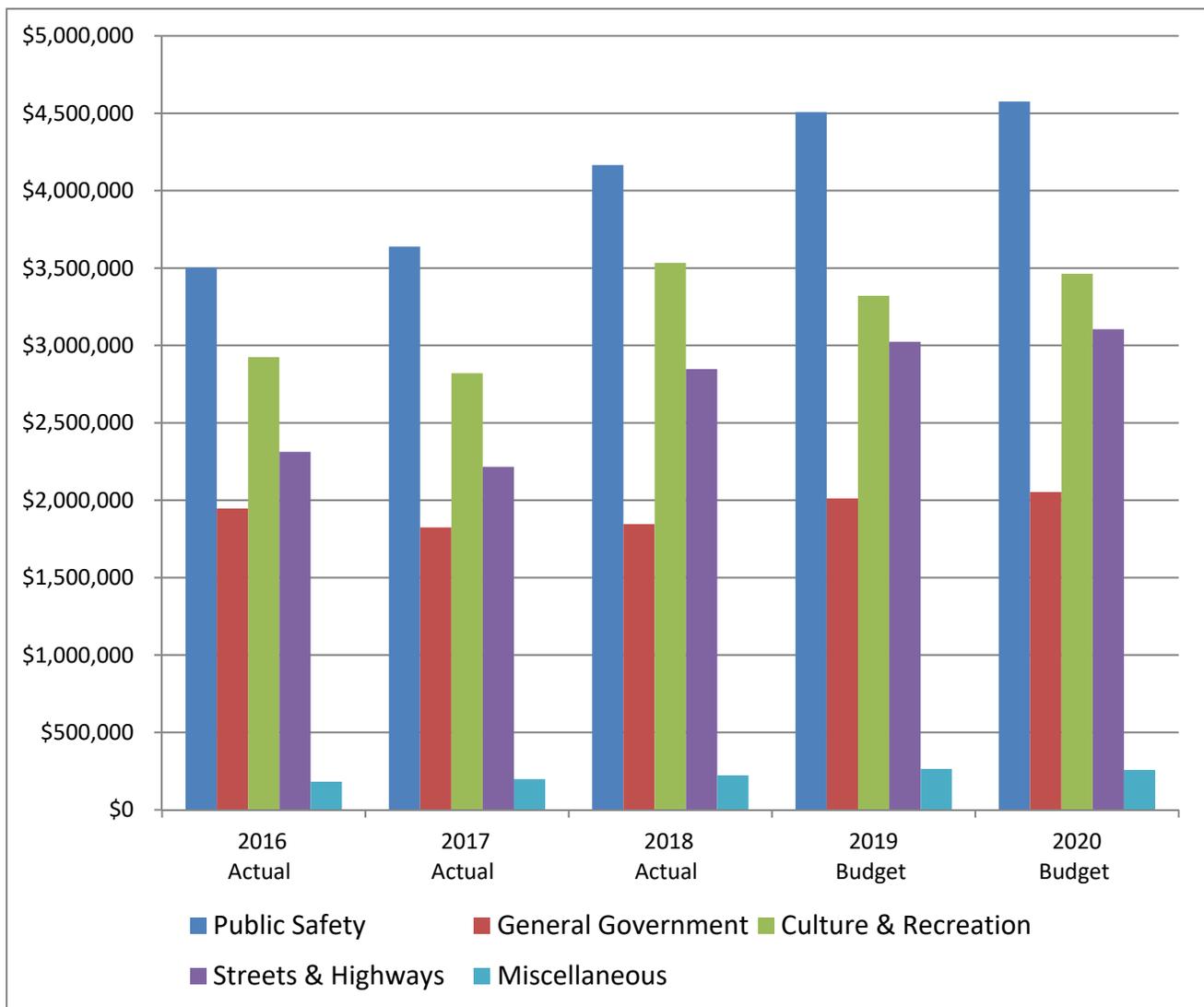
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<span style="color: orange;">■</span> General Fund	\$ 4,479,446	\$ 4,569,035	\$ 4,751,796	\$ 4,913,466	\$ 5,110,005	\$ 5,258,910
<span style="color: blue;">■</span> Debt Funds	\$ 2,177,193	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
<span style="color: yellow;">■</span> EDA	\$ 152,442	\$ 156,939	\$ 163,046	\$ 169,200	\$ 182,303	\$ 189,133
<span style="color: red;">■</span> HRA	\$ 155,553	\$ 160,141	\$ 166,373	\$ 171,364	\$ 186,023	\$ 192,993
<b>Total Tax Levy</b>	<b>\$ 6,964,634</b>	<b>\$ 7,086,115</b>	<b>\$ 7,281,215</b>	<b>\$ 7,454,030</b>	<b>\$ 7,678,331</b>	<b>\$ 7,841,036</b>

### Annual Levy Change:

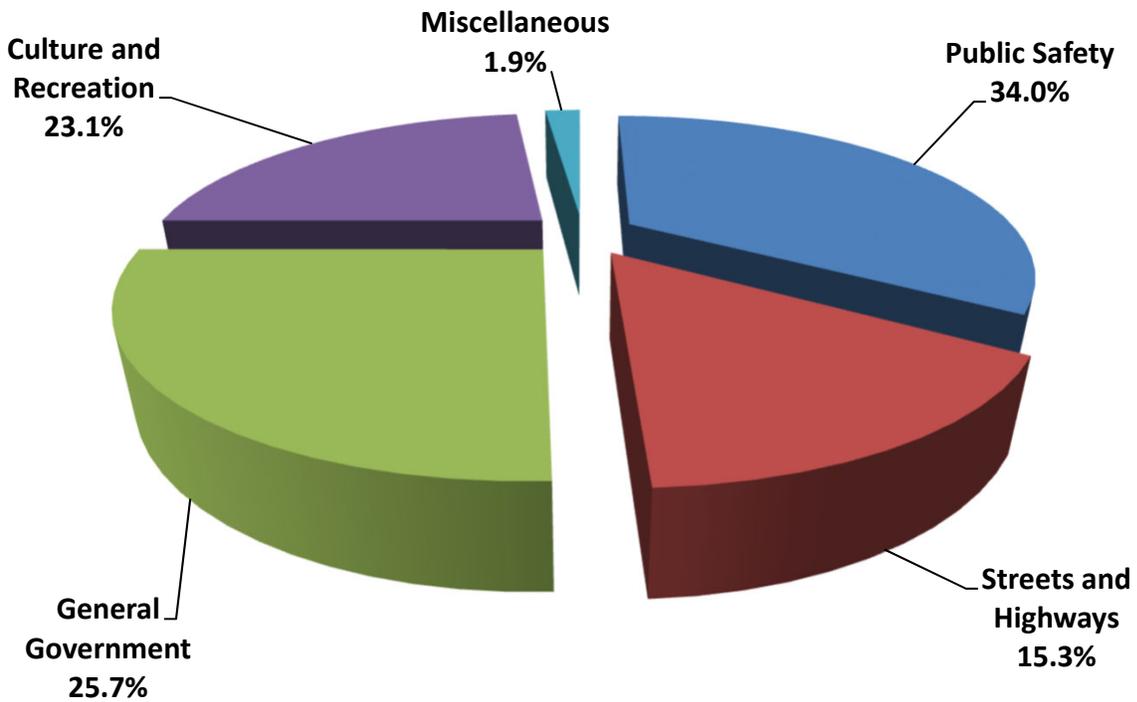
General Fund	0.0%	2.0%	4.0%	3.4%	4.0%	2.9%
Debt Funds	5.0%	1.0%	0.0%	0.0%	0.0%	0.0%
EDA	1.3%	2.9%	3.9%	3.8%	7.7%	3.7%
HRA	1.3%	2.9%	3.9%	3.0%	8.6%	3.7%
<b>Total Tax Levy</b>	<b>1.6%</b>	<b>1.7%</b>	<b>2.8%</b>	<b>2.4%</b>	<b>3.0%</b>	<b>2.1%</b>

# EXPENDITURE COMPARISON - GENERAL FUND

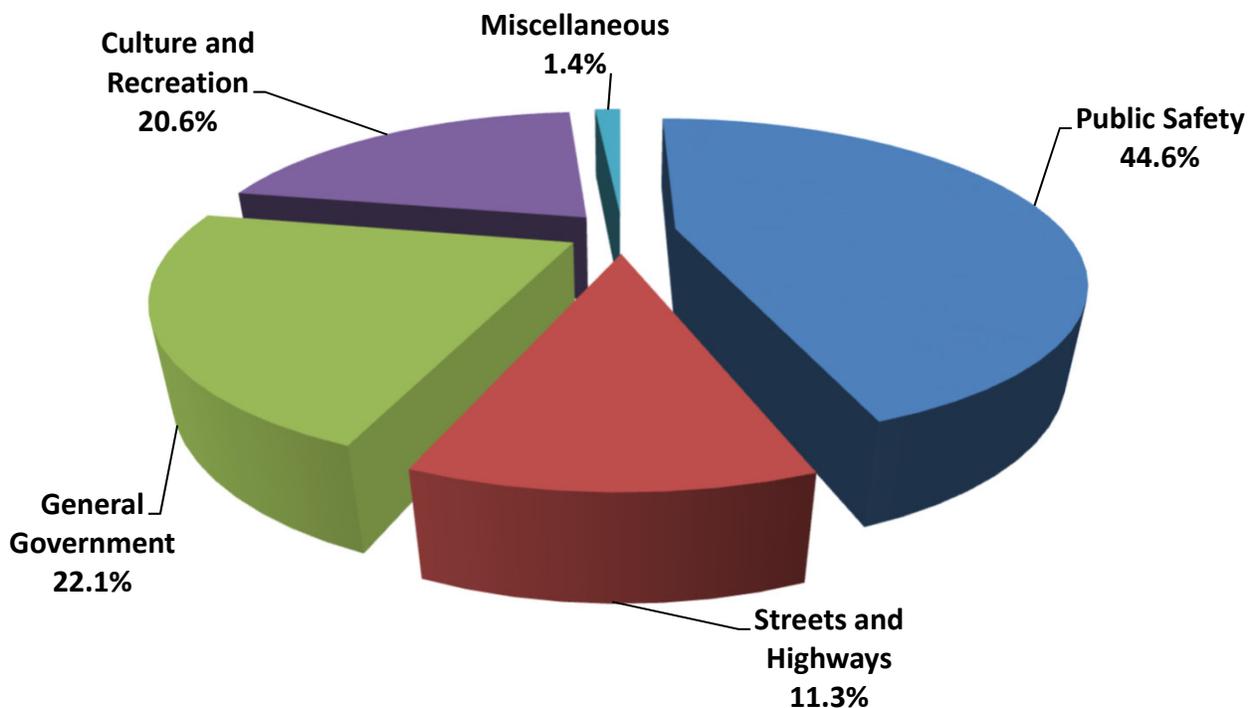
	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget	% of Total
Public Safety	\$3,502,570	\$3,638,500	\$4,164,943	\$4,506,747	\$4,575,306	34.0%
Streets & Highways	\$1,945,865	\$1,824,293	\$1,845,239	\$2,010,409	\$2,052,456	15.3%
General Government	\$2,924,308	\$2,820,376	\$3,532,467	\$3,320,936	\$3,463,100	25.7%
Culture & Recreation	\$2,312,288	\$2,215,114	\$2,846,244	\$3,022,872	\$3,104,575	23.1%
Miscellaneous	\$181,685	\$197,601	\$222,330	\$263,829	\$257,162	1.9%
<b>Total Expenditures</b>	<b>\$10,866,715</b>	<b>\$10,695,885</b>	<b>\$12,611,224</b>	<b>\$13,124,793</b>	<b>\$13,452,599</b>	<b>100.0%</b>



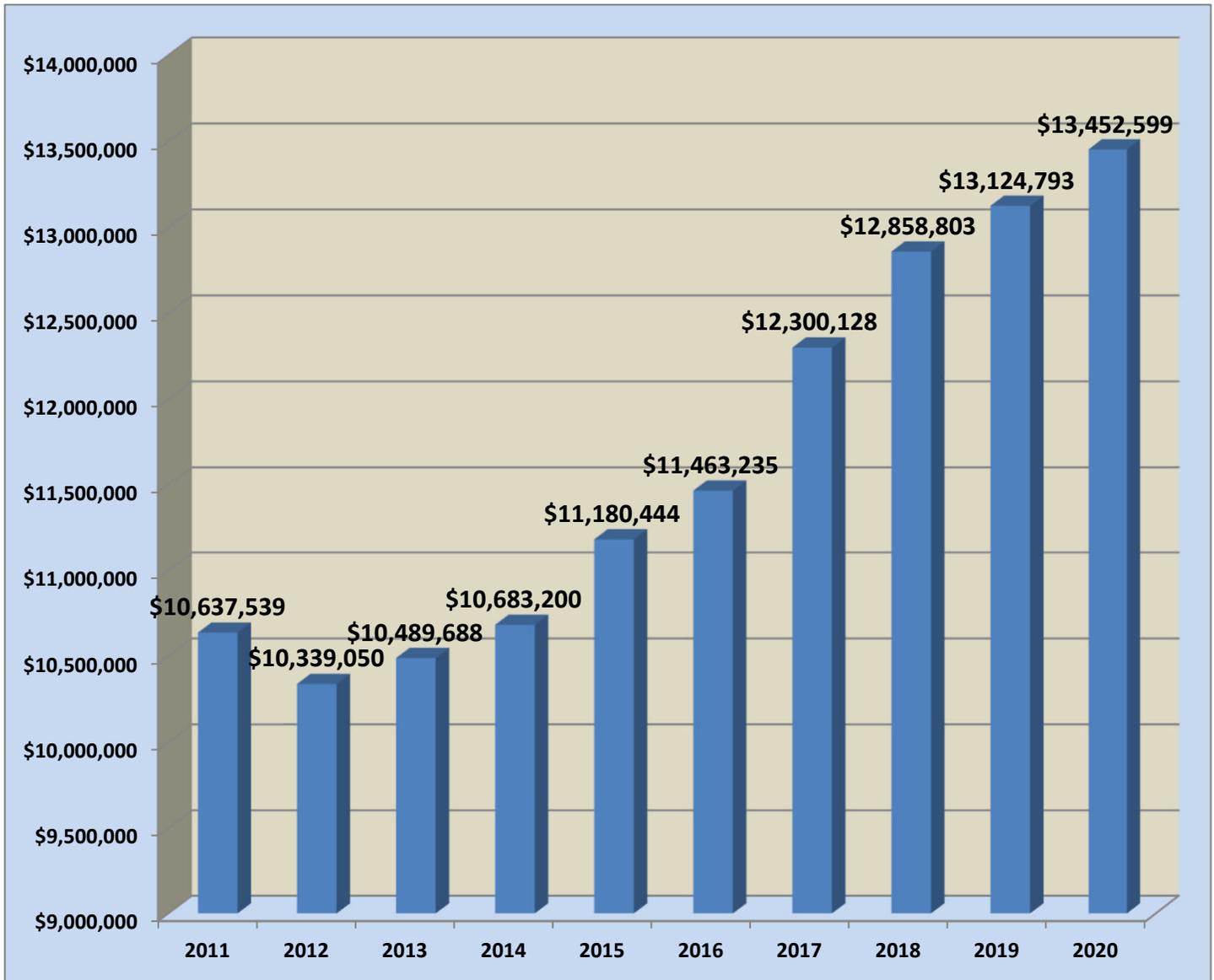
## DISTRIBUTION OF 2020 GENERAL FUND BUDGETED EXPENDITURES



## DISTRIBUTION OF 2020 GENERAL FUND WAGES & BENEFITS



# HISTORICAL GENERAL FUND BUDGET



**2012 - Expenses were reduced to keep the general fund tax levy at a zero percent increase.**

**2014 - First year of the hospital security program. Expenditures offset by revenue received from hospital**

**2015 - Reorganization upon hiring a new city administrator. The finance director position was added back into the budget after several years of being combined into the city administrator position. Also increased expenses to address the city's ash trees in preparation for the ash borer infestation.**

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

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

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

## GENERAL FUND NET REVENUE / (DEFICIT) BY DEPARTMENT

Department	2019 Budget	2020 Budget	Change
<b>General Revenue [1]</b>	<b>\$ 9,108,844</b>	<b>\$ 9,659,486</b>	<b>\$ 550,642</b>
Mayor & City Council	(55,328)	(52,344)	2,984
Administration	(382,568)	(426,634)	(44,066)
Elections	(6,000)	(17,750)	(11,750)
Finance	(370,041)	(380,575)	(10,534)
Motor Vehicle	42,779	44,088	1,309
Assessing	(61,152)	(61,152)	-
Legal	(261,347)	(273,792)	(12,445)
Planning	(127,335)	(132,762)	(5,427)
Information Services	(449,020)	(480,462)	(31,442)
City Hall	(172,505)	(176,142)	(3,637)
Unallocated Expenses	(787,500)	(845,736)	(58,236)
<b>Subtotal - General Government</b>	<b>(2,630,017)</b>	<b>(2,803,261)</b>	<b>(173,244)</b>
Police	(3,006,807)	(3,135,548)	(128,741)
Hospital Security	(3,977)	(8,774)	(4,797)
Emergency Management	(12,280)	(12,280)	-
Safety Committee	(10,850)	(11,200)	(350)
Fire	(337,102)	(338,683)	(1,581)
Protective Services	44,144	56,930	12,786
<b>Subtotal - Public Safety</b>	<b>(3,326,872)</b>	<b>(3,449,555)</b>	<b>(122,683)</b>
Engineering	-	-	-
Streets & Alleys	(1,379,955)	(1,527,147)	(147,192)
<b>Subtotal - Streets &amp; Highways</b>	<b>(1,379,955)</b>	<b>(1,527,147)</b>	<b>(147,192)</b>
Park - Administration	(183,838)	(190,751)	(6,913)
Recreation	(93,396)	(97,086)	(3,690)
Senior Center	(20,122)	(22,999)	(2,877)
Civic Arena	(90,362)	(106,475)	(16,113)
Park Department	(736,369)	(799,146)	(62,777)
Recreation Building	(157,367)	(165,543)	(8,176)
Event Center	(158,142)	(163,922)	(5,780)
Evergreen Building - Senior Dining	(21,725)	(24,592)	(2,867)
Library	(223,460)	(222,760)	700
Waterpark	(18,840)	(42,761)	(23,921)
<b>Subtotal - Culture &amp; Recreation</b>	<b>(1,703,621)</b>	<b>(1,836,035)</b>	<b>(132,414)</b>
Cemetery	(46,909)	(33,634)	13,275
Airport	(21,470)	(9,854)	11,616
<b>Subtotal - Miscellaneous</b>	<b>(68,379)</b>	<b>(43,488)</b>	<b>24,891</b>
<b>NET REVENUE / (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

[1] The majority of general fund departments do not have self-supporting revenues and therefore rely on tax revenue and other government aid to fund expenditures.

## GENERAL FUND DEPARTMENT SUMMARIES

### Department: Mayor & Council

### General Government

The Mayor and City Council function as the legislative and policy making board of the City of Hutchinson. The Council adopts the annual budget, levies taxes to finance City services, sets city policies and establishes the overall vision for the City.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Wages & Benefits	\$ 38,944	\$ 39,915	\$ 42,328	\$ 42,344	\$ 16	0.0%
Supplies	-	-	250	250	-	0.0%
Services & Charges	2,411	2,866	5,150	4,650	(500)	-9.7%
Miscellaneous Expenses	2,995	2,724	7,600	5,100	(2,500)	-32.9%
<b>Total</b>	<b>\$ 44,349</b>	<b>\$ 45,504</b>	<b>\$ 55,328</b>	<b>\$ 52,344</b>	<b>\$ (2,984)</b>	<b>-5.4%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (44,349)</b>	<b>\$ (45,504)</b>	<b>\$ (55,328)</b>	<b>\$ (52,344)</b>	<b>\$ 2,984</b>	<b>-5.4%</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. The 2020 budget includes additional hours and benefits for the HR Administrative Assistant to deal with new hiring mandates issued by the federal government.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 33,075	\$ 33,075	\$ 33,075	\$ 33,075	\$ -	0.0%
<b>Total</b>	<b>\$ 33,075</b>	<b>\$ 33,075</b>	<b>\$ 33,075</b>	<b>\$ 33,075</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 378,280	\$ 389,935	\$ 388,943	\$ 437,959	\$ 49,016	12.6%
Supplies	893	607	1,450	1,450	-	0.0%
Services & Charges	18,855	14,766	23,150	18,200	(4,950)	-21.4%
Miscellaneous Expenses	1,604	1,615	2,100	2,100	-	0.0%
<b>Total</b>	<b>\$ 399,632</b>	<b>\$ 406,923</b>	<b>\$ 415,643</b>	<b>\$ 459,709</b>	<b>\$ 44,066</b>	<b>10.6%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (366,557)</b>	<b>\$ (373,848)</b>	<b>\$ (382,568)</b>	<b>\$ (426,634)</b>	<b>\$ (44,066)</b>	<b>11.5%</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, staff time to administer the election process and equipment needed to ensure accurate and efficient processing of election ballots and results. The 2020 budget was increased as the result of three elections being administered by the city during the year, including a presidential primary in March.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ -	\$ 100	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ -	\$ 10,710	\$ 4,400	\$ 16,000	\$ 11,600	263.6%
Supplies	-	4,991	500	1,250	\$ 750	150.0%
Services & Charges	-	113	1,100	300	\$ (800)	-72.7%
Miscellaneous Expenses	-	-	-	200	\$ 200	0.0%
<b>Total</b>	<b>\$ -</b>	<b>\$ 15,814</b>	<b>\$ 6,000</b>	<b>\$ 17,750</b>	<b>\$ 11,750</b>	<b>195.8%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ -</b>	<b>\$ (15,714)</b>	<b>\$ (6,000)</b>	<b>\$ (17,750)</b>	<b>\$ (11,750)</b>	<b>195.8%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

### Department: Finance

### General Government

The Finance Department functions as an internal service department for the various other departments within the City of Hutchinson. The department is responsible for all phases of budgetary planning, preparation and monitoring, contract control, the 5-year Capital Improvement Plan, debt financing, payroll, financial reporting, general ledger activity, cash receipting, cash disbursements, fixed assets, independent audit assistance, investment activity and all related accounting services.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 1,241	\$ 1,324	\$ 500	\$ 250	\$ (250)	-50.0%
Miscellaneous Revenues	656	601	500	500	-	0.0%
<b>Total</b>	<b>\$ 1,897</b>	<b>\$ 1,924</b>	<b>\$ 1,000</b>	<b>\$ 750</b>	<b>\$ (250)</b>	<b>-25.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 257,845	\$ 272,515	\$ 283,781	\$ 293,515	\$ 9,734	3.4%
Supplies	10,601	13,664	12,500	12,500	-	0.0%
Services & Charges	63,609	70,077	73,210	73,760	550	0.8%
Miscellaneous Expenses	1,318	1,183	1,550	1,550	-	0.0%
<b>Total</b>	<b>\$ 333,373</b>	<b>\$ 357,440</b>	<b>\$ 371,041</b>	<b>\$ 381,325</b>	<b>\$ 10,284</b>	<b>2.8%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (331,476)</b>	<b>\$ (355,516)</b>	<b>\$ (370,041)</b>	<b>\$ (380,575)</b>	<b>\$ (10,534)</b>	<b>2.8%</b>

### Department: Motor Vehicle

### General Government

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

The 2018 budget includes additional wages and benefits as two part-time employees were moved to full-time status. This change was the result of increased duties passed down to local DMV's that were previously done by the State.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 287,658	\$ 289,278	\$ 310,000	\$ 310,500	\$ 500	0.2%
Miscellaneous Revenues	3,913	489	1,500	500	(1,000)	-66.7%
<b>Total</b>	<b>\$ 291,572</b>	<b>\$ 289,767</b>	<b>\$ 311,500</b>	<b>\$ 311,000</b>	<b>\$ (500)</b>	<b>-0.2%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 214,330	\$ 243,143	\$ 250,083	\$ 253,562	\$ 3,479	1.4%
Supplies	2,453	4,803	11,578	5,850	(5,728)	-49.5%
Services & Charges	4,880	5,266	5,660	6,100	440	7.8%
Miscellaneous Expenses	702	943	1,400	1,400	-	0.0%
<b>Total</b>	<b>\$ 222,364</b>	<b>\$ 254,156</b>	<b>\$ 268,721</b>	<b>\$ 266,912</b>	<b>\$ (1,809)</b>	<b>-0.7%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ 69,208</b>	<b>\$ 35,611</b>	<b>\$ 42,779</b>	<b>\$ 44,088</b>	<b>\$ 1,309</b>	<b>3.1%</b>

### Department: Assessing

### General Government

The Assessing Department accounts for the expenditures associated with contracting with McLeod County to provide property valuations for the City of Hutchinson.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Services & Charges	\$ 60,963	\$ 61,131	\$ 61,152	\$ 61,152	\$ -	0.0%
<b>Total</b>	<b>\$ 60,963</b>	<b>\$ 61,131</b>	<b>\$ 61,152</b>	<b>\$ 61,152</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (60,963)</b>	<b>\$ (61,131)</b>	<b>\$ (61,152)</b>	<b>\$ (61,152)</b>	<b>\$ -</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.

Transfers-In revenue, which was an allocated portion of the hospital's lease repayment, was discontinued for 2019 as a result of the hospital's lease buyout agreement in 2018. The allocated revenue was an internal decision determined to reimburse for legal services that the City previously provided to the hospital.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Miscellaneous Revenues	\$ 1,820	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
Charges for Services	42,835	42,300	44,500	42,300	(2,200)	-4.9%
Transfers-In	62,053	65,156	-	-	-	0.0%
<b>Total</b>	<b>\$ 106,708</b>	<b>\$ 108,456</b>	<b>\$ 45,500</b>	<b>\$ 43,300</b>	<b>\$ (2,200)</b>	<b>-4.8%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 211,018	\$ 219,227	\$ 222,167	\$ 228,512	\$ 6,345	2.9%
Supplies	27,674	30,233	22,900	27,400	4,500	19.7%
Services & Charges	54,754	63,646	59,780	59,180	(600)	-1.0%
Miscellaneous Expenses	1,811	1,751	2,000	2,000	-	0.0%
<b>Total</b>	<b>\$ 295,257</b>	<b>\$ 314,857</b>	<b>\$ 306,847</b>	<b>\$ 317,092</b>	<b>\$ 10,245</b>	<b>3.3%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (188,549)</b>	<b>\$ (206,401)</b>	<b>\$ (261,347)</b>	<b>\$ (273,792)</b>	<b>\$ (12,445)</b>	<b>4.8%</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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ 80,433	\$ 38,346	\$ 28,500	\$ 28,500	\$ -	0.0%
<b>Total</b>	<b>\$ 80,433</b>	<b>\$ 38,346</b>	<b>\$ 28,500</b>	<b>\$ 28,500</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 140,459	\$ 137,440	\$ 143,935	\$ 149,862	\$ 5,927	4.1%
Supplies	69	-	900	750	(150)	-16.7%
Services & Charges	10,025	7,166	10,000	9,600	(400)	-4.0%
Miscellaneous Expenses	730	931	1,000	1,050	50	5.0%
<b>Total</b>	<b>\$ 151,283</b>	<b>\$ 145,537</b>	<b>\$ 155,835</b>	<b>\$ 161,262</b>	<b>\$ 5,427</b>	<b>3.5%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (70,850)</b>	<b>\$ (107,191)</b>	<b>\$ (127,335)</b>	<b>\$ (132,762)</b>	<b>\$ (5,427)</b>	<b>4.3%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

### Department: Information Services

### General Government

The Information Services department serves all departments within the City of Hutchinson including Hutchinson Utilities Commission. The department provides everything from high-end network support and security, to compliance with law enforcement networks, to basic software end-user training. IT also manages and provides mapping/GIS services for all departments including GPS support and map accuracy maintenance.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 119,852	\$ 119,852	\$ 119,852	\$ 119,852	\$ -	0.0%
Miscellaneous Revenues	20	693	-	-	-	0.0%
<b>Total</b>	<b>\$ 119,872</b>	<b>\$ 120,545</b>	<b>\$ 119,852</b>	<b>\$ 119,852</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 321,046	\$ 305,914	\$ 320,972	\$ 331,904	\$ 10,932	3.4%
Supplies	32,269	30,763	44,565	37,350	(7,215)	-16.2%
Services & Charges	155,434	146,304	203,235	230,960	27,725	13.6%
Miscellaneous Expenses	161	182	100	100	-	0.0%
<b>Total</b>	<b>\$ 508,910</b>	<b>\$ 483,165</b>	<b>\$ 568,872</b>	<b>\$ 600,314</b>	<b>\$ 31,442</b>	<b>5.5%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (389,038)</b>	<b>\$ (362,620)</b>	<b>\$ (449,020)</b>	<b>\$ (480,462)</b>	<b>\$ (31,442)</b>	<b>7.0%</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 position created in 2016 is another component to this budget. This position provides maintenance oversight to all city facilities, resulting in certain efficiencies and cost-savings.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ -	0.0%
Miscellaneous Revenues	335	3,819	-	-	-	0.0%
<b>Total</b>	<b>\$ 2,535</b>	<b>\$ 6,019</b>	<b>\$ 2,200</b>	<b>\$ 2,200</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 84,650	\$ 82,387	\$ 85,765	\$ 91,607	\$ 5,842	6.8%
Supplies	9,499	12,744	15,675	14,925	(750)	-4.8%
Services & Charges	68,708	74,348	72,615	71,160	(1,455)	-2.0%
Miscellaneous Expenses	721	294	650	650	-	0.0%
Capital Outlay	9,325	-	-	-	-	0.0%
<b>Total</b>	<b>\$ 172,903</b>	<b>\$ 169,773</b>	<b>\$ 174,705</b>	<b>\$ 178,342</b>	<b>\$ 3,637</b>	<b>2.1%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (170,368)</b>	<b>\$ (163,754)</b>	<b>\$ (172,505)</b>	<b>\$ (176,142)</b>	<b>\$ (3,637)</b>	<b>2.1%</b>

### Department: Emergency Management

### Public Safety

The Emergency Management budget provides resources necessary to buy protective gear and supplies needed to respond to emergency situations. Supplies are inventoried and ready to be utilized in immediate situations when necessary. This department also addresses expenditures in relation to utilizing outside vendors and professional services when needed.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Supplies	\$ 768	\$ 117	\$ -	\$ 1,000	\$ 1,000	0.0%
Services & Charges	23,233	9,996	12,280	11,280	(1,000)	-8.1%
Miscellaneous Expenses	647	-	-	-	-	0.0%
<b>Total</b>	<b>\$ 24,648</b>	<b>\$ 10,113</b>	<b>\$ 12,280</b>	<b>\$ 12,280</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (24,648)</b>	<b>\$ (10,113)</b>	<b>\$ (12,280)</b>	<b>\$ (12,280)</b>	<b>\$ -</b>	<b>0.0%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

### Department: Police

### Public Safety

The Police Department provides protective services to the citizens within the community. This consists of responding to 911 calls, investigating crimes, providing first responder services and the direct administration of those functions. The Police department also provides security services 24/7 for Hutchinson Health, the local hospital. The hospital security operations are accounted for within a separate budget.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ 2,320	\$ 2,410	\$ 1,950	\$ 1,950	\$ -	0.0%
Intergovernmental	264,552	300,070	291,400	272,716	(18,684)	-6.4%
Charges for Services	78,754	81,549	83,797	73,797	(10,000)	-11.9%
Fines & Forfeitures	50,233	55,989	50,000	55,000	5,000	10.0%
Miscellaneous Revenues	47,998	51,676	20,000	10,000	(10,000)	-50.0%
<b>Total</b>	<b>\$ 443,857</b>	<b>\$ 491,694</b>	<b>\$ 447,147</b>	<b>\$ 413,463</b>	<b>\$ (33,684)</b>	<b>-7.5%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 2,947,558	\$ 3,165,069	\$ 3,145,004	\$ 3,244,561	\$ 99,557	3.2%
Supplies	88,659	91,051	102,000	99,000	(3,000)	-2.9%
Services & Charges	226,355	180,467	194,200	197,700	3,500	1.8%
Miscellaneous Expenses	8,061	12,255	12,750	7,750	(5,000)	-39.2%
<b>Total</b>	<b>\$ 3,270,632</b>	<b>\$ 3,448,842</b>	<b>\$ 3,453,954</b>	<b>\$ 3,549,011</b>	<b>\$ 95,057</b>	<b>2.8%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (2,826,776)</b>	<b>\$ (2,957,148)</b>	<b>\$ (3,006,807)</b>	<b>\$ (3,135,548)</b>	<b>\$ (128,741)</b>	<b>4.3%</b>

### Department: Hospital Security

### Public Safety

The Hospital Security budget tracks all expenditures incurred by the City to provide security services to the local hospital, Hutchinson Health. The contract for services includes a reimbursement to the City that can be escalated annually as costs increase. This separate department provides a mechanism to monitor costs and give city leaders the necessary information to support any potential revenue increases needed from the hospital. A new five year contract was executed in 2018.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 306,950	\$ 310,020	\$ 319,228	\$ 324,016	\$ 4,788	1.5%
Miscellaneous Revenues	-	80	-	-	-	0.0%
<b>Total</b>	<b>\$ 306,950</b>	<b>\$ 310,100</b>	<b>\$ 319,228</b>	<b>\$ 324,016</b>	<b>\$ 4,788</b>	<b>1.5%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 289,893	\$ 307,098	\$ 319,205	\$ 329,790	\$ 10,585	3.3%
Supplies	1,771	697	2,500	1,500	(1,000)	-40.0%
Services & Charges	515	-	1,000	1,000	-	0.0%
Miscellaneous Expenses	453	-	500	500	-	0.0%
<b>Total</b>	<b>\$ 292,633</b>	<b>\$ 307,795</b>	<b>\$ 323,205</b>	<b>\$ 332,790</b>	<b>\$ 9,585</b>	<b>3.0%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ 14,318</b>	<b>\$ 2,305</b>	<b>\$ (3,977)</b>	<b>\$ (8,774)</b>	<b>\$ (4,797)</b>	<b>120.6%</b>

### Department: Safety Committee

### Public Safety

The Safety Committee budget addresses consulting costs which provide monthly safety training meetings for the City of Hutchinson 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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Expenditures:</b>						
Services & Charges	\$ 9,059	\$ 8,298	\$ 9,700	\$ 9,400	\$ (300)	-3.1%
Miscellaneous Expenses	837	1,995	1,150	1,800	650	56.5%
<b>Total</b>	<b>\$ 9,896</b>	<b>\$ 10,292</b>	<b>\$ 10,850</b>	<b>\$ 11,200</b>	<b>\$ 350</b>	<b>3.2%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (9,896)</b>	<b>\$ (10,292)</b>	<b>\$ (10,850)</b>	<b>\$ (11,200)</b>	<b>\$ (350)</b>	<b>3.2%</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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Intergovernmental	\$ 5,222	\$ 5,139	\$ 5,500	\$ 5,500	\$ -	0.0%
Charges for Services	12,746	15,779	13,000	14,772	1,772	13.6%
Miscellaneous Revenues	2,047	13,842	2,000	1,500	(500)	-25.0%
<b>Total</b>	<b>\$ 20,016</b>	<b>\$ 34,760</b>	<b>\$ 20,500</b>	<b>\$ 21,772</b>	<b>\$ 1,272</b>	<b>6.2%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 208,269	\$ 203,408	\$ 220,782	\$ 235,385	\$ 14,603	6.6%
Supplies	43,878	46,170	52,550	48,550	(4,000)	-7.6%
Services & Charges	61,650	53,423	77,020	69,270	(7,750)	-10.1%
Miscellaneous Expenses	4,448	5,353	7,250	7,250	-	0.0%
<b>Total</b>	<b>\$ 318,245</b>	<b>\$ 308,355</b>	<b>\$ 357,602</b>	<b>\$ 360,455</b>	<b>\$ 2,853</b>	<b>0.8%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (298,230)</b>	<b>\$ (273,594)</b>	<b>\$ (337,102)</b>	<b>\$ (338,683)</b>	<b>\$ (1,581)</b>	<b>0.5%</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.

The 2020 budget eliminated one of two full-time building inspector position, resulting from a 2019 resignation. With building growth anticipated to slow moderately in 2020, the decision was made to not replace the vacant building inspector position.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ 570,341	\$ 485,772	\$ 348,500	\$ 322,000	\$ (26,500)	-7.6%
Charges for Services	45,250	43,240	44,500	44,500	-	0.0%
Miscellaneous Revenues	-	309	-	-	-	0.0%
<b>Total</b>	<b>\$ 615,591</b>	<b>\$ 529,321</b>	<b>\$ 393,000</b>	<b>\$ 366,500</b>	<b>\$ (26,500)</b>	<b>-6.7%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 228,632	\$ 270,508	\$ 315,616	\$ 274,905	\$ (40,711)	-12.9%
Supplies	4,759	5,614	7,950	7,875	(75)	-0.9%
Services & Charges	14,615	61,588	24,490	25,890	1,400	5.7%
Miscellaneous Expenses	884	674	800	900	100	12.5%
<b>Total</b>	<b>\$ 248,889</b>	<b>\$ 338,383</b>	<b>\$ 348,856</b>	<b>\$ 309,570</b>	<b>\$ (39,286)</b>	<b>-11.3%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ 366,702</b>	<b>\$ 190,938</b>	<b>\$ 44,144</b>	<b>\$ 56,930</b>	<b>\$ 12,786</b>	<b>29.0%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

**Department: Engineering**

**Streets & Highways**

The Engineering Department provides services to improve, maintain and monitor the City's investment in necessary transportation and utility infrastructure. Specific services delivered by Engineering staff include project planning, design, management and construction inspection, property assessment administration, private development reviews, storm water utility management, and environmental/regulatory activities. Engineering staff also continues to develop and maintain relationships with other City departments, McLeod County, Mn/DOT, local/state legislators and others to encourage partnerships for future projects.

The engineering fees generated to support this department are based on a percentage of the annual roadway and infrastructure improvement costs. 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 fees are based on percentages that are identified within the City's annual fee schedule, which is included near the end of this budget document.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 438,519	\$ 481,729	\$ 470,704	\$ 487,309	\$ 16,605	3.5%
<b>Total</b>	<b>\$ 438,519</b>	<b>\$ 481,729</b>	<b>\$ 470,704</b>	<b>\$ 487,309</b>	<b>\$ 16,605</b>	<b>3.5%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 363,169	\$ 375,255	\$ 386,524	\$ 407,079	\$ 20,555	5.3%
Supplies	10,580	4,987	12,300	8,350	(3,950)	-32.1%
Services & Charges	50,546	40,306	67,080	67,930	850	1.3%
Miscellaneous Expenses	3,394	3,078	4,800	3,950	(850)	-17.7%
<b>Total</b>	<b>\$ 427,689</b>	<b>\$ 423,626</b>	<b>\$ 470,704</b>	<b>\$ 487,309</b>	<b>\$ 16,605</b>	<b>3.5%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ 10,830</b>	<b>\$ 58,103</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

**Department: Streets & Alleys**

**Streets & Highways**

Streets & Alleys is responsible for maintaining a network of over 77 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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Licenses & Permits	\$ -	\$ 5,260	\$ -	\$ -	\$ -	0.0%
Intergovernmental	30,735	44,280	27,500	29,000	1,500	5.5%
Charges for Services	35,000	33,123	20,000	5,000	(15,000)	-75.0%
Miscellaneous Revenues	27,692	49,566	38,500	4,000	(34,500)	-89.6%
Transfers-In	147,384	147,384	73,750	-	(73,750)	0.0%
<b>Total</b>	<b>\$ 240,811</b>	<b>\$ 279,614</b>	<b>\$ 159,750</b>	<b>\$ 38,000</b>	<b>\$ (121,750)</b>	<b>-76.2%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 560,176	\$ 610,930	\$ 613,035	\$ 632,023	\$ 18,988	3.1%
Supplies	191,754	241,572	200,100	200,424	324	0.2%
Services & Charges	556,238	629,082	620,700	623,200	2,500	0.4%
Transfers-Out	100,000	100,000	101,970	105,000	3,030	3.0%
Miscellaneous Expenses	3,133	2,283	3,900	4,500	600	15.4%
Capital Outlay	6,250	6,293	-	-	-	0.0%
<b>Total</b>	<b>\$ 1,417,551</b>	<b>\$ 1,590,161</b>	<b>\$ 1,539,705</b>	<b>\$ 1,565,147</b>	<b>\$ 25,442</b>	<b>1.7%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (1,176,739)</b>	<b>\$ (1,310,547)</b>	<b>\$ (1,379,955)</b>	<b>\$ (1,527,147)</b>	<b>\$ (147,192)</b>	<b>10.7%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

### Department: Park/Recreation Administration

### Culture & Recreation

The Administration function serves as the connecting point for the 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 including registration, brochures, technology and postage, which are funded through the administrative budget.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 73,159	\$ 76,303	\$ 77,306	\$ 79,407	\$ 2,101	2.7%
Miscellaneous Revenues	8,663	6,475	4,000	4,000	-	0.0%
<b>Total</b>	<b>\$ 81,822</b>	<b>\$ 82,778</b>	<b>\$ 81,306</b>	<b>\$ 83,407</b>	<b>\$ 2,101</b>	<b>2.6%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 193,840	\$ 212,439	\$ 221,944	\$ 228,258	\$ 6,314	2.8%
Supplies	379	1,488	1,700	1,700	-	0.0%
Services & Charges	38,475	41,127	40,300	42,800	2,500	6.2%
Miscellaneous Expenses	1,112	1,273	1,200	1,400	200	16.7%
<b>Total</b>	<b>\$ 233,806</b>	<b>\$ 256,327</b>	<b>\$ 265,144</b>	<b>\$ 274,158</b>	<b>\$ 9,014</b>	<b>3.4%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (151,984)</b>	<b>\$ (173,549)</b>	<b>\$ (183,838)</b>	<b>\$ (190,751)</b>	<b>\$ (6,913)</b>	<b>3.8%</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 managed through the recreation services budget.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 145,563	\$ 155,663	\$ 143,920	\$ 146,500	\$ 2,580	1.8%
Miscellaneous Revenues	24,784	12,312	12,000	12,000	-	0.0%
<b>Total</b>	<b>\$ 170,346</b>	<b>\$ 167,976</b>	<b>\$ 155,920</b>	<b>\$ 158,500</b>	<b>\$ 2,580</b>	<b>1.7%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 136,166	\$ 152,377	\$ 164,566	\$ 168,886	\$ 4,320	2.6%
Supplies	46,185	47,840	48,000	47,500	(500)	-1.0%
Services & Charges	35,490	40,363	36,450	38,400	1,950	5.3%
Miscellaneous Expenses	644	550	300	800	500	166.7%
<b>Total</b>	<b>\$ 218,486</b>	<b>\$ 241,130</b>	<b>\$ 249,316</b>	<b>\$ 255,586</b>	<b>\$ 6,270</b>	<b>2.5%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (48,140)</b>	<b>\$ (73,155)</b>	<b>\$ (93,396)</b>	<b>\$ (97,086)</b>	<b>\$ (3,690)</b>	<b>4.0%</b>

### Department: Senior Citizen Center

### Culture & Recreation

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

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 60,813	\$ 63,026	\$ 63,500	\$ 63,500	\$ -	0.0%
Miscellaneous Revenues	4,515	7,197	3,000	6,000	3,000	100.0%
<b>Total</b>	<b>\$ 65,328</b>	<b>\$ 70,223</b>	<b>\$ 66,500</b>	<b>\$ 69,500</b>	<b>\$ 3,000</b>	<b>4.5%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 34,833	\$ 36,039	\$ 40,272	\$ 41,649	\$ 1,377	3.4%
Supplies	8,100	2,494	8,250	6,250	(2,000)	-24.2%
Services & Charges	41,722	47,622	38,100	44,600	6,500	17.1%
<b>Total</b>	<b>\$ 84,655</b>	<b>\$ 86,155</b>	<b>\$ 86,622</b>	<b>\$ 92,499</b>	<b>\$ 5,877</b>	<b>6.8%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (19,327)</b>	<b>\$ (15,932)</b>	<b>\$ (20,122)</b>	<b>\$ (22,999)</b>	<b>\$ (2,877)</b>	<b>14.3%</b>

## GENERAL FUND DEPARTMENT SUMMARIES

### Department: Civic Arena

### Culture & Recreation

The Burich Arena, which consists of two rinks, is home to all ice related activities and some dry-floor activities. Hutchinson youth hockey and figure skating make up the bulk of the facility's usage. The ice season runs from the beginning of October until March. In the summer, one rink typically has ice for a three to five week period. Artificial turf is installed in the east rink at the end of the hockey season allowing for additional programs such as soccer, lacrosse and baseball activities.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 267,182	\$ 283,565	\$ 265,000	\$ 268,000	\$ 3,000	1.1%
<b>Total</b>	<b>\$ 267,182</b>	<b>\$ 283,565</b>	<b>\$ 265,000</b>	<b>\$ 268,000</b>	<b>\$ 3,000</b>	<b>1.1%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 152,448	\$ 165,646	\$ 166,022	\$ 171,523	\$ 5,501	3.3%
Supplies	31,825	32,982	32,990	32,452	(538)	-1.6%
Services & Charges	156,205	165,202	154,850	169,000	14,150	9.1%
Miscellaneous Expenses	1,194	1,790	1,500	1,500	-	0.0%
<b>Total</b>	<b>\$ 341,672</b>	<b>\$ 365,619</b>	<b>\$ 355,362</b>	<b>\$ 374,475</b>	<b>\$ 19,113</b>	<b>5.4%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (74,491)</b>	<b>\$ (82,054)</b>	<b>\$ (90,362)</b>	<b>\$ (106,475)</b>	<b>\$ (16,113)</b>	<b>17.8%</b>

### Department: Park Department

### Culture & Recreation

The Parks Department manages 37 parks covering over 400 acres of open space, including a municipal campground. The department 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. The 2020 budget includes the addition of one full-time parks maintenance operator with an estimated start date of March 1.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 93,655	\$ 87,651	\$ 85,000	\$ 82,000	\$ (3,000)	-3.5%
Miscellaneous Revenues	110,776	114,116	105,000	106,000	1,000	1.0%
<b>Total</b>	<b>\$ 204,431</b>	<b>\$ 201,767</b>	<b>\$ 190,000</b>	<b>\$ 188,000</b>	<b>\$ (2,000)</b>	<b>-1.1%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 585,358	\$ 588,265	\$ 607,769	\$ 670,896	\$ 63,127	10.4%
Supplies	132,622	132,812	153,700	171,350	17,650	11.5%
Services & Charges	141,508	155,234	164,200	144,200	(20,000)	-12.2%
Miscellaneous Expenses	689	535	700	700	-	0.0%
Capital Outlay	9,383	7,699	-	-	-	0.0%
<b>Total</b>	<b>\$ 869,559</b>	<b>\$ 884,544</b>	<b>\$ 926,369</b>	<b>\$ 987,146</b>	<b>\$ 60,777</b>	<b>6.6%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (665,129)</b>	<b>\$ (682,777)</b>	<b>\$ (736,369)</b>	<b>\$ (799,146)</b>	<b>\$ (62,777)</b>	<b>8.5%</b>

### Department: Recreation Building

### Culture & Recreation

Adult and youth volleyball and basketball are two 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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 76,739	\$ 95,904	\$ 80,000	\$ 80,000	\$ -	0.0%
<b>Total</b>	<b>\$ 76,739</b>	<b>\$ 97,669</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 155,873	\$ 175,717	\$ 175,867	\$ 183,946	\$ 8,079	4.6%
Supplies	15,662	15,232	15,200	14,997	(203)	-1.3%
Services & Charges	43,963	44,352	45,400	45,600	200	0.4%
Miscellaneous Expenses	305	450	900	1,000	100	11.1%
<b>Total</b>	<b>\$ 215,803</b>	<b>\$ 235,751</b>	<b>\$ 237,367</b>	<b>\$ 245,543</b>	<b>\$ 8,176</b>	<b>3.4%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (139,063)</b>	<b>\$ (138,082)</b>	<b>\$ (157,367)</b>	<b>\$ (165,543)</b>	<b>\$ (8,176)</b>	<b>5.2%</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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 99,605	\$ 101,152	\$ 105,000	\$ 105,000	\$ -	0.0%
Miscellaneous Revenues	-	39	-	-	-	0.0%
<b>Total</b>	<b>\$ 99,605</b>	<b>\$ 101,191</b>	<b>\$ 105,000</b>	<b>\$ 105,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 165,042	\$ 169,457	\$ 181,022	\$ 186,097	\$ 5,075	2.8%
Supplies	11,948	12,134	8,270	9,575	1,305	15.8%
Services & Charges	64,275	75,250	73,650	73,050	(600)	-0.8%
Miscellaneous Expenses	244	140	200	200	-	0.0%
<b>Total</b>	<b>\$ 241,509</b>	<b>\$ 256,981</b>	<b>\$ 263,142</b>	<b>\$ 268,922</b>	<b>\$ 5,780</b>	<b>2.2%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (141,903)</b>	<b>\$ (155,790)</b>	<b>\$ (158,142)</b>	<b>\$ (163,922)</b>	<b>\$ (5,780)</b>	<b>3.7%</b>

### Department: **Evergreen Building**

### Culture & Recreation

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

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 5,687	\$ 5,625	\$ 5,525	\$ 6,133	\$ 608	11.0%
Miscellaneous Revenues	-	69	-	-	-	0.0%
<b>Total</b>	<b>\$ 5,687</b>	<b>\$ 5,694</b>	<b>\$ 5,525</b>	<b>\$ 6,133</b>	<b>\$ 608</b>	<b>11.0%</b>
<b>Expenditures:</b>						
Supplies	\$ 933	\$ 1,487	\$ 1,550	\$ 5,050	\$ 3,500	225.8%
Services & Charges	23,962	24,427	25,700	25,675	(25)	-0.1%
<b>Total</b>	<b>\$ 24,895</b>	<b>\$ 25,914</b>	<b>\$ 27,250</b>	<b>\$ 30,725</b>	<b>\$ 3,475</b>	<b>12.8%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (19,208)</b>	<b>\$ (20,220)</b>	<b>\$ (21,725)</b>	<b>\$ (24,592)</b>	<b>\$ (2,867)</b>	<b>13.2%</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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Miscellaneous Revenues	\$ -	\$ 917	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ -</b>	<b>\$ 917</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures:</b>						
Supplies	\$ 3,011	\$ 2,229	\$ 5,000	\$ 3,300	\$ (1,700)	-34.0%
Services & Charges	204,744	215,127	218,360	219,360	1,000	0.5%
Miscellaneous Expenses	-	100	100	100	-	0.0%
<b>Total</b>	<b>\$ 207,754</b>	<b>\$ 217,456</b>	<b>\$ 223,460</b>	<b>\$ 222,760</b>	<b>\$ (700)</b>	<b>-0.3%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (207,754)</b>	<b>\$ (216,539)</b>	<b>\$ (223,460)</b>	<b>\$ (222,760)</b>	<b>\$ 700</b>	<b>-0.3%</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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 333,605	\$ 324,257	\$ 370,000	\$ 310,000	\$ (60,000)	-16.2%
<b>Total</b>	<b>\$ 333,605</b>	<b>\$ 328,020</b>	<b>\$ 370,000</b>	<b>\$ 310,000</b>	<b>\$ (60,000)</b>	<b>-16.2%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 285,245	\$ 240,612	\$ 263,740	\$ 239,621	\$ (24,119)	-9.1%
Supplies	84,151	70,007	84,250	73,190	(11,060)	-13.1%
Services & Charges	38,707	37,108	39,350	38,900	(450)	-1.1%
Miscellaneous Expenses	-	1,000	1,500	1,050	(450)	-30.0%
<b>Total</b>	<b>\$ 408,103</b>	<b>\$ 348,727</b>	<b>\$ 388,840</b>	<b>\$ 352,761</b>	<b>\$ (36,079)</b>	<b>-9.3%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (74,499)</b>	<b>\$ (20,707)</b>	<b>\$ (18,840)</b>	<b>\$ (42,761)</b>	<b>\$ (23,921)</b>	<b>127.0%</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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Charges for Services	\$ 100,145	\$ 85,412	\$ 96,250	\$ 98,650	\$ 2,400	2.5%
<b>Total</b>	<b>\$ 100,145</b>	<b>\$ 85,412</b>	<b>\$ 96,250</b>	<b>\$ 98,650</b>	<b>\$ 2,400</b>	<b>2.5%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 89,008	\$ 75,010	\$ 91,359	\$ 87,147	\$ (4,212)	-4.6%
Supplies	11,675	11,669	15,450	16,237	787	5.1%
Services & Charges	19,711	27,820	26,150	28,700	2,550	9.8%
Miscellaneous Expenses	85	85	200	200	-	0.0%
Capital Outlay	-	11,990	10,000	-	(10,000)	0.0%
<b>Total</b>	<b>\$ 120,478</b>	<b>\$ 126,573</b>	<b>\$ 143,159</b>	<b>\$ 132,284</b>	<b>\$ (10,875)</b>	<b>-7.6%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (20,333)</b>	<b>\$ (41,161)</b>	<b>\$ (46,909)</b>	<b>\$ (33,634)</b>	<b>\$ 13,275</b>	<b>-28.3%</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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Intergovernmental	\$ 44,128	\$ 17,726	\$ 26,200	\$ 26,200	\$ -	0.0%
Charges for Services	66,746	66,291	68,000	83,824	15,824	23.3%
Miscellaneous Revenues	5,029	11,120	5,000	5,000	-	0.0%
<b>Total</b>	<b>\$ 115,903</b>	<b>\$ 95,137</b>	<b>\$ 99,200</b>	<b>\$ 115,024</b>	<b>\$ 15,824</b>	<b>16.0%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 16,525	\$ 32,640	\$ 36,620	\$ 39,453	\$ 2,833	7.7%
Supplies	5,424	6,315	8,500	8,125	(375)	-4.4%
Services & Charges	64,762	47,827	60,000	61,750	1,750	2.9%
Miscellaneous Expenses	15,141	14,608	15,550	15,550	-	0.0%
Capital Outlay	-	15,740	-	-	-	0.0%
<b>Total</b>	<b>\$ 101,852</b>	<b>\$ 117,130</b>	<b>\$ 120,670</b>	<b>\$ 124,878</b>	<b>\$ 4,208</b>	<b>3.5%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ 14,051</b>	<b>\$ (21,994)</b>	<b>\$ (21,470)</b>	<b>\$ (9,854)</b>	<b>\$ 11,616</b>	<b>-54.1%</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 has increased 2.90% for 2020 operations. Other revenue includes the Local Government Aid (LGA), transfers from Enterprise Funds and the PILOT payment from Hutchinson Utilities.

The City is certified by the State to receive \$2,569,936 of LGA in 2020, a \$168,221 increase from the 2019 LGA. Of the total LGA received, only \$1,268,473 is budgeted for use in the 2020 general fund operations with the remaining LGA going into the capital projects fund to fund capital improvements to general fund facilities and infrastructure. Diverting a large portion of LGA out of the general fund puts the City in a better position in the event that future LGA funding is cut by the State. It also allows for a more stable General fund as large capital improvement projects are funded by LGA in the capital projects fund rather than the General fund tax levy.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Taxes	\$ 4,759,276	\$ 4,967,540	\$ 5,122,005	\$ 5,270,910	\$ 148,905	2.9%
Other Taxes	293,840	298,908	315,000	305,000	(10,000)	-3.2%
Licenses & Permits	33,893	35,127	35,250	36,000	750	2.1%
Intergovernmental	1,020,069	1,118,602	1,118,164	1,286,385	168,221	15.0%
Charges for Services	12,991	15,043	10,000	10,000	-	0.0%
Miscellaneous Revenues	33,709	58,807	85,000	85,000	-	0.0%
Transfers-In	2,085,107	2,796,937	2,423,425	2,666,191	242,766	10.0%
<b>Total</b>	<b>\$ 8,238,886</b>	<b>\$ 9,290,963</b>	<b>\$ 9,108,844</b>	<b>\$ 9,659,486</b>	<b>\$ 550,642</b>	<b>6.0%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ 8,238,886</b>	<b>\$ 9,290,963</b>	<b>\$ 9,108,844</b>	<b>\$ 9,659,486</b>	<b>\$ 550,642</b>	<b>6.0%</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 2020 budget, include a \$45,000 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. The tax abatement subsidy is based on the growth in market value for the Uponor parcel. The maximum abatement amount to be paid is \$902,291 over a period not to exceed fifteen years.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Increase/ (Decrease)	% Change
<b>Revenues:</b>						
Intergovernmental	\$ 108,259	\$ 109,292	\$ 109,292	\$ 111,162	\$ 1,870	1.7%
Miscellaneous Revenues	45,603	10,817	40,000	10,000	(30,000)	-75.0%
Transfers-In	55,000	-	-	-	-	0.0%
<b>Total</b>	<b>\$ 208,862</b>	<b>\$ 120,110</b>	<b>\$ 149,292</b>	<b>\$ 121,162</b>	<b>\$ (28,130)</b>	<b>-18.8%</b>
<b>Expenditures:</b>						
Wages & Benefits	\$ 173,253	\$ 174,292	\$ 174,292	\$ 176,398	\$ 2,106	1.2%
Services & Charges	200,516	203,935	211,250	206,250	(5,000)	-2.4%
Miscellaneous Expenses	469,664	494,385	551,250	584,250	33,000	6.0%
Transfers-Out	500,000	401,288	-	-	-	0.0%
<b>Total</b>	<b>\$ 1,343,432</b>	<b>\$ 1,273,900</b>	<b>\$ 936,792</b>	<b>\$ 966,898</b>	<b>\$ 30,106</b>	<b>3.2%</b>
<b>Revenue over/(under) Expenditures:</b>	<b>\$ (1,134,570)</b>	<b>\$ (1,153,790)</b>	<b>\$ (787,500)</b>	<b>\$ (845,736)</b>	<b>\$ (58,236)</b>	<b>7.4%</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 known at a certain point in time and that actual results will vary.

The current five-year forecast indicates that tax levy increases of 4% to 6% may be needed in future years. The City can mitigate those levy increases with increases to other revenue sources and/or by holding expense increases where possible. The employee health benefits continues 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 financial health of the City. The Minnesota State Auditor recommends that cities maintain a fund balance of 35% to 50%, and city policy requires a minimum fund balance of 40%. The forecast below shows that the City should be able to maintain a very healthy 54% to 55% fund balance over the next five years. This provides flexibility to the City to utilize fund balance for temporary budgetary needs or for other one-time needs.

	Budget 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
<b>REVENUES:</b>						
Taxes	\$ 5,270,910	\$ 5,511,646	\$ 5,848,337	\$ 6,175,112	\$ 6,517,129	\$ 6,850,599
Other Taxes	305,000	308,050	311,131	314,242	317,384	320,558
Licenses & Permits	388,450	388,450	388,450	388,450	388,450	388,450
Intergovernmental Revenue	1,730,963	1,730,963	1,730,963	1,730,963	1,730,963	1,730,963
Charges for Services	2,790,585	2,828,241	2,867,399	2,907,597	2,948,883	2,991,307
Fines & Forfeitures	55,000	55,000	55,000	55,000	55,000	55,000
Miscellaneous Revenues	245,500	248,270	251,095	253,976	256,915	259,913
Transfers-In	2,666,191	2,730,535	2,745,626	2,761,479	2,801,109	2,841,531
<b>TOTAL REVENUES</b>	<b>\$ 13,452,599</b>	<b>\$ 13,801,155</b>	<b>\$ 14,198,001</b>	<b>\$ 14,586,819</b>	<b>\$ 15,015,833</b>	<b>\$ 15,438,321</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 9,162,882	\$ 9,458,827	\$ 9,801,872	\$ 10,136,301	\$ 10,509,665	\$ 10,875,893
Supplies	858,150	867,165	877,809	887,054	897,956	907,435
Services & Charges	2,679,017	2,716,479	2,752,976	2,791,739	2,829,567	2,869,698
Miscellaneous Expenses	647,550	650,534	653,949	656,988	660,466	663,571
Transfers-Out	105,000	108,150	111,395	114,737	118,179	121,724
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,452,599</b>	<b>\$ 13,801,155</b>	<b>\$ 14,198,001</b>	<b>\$ 14,586,819</b>	<b>\$ 15,015,833</b>	<b>\$ 15,438,321</b>
<b>NET REVENUES</b>	<b>\$ -</b>					

<b>Estimated Tax Levy % Increase</b>	<b>2.9%</b>	<b>4.6%</b>	<b>6.1%</b>	<b>5.6%</b>	<b>5.5%</b>	<b>5.1%</b>
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Prior Year Fund Balance	7,498,735	7,666,892	7,839,407	8,016,882	8,199,217	8,386,915
Expected Surplus/(Deficit)	168,157	172,514	177,475	182,335	187,698	192,979
Estimated Fund Balance	7,666,892	7,839,407	8,016,882	8,199,217	8,386,915	8,579,894
<b>Fund Balance %</b>	<b>55.6%</b>	<b>55.2%</b>	<b>55.0%</b>	<b>54.6%</b>	<b>54.3%</b>	<b>54.2%</b>
<i>City Policy: 40% Minimum</i>	5,520,462	5,679,200	5,834,728	6,006,333	6,175,328	6,335,887
<i>Excess Over 40% Minimum</i>	2,146,430	2,160,207	2,182,154	2,192,884	2,211,587	2,244,007



**2020 Annual Budget**

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**Enterprise Funds**

# Enterprise Funds - 2020 Budget Summary

Enterprise funds are used to account for those government operations that are financed and operated in a manner similar to private business. The funds are self-supported by customer fees for product or services. The fees shall be determined at a level that fully covers the total direct and indirect costs, including operating expenses, capital expenditures and debt service payments.

The City has the following Enterprise funds:

- **Liquor fund** - accounts for the operations of the City's retail liquor store.
- **Compost fund** - accounts for the operations of the City's compost facility.
- **Refuse fund** - accounts for the operations of the City's residential refuse disposal.
- **Water fund** - accounts for the operations of the City-owned water system.
- **Sewer fund** - accounts for the operations of the City-owned waterwater system.
- **Storm Water fund** - accounts for the operations of the City's storm water system.
- **Hutchinson Utilities Commission** - accounts for the operations of the City's electric and gas systems.  
HUC is governed by a separate board of commissioners and is budgeted separately from the City's other funds.

Enterprise funds are maintained on the accrual basis. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the period in which the liability is incurred.

Activity for the Debt Service principal payments and Capital Outlay are budgeted as expenditures simply for a cash flow presentation. In reality, those two items are recorded in the balance sheet as a reduction to the bond payable and as an increase to fixed assets.

	Total	Liquor	Compost	Refuse	Water	Sewer	Storm Water
<b>REVENUES:</b>							
Sales Revenue	16,568,735	6,473,000	2,367,400	1,237,600	2,324,500	3,198,000	968,235
Local Sales Tax	1,474,000	-	-	-	737,000	737,000	-
Licenses & Permits	11,000	-	-	-	-	6,500	4,500
Intergovernmental Revenue	12,500	-	-	12,500	-	-	-
Charges for Services	151,250	-	87,750	-	56,000	7,500	-
Miscellaneous Revenue	255,250	3,000	35,000	22,000	67,000	112,500	15,750
<b>TOTAL REVENUES</b>	<b>18,472,735</b>	<b>6,476,000</b>	<b>2,490,150</b>	<b>1,272,100</b>	<b>3,184,500</b>	<b>4,061,500</b>	<b>988,485</b>
<b>EXPENDITURES:</b>							
Wages & Benefits	3,190,346	703,600	749,909	202,269	542,656	725,428	266,484
Supplies	579,161	22,600	114,300	61,400	138,137	216,362	26,362
Services & Charges	2,864,400	247,950	330,900	797,800	496,350	778,500	212,900
Miscellaneous Expenses	93,400	6,700	12,700	1,000	15,000	40,000	18,000
Depreciation Expense	3,057,500	82,500	260,000	140,000	1,100,000	1,250,000	225,000
Debt Service	3,387,834	128,228	161,642	-	1,485,955	1,402,320	209,689
Transfers-Out	785,000	500,000	110,000	55,000	60,000	60,000	-
Capital Outlay	2,896,741	15,000	567,580	180,700	830,176	866,957	436,328
Cost of Sales	5,761,060	4,871,710	889,350	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>22,615,442</b>	<b>6,578,288</b>	<b>3,196,381</b>	<b>1,438,169</b>	<b>4,668,274</b>	<b>5,339,567</b>	<b>1,394,763</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(4,142,707)</b>	<b>(102,288)</b>	<b>(706,231)</b>	<b>(166,069)</b>	<b>(1,483,774)</b>	<b>(1,278,067)</b>	<b>(406,278)</b>

# Liquor Fund

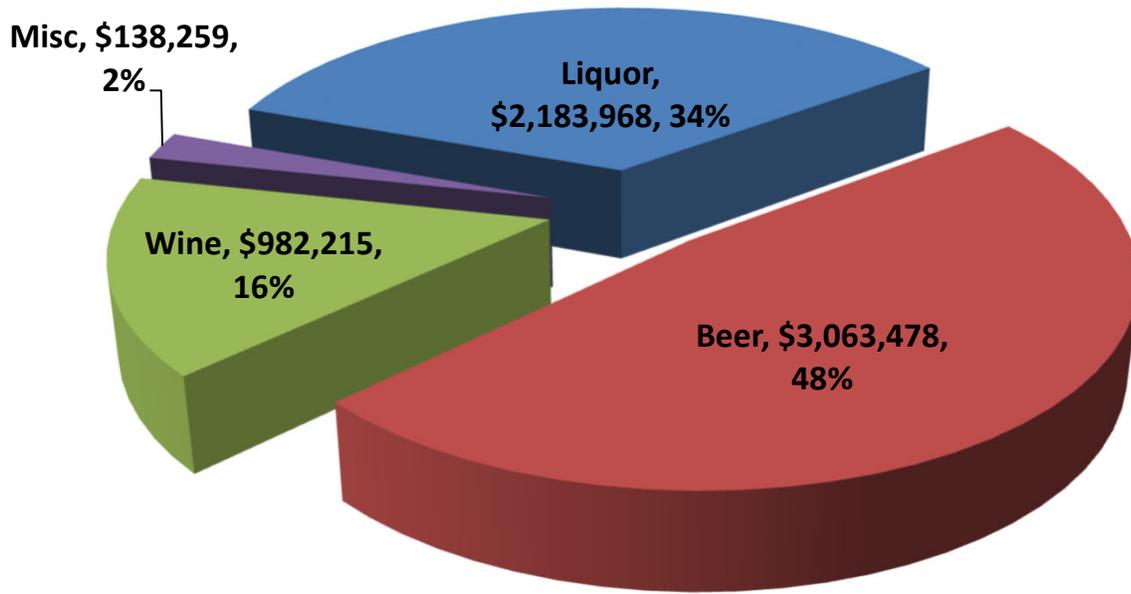
The Liquor Fund functions as a control mechanism for the sale of alcohol within the community and as a revenue source for the City of Hutchinson's General fund. While all alcohol sellers should practice responsible sales, not selling to minors or intoxicated individuals, the Liquor Hutch takes these responsibilities further by aggressively training employees to prevent underage access to alcohol and working closely with law enforcement to reflect community values. In addition, the revenues generated by the Liquor store are used to support many essential city functions.

## Budgetary Highlights for 2020

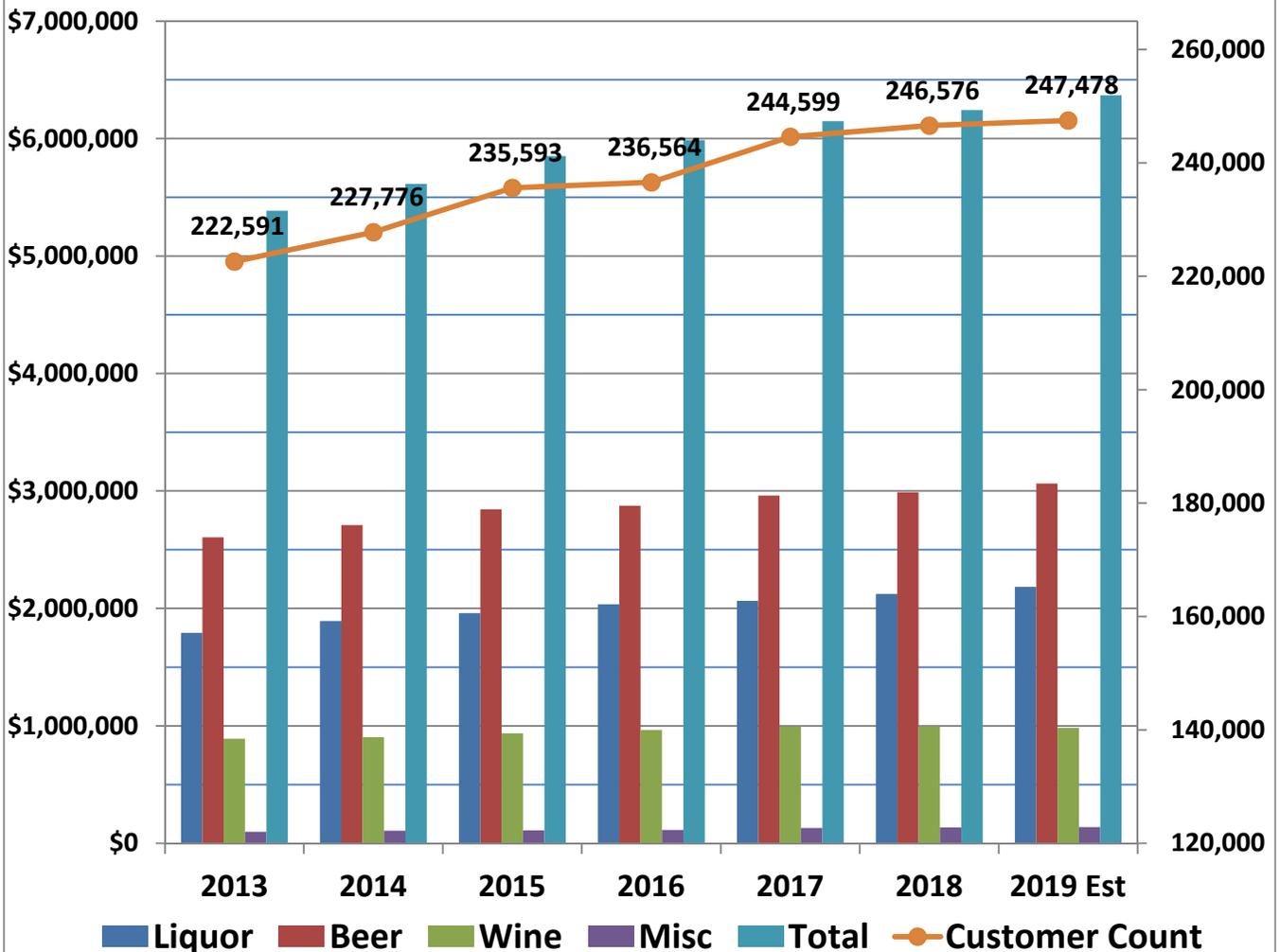
- The 2020 sales revenue is based on a 1.7% increase over the 2019 forecasted sales of \$6,367,919.
- We are budgeting a moderate decrease in Wine sales as recent trends have shown that some wine drinkers have shifted to seltzer beverages, which fall under the Beer category. This has a negative impact on the store's gross margin as the seltzer beverages have a lower margin than wine products.
- The Debt Service expenditure is the annual principal and interest on the loan from the Water and Sewer funds related to the liquor store upgrades completed in 2005. The loan will be fully repaid in 2020.
- The Transfer-Out expenditure is the Liquor fund's transfer of excess profits to the General fund. There is no increase in the transfer for 2020.
- The Liquor fund is budgeting a negative cash flow of \$19,788 for 2020 (Net Loss of \$102,288 plus Depreciation of \$82,500 since depreciation is a non-cash transaction). The Liquor fund has sufficient cash reserves to absorb the 2020 cash deficit. In the year 2021, this fund will realize a \$128,000 increase in annual cash flow due to the retirement of the Water and Sewer debt.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Sales - Liquor	2,064,292	2,123,572	2,154,000	2,228,000	74,000	3.4%
Sales - Beer	2,959,294	2,988,434	3,049,000	3,125,000	76,000	2.5%
Sales - Wine	993,807	994,098	1,016,000	982,000	(34,000)	-3.3%
Sales - Other	130,756	136,396	138,000	138,000	-	0.0%
<b>Total Sales</b>	<b>6,148,149</b>	<b>6,242,500</b>	<b>6,357,000</b>	<b>6,473,000</b>	<b>116,000</b>	<b>1.8%</b>
Miscellaneous Revenue	2,692	2,787	3,000	3,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>6,150,841</b>	<b>6,245,287</b>	<b>6,360,000</b>	<b>6,476,000</b>	<b>116,000</b>	<b>1.8%</b>
<b>EXPENDITURES:</b>						
Cost of Sales	4,616,974	4,660,771	4,787,710	4,871,710	84,000	1.8%
Wages & Benefits	628,185	656,365	698,094	703,600	5,506	0.8%
Supplies	18,545	18,856	25,050	22,600	(2,450)	-9.8%
Services & Charges	228,994	241,637	246,675	247,950	1,275	0.5%
Miscellaneous Expenses	4,115	4,030	5,350	6,700	1,350	25.2%
Depreciation Expense	78,640	81,485	82,500	82,500	-	0.0%
Capital Outlay	-	-	15,000	15,000	-	0.0%
Debt Service	19,253	14,645	128,243	128,228	(15)	0.0%
Transfers-Out	500,000	500,000	500,000	500,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>6,094,707</b>	<b>6,177,789</b>	<b>6,488,622</b>	<b>6,578,288</b>	<b>89,666</b>	<b>1.4%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>56,134</b>	<b>67,498</b>	<b>(128,622)</b>	<b>(102,288)</b>	<b>26,334</b>	<b>20.5%</b>

## 2019 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 2020

- The 2020 production model assumes a 4.3% decrease in the sale of bagged product. The decrease is mainly due to the anticipated loss of 140,000 of bagged product from one customer. Bulk sales have been increased \$69,110 as bitcon continues to be in high demand by local construction companies and roadway improvement contractors.
- 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 2020 consists of a new compost screener (\$350,000), a walking floor trailer (88,580), new forklift (\$35,000), asphalt repairs (\$50,000), new work truck (\$31,500) and facility lighting improvements (\$12,500).
- Debt Service includes \$87,833 for the wood grinder (2017) and \$73,809 for the compost turner (2019). Those amounts are the annual debt service payments, with the grinder financed through 2021 and the turner through 2025.
- The Transfer-Out expenditure is the Compost fund's transfer of excess profits to the General fund. There is no increase in the transfer for 2020.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Sales - Bagged Product	1,682,291	1,963,472	1,940,190	1,856,150	(84,040)	-4.3%
Sales - Bulk Product	163,802	321,676	245,890	315,000	69,110	28.1%
Sales - Other	100,254	170,833	192,095	196,250	4,155	2.2%
<b>Total Sales</b>	<b>1,946,347</b>	<b>2,455,981</b>	<b>2,378,175</b>	<b>2,367,400</b>	<b>(10,775)</b>	<b>-0.5%</b>
Charges for Services	80,713	87,448	91,245	87,750	(3,495)	-3.8%
Miscellaneous Revenue	87,150	52,967	35,000	35,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>2,114,209</b>	<b>2,596,395</b>	<b>2,504,420</b>	<b>2,490,150</b>	<b>(14,270)</b>	<b>-0.6%</b>
<b>EXPENDITURES:</b>						
Cost of Sales	1,297,433	1,677,643	1,633,505	1,543,550	(89,955)	-5.5%
Inventory Cost Adjustment	(600,745)	(625,865)	(709,585)	(654,200)	55,385	-7.8%
Wages & Benefits	583,702	631,616	704,078	749,909	45,831	6.5%
Supplies	79,342	107,921	114,825	114,300	(525)	-0.5%
Services & Charges	297,435	280,120	308,940	330,900	21,960	7.1%
Miscellaneous Expenses	14,538	15,503	11,500	12,700	1,200	10.4%
Depreciation Expense	172,814	199,479	220,000	260,000	40,000	18.2%
Capital Outlay	-	-	80,000	567,580	487,580	609.5%
Debt Service	3,763	8,130	158,939	161,642	2,703	1.7%
Transfers-Out	110,000	110,000	110,000	110,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>1,958,282</b>	<b>2,404,547</b>	<b>2,632,202</b>	<b>3,196,381</b>	<b>564,179</b>	<b>21.4%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>155,927</b>	<b>191,848</b>	<b>(127,782)</b>	<b>(706,231)</b>	<b>(578,449)</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 at the expense of the Refuse fund based 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 2020

- The 2020 budget assumes that refuse rates do not increase. The last increase was in 2008 (6%).
- The biodegradable-bag program where residents can receive free bio-bags for their composting needs is helping to divert waste from the landfill. The annual cost of the bio-bags is \$33,500 with some minor staff time involved in administering the program.
- The refuse hauling contract is the largest expenditure in this fund and is budgeted at \$544,000 for 2020. The contract rate is adjusted for any increase in the Consumer Price Index, capped at 2%, every six months. West Central Sanitation is the current residential refuse hauler, contracted for a five-year term expiring September 30, 2020.
- The cost to dispose of an estimated 2,526 tons of waste material at the local landfill is budgeted for 2020 at \$155,000. The landfill disposal fee is currently \$61.02 per ton and is scheduled to increase by \$1 per ton each October 1st.
- The Transfer-Out of \$55,000 to the Tree Disease Mitigation fund serves as the funding source for the City's efforts in dealing with diseased trees. City Council approved annual funding of \$55,000, starting in 2010, mainly in anticipation of the Emerald Ash Borer and the impact it would have on the City's ash tree population. The plan has since been revised to address all tree diseases.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Refuse Sales	1,187,305	1,213,981	1,205,600	1,237,600	32,000	2.7%
Intergovernmental Revenue	12,854	12,884	12,500	12,500	-	0.0%
Miscellaneous Revenue	9,327	28,773	22,000	22,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>1,209,486</b>	<b>1,255,637</b>	<b>1,240,100</b>	<b>1,272,100</b>	<b>32,000</b>	<b>2.6%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	175,439	187,435	190,965	202,269	11,304	5.9%
Supplies	58,207	57,800	62,050	61,400	(650)	-1.0%
Services & Charges	712,794	752,567	761,600	797,800	36,200	4.8%
Miscellaneous Expenses	9,043	7,024	1,500	1,000	(500)	-33.3%
Depreciation Expense	126,830	123,005	146,000	140,000	(6,000)	-4.1%
Capital Outlay	-	-	221,500	180,700	(40,800)	-18.4%
Debt Service	346	-	-	-	-	0.0%
Transfers-Out	55,000	55,000	55,000	55,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>1,137,659</b>	<b>1,182,831</b>	<b>1,438,615</b>	<b>1,438,169</b>	<b>(446)</b>	<b>0.0%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>71,826</b>	<b>72,806</b>	<b>(198,515)</b>	<b>(166,069)</b>	<b>32,446</b>	

# 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 4,800 water meters with automated meter reading transmitters, more than 70 miles of water mains and over 900 fire hydrants for community fire protection.

## Budgetary Highlights for 2020

- Local Sales tax revenue has been increased \$72,000 based on the 2019 trend that is forecasting over \$765,000 in revenue. The local sales tax revenue is dedicated to the retirement of outstanding debt and is split 50/50 with the Sewer fund.
- The 2020 budget assumes that water rates do not increase. The last rate increase was in 2011 (5%).
- The 2020 budget assumes that Water Sales will remain flat from 2019's budget.
- The majority of Capital Outlay is related to the planned 2020 Main Street reconstruction project.
- The budgeted Transfer-Out expenditure of \$60,000 is the Water fund's transfer to the General fund. There is no increase in the transfer for 2020.

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.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Local Sales Tax	654,299	741,033	665,000	737,000	72,000	10.8%
Water Sales	2,407,684	2,402,245	2,323,500	2,324,500	1,000	0.0%
Intergovernmental Revenue	-	-	-	-	-	0.0%
Charges for Services	53,554	55,088	53,000	56,000	3,000	5.7%
Miscellaneous Revenue	58,741	78,045	69,500	67,000	(2,500)	-3.6%
Fund Balance	254,078	252,090	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>3,428,357</b>	<b>3,528,501</b>	<b>3,111,000</b>	<b>3,184,500</b>	<b>73,500</b>	<b>2.4%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	462,128	484,402	519,888	542,656	22,768	4.4%
Supplies	134,565	109,312	137,250	138,137	887	0.6%
Services & Charges	488,417	442,788	522,950	496,350	(26,600)	-5.1%
Miscellaneous Expenses	10,836	18,599	15,000	15,000	-	0.0%
Depreciation Expense	1,218,822	1,109,795	1,100,000	1,100,000	-	0.0%
Debt Service	336,057	304,334	1,485,523	1,485,955	432	0.0%
Capital Outlay	-	-	300,000	830,176	530,176	176.7%
Transfers-Out	351,635	295,785	60,000	60,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>3,002,460</b>	<b>2,765,016</b>	<b>4,140,611</b>	<b>4,668,274</b>	<b>527,663</b>	<b>12.7%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>425,896</b>	<b>763,485</b>	<b>(1,029,611)</b>	<b>(1,483,774)</b>	<b>(454,163)</b>	

# Sewer Fund

The Sewer 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 95 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 2020

- Local Sales tax revenue has been increased \$72,000 based on the 2019 trend that is forecasting over \$765,000 in revenue. The local sales tax revenue is dedicated to the retirement of outstanding debt and is split 50/50 with the Sewer fund.
- The 2020 budget assumes that sewer rates do not increase. The last rate increase was in 2011 (5%).
- The 2020 budget assumes that Sewer Sales remains flat for Residential and Industrial customers, but we've increased revenue from Commercial customers by \$10,000. We also increased Sewer connection charges (SAC fees) by \$20,000 based on anticipated projects.
- The solar array constructed in late 2015 is performing as expected with approximately a 15% savings in the annual electricity expense at the Sewer facility.
- The majority of Capital Outlay is related to the planned 2020 Main Street reconstruction project.
- The budgeted Transfer-Out expenditure of \$60,000 is the Sewer fund's transfer to the General fund. There is no increase in the transfer for 2020.

The transfers-out for the years with Actual results include amounts transferred to the City's Construction fund to finance the Sewer system infrastructure installed during the annual street improvement process. These transfers are budgeted as Capital Outlay.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Local Sales Tax	654,299	741,033	665,000	737,000	72,000	10.8%
Sewer Sales	3,216,807	3,315,796	3,168,000	3,198,000	30,000	0.9%
Licenses & Permits	5,100	5,100	6,500	6,500	-	0.0%
Charges for Services	13,458	6,519	7,500	7,500	-	0.0%
Miscellaneous Revenue	82,889	104,345	120,000	112,500	(7,500)	-6.3%
Fund Balance	50,816	22,917	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>4,023,369</b>	<b>4,195,711</b>	<b>3,967,000</b>	<b>4,061,500</b>	<b>94,500</b>	<b>2.4%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	577,027	647,214	691,874	725,428	33,554	4.8%
Supplies	141,948	221,752	210,700	216,362	5,662	2.7%
Services & Charges	695,031	713,465	803,000	778,500	(24,500)	-3.1%
Miscellaneous Expenses	21,790	47,235	36,500	40,000	3,500	9.6%
Depreciation Expense	1,621,990	1,336,076	1,250,000	1,250,000	-	0.0%
Debt Service	276,427	245,300	1,403,676	1,402,320	(1,356)	-0.1%
Capital Outlay	-	-	625,000	866,957	241,957	38.7%
Transfers-Out	84,884	317,221	60,000	60,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>3,419,097</b>	<b>3,528,263</b>	<b>5,080,750</b>	<b>5,339,567</b>	<b>258,817</b>	<b>5.1%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>604,272</b>	<b>667,448</b>	<b>(1,113,750)</b>	<b>(1,278,067)</b>	<b>(164,317)</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.

## Budgetary Highlights for 2020

- The 2020 budget includes a 3.0% increase in storm water utility rates.
- The City's leaf vacuuming program is accounted for in this fund. Annual expenses for the program include tractor rentals, fuel, equipment repairs and maintenance, and employee wages and benefits. Capital investment in the vacuum trailers is also funded by storm water funds.
- Street sweeping is another main operation funded by storm water utility fees, reducing the amount of sediment and debris going into the storm water system. Annual expenses include fuel, repairs and maintenance on the street sweeper and employee wages and benefits.
- The majority of Capital Outlay is related to the completion of the Linden Park retention pond. The pond was constructed in 2018/19 and the neighboring streets will be connected to the pond in 2020. Once fully complete, the pond will alleviate severe drainage issues in the south-central portion of the city.
- 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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Storm Water Sales	887,583	917,235	940,500	968,235	27,735	2.9%
Licenses & Permits	5,350	5,555	4,500	4,500	-	0.0%
Charges for Services	560	-	-	-	-	0.0%
Miscellaneous Revenue	18,039	28,739	22,300	15,750	(6,550)	-29.4%
Fund Balance	296,978	114,586	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>1,208,511</b>	<b>1,066,116</b>	<b>967,300</b>	<b>988,485</b>	<b>21,185</b>	<b>2.2%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	243,181	224,869	248,348	266,484	18,136	7.3%
Supplies	15,674	16,705	32,000	26,362	(5,638)	-17.6%
Services & Charges	204,364	162,508	173,300	212,900	39,600	22.9%
Miscellaneous Expenses	7,160	15,023	10,500	18,000	7,500	71.4%
Depreciation Expense	151,913	155,590	195,000	225,000	30,000	15.4%
Debt Service	6,492	51,226	231,777	209,689	(22,088)	-9.5%
Capital Outlay	-	-	340,000	436,328	96,328	28.3%
Transfers-Out	298,814	390,670	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>927,598</b>	<b>1,016,592</b>	<b>1,230,925</b>	<b>1,394,763</b>	<b>163,838</b>	<b>13.3%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>280,913</b>	<b>49,523</b>	<b>(263,625)</b>	<b>(406,278)</b>	<b>(142,653)</b>	



## 2020 Annual Budget

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# Other Governmental Funds

## Other Governmental Funds - 2020 Budget Summary

Governmental Funds include the General fund, Debt Service funds, and Capital Project funds. All governmental funds are maintained on a modified accrual basis with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Capital Improvement Projects funds account for the acquisition or construction of major capital projects other than those financed by proprietary fund activities. The City has the following Capital Improvement Project funds:

- **Capital Projects fund** - accounts for improvements to General fund facilities, miscellaneous city infrastructure and other projects that do not have other funding sources.
- **Community Improvement fund** - accounts for projects of a "community" nature in addition to public arts projects.
- **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 streets, alleys, parking lots, bridges, trails and other public infrastructure.

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes other than debt service and capital projects. The City has the following Special Revenue funds:

- **Public Sites fund** - accounts for improvements to City parks and parkland equipment.
- **Tree Disease Mitigation fund** - accounts for operations related to treating or removing diseased trees.
- **Rural Fire fund** - accounts for the City's operating costs attributed to rural fire calls and allocated to participating rural towns and townships.
- **H.A.T.S. Facility fund** - accounts for the operations of the transportation maintenance facility that operates under a joint powers agreement between the State, McLeod County and City.

	Total	Capital Improv Projects	Debt Service	Public Sites	Tree Disease Mitigation	Rural Fire	HATS
<b>REVENUES:</b>							
Property Taxes	2,042,840	10,000	2,032,840	-	-	-	-
Tax Increment Taxes	-	-	-	-	-	-	-
Special Assessments	404,187	27,500	376,687	-	-	-	-
Intergovernmental Revenue	1,863,263	1,551,463	-	-	-	125,000	186,800
Charges for Services	396,000	70,000	-	10,000	-	-	316,000
Miscellaneous Revenue	233,925	145,000	50,000	5,000	7,000	225	26,700
Transfers-In	1,565,000	1,300,000	100,000	5,000	55,000	-	105,000
Bond Proceeds	2,600,000	2,600,000	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>9,105,215</b>	<b>5,703,963</b>	<b>2,559,527</b>	<b>20,000</b>	<b>62,000</b>	<b>125,225</b>	<b>634,500</b>
<b>EXPENDITURES:</b>							
Wages & Benefits	137,148	-	-	-	3,000	88,251	45,897
Supplies	416,736	10,000	-	5,000	17,000	20,252	364,484
Services & Charges	1,047,289	850,500	-	2,000	20,000	14,039	160,750
Miscellaneous Expenses	27,233	15,000	-	4,000	-	2,683	5,550
Debt Service	2,490,464	30,000	2,460,464	-	-	-	-
Bond Issuance Costs	60,000	60,000	-	-	-	-	-
Transfers-Out	105,000	105,000	-	-	-	-	-
Capital Outlay	6,161,319	6,103,500	-	-	-	-	57,819
<b>TOTAL EXPENDITURES</b>	<b>10,445,189</b>	<b>7,174,000</b>	<b>2,460,464</b>	<b>11,000</b>	<b>40,000</b>	<b>125,225</b>	<b>634,500</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(1,339,974)</b>	<b>(1,470,037)</b>	<b>99,063</b>	<b>9,000</b>	<b>22,000</b>	<b>-</b>	<b>-</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 improvement projects and the City's comprehensive plan are also accounted for in this fund. The funding sources include Local Government Aid (LGA), transfers-in from other funds, grants and a portion of the annual bond proceeds.

The Facilities Plan, which addresses General fund facility improvements, is a major component within this fund. The plan annually assigns \$750,000 of LGA for facility improvements needs. Another \$400,000 of LGA is annually assigned for miscellaneous infrastructure maintenance needs and the bi-annual street seal coating projects.

**Budgetary Highlights for 2020**

- 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 consist of LGA dollars received from the State, net of the amount of LGA used for General fund operations.
- 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.
- There are no planned Transfers-In for 2020.
- Services & Charges includes \$250,000 for the bi-annual street seal coating project, \$50,000 of planning expenses and \$25,500 to seal coat the airport runway.
- Debt Service includes \$30,000 for the annual payment to the McLeod Rail Authority as part of the City's lease agreement for use of certain parkland along the rail corridor. The final lease payment is in 2020.
- The 2020 Capital Outlay includes \$1,121,500 for Facility improvements, with \$1,030,000 planned for improvements to the Recreation Center roof.

New Police portable radios estimated at \$160,000 and \$90,000 to retrofit a portion of the city's streetlights with LED fixtures are also planned for 2020. See the City's 5-year Capital Plan for a full listing of planned improvements.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	13,532	29,788	10,000	10,000	-	0.0%
Intergovernmental Revenue	1,295,074	1,295,074	1,301,463	1,301,463	-	0.0%
Charges for Services	72,919	87,694	70,000	70,000	-	0.0%
Miscellaneous Revenue	107,350	58,897	10,000	20,000	10,000	100.0%
Transfers-In	1,875,000	125,000	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>3,363,875</b>	<b>1,596,453</b>	<b>1,391,463</b>	<b>1,401,463</b>	<b>10,000</b>	<b>0.7%</b>
<b>EXPENDITURES:</b>						
Supplies	17,129	28,323	-	10,000	10,000	0.0%
Services & Charges	210,846	451,207	50,000	325,500	275,500	551.0%
Debt Service	30,000	30,000	30,000	30,000	-	0.0%
Transfers-Out	92,002	5,000	-	5,000	5,000	0.0%
Capital Outlay	2,497,892	433,298	1,066,000	1,498,500	432,500	40.6%
<b>TOTAL EXPENDITURES</b>	<b>2,847,869</b>	<b>947,827</b>	<b>1,146,000</b>	<b>1,869,000</b>	<b>723,000</b>	<b>63.1%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>516,005</b>	<b>648,626</b>	<b>245,463</b>	<b>(467,537)</b>	<b>(713,000)</b>	

# Community Improvement Fund

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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 of retired Debt Service funds, delinquent special assessments from the retired Debt Service funds, grants and donations from private entities.

Support of public arts is also 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 2018 through 2020.

In 2018, the City received a \$6.2M buyout from the local hospital, which represented the present value of the remaining 20 years of a 30-year lease agreement between the two parties. The buyout was triggered by the hospital joining the Health Partners network. The City Council committed \$3,000,000 of those buyout funds to a potential new police facility project. The Council also committed \$500,000 for future costs related to a lakes and river basin restoration project. The remaining buyout funds have been assigned within the Community Improvement fund for future projects that City Council may approve.

Regarding the future police facility, the city is planning to finalize a site purchase in April 2020, adjacent to the city's municipal liquor store. The \$3,000,000 committed within this fund will be used to purchase the property and demolish the existing building. It will also fund professional services related to building acquisition, building design and any engineering or soil testing. The remaining funds will be applied to construction costs with construction expected to commence in early 2021.

### Budgetary Highlights for 2020

- Special Assessment revenue is from delinquent special assessment payments related to retired Debt Service funds that have been closed into the Community Improvement fund.
- Miscellaneous Revenues consist mainly of interest income earned on cash and investments, and donations from other entities. We are budgeting a significant increase in interest income due to the substantial increase in cash balance related to the hospital lease buyout monies received in 2018.
- There will not be any Transfer-In revenue for 2020 as no Debt Service funds are being retired in the year. We will retire one debt service fund each year starting in 2021.
- The Capital Outlay for 2020 includes the planned property acquisition for a new police station, along with assumed site improvements (\$1,000,000), Dakota trail improvements (\$80,000), and a wayfinding interpretive signage project (\$10,000).

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Special Assessments	28,785	153,646	27,500	27,500	-	0.0%
Miscellaneous Revenue	63,968	6,005,436	125,000	125,000	-	0.0%
Transfers-In	231,098	-	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>323,851</b>	<b>6,159,082</b>	<b>152,500</b>	<b>152,500</b>	<b>-</b>	<b>0.0%</b>
<b>EXPENDITURES:</b>						
Supplies	-	608	-	-	-	0.0%
Services & Charges	73,684	39,536	50,000	50,000	-	0.0%
Miscellaneous Expenses	22,750	15,000	15,000	15,000	-	0.0%
Transfers-Out	1,250,000	500,000	-	-	-	0.0%
Capital Outlay	43,648	16,020	1,010,000	1,090,000	80,000	7.9%
<b>TOTAL EXPENDITURES</b>	<b>1,390,082</b>	<b>571,164</b>	<b>1,075,000</b>	<b>1,155,000</b>	<b>80,000</b>	<b>7.4%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(1,066,231)</b>	<b>5,587,918</b>	<b>(922,500)</b>	<b>(1,002,500)</b>	<b>(80,000)</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 special assessment bond proceeds (debt), state and federal aid, grants and transfers-in from Water, Sewer, Storm Water and other funds.

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

## Budgetary Highlights for 2020

- The largest project in 2020 is the Main Street/Highway 15 Reconstruction. Since this is a state highway, MnDOT is leading the project and funding the majority of improvements costs. The City is a partner on the project and mainly responsible for costs related to utility infrastructure, potential soil corrections and amenities along the roadway. The Transfers-In revenue is higher than usual due to the contributions from the water and sewer funds related to utility infrastructure installed during the project.

The City's other planned project is to complete street improvements around the Linden Park area, with those streets being connected to the new retention pond built in 2018 to alleviate flooding issues.

- The annual target for bonding dollars is \$2,600,000, consisting of \$1,900,000 of city debt and \$700,000 of special assessments. Actual bonding may vary depending upon the amount of assessments.
- Intergovernmental revenue is for Federal Aid, Municipal State Aid and other grants expected to be utilized on the year's projects.
- 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. Transfers from the Capital Projects or Community Improvement funds may also fund portions of the project costs.
- Services and Charges consist of the fees to engineer and administer the various 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.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Bond Proceeds	2,528,214	2,444,484	2,670,000	2,600,000	(70,000)	-2.6%
Special Assessments	130,421	173,762	-	-	-	0.0%
Intergovernmental Revenue	712,500	1,367,300	2,175,000	250,000	(1,925,000)	-88.5%
Miscellaneous Revenue	1,682	1,952	-	-	-	0.0%
Transfers-In	624,435	758,676	700,000	1,300,000	600,000	85.7%
<b>TOTAL REVENUES</b>	<b>3,997,252</b>	<b>4,746,173</b>	<b>5,545,000</b>	<b>4,150,000</b>	<b>(1,395,000)</b>	<b>-25.2%</b>
<b>EXPENDITURES:</b>						
Services & Charges	516,726	550,467	475,000	550,000	75,000	15.8%
Transfers-Out	980	-	100,000	100,000	-	0.0%
Capital Outlay	3,578,264	4,793,400	4,900,000	3,440,000	(1,460,000)	-29.8%
Bond Issuance Costs	63,431	49,997	70,000	60,000	(10,000)	-14.3%
<b>TOTAL EXPENDITURES</b>	<b>4,159,401</b>	<b>5,393,864</b>	<b>5,545,000</b>	<b>4,150,000</b>	<b>(1,395,000)</b>	<b>-25.2%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(162,149)</b>	<b>(647,691)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# Debt Fund

The Debt Service fund is in place to account for the debt service payments related to the City's General Obligation Special Assessment bonds. Each year the City issues bonds to finance street improvements. These bonds are repaid by special assessments levied on properties benefiting from the improvements and by the debt property tax levy.

The City's original Debt Management Plan approved in 2008 included a set of guidelines to follow when planning street improvement projects and the maximum debt issuance to cover those costs. At that time, it was determined that the maximum annual debt levy tolerance was \$2,200,000 and that improvement costs would be financed at a level sustained by the \$2,200,000 debt levy. The plan slowly increased the debt levy until it reached the \$2,200,000 target levy in 2016. In an effort to address rising costs and fluctuating interest rates, the Debt Plan was revised in 2016. The target debt levy was adjusted to \$2,600,000, however, due to the structure of existing debt, the City will not need to increase the debt tax levy until 2023. Starting in 2023, the debt levy will be increased annually by approximately 1.75% until the \$2,600,000 debt levy target is reached in 2032.

When a Construction fund has fully accounted for its improvement project costs, the remaining cash balance is transferred into the Debt fund to be used for debt service payments on that specific bond issuance. 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 2020

- The property tax debt levy is currently at the \$2,200,000 target levy per the City's debt management plan and will not need to be increased until the year 2023. While the total debt tax levy is \$2,200,000, the Debt fund includes Property Tax revenue of only \$2,032,840 for 2020. The remaining tax revenue of \$167,160 is recognized in the Equipment Replacement fund as we are using a portion of the debt levy to finance \$1,445,000 of heavy equipment purchased in 2016. Those tax dollars are being used to pay the debt service within the Equipment Replacement fund.
- An estimated \$100,000 of cash balance from closing the 2019 Construction fund is budgeted as a Transfer-in for 2020.
- There will not be a Transfer-out expenditure in 2020 since there will not be a debt service fund to retire in the year. The next debt service fund retirement will occur in 2021 at which point we will be retiring one debt service fund each year thereafter.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	1,529,961	1,841,005	1,863,580	2,032,840	169,260	9.1%
Tax Increment Taxes	151,744	128,882	20,000	-	(20,000)	0.0%
Special Assessments	621,984	760,771	397,249	376,687	(20,562)	-5.2%
Miscellaneous Revenue	50,702	55,068	15,000	50,000	35,000	233.3%
Transfers-In	980	-	100,000	100,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>2,355,371</b>	<b>2,785,726</b>	<b>2,395,829</b>	<b>2,559,527</b>	<b>163,698</b>	<b>6.8%</b>
<b>EXPENDITURES:</b>						
Debt Service	2,224,324	2,378,394	2,532,793	2,460,464	(72,329)	-2.9%
Transfers-Out	428,283	-	-	-	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>2,652,607</b>	<b>2,378,394</b>	<b>2,532,793</b>	<b>2,460,464</b>	<b>(72,329)</b>	<b>-2.9%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(297,236)</b>	<b>407,332</b>	<b>(136,964)</b>	<b>99,063</b>	<b>236,027</b>	

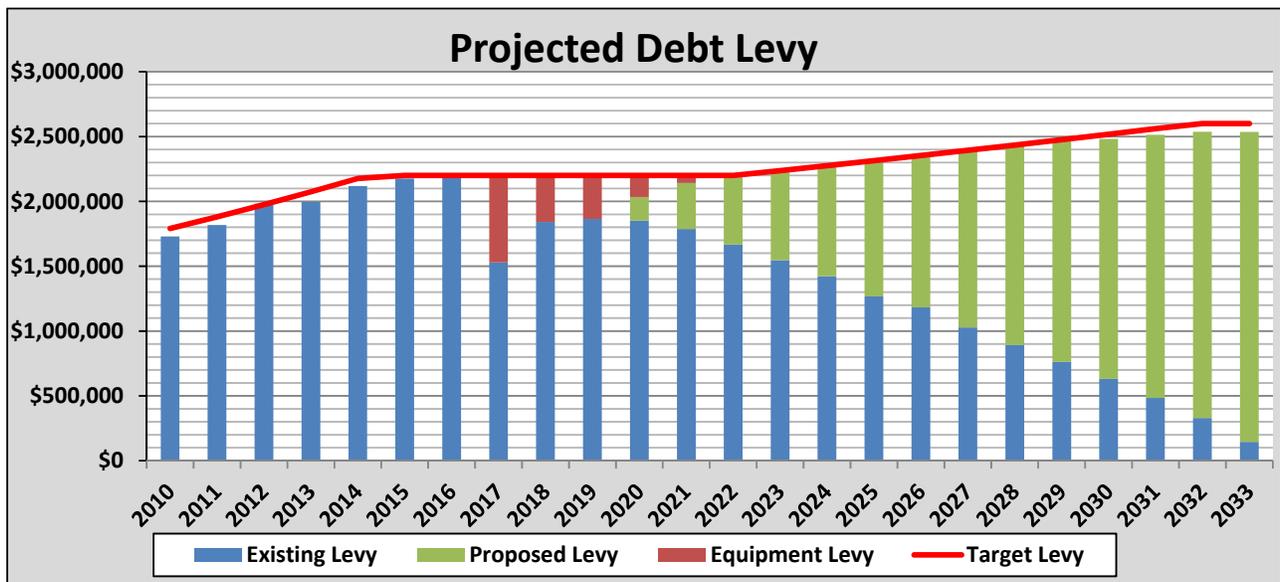
# General Obligation Special Assessment Bonds

**2020 annual debt service listed by debt issue:**

Debt Series	Maturity	2020 Debt Service Payments			Remaining Debt
		Interest	Principal	Total	
2006	2/1/2021	5,850	220,000	225,850	85,000
2008	2/1/2023	7,825	105,000	112,825	325,000
2009	2/1/2024	22,529	130,000	152,529	570,000
2010	2/1/2025	13,294	180,000	193,294	350,000
2011	2/1/2027	35,201	215,000	250,201	1,120,000
2012	2/1/2028	26,310	170,000	196,310	1,100,000
2013	2/1/2029	41,320	165,000	206,320	1,265,000
2014	2/1/2030	40,025	180,000	220,025	1,470,000
2015	2/1/2031	46,355	145,000	191,355	1,595,000
2016	2/1/2032	40,450	175,000	215,450	1,935,000
2017	2/1/2033	60,900	160,000	220,900	2,055,000
2018	2/1/2034	81,900	140,000	221,900	2,255,000
2019	2/1/2035	53,505	-	53,505	2,675,000
<b>Total</b>		<b>475,464</b>	<b>1,985,000</b>	<b>2,460,464</b>	<b>16,800,000</b>

**Debt service requirements to maturity for existing bond issues:**

	Interest	Principal	Total	Remaining Debt
2020	475,464	1,985,000	2,460,464	16,800,000
2021	441,595	1,935,000	2,376,595	14,865,000
2022	386,513	2,020,000	2,406,513	12,845,000
2023	330,985	1,940,000	2,270,985	10,905,000
2024	279,923	1,690,000	1,969,923	9,215,000
2025	234,741	1,480,000	1,714,741	7,735,000
2026	194,914	1,355,000	1,549,914	6,380,000
2027	157,913	1,295,000	1,452,913	5,085,000
2028	123,199	1,145,000	1,268,199	3,940,000
2029	91,730	1,030,000	1,121,730	2,910,000
2030	65,271	875,000	940,271	2,035,000
2031	44,955	675,000	719,955	1,360,000
2032	28,778	555,000	583,778	805,000
2033	15,663	420,000	435,663	385,000
2034	6,212	260,000	266,212	125,000
2035	1,328	125,000	126,328	-
<b>Total</b>	<b>2,879,181</b>	<b>18,785,000</b>	<b>21,664,181</b>	



# Rural Fire Fund

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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 2020 budget is based on a 37% 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 2020**

- Intergovernmental Revenue is the annual funding received from the participating rural entities to cover the fund's expenditures. The total funding amount is allocated among the entities based on respective tax capacities. The entities fund their share of expenses by levying property taxes within their township or city along with their other budgetary needs.

A budget meeting is held each February in which the city presents a proposed Rural Fire budget to the rural representatives. The annual funding amount is set by a majority vote. Other discussion and action items may involve vehicle or equipment purchases.

- Wages & Benefits are based on set contributions for the fire chief and officers. The volunteer firefighter wages are based on actual hours called to rural incidents in addition to an allocation of training hours.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>Dollar Inc/Decr</b>	<b>% Inc/Decr</b>
<b>REVENUES:</b>						
Intergovernmental Revenue	110,000	125,000	125,000	125,000	-	0.0%
Miscellaneous Revenue	24,383	988	250	225	(25)	-10.0%
<b>TOTAL REVENUES</b>	<b>134,383</b>	<b>125,988</b>	<b>125,250</b>	<b>125,225</b>	<b>(25)</b>	<b>0.0%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	79,455	81,840	84,216	88,251	4,035	4.8%
Supplies	24,685	27,189	22,858	20,252	(2,606)	-11.4%
Services & Charges	14,012	14,701	15,500	14,039	(1,461)	-9.4%
Miscellaneous Expenses	1,353	1,839	2,538	2,683	145	5.7%
<b>TOTAL EXPENDITURES</b>	<b>119,505</b>	<b>125,569</b>	<b>125,112</b>	<b>125,225</b>	<b>113</b>	<b>0.1%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>14,878</b>	<b>419</b>	<b>138</b>	<b>-</b>	<b>(138)</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 2020**

- Intergovernmental Revenue is the State and County contributions toward the operating and capital improvement costs of the facility.
- Charges for Services represents the receipts from the various governmental departments utilizing the facility's refueling system.
- Transfers-In is the City's contribution from the General fund toward operating and capital improvement costs of the facility.
- Wages & Benefits includes 0.5 FTE of city labor for light maintenance duties.
- The majority of the Supplies category is the cost of fuel for the refueling system. With the fairly stable price of fuel over recent years, the fluctuation in cost has been due to demand. Years with heavier snowfall results in higher fuel consumption as snow plows and other equipment are utilized more than usual.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Intergovernmental Revenue	162,280	176,000	181,280	186,800	5,520	3.0%
Charges for Services	233,012	313,132	280,000	316,000	36,000	12.9%
Miscellaneous Revenue	3,415	4,175	6,000	26,700	20,700	345.0%
Transfers-In	100,000	100,000	101,970	105,000	3,030	3.0%
<b>TOTAL REVENUES</b>	<b>498,707</b>	<b>593,308</b>	<b>569,250</b>	<b>634,500</b>	<b>65,250</b>	<b>11.5%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	25,171	31,462	42,644	45,897	3,253	7.6%
Supplies	258,108	325,790	297,050	364,484	67,434	22.7%
Services & Charges	136,470	184,029	161,200	160,750	(450)	-0.3%
Miscellaneous Expenses	5,025	5,025	5,600	5,550	(50)	-0.9%
Capital Outlay	14,800	-	62,756	57,819	(4,937)	-7.9%
<b>TOTAL EXPENDITURES</b>	<b>439,574</b>	<b>546,306</b>	<b>569,250</b>	<b>634,500</b>	<b>65,250</b>	<b>11.5%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>59,133</b>	<b>47,001</b>	<b>-</b>	<b>-</b>	<b>-</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 included as a component of building permits, in addition to donations and grants. Local organizations have been great partners with the city in recent years, donating significant amount of funds to replace obsolete playground equipment and improve other park infrastructure.

## Budgetary Highlights for 2020

- Charges for Services includes agricultural rental revenue for city property in addition to parkland dedication fees.
- Miscellaneous Revenues includes an assumption for interest earnings. Prior year revenue includes donations from private organizations for playground replacements or park improvements..
- Transfers-In is an annual funding from the Capital Projects fund for maintenance of public art. The funding is \$5,000 per year with a maximum carryover balance of \$10,000.
- Services & Charges includes any maintenance costs of public art.
- Miscellaneous Expenses includes property taxes paid on the City's agricultural property being leased to third parties.
- There are no planned Capital Outlay projects for 2020.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Intergovernmental Revenue	9,624	-	-	-	-	0.0%
Charges for Services	12,590	65,390	5,000	10,000	5,000	100.0%
Miscellaneous Revenue	67,438	93,458	30,000	5,000	(25,000)	-83.3%
Transfers-In	7,900	5,000	-	5,000	5,000	0.0%
<b>TOTAL REVENUES</b>	<b>97,552</b>	<b>163,848</b>	<b>35,000</b>	<b>20,000</b>	<b>(15,000)</b>	<b>-42.9%</b>
<b>EXPENDITURES:</b>						
Supplies	14,455	3,000	5,000	5,000	-	0.0%
Services & Charges	6,780	14,359	5,000	2,000	(3,000)	-60.0%
Miscellaneous Expenses	4,540	7,442	5,000	4,000	(1,000)	-20.0%
Capital Outlay	57,848	128,285	35,000	-	(35,000)	0.0%
<b>TOTAL EXPENDITURES</b>	<b>83,623</b>	<b>153,086</b>	<b>50,000</b>	<b>11,000</b>	<b>(39,000)</b>	<b>-78.0%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>13,929</b>	<b>10,762</b>	<b>(15,000)</b>	<b>9,000</b>	<b>24,000</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.

Ash trees account for approximately 15% of the total trees on city-owned property as evidenced in the table below.

	<u>Total Trees</u>	<u>Ash Trees</u>	<u>% Ash</u>
Boulevard Trees	8,202	1,312	16%
City Park Trees	3,993	639	16%
City Cemetery Trees	778	23	3%
Other Trees	318	50	16%
<b>Totals</b>	<b>13,291</b>	<b>2,024</b>	<b>15%</b>

### Budgetary Highlights for 2020

- Transfers-In represents the annual funding from the Refuse fund, as approved by City Council. The large transfer in 2018 includes \$401,288 of fund balance transferred in from the General fund when this fund was established.
- Miscellaneous Revenue consists of interest earnings.
- Annual expenditure limits were increased from a \$25,000 to \$40,000. Operations prior to 2018 were accounted for within the General fund.

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Budget</u>	<u>2020</u> <u>Budget</u>	<u>Dollar</u> <u>Inc/Decr</u>	<u>%</u> <u>Inc/Decr</u>
<b>REVENUES:</b>						
Transfers-In	-	456,288	55,000	55,000	-	0.0%
Miscellaneous Revenue	-	2,589	7,000	7,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>-</b>	<b>458,877</b>	<b>62,000</b>	<b>62,000</b>	<b>-</b>	<b>0.0%</b>
<b>EXPENDITURES:</b>						
Wages & Benefits	-	2,972	-	3,000	3,000	100.0%
Supplies	-	9,727	20,000	17,000	(3,000)	-15.0%
Services & Charges	-	-	20,000	20,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>12,699</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>446,177</b>	<b>22,000</b>	<b>22,000</b>	<b>-</b>	



**2020 Annual Budget**

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**Internal Service Funds**

# Internal Service Funds - 2019 Budget Summary

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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:

- Equipment Replacement (Central Garage) fund - accounts for the acquisitions and dispositions of General fund vehicles and equipment.
- Self Insurance fund - accounts for the employee dental plan, employee EAP services and temporarily funds a portion of the city's annual cost of funding the employees HSA accounts.

Internal Service funds are maintained on the accrual basis. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the period in which the liability is incurred.

Activity for the Debt Service principal payments and Capital Outlay are budgeted as expenditures simply for a cash flow presentation. In reality, those two items are recorded in the balance sheet as a reduction to the bond payable and as an increase to fixed assets.

	Total	Equipment Replacement Fund	Self-Insurance Fund
<b>REVENUES:</b>			
Property Taxes	167,160	167,160	-
Miscellaneous Revenue	413,000	305,000	108,000
<b>TOTAL REVENUES</b>	<b>580,160</b>	<b>472,160</b>	<b>108,000</b>
<b>EXPENDITURES:</b>			
Services & Charges	8,300	-	8,300
Miscellaneous Expenses	108,600	5,000	103,600
Depreciation Expense	390,000	390,000	-
Debt Service	317,300	317,300	-
Transfers-Out	69,000	-	69,000
Capital Outlay	577,591	577,591	-
<b>TOTAL EXPENDITURES</b>	<b>1,470,791</b>	<b>1,289,891</b>	<b>180,900</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(890,631)</b>	<b>(817,731)</b>	<b>(72,900)</b>

# Equipment Replacement Fund

The Equipment Replacement fund accounts for the acquisitions and dispositions of General fund fleet and equipment. The Fleet Committee meets several times each year to review departmental requests, prioritize needs and plan for future purchases. The Fleet Committee is charged with extending the useful lives on equipment, reviewing the utilization of existing equipment to justify the need, promoting partnerships to share equipment with other entities, and promoting equipment with multi-departmental functionality.

## Budgetary Highlights for 2020

- The main funding source for General fund fleet and equipment is an annual payment from the General fund. The payment for 2020 is budgeted at \$275,000. Prior to a \$50,000 increase in 2019, funding had not been increased since 2013.
- Property tax revenue is being levied in this fund as part of the City's debt tax levy (Debt Service funds). The 2016 bond issuance for street improvements included a component to finance \$1,445,000 of heavy equipment needs. The tax revenue collected in this fund is used to pay the debt service related to the 2016 heavy equipment financed through the G.O. Improvement bonds.
- Miscellaneous Revenue includes the proceeds from disposition of General fund fleet and equipment, in addition to interest earnings.
- The 2020 capital outlay consists of the following equipment:

Civic Arena - Zamboni ice resurfacers	\$141,791
Engineering - 1/2 ton work truck	\$28,700
Parks Dept - gang mower	\$15,300
Parks Dept - 4x2 flatbed truck	\$23,600
Parks Dept - 1/4 ton work truck	\$23,600
Public Works - pneumatic roller	\$40,000
Public Works - Wheel Loader	\$207,100
Public Works - Backhoe	\$79,500
Public Works - Cemetery mower	\$18,000
Total	\$577,591

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

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Property Taxes	670,039	358,995	336,420	167,160	(169,260)	-50.3%
Equipment Funding	225,000	225,000	275,000	275,000	-	0.0%
Miscellaneous Revenue	158,127	61,904	30,000	30,000	-	0.0%
Transfers-In	25,000	-	-	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>1,078,166</b>	<b>645,899</b>	<b>641,420</b>	<b>472,160</b>	<b>(169,260)</b>	<b>-26.4%</b>
<b>EXPENDITURES:</b>						
Depreciation Expense	351,670	383,262	300,000	390,000	90,000	30.0%
Capital Outlay	-	-	298,500	577,591	279,091	93.5%
Debt Service	28,619	18,138	338,650	317,300	(21,350)	-6.3%
Miscellaneous Expenses	8,598	426	5,000	5,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>388,887</b>	<b>401,826</b>	<b>942,150</b>	<b>1,289,891</b>	<b>347,741</b>	<b>36.9%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>689,279</b>	<b>244,073</b>	<b>(300,730)</b>	<b>(817,731)</b>	<b>(517,001)</b>	

## Debt service requirements to maturity for existing bond issue:

Year	Interest	Principal	Total	Remaining Debt
2020	7,300	310,000	317,300	210,000
2021	2,650	155,000	157,650	55,000
2022	550	55,000	55,550	-

# Self Insurance Fund

The Self Insurance Fund primarily accounts for the City's self-funded dental benefits offered to City employees. The revenues consist of employee premiums paid for dental coverage while the majority of expenditures relate to employee dental claims. Other expenditures include costs related to the City's wellness program and Employee Assistance Program. 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 2020

- Dental Premiums consist of the amounts paid by both the employee (20%) and the City (80%). Premiums rates were not increased for 2020.
- 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 \$8,300 for 2020 and is budgeted within the Services & Charges line item.
- The Transfer-Out of \$69,000 was approved by City Council to fund a portion of the City's HSA contributions in the General fund. In 2019, council approved a 5-year plan to eliminate the self insurance funding of the HSA contribution, by reducing the transfer by 20% each year. The funding for 2020 represents 60% of the city's full cost of the employee HSAs.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Dollar Inc/Decr	% Inc/Decr
<b>REVENUES:</b>						
Dental Premiums	99,806	99,019	100,000	100,000	-	0.0%
Miscellaneous Revenue	6,145	8,374	8,000	8,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>105,951</b>	<b>107,393</b>	<b>108,000</b>	<b>108,000</b>	<b>-</b>	<b>0.0%</b>
<b>EXPENDITURES:</b>						
Dental Claims	93,145	97,638	100,000	100,000	-	0.0%
Services & Charges	8,174	8,276	8,000	8,300	300	3.8%
Miscellaneous Expenses	5,846	6,269	4,800	3,600	(1,200)	-25.0%
Transfers-Out	120,000	120,000	92,000	69,000	(23,000)	-25.0%
<b>TOTAL EXPENDITURES</b>	<b>227,165</b>	<b>232,183</b>	<b>204,800</b>	<b>180,900</b>	<b>(23,900)</b>	<b>-11.7%</b>
<b>TOTAL REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(121,214)</b>	<b>(124,790)</b>	<b>(96,800)</b>	<b>(72,900)</b>	<b>23,900</b>	



**2020 Annual Budget**

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**5-Year Capital  
Improvement Plan**

# ***CITY OF HUTCHINSON - CAPITAL PLAN***

## **Administrative Summary**

### **VISIONS AND GOALS**

Each year, as part of the annual budgeting process, the City of Hutchinson prepares a five-year Capital Improvement Plan (CIP) that includes the following years' capital budget. The CIP identifies projects that will support existing and projected needs in the following areas: transportation, parks & recreation and public safety, etc. It is based upon numerous long range planning documents that are updated regularly as identified by the Facilities Committee, Fleet Committee, Resource Allocation Committee and City staff. The CIP prioritizes the use of limited resources that are available for capital items by identifying which projects will be funded, how they will be paid for and when they will be purchased. It establishes a comprehensive development program that is used to maximize outside revenue sources and effectively plan for the growth and maintenance of the City's infrastructure.

### **POLICIES**

Criteria identified for inclusion of capital items in the CIP plan are as follows:

- 1) Capital Item must have a minimum cost of \$10,000
- 2) Project must define 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. Any new capital items should be requested at this time.
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 submitted by Departments.

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<sup>st</sup> 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 have changed. All capital projects are subject to the City's purchasing policy, requiring quotes/bids and approvals commensurate to the total cost.

City of Hutchinson, MN  
**CITY OF HUTCHINSON - CAPITAL PLAN**  
 2020 thru 2024

**DEPARTMENT SUMMARY**

Department	2020	2021	2022	2023	2024	Total
Administration	90,000					90,000
Airport	85,000				450,000	535,000
Cemetery	107,500	10,000	28,900	10,000	10,000	166,400
City Center	61,500	50,000	260,000	250,000	50,000	671,500
Civic Arena	141,791	1,000,000			580,000	1,721,791
Compost	567,580	346,250	257,000	215,000	225,000	1,610,830
Engineering	28,700			31,000		59,700
Fire		113,600	140,000			253,600
Information Technology		35,100				35,100
Infrastructure Improvements	4,498,797	4,054,341	4,573,721	3,652,922	3,863,217	20,642,998
Parks	137,500	144,700	78,700	25,400	124,500	510,800
Police	1,160,000	9,314,200	46,400	106,100	97,400	10,724,100
Public Works	45,500	140,000	65,000	35,000	300,000	585,500
Recreation Building	1,047,000		10,000	700,000		1,757,000
Refuse	180,700	780,000	670,000	542,000	550,000	2,722,700
Senior Dining			10,000			10,000
Storm Water	1,184,765	134,652	30,000	50,000	500,000	1,899,417
Streets	347,100	586,600	155,100	406,400	140,500	1,635,700
Wastewater	307,781	2,077,454	2,589,782	1,020,000	1,390,790	7,385,807
Water	86,000	121,418	700,000	667,000	446,679	2,021,097
<b>TOTAL</b>	<b>10,077,214</b>	<b>18,908,315</b>	<b>9,614,603</b>	<b>7,710,822</b>	<b>8,728,086</b>	<b>55,039,040</b>

City of Hutchinson, MN  
**CITY OF HUTCHINSON - CAPITAL PLAN**  
 2020 thru 2024

**PROJECTS BY DEPARTMENT**

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
<b>Administration</b>								
Dakota Trail improvements	ADMIN-1802	n/a	80,000					80,000
Wayfinding/Interpretive Signage Project	ADMIN-1901	4	10,000					10,000
<b>Administration Total</b>			<b>90,000</b>					<b>90,000</b>
<b>Airport</b>								
Runway Seal Coat	AIR 02	3	85,000					85,000
Pavement repairs & maintenance	AIR 03	3					450,000	450,000
<b>Airport Total</b>			<b>85,000</b>				<b>450,000</b>	<b>535,000</b>
<b>Cemetery</b>								
Fencing & Roadways	CEM 01	3	10,000	10,000	10,000	10,000	10,000	50,000
Tractor/Loader/Backhoe (used)	CEM 344	3	79,500					79,500
Cemetery mower	CEM 734	4	18,000					18,000
Cemetery mower	CEM 883	3			18,900			18,900
<b>Cemetery Total</b>			<b>107,500</b>	<b>10,000</b>	<b>28,900</b>	<b>10,000</b>	<b>10,000</b>	<b>166,400</b>
<b>City Center</b>								
Boiler improvements	C.CTR-1801	2			90,000			90,000
City Center Sidewalk ADA	C.CTR-2001	2	11,500					11,500
Parking Lot improvements	C.CTR-2301	3				200,000		200,000
City Center Roof improvements	C.CTR-2302	2			120,000			120,000
Facility Plan - Miscellaneous Maintenance	C.CTR-FAC	3	50,000	50,000	50,000	50,000	50,000	250,000
<b>City Center Total</b>			<b>61,500</b>	<b>50,000</b>	<b>260,000</b>	<b>250,000</b>	<b>50,000</b>	<b>671,500</b>
<b>Civic Arena</b>								
Replace East Rink Roof	CA-1502	1		1,000,000				1,000,000
Replace East dasher boards	CA-1505	3					185,000	185,000
West Rink low emissivity ceiling	CA-1507	2					90,000	90,000
East Rink Locker Room Improv	CA-1509	3					80,000	80,000
HVAC system upgrades	CA-1510	2					225,000	225,000
Zamboni ice resurfer	CA-2101	3	141,791					141,791
<b>Civic Arena Total</b>			<b>141,791</b>	<b>1,000,000</b>			<b>580,000</b>	<b>1,721,791</b>
<b>Compost</b>								
Walking Floor Trailer	COMP-1902	4	88,580	91,250	94,000			273,830
Forklift Replacement	COMP-2001	3	35,000					35,000
1 ton 4x4 crewcab pickup	COMP-2002	3		35,000				35,000
Bituminous Improvements	COMP-2003	2	50,000					50,000
Facility Lighting	COMP-2004	2	12,500					12,500
1/2 ton 4x4 CrewCab Pickup	COMP-2005	3	31,500					31,500
McCloskey Screener replacement	COMP-2020	3	350,000					350,000

Department	Project #	Priority	2020	2021	2022	2023	2024	Total	
Bagging Line Improvements	COMP-2102	2		50,000	63,000			113,000	
Equipment Trailer (Lowboy)	COMP-2103	2		70,000				70,000	
Wood Receiving/Processing Area Expansion	COMP-2104	2		100,000				100,000	
Office Expansion	COMP-2201	2			100,000			100,000	
New Wheel Loader	COMP-2301	3				170,000		170,000	
Portable Shrink Wrapping Machine	COMP-2302	4				45,000		45,000	
Cold Storage Expansion	COMP-2401	3					75,000	75,000	
Site Improv - Finished Bulk Storage Area	COMP-2402	3					150,000	150,000	
<b>Compost Total</b>				<b>567,580</b>	<b>346,250</b>	<b>257,000</b>	<b>215,000</b>	<b>225,000</b>	<b>1,610,830</b>
<b>Engineering</b>									
Replace SUV	ENGR 686	3				31,000		31,000	
1/2 ton work truck	ENGR 817	3	28,700					28,700	
<b>Engineering Total</b>				<b>28,700</b>		<b>31,000</b>		<b>59,700</b>	
<b>Fire</b>									
Exhaust Capture System	FD-1801	3			55,000			55,000	
Rescue 8 - 1 ton truck	FD-1901	3		113,600				113,600	
Fire Hall Roof improvements	FD-2302	2			85,000			85,000	
<b>Fire Total</b>				<b>113,600</b>	<b>140,000</b>			<b>253,600</b>	
<b>Information Technology</b>									
Core Switch Upgrade	IT-1901	2		35,100				35,100	
<b>Information Technology Total</b>				<b>35,100</b>				<b>35,100</b>	
<b>Infrastructure Improvements</b>									
Edmonton Ave SE (Sherwood St SE-Jefferson St SE)	Overlay 01	3		228,369				228,369	
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 02	3		143,910				143,910	
School Rd NW (Golf Course-North High)	Overlay 03	3		98,555				98,555	
Century Ave SW (Dale-Boston)	Overlay 04	3			164,944			164,944	
Blackbird/Blackhawk/Bluejay	Overlay 05	3			102,966			102,966	
5th Ave SE (Bridge - Hwy 22)	Overlay 06	3		310,734				310,734	
Clinton Ave SW (Harrington-Merrill)	Partial 03	3	196,650					196,650	
Merrill St SW (SGR-Clinton)	Partial 04	3	218,275					218,275	
Neal Ave SW (Keith-Sunset)	Partial 05	3	251,862					251,862	
Dale St SW (SGR-Roberts)	Partial 09	3				1,668,205		1,668,205	
Washington Ave W (Lynn-Main)	Partial 10	3		1,236,477				1,236,477	
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 12	3			1,710,033			1,710,033	
Church St SW (SGR-Linden)	Reclaim 05	3		308,187				308,187	
Clinton Ave SW (Merrill-Lynn)	Reclaim 06	3		127,350				127,350	
Harrington St SW (SGR-Linden)	Reclaim 07	3	308,974					308,974	
Merrill St SW (Clinton-Linden)	Reclaim 08	3		129,300				129,300	
Neal Ave SW (Dale-Keith)	Reclaim 09	3		92,500				92,500	
Sunset St SW (SGR-Linden)	Reclaim 10	3	318,956					318,956	
Roberts Rd SW (Alan-Dale)	Reclaim 12	3		907,500				907,500	
Linden Ave SW (Dale-Harrington)	Reclaim 14	3	664,080					664,080	
McDonald Dr SW (Lakewood - School)	Reclaim 15	3					807,675	807,675	
1st Ave NE (Main-Adams)	Reclaim 19	3				449,999		449,999	
1st Ave SE (Main-Adams)	Reclaim 20	3					449,999	449,999	
2nd Ave SW (Franklin-Main)	Reclaim 21	3			148,760			148,760	
Grove St SW (2nd-Washington)	Reclaim 22	3			227,000			227,000	
Hassan St (5th Ave S-1st Ave N)	Reclaim 23	3					960,740	960,740	
Larson St SW (Roberts-Lewis)	Reclaim 24	3			274,355			274,355	

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
Southview Ct SW (Linden-Sunset)	Reclaim 26	2			120,501			120,501
Sunset St SW (Linden-Southview)	Reclaim 27	3			98,045			98,045
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 29	3				238,457		238,457
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 30	3				33,455		33,455
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 31	3				575,684		575,684
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 32	3				264,805		264,805
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 33	3				101,555		101,555
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 34	3				76,686		76,686
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 35	3				108,602		108,602
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 36	3					176,670	176,670
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 37	3				45,474		45,474
Bradford St SE (#1324 - Century Ave SE)	Reclaim 38	3			411,118			411,118
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 39	3			412,533			412,533
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 40	3			220,005			220,005
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 41	3			343,461			343,461
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 42	3		381,459				381,459
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 43	3					87,075	87,075
Harrington St SW (Linden-4th Ave SW)	Reclaim 44	3					524,244	524,244
Merrill St SW (Linden-4th Ave SW)	Reclaim 45	3					516,814	516,814
TH 15/Main St Reconstruction	Recon 03	2	2,200,000					2,200,000
Pavement sealing/Seal coating	SCFS/RP	3	250,000		250,000		250,000	750,000
LED streetlight retrofits	UTL 90	3	90,000	90,000	90,000	90,000	90,000	450,000
<b>Infrastructure Improvements Total</b>			<b>4,498,797</b>	<b>4,054,341</b>	<b>4,573,721</b>	<b>3,652,922</b>	<b>3,863,217</b>	<b>20,642,998</b>

### Parks

Skid steer loader S250	PARK-032	4			53,900			53,900
1/2 Ton 4X2 Pickup	PARK-127	4			24,800			24,800
Tractor 4720 4x4	PARK-135	3		44,700				44,700
Gang Mower	PARK-2001	2	15,300					15,300
VMF Baseball Field Fencing	PARK-2003	4	45,000					45,000
Rail Line Purchase Debt (Exp 2020)	PARK-2020	3	30,000					30,000
Skid steer loader S250	PARK-211	4					56,600	56,600
1/2 Ton 4x4 Pickup w/Snowplow	PARK-221	4		37,900				37,900
1/2 Ton 4X2 Flatbed	PARK-289	4	23,600					23,600
Wide-area Mower	PARK-302	2					67,900	67,900
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	4		37,900				37,900
1/4 Ton 4X2 Pickup	PARK-522	4	23,600					23,600
1/4 Ton 4X2 Pickup	PARK-528	4		24,200				24,200
1/2 Ton 4X2 Pickup	PARK-954	4				25,400		25,400
<b>Parks Total</b>			<b>137,500</b>	<b>144,700</b>	<b>78,700</b>	<b>25,400</b>	<b>124,500</b>	<b>510,800</b>

### Police

PSAP Equipment Upgrade	PD-1801	2		179,000				179,000
Replacement of portable radios	PD-2002	3	160,000					160,000
Trailer, enclosed tandem	PD-2003	4				11,100		11,100
New Police Facility	PD-2004	2	1,000,000	9,000,000				10,000,000
Replacement of Mobile Radios	PD-2103	3		90,000				90,000
Squad car #1 replacement	PD-SQD1	2			46,400			46,400
Squad car #2 replacement	PD-SQD2	2				47,500		47,500
Squad car #3 replacement	PD-SQD3	2					48,700	48,700
Squad car #5 replacement	PD-SQD5	2		45,200				45,200
Squad car #6 replacement	PD-SQD6	2				47,500		47,500
Squad car #7 replacement	PD-SQD7	2					48,700	48,700
<b>Police Total</b>			<b>1,160,000</b>	<b>9,314,200</b>	<b>46,400</b>	<b>106,100</b>	<b>97,400</b>	<b>10,724,100</b>

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
<b>Public Works</b>								
Stormceptor for outdoor wash area	HATS-02	3			65,000			65,000
Interior Shop Painting	HATS-03	3		140,000				140,000
Pond cleaning/excavation	HATS-04	3				35,000		35,000
Remote Wheel hoists	HATS-06	4	45,500					45,500
Fuel Site Improvements	HATS-07	3					300,000	300,000
<b>Public Works Total</b>			<b>45,500</b>	<b>140,000</b>	<b>65,000</b>	<b>35,000</b>	<b>300,000</b>	<b>585,500</b>
<b>Recreation Building</b>								
Recreation Center Roof (gym area)	PR-1701	2	1,030,000					1,030,000
Rec Center/Civic Arena Parking Lot	PR-1702	3				700,000		700,000
Office carpet replacement	PR-2001	4			10,000			10,000
New Floor Scrubber	PR-2002	3	17,000					17,000
<b>Recreation Building Total</b>			<b>1,047,000</b>		<b>10,000</b>	<b>700,000</b>		<b>1,757,000</b>
<b>Refuse</b>								
Comptroller Software - Vessels controls	REFS-1902	2		80,000				80,000
S.S. Composting Vessels (5 per year)	REFS-2001	2		400,000	400,000	400,000	400,000	1,600,000
Roll-off Truck Chassis	REFS-2002	1	130,000					130,000
Bi-Fold Door Replacement	REFS-2003	2	38,200	40,000		42,000		120,200
Facility Lighting Improvements	REFS-2004	2	12,500					12,500
Forklift Replacement	REFS-2101	3		35,000				35,000
TMR Mixer	REFS-2102	2		95,000				95,000
Tractor (TMR mixer power unit)	REFS-2103	2		130,000				130,000
Wheel loader replacement	REFS-2201	2			170,000			170,000
Office Expansion	REFS-2202	2			100,000			100,000
Scale Improvements & Relocation	REFS-2301	3				100,000		100,000
Curing Pad Expansion	REFS-2401	2					150,000	150,000
<b>Refuse Total</b>			<b>180,700</b>	<b>780,000</b>	<b>670,000</b>	<b>542,000</b>	<b>550,000</b>	<b>2,722,700</b>
<b>Senior Dining</b>								
Senior Dining Roof improvements	Sr Dine-2302	2			10,000			10,000
<b>Senior Dining Total</b>					<b>10,000</b>			<b>10,000</b>
<b>Storm Water</b>								
SC Trunk Storm (local storm sewer)	New const 03	3	1,084,765					1,084,765
Leaf vacuum	STWT LEAF	3		59,652				59,652
8th Ave NW drainage improvement	UTL 04	3		75,000				75,000
Bridgewater pond improvement	UTL 06	3			30,000			30,000
Michigan St NE area drainage improvement	UTL 08	3					500,000	500,000
Pond improvements	UTL 09	3				50,000		50,000
Southfork Storm Water pond	UTL 10	3	100,000					100,000
<b>Storm Water Total</b>			<b>1,184,765</b>	<b>134,652</b>	<b>30,000</b>	<b>50,000</b>	<b>500,000</b>	<b>1,899,417</b>
<b>Streets</b>								
Dustless Sandblasting Equipment	STRT 002	4	50,000					50,000
Asphalt hot box 6 CY	STRT 004	4	50,000					50,000
1-ton dump truck	STRT 156	3			51,700			51,700
1-ton 4x4 truck	STRT 170	3					54,400	54,400
Truck, tandem	STRT 218	3				66,300		66,300
1-ton 4x2 truck with dump	STRT 289	3		50,500				50,500

Department	Project #	Priority	2020	2021	2022	2023	2024	Total
Wheel Loader	STRT 447	3		212,300				212,300
Pneumatic roller (used)	STRT 483	3	40,000					40,000
Truck, single axel w/ dump	STRT 522	3				220,800		220,800
Snowplow truck	STRT 613	3		210,200				210,200
Grasshopper mower 72"	STRT 626	3					18,200	18,200
1 ton truck 4x4	STRT 660	3			51,700			51,700
Brush Chipper	STRT 688	3				53,000		53,000
1 ton flatbed truck	STRT 835	3		50,500				50,500
1-ton flatbed truck	STRT 837	3			51,700			51,700
1-ton Service truck	STRT 857	3				66,300		66,300
1 Ton 4x4 w/ aerial bucket	STRT 926	3					67,900	67,900
Wheel loader	STRT 969	3	207,100					207,100
Tandem-axle Dump Truck	STRT 972	3		63,100				63,100

**Streets Total**

<b>347,100</b>	<b>586,600</b>	<b>155,100</b>	<b>406,400</b>	<b>140,500</b>	<b>1,635,700</b>
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**Wastewater**

Preliminary Treatment Redesign & EQ Syst	WWTF 001	3		1,250,000	2,250,000	500,000		4,000,000
WWTF SCADA Upgrade (Admin Bldg)	WWTF 004	3	100,000					100,000
WWTF SCADA Upgrade (MBR Bldg)	WWTF 005	3		200,000				200,000
WWTF SCADA Upgrade (Bldg #60)	WWTF 006	3			100,000			100,000
WWTF SCADA Upgrade (Bldg #90)	WWTF 007	3				100,000		100,000
WWTF SCADA Software Upgrades	WWTF 008	3					150,000	150,000
Lift Station repairs/upgrades (Hwy 15 LS)	WWTF 010	3		125,000				125,000
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 011	3			125,000			125,000
Lift Station repairs/upgrade (Campbell LS)	WWTF 012	3				100,000		100,000
Lift Station repairs/upgrade (McDonalds LS)	WWTF 013	3					115,000	115,000
Digester aeration & mixation rehab	WWTF 020	4		358,300				358,300
Building #100 roof replacement	WWTF 021	3				40,000		40,000
Building #90 Boiler/Controls replacement	WWTF 022	3					150,000	150,000
MBR perm pump #1 replacement	WWTF 024	3					90,000	90,000
Main Lift Station grinder rehab	WWTF 025	3					40,000	40,000
Receiving/Bulk water station	WWTF 026	4				200,000		200,000
West ditch Aireo 2 conversion & all VFD install	WWTF 027	4					400,000	400,000
Collection system infrastructure	WWTF 099	3	80,000	80,000	80,000	80,000	80,000	400,000
Biosolids Spreader	WWTF 218	3			34,782			34,782
Tractor Mower	WWTF 276	1	19,123					19,123
Bobcat utility vehicle	WWTF 505	4	14,205					14,205
Vactor Truck & Jetting Trailer	WWTF 648	3					365,790	365,790
3/4 Ton 4x4 work truck	WWTF 752	2	37,153					37,153
1/2 Ton 4x4 work truck	WWTF 760	3		64,154				64,154
1/2 Ton 4x4 pickup	WWTF 775	3	28,700					28,700
12 ton pickup truck	WWTF 844	3	28,600					28,600

**Wastewater Total**

<b>307,781</b>	<b>2,077,454</b>	<b>2,589,782</b>	<b>1,020,000</b>	<b>1,390,790</b>	<b>7,385,807</b>
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**Water**

Water Meter Replacement	WATR 001	3			650,000	650,000		1,300,000
High bay lighting at WTP	WATR 002	3	16,000					16,000
Water SCADA Upgrade	WATR 003	3					300,000	300,000
Ammonia analyzer replacement	WATR 005	3		22,000				22,000
Large Water Meter Replacement (4 - 6" dia)	WATR 006	3		70,000				70,000
Well 8 Recovery Treatment	WATR 007	3	50,000					50,000
Well 4 Recovery Treatment	WATR 008	3			50,000			50,000
Well 7 Recovery Treatment	WATR 009	3					50,000	50,000
Well 6 Rehabilitation	WATR 010	3					65,000	65,000
Concentrate vent tee removal	WATR 011	3	20,000					20,000

<b>Department</b>	<b>Project #</b>	<b>Priority</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
1/2 ton work truck	WATR 072	3					31,679	31,679
1/2 ton work truck	WATR 484	3		29,418				29,418
Mower replacement	WATR 793	3				17,000		17,000
<b>Water Total</b>			<b>86,000</b>	<b>121,418</b>	<b>700,000</b>	<b>667,000</b>	<b>446,679</b>	<b>2,021,097</b>
<b>GRAND TOTAL</b>			<b>10,077,214</b>	<b>18,908,315</b>	<b>9,614,603</b>	<b>7,710,822</b>	<b>8,728,086</b>	<b>55,039,040</b>

City of Hutchinson, MN  
**CITY OF HUTCHINSON - CAPITAL PLAN**  
 2020 thru 2024

**FUNDING SOURCE SUMMARY**

<b>Source</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Airport Construction Fund					22,500	22,500
Capital Projects Fund	307,000	369,000	100,000	100,000	100,000	976,000
Capital Projects Fund - Facilities Plan	1,121,500	1,050,000	420,000	950,000	630,000	4,171,500
Capital Projects Fund - Misc Infrastructure Maint	375,500		250,000		250,000	875,500
Community Improvement Fund	1,090,000	2,000,000				3,090,000
Compost Fund	567,580	347,200	257,000	215,000	225,000	1,611,780
Cooperative Agreement - EDA/HRA		630				630
Cooperative Agreement - HUC		9,350				9,350
Donations	75,000					75,000
Equipment Replacement - Heavy Fleet	288,891	422,500		220,800		932,191
Equipment Replacement - Small Fleet	228,700	410,800	299,100	348,100	362,400	1,649,100
G.O. Capital Improvement Plan Bonds		7,000,000				7,000,000
G.O. Improv Bonds - Debt Tax Levy	1,967,123	1,904,113	1,934,152	1,964,923	2,352,639	10,122,950
G.O. Stormwater Bonds	775,000					775,000
General Fund		20,570				20,570
Grants - Federal					405,000	405,000
Grants - McLeod County	14,560	44,800	20,800	11,200	96,000	187,360
Grants - State	14,560	44,800	20,800	11,200	96,000	187,360
HATS Fund (City only)	16,380	50,400	23,400	12,600	108,000	210,780
Liquor Fund		1,250				1,250
Municipal State Aid	309,500	1,050,000	800,000	350,000	22,500	2,532,000
Refuse Fund	180,700	780,000	670,000	542,000	550,000	2,722,700
Rural Fire Dept Fund		56,800				56,800
Special Assessments	611,759	781,899	1,182,306	962,968	930,361	4,469,293
Storm Water Utility Fund	436,328	235,669	188,631	192,515	599,287	1,652,430
Wastewater Fund	866,957	2,142,210	2,669,098	1,091,258	1,461,255	8,230,778
Water Fund	830,176	186,324	779,316	738,258	517,144	3,051,218
<b>GRAND TOTAL</b>	<b>10,077,214</b>	<b>18,908,315</b>	<b>9,614,603</b>	<b>7,710,822</b>	<b>8,728,086</b>	<b>55,039,040</b>

City of Hutchinson, MN  
**CITY OF HUTCHINSON - CAPITAL PLAN**  
 2020 thru 2024

**PROJECTS BY FUNDING SOURCE**

Source	Project #	Priority	2020	2021	2022	2023	2024	Total				
<b>Airport Construction Fund</b>												
Pavement repairs & maintenance	AIR 03	3					22,500	22,500				
<b>Airport Construction Fund Total</b>							<b>22,500</b>	<b>22,500</b>				
<b>Capital Projects Fund</b>												
Fencing & Roadways	CEM 01	3	10,000	10,000	10,000	10,000	10,000	50,000				
Rail Line Purchase Debt (Exp 2020)	PARK-2020	3	30,000					30,000				
PSAP Equipment Upgrade	PD-1801	2		179,000				179,000				
Replacement of portable radios	PD-2002	3	160,000					160,000				
Replacement of Mobile Radios	PD-2103	3		90,000				90,000				
New Floor Scrubber	PR-2002	3	17,000					17,000				
LED streetlight retrofits	UTL 90	3	90,000	90,000	90,000	90,000	90,000	450,000				
<b>Capital Projects Fund Total</b>							<b>307,000</b>	<b>369,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>976,000</b>
<b>Capital Projects Fund - Facilities Plan</b>												
Boiler improvements	C.CTR-1801	2			90,000			90,000				
City Center Sidewalk ADA	C.CTR-2001	2	11,500					11,500				
Parking Lot improvements	C.CTR-2301	3				200,000		200,000				
City Center Roof improvements	C.CTR-2302	2			120,000			120,000				
Facility Plan - Miscellaneous Maintenance	C.CTR-FAC	3	50,000	50,000	50,000	50,000	50,000	250,000				
Replace East Rink Roof	CA-1502	1		1,000,000				1,000,000				
Replace East dasher boards	CA-1505	3					185,000	185,000				
West Rink low emissivity ceiling	CA-1507	2					90,000	90,000				
East Rink Locker Room Improv	CA-1509	3					80,000	80,000				
HVAC system upgrades	CA-1510	2					225,000	225,000				
Exhaust Capture System	FD-1801	3			55,000			55,000				
Fire Hall Roof improvements	FD-2302	2			85,000			85,000				
VMF Baseball Field Fencing	PARK-2003	4	30,000					30,000				
Recreation Center Roof (gym area)	PR-1701	2	1,030,000					1,030,000				
Rec Center/Civic Arena Parking Lot	PR-1702	3				700,000		700,000				
Office carpet replacement	PR-2001	4			10,000			10,000				
Senior Dining Roof improvements	Sr Dine-2302	2			10,000			10,000				
<b>Capital Projects Fund - Facilities Plan Total</b>							<b>1,121,500</b>	<b>1,050,000</b>	<b>420,000</b>	<b>950,000</b>	<b>630,000</b>	<b>4,171,500</b>
<b>Capital Projects Fund - Misc Infrastru</b>												
Runway Seal Coat	AIR 02	3	25,500					25,500				
Pavement sealing/Seal coating	SCFS/RP	3	250,000		250,000		250,000	750,000				
Dustless Sandblasting Equipment	STRT 002	4	50,000					50,000				
Asphalt hot box 6 CY	STRT 004	4	50,000					50,000				

Source	Project #	Priority	2020	2021	2022	2023	2024	Total
<b>Capital Projects Fund - Misc Infrastructure Maint Total</b>			<b>375,500</b>		<b>250,000</b>		<b>250,000</b>	<b>875,500</b>
<b>Community Improvement Fund</b>								
Dakota Trail improvements	ADMIN-1802	n/a	80,000					80,000
Wayfinding/Interpretive Signage Project	ADMIN-1901	4	10,000					10,000
New Police Facility	PD-2004	2	1,000,000	2,000,000				3,000,000
<b>Community Improvement Fund Total</b>			<b>1,090,000</b>	<b>2,000,000</b>				<b>3,090,000</b>
<b>Compost Fund</b>								
Walking Floor Trailer	COMP-1902	4	88,580	91,250	94,000			273,830
Forklift Replacement	COMP-2001	3	35,000					35,000
1 ton 4x4 crewcab pickup	COMP-2002	3		35,000				35,000
Bituminous Improvements	COMP-2003	2	50,000					50,000
Facility Lighting	COMP-2004	2	12,500					12,500
1/2 ton 4x4 CrewCab Pickup	COMP-2005	3	31,500					31,500
McCloskey Screener replacement	COMP-2020	3	350,000					350,000
Bagging Line Improvements	COMP-2102	2		50,000	63,000			113,000
Equipment Trailer (Lowboy)	COMP-2103	2		70,000				70,000
Wood Receiving/Processing Area Expansion	COMP-2104	2		100,000				100,000
Office Expansion	COMP-2201	2			100,000			100,000
New Wheel Loader	COMP-2301	3				170,000		170,000
Portable Shrink Wrapping Machine	COMP-2302	4				45,000		45,000
Cold Storage Expansion	COMP-2401	3					75,000	75,000
Site Improv - Finished Bulk Storage Area	COMP-2402	3					150,000	150,000
Core Switch Upgrade	IT-1901	2		950				950
<b>Compost Fund Total</b>			<b>567,580</b>	<b>347,200</b>	<b>257,000</b>	<b>215,000</b>	<b>225,000</b>	<b>1,611,780</b>
<b>Cooperative Agreement - EDA/HRA</b>								
Core Switch Upgrade	IT-1901	2		630				630
<b>Cooperative Agreement - EDA/HRA Total</b>				<b>630</b>				<b>630</b>
<b>Cooperative Agreement - HUC</b>								
Core Switch Upgrade	IT-1901	2		9,350				9,350
<b>Cooperative Agreement - HUC Total</b>				<b>9,350</b>				<b>9,350</b>
<b>Donations</b>								
Zamboni ice resurfacers	CA-2101	3	60,000					60,000
VMF Baseball Field Fencing	PARK-2003	4	15,000					15,000
<b>Donations Total</b>			<b>75,000</b>					<b>75,000</b>
<b>Equipment Replacement - Heavy Fleet</b>								
Zamboni ice resurfacers	CA-2101	3	81,791					81,791
Wheel Loader	STRT 447	3		212,300				212,300
Truck, single axel w/ dump	STRT 522	3				220,800		220,800
Snowplow truck	STRT 613	3		210,200				210,200

Source	Project #	Priority	2020	2021	2022	2023	2024	Total
Wheel loader	STRT 969	3	207,100					207,100
<b>Equipment Replacement - Heavy Fleet Total</b>			<b>288,891</b>	<b>422,500</b>		<b>220,800</b>		<b>932,191</b>

### **Equipment Replacement - Small Fleet**

Tractor/Loader/Backhoe (used)	CEMT 344	3	79,500					79,500
Cemetery mower	CEMT 734	4	18,000					18,000
Cemetery mower	CEMT 883	3			18,900			18,900
Replace SUV	ENGR 686	3				31,000		31,000
1/2 ton work truck	ENGR 817	3	28,700					28,700
Rescue 8 - 1 ton truck	FD-1901	3		56,800				56,800
Skid steer loader S250	PARK-032	4			53,900			53,900
1/2 Ton 4X2 Pickup	PARK-127	4			24,800			24,800
Tractor 4720 4x4	PARK-135	3		44,700				44,700
Gang Mower	PARK-2001	2	15,300					15,300
Skid steer loader S250	PARK-211	4					56,600	56,600
1/2 Ton 4x4 Pickup w/Snowplow	PARK-221	4		37,900				37,900
1/2 Ton 4X2 Flatbed	PARK-289	4	23,600					23,600
Wide-area Mower	PARK-302	2					67,900	67,900
3/4 Ton 4X4 Pickup w/Snowplow	PARK-497	4		37,900				37,900
1/4 Ton 4X2 Pickup	PARK-522	4	23,600					23,600
1/4 Ton 4X2 Pickup	PARK-528	4		24,200				24,200
1/2 Ton 4X2 Pickup	PARK-954	4				25,400		25,400
Trailer, enclosed tandem	PD-2003	4				11,100		11,100
Squad car #1 replacement	PD-SQD1	2			46,400			46,400
Squad car #2 replacement	PD-SQD2	2				47,500		47,500
Squad car #3 replacement	PD-SQD3	2					48,700	48,700
Squad car #5 replacement	PD-SQD5	2		45,200				45,200
Squad car #6 replacement	PD-SQD6	2				47,500		47,500
Squad car #7 replacement	PD-SQD7	2					48,700	48,700
1-ton dump truck	STRT 156	3			51,700			51,700
1-ton 4x4 truck	STRT 170	3					54,400	54,400
Truck, tandem	STRT 218	3				66,300		66,300
1-ton 4x2 truck with dump	STRT 289	3		50,500				50,500
Pneumatic roller (used)	STRT 483	3	40,000					40,000
Grasshopper mower 72"	STRT 626	3					18,200	18,200
1 ton truck 4x4	STRT 660	3			51,700			51,700
Brush Chipper	STRT 688	3				53,000		53,000
1 ton flatbed truck	STRT 835	3		50,500				50,500
1-ton flatbed truck	STRT 837	3			51,700			51,700
1-ton Service truck	STRT 857	3				66,300		66,300
1 Ton 4x4 w/ aerial bucket	STRT 926	3					67,900	67,900
Tandem-axle Dump Truck	STRT 972	3		63,100				63,100
<b>Equipment Replacement - Small Fleet Total</b>			<b>228,700</b>	<b>410,800</b>	<b>299,100</b>	<b>348,100</b>	<b>362,400</b>	<b>1,649,100</b>

### **G.O. Capital Improvement Plan Bonds**

New Police Facility	PD-2004	2		7,000,000				7,000,000
<b>G.O. Capital Improvement Plan Bonds Total</b>				<b>7,000,000</b>				<b>7,000,000</b>

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

Source	Project #	Priority	2020	2021	2022	2023	2024	Total
Edmonton Ave SE (Sherwood St SE-Jefferson St SE)	Overlay 01	3		103,369				103,369
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 02	3		68,910				68,910
School Rd NW (Golf Course-North High)	Overlay 03	3		48,555				48,555
Century Ave SW (Dale-Boston)	Overlay 04	3			64,944			64,944
Blackbird/Blackhawk/Bluejay	Overlay 05	3			102,966			102,966
5th Ave SE (Bridge - Hwy 22)	Overlay 06	3		160,734				160,734
Clinton Ave SW (Harrington-Merrill)	Partial 03	3	149,454					149,454
Merrill St SW (SGR-Clinton)	Partial 04	3	165,888					165,888
Neal Ave SW (Keith-Sunset)	Partial 05	3	191,416					191,416
Dale St SW (SGR-Roberts)	Partial 09	3				767,698		767,698
Washington Ave W (Lynn-Main)	Partial 10	3		328,439				328,439
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 12	3			360,220			360,220
Church St SW (SGR-Linden)	Reclaim 05	3		234,222				234,222
Clinton Ave SW (Merrill-Lynn)	Reclaim 06	3		96,786				96,786
Harrington St SW (SGR-Linden)	Reclaim 07	3	234,821					234,821
Merrill St SW (Clinton-Linden)	Reclaim 08	3		98,268				98,268
Neal Ave SW (Dale-Keith)	Reclaim 09	3		70,300				70,300
Sunset St SW (SGR-Linden)	Reclaim 10	3	242,407					242,407
Roberts Rd SW (Alan-Dale)	Reclaim 12	3		458,025				458,025
Linden Ave SW (Dale-Harrington)	Reclaim 14	3	478,137					478,137
McDonald Dr SW (Lakewood - School)	Reclaim 15	3					500,757	500,757
1st Ave NE (Main-Adams)	Reclaim 19	3				301,499		301,499
1st Ave SE (Main-Adams)	Reclaim 20	3					301,499	301,499
2nd Ave SW (Franklin-Main)	Reclaim 21	3			99,670			99,670
Grove St SW (2nd-Washington)	Reclaim 22	3			140,740			140,740
Hassan St (5th Ave S-1st Ave N)	Reclaim 23	3					595,658	595,658
Larson St SW (Roberts-Lewis)	Reclaim 24	3			170,100			170,100
Southview Ct SW (Linden-Sunset)	Reclaim 26	2			74,711			74,711
Sunset St SW (Linden-Southview)	Reclaim 27	3			60,787			60,787
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 29	3				147,844		147,844
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 30	3				20,742		20,742
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 31	3				356,924		356,924
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 32	3				164,179		164,179
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 33	3				62,964		62,964
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 34	3				47,545		47,545
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 35	3				67,333		67,333
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 36	3					109,536	109,536
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 37	3				28,195		28,195
Bradford St SE (#1324 - Century Ave SE)	Reclaim 38	3			254,894			254,894
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 39	3			255,770			255,770
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 40	3			136,403			136,403
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 41	3			212,947			212,947
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 42	3		236,505				236,505
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 43	3					53,985	53,985
Harrington St SW (Linden-4th Ave SW)	Reclaim 44	3					398,425	398,425
Merrill St SW (Linden-4th Ave SW)	Reclaim 45	3					392,779	392,779
TH 15/Main St Reconstruction	Recon 03	2	505,000					505,000
<b>G.O. Improv Bonds - Debt Tax Levy Total</b>			<b>1,967,123</b>	<b>1,904,113</b>	<b>1,934,152</b>	<b>1,964,923</b>	<b>2,352,639</b>	<b>10,122,950</b>

### G.O. Stormwater Bonds

SC Trunk Storm (local storm sewer)	New const 03	3	775,000					775,000
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Source	Project #	Priority	2020	2021	2022	2023	2024	Total
<b>G.O. Stormwater Bonds Total</b>			<b>775,000</b>					<b>775,000</b>
<b>General Fund</b>								
Core Switch Upgrade	IT-1901	2		20,570				20,570
<b>General Fund Total</b>				<b>20,570</b>				<b>20,570</b>
<b>Grants - Federal</b>								
Pavement repairs & maintenance	AIR 03	3					405,000	405,000
<b>Grants - Federal Total</b>							<b>405,000</b>	<b>405,000</b>
<b>Grants - McLeod County</b>								
Stormceptor for outdoor wash area	HATS-02	3			20,800			20,800
Interior Shop Painting	HATS-03	3		44,800				44,800
Pond cleaning/excavation	HATS-04	3				11,200		11,200
Remote Wheel hoists	HATS-06	4	14,560					14,560
Fuel Site Improvements	HATS-07	3					96,000	96,000
<b>Grants - McLeod County Total</b>			<b>14,560</b>	<b>44,800</b>	<b>20,800</b>	<b>11,200</b>	<b>96,000</b>	<b>187,360</b>
<b>Grants - State</b>								
Stormceptor for outdoor wash area	HATS-02	3			20,800			20,800
Interior Shop Painting	HATS-03	3		44,800				44,800
Pond cleaning/excavation	HATS-04	3				11,200		11,200
Remote Wheel hoists	HATS-06	4	14,560					14,560
Fuel Site Improvements	HATS-07	3					96,000	96,000
<b>Grants - State Total</b>			<b>14,560</b>	<b>44,800</b>	<b>20,800</b>	<b>11,200</b>	<b>96,000</b>	<b>187,360</b>
<b>HATS Fund (City only)</b>								
Stormceptor for outdoor wash area	HATS-02	3			23,400			23,400
Interior Shop Painting	HATS-03	3		50,400				50,400
Pond cleaning/excavation	HATS-04	3				12,600		12,600
Remote Wheel hoists	HATS-06	4	16,380					16,380
Fuel Site Improvements	HATS-07	3					108,000	108,000
<b>HATS Fund (City only) Total</b>			<b>16,380</b>	<b>50,400</b>	<b>23,400</b>	<b>12,600</b>	<b>108,000</b>	<b>210,780</b>
<b>Liquor Fund</b>								
Core Switch Upgrade	IT-1901	2		1,250				1,250
<b>Liquor Fund Total</b>				<b>1,250</b>				<b>1,250</b>
<b>Municipal State Aid</b>								
Runway Seal Coat	AIR 02	3	59,500					59,500
Pavement repairs & maintenance	AIR 03	3					22,500	22,500
Edmonton Ave SE (Sherwood St SE-Jefferson St SE)	Overlay 01	3		125,000				125,000
Edmonton Ave SE (Hwy 15-Sherwood St SE)	Overlay 02	3		75,000				75,000
School Rd NW (Golf Course-North High)	Overlay 03	3		50,000				50,000
Century Ave SW (Dale-Boston)	Overlay 04	3			100,000			100,000

Source	Project #	Priority	2020	2021	2022	2023	2024	Total
5th Ave SE (Bridge - Hwy 22)	Overlay 06	3		150,000				150,000
Dale St SW (SGR-Roberts)	Partial 09	3				350,000		350,000
Washington Ave W (Lynn-Main)	Partial 10	3		500,000				500,000
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 12	3			700,000			700,000
Roberts Rd SW (Alan-Dale)	Reclaim 12	3		150,000				150,000
TH 15/Main St Reconstruction	Recon 03	2	250,000					250,000
<b>Municipal State Aid Total</b>			<b>309,500</b>	<b>1,050,000</b>	<b>800,000</b>	<b>350,000</b>	<b>22,500</b>	<b>2,532,000</b>

### Refuse Fund

Comptroller Software - Vessels controls	REFS-1902	2		80,000				80,000
S.S. Composting Vessels (5 per year)	REFS-2001	2		400,000	400,000	400,000	400,000	1,600,000
Roll-off Truck Chassis	REFS-2002	1	130,000					130,000
Bi-Fold Door Replacement	REFS-2003	2	38,200	40,000		42,000		120,200
Facility Lighting Improvements	REFS-2004	2	12,500					12,500
Forklift Replacement	REFS-2101	3		35,000				35,000
TMR Mixer	REFS-2102	2		95,000				95,000
Tractor (TMR mixer power unit)	REFS-2103	2		130,000				130,000
Wheel loader replacement	REFS-2201	2			170,000			170,000
Office Expansion	REFS-2202	2			100,000			100,000
Scale Improvements & Relocation	REFS-2301	3				100,000		100,000
Curing Pad Expansion	REFS-2401	2					150,000	150,000
<b>Refuse Fund Total</b>			<b>180,700</b>	<b>780,000</b>	<b>670,000</b>	<b>542,000</b>	<b>550,000</b>	<b>2,722,700</b>

### Rural Fire Dept Fund

Rescue 8 - 1 ton truck	FD-1901	3		56,800				56,800
<b>Rural Fire Dept Fund Total</b>				<b>56,800</b>				<b>56,800</b>

### Special Assessments

Clinton Ave SW (Harrington-Merrill)	Partial 03	3	39,330					39,330
Merrill St SW (SGR-Clinton)	Partial 04	3	43,655					43,655
Neal Ave SW (Keith-Sunset)	Partial 05	3	50,372					50,372
Dale St SW (SGR-Roberts)	Partial 09	3				417,051		417,051
Washington Ave W (Lynn-Main)	Partial 10	3		309,119				309,119
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 12	3			513,010			513,010
Church St SW (SGR-Linden)	Reclaim 05	3		61,637				61,637
Clinton Ave SW (Merrill-Lynn)	Reclaim 06	3		25,470				25,470
Harrington St SW (SGR-Linden)	Reclaim 07	3	61,795					61,795
Merrill St SW (Clinton-Linden)	Reclaim 08	3		25,860				25,860
Neal Ave SW (Dale-Keith)	Reclaim 09	3		18,500				18,500
Sunset St SW (SGR-Linden)	Reclaim 10	3	63,791					63,791
Roberts Rd SW (Alan-Dale)	Reclaim 12	3		226,875				226,875
Linden Ave SW (Dale-Harrington)	Reclaim 14	3	132,816					132,816
McDonald Dr SW (Lakewood - School)	Reclaim 15	3					242,303	242,303
1st Ave NE (Main-Adams)	Reclaim 19	3				112,500		112,500
1st Ave SE (Main-Adams)	Reclaim 20	3					112,500	112,500
2nd Ave SW (Franklin-Main)	Reclaim 21	3			37,190			37,190
Grove St SW (2nd-Washington)	Reclaim 22	3			68,100			68,100
Hassan St (5th Ave S-1st Ave N)	Reclaim 23	3					288,222	288,222
Larson St SW (Roberts-Lewis)	Reclaim 24	3			82,307			82,307
Southview Ct SW (Linden-Sunset)	Reclaim 26	2			36,150			36,150
Sunset St SW (Linden-Southview)	Reclaim 27	3			29,414			29,414

Source	Project #	Priority	2020	2021	2022	2023	2024	Total
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 29	3				71,537		71,537
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 30	3				10,037		10,037
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 31	3				172,705		172,705
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 32	3				79,442		79,442
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 33	3				30,467		30,467
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 34	3				23,006		23,006
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 35	3				32,581		32,581
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 36	3					53,001	53,001
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 37	3				13,642		13,642
Bradford St SE (#1324 - Century Ave SE)	Reclaim 38	3			123,335			123,335
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 39	3			123,760			123,760
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 40	3			66,002			66,002
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 41	3			103,038			103,038
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 42	3		114,438				114,438
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 43	3					26,123	26,123
Harrington St SW (Linden-4th Ave SW)	Reclaim 44	3					104,849	104,849
Merrill St SW (Linden-4th Ave SW)	Reclaim 45	3					103,363	103,363
TH 15/Main St Reconstruction	Recon 03	2	220,000					220,000
<b>Special Assessments Total</b>			<b>611,759</b>	<b>781,899</b>	<b>1,182,306</b>	<b>962,968</b>	<b>930,361</b>	<b>4,469,293</b>

### Storm Water Utility Fund

SC Trunk Storm (local storm sewer)	New const 03	3	309,765					309,765
Dale St SW (SGR-Roberts)	Partial 09	3				66,728		66,728
Washington Ave W (Lynn-Main)	Partial 10	3		49,459				49,459
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 12	3			68,401			68,401
Roberts Rd SW (Alan-Dale)	Reclaim 12	3		36,300				36,300
Linden Ave SW (Dale-Harrington)	Reclaim 14	3	26,563					26,563
McDonald Dr SW (Lakewood - School)	Reclaim 15	3					32,307	32,307
1st Ave NE (Main-Adams)	Reclaim 19	3				18,000		18,000
1st Ave SE (Main-Adams)	Reclaim 20	3					18,000	18,000
2nd Ave SW (Franklin-Main)	Reclaim 21	3			5,950			5,950
Grove St SW (2nd-Washington)	Reclaim 22	3			9,080			9,080
Hassan St (5th Ave S-1st Ave N)	Reclaim 23	3					38,430	38,430
Larson St SW (Roberts-Lewis)	Reclaim 24	3			10,974			10,974
Southview Ct SW (Linden-Sunset)	Reclaim 26	2			4,820			4,820
Sunset St SW (Linden-Southview)	Reclaim 27	3			3,922			3,922
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 29	3				9,538		9,538
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 30	3				1,338		1,338
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 31	3				23,027		23,027
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 32	3				10,592		10,592
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 33	3				4,062		4,062
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 34	3				3,067		3,067
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 35	3				4,344		4,344
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 36	3					7,067	7,067
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 37	3				1,819		1,819
Bradford St SE (#1324 - Century Ave SE)	Reclaim 38	3			16,445			16,445
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 39	3			16,501			16,501
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 40	3			8,800			8,800
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 41	3			13,738			13,738
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 42	3		15,258				15,258
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 43	3					3,483	3,483
Leaf vacuum	STWT LEAF	3		59,652				59,652
8th Ave NW drainage improvement	UTL 04	3		75,000				75,000
Bridgewater pond improvement	UTL 06	3			30,000			30,000

Source	Project #	Priority	2020	2021	2022	2023	2024	Total
Michigan St NE area drainage improvement	UTL 08	3					500,000	500,000
Pond improvements	UTL 09	3				50,000		50,000
Southfork Storm Water pond	UTL 10	3	100,000					100,000
<b>Storm Water Utility Fund Total</b>			<b>436,328</b>	<b>235,669</b>	<b>188,631</b>	<b>192,515</b>	<b>599,287</b>	<b>1,652,430</b>

### Wastewater Fund

Core Switch Upgrade	IT-1901	2		1,100				1,100
Clinton Ave SW (Harrington-Merrill)	Partial 03	3	3,933					3,933
Merrill St SW (SGR-Clinton)	Partial 04	3	4,366					4,366
Neal Ave SW (Keith-Sunset)	Partial 05	3	5,037					5,037
Dale St SW (SGR-Roberts)	Partial 09	3				33,364		33,364
Washington Ave W (Lynn-Main)	Partial 10	3		24,730				24,730
Michigan St SE/NE (5th Ave-Hwy 7)	Partial 12	3			34,201			34,201
Church St SW (SGR-Linden)	Reclaim 05	3		6,164				6,164
Clinton Ave SW (Merrill-Lynn)	Reclaim 06	3		2,547				2,547
Harrington St SW (SGR-Linden)	Reclaim 07	3	6,179					6,179
Merrill St SW (Clinton-Linden)	Reclaim 08	3		2,586				2,586
Neal Ave SW (Dale-Keith)	Reclaim 09	3		1,850				1,850
Sunset St SW (SGR-Linden)	Reclaim 10	3	6,379					6,379
Roberts Rd SW (Alan-Dale)	Reclaim 12	3		18,150				18,150
Linden Ave SW (Dale-Harrington)	Reclaim 14	3	13,282					13,282
McDonald Dr SW (Lakewood - School)	Reclaim 15	3					16,154	16,154
1st Ave NE (Main-Adams)	Reclaim 19	3				9,000		9,000
1st Ave SE (Main-Adams)	Reclaim 20	3					9,000	9,000
2nd Ave SW (Franklin-Main)	Reclaim 21	3			2,975			2,975
Grove St SW (2nd-Washington)	Reclaim 22	3			4,540			4,540
Hassan St (5th Ave S-1st Ave N)	Reclaim 23	3					19,215	19,215
Larson St SW (Roberts-Lewis)	Reclaim 24	3			5,487			5,487
Southview Ct SW (Linden-Sunset)	Reclaim 26	2			2,410			2,410
Sunset St SW (Linden-Southview)	Reclaim 27	3			1,961			1,961
Garden Rd NE (Dead end - Hwy 7E)	Reclaim 29	3				4,769		4,769
Genes Dr NE (Lindy Ln NE - Dead end)	Reclaim 30	3				669		669
Hilltop Dr NE (Michigan St NE - Genes Dr NE)	Reclaim 31	3				11,514		11,514
Lindy Ln NE (Pauls Rd NE to Genes Dr NE)	Reclaim 32	3				5,296		5,296
Mark Dr NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 33	3				2,031		2,031
Morningside Dr NE (Hilltop Dr NE - Dead end)	Reclaim 34	3				1,534		1,534
Pauls Rd NE (Hilltop Dr NE - Lindy Ln NE)	Reclaim 35	3				2,172		2,172
Boulder St SW (Roberts Rd SW - School Rd SW)	Reclaim 36	3					3,533	3,533
Boulder Cir SW (Dead end - Boulder St SW)	Reclaim 37	3				909		909
Bradford St SE (#1324 - Century Ave SE)	Reclaim 38	3			8,222			8,222
Orchard Ave SE (Bradford St SE - Elks Dr SE)	Reclaim 39	3			8,251			8,251
Elks Dr SE (Sherwood St SE - Orchard Ave SE)	Reclaim 40	3			4,400			4,400
Sherwood St SE (Summerset Ln SE - Century Ave SE)	Reclaim 41	3			6,869			6,869
4th Ave SE (Lynn Rd SW - Main St S)	Reclaim 42	3		7,629				7,629
Sherwood Cir SE (Sherwood St SE - Dead end)	Reclaim 43	3					1,742	1,742
Harrington St SW (Linden-4th Ave SW)	Reclaim 44	3					10,485	10,485
Merrill St SW (Linden-4th Ave SW)	Reclaim 45	3					10,336	10,336
TH 15/Main St Reconstruction	Recon 03	2	520,000					520,000
Preliminary Treatment Redesign & EQ Syst	WWTF 001	3		1,250,000	2,250,000	500,000		4,000,000
WWTF SCADA Upgrade (Admin Bldg)	WWTF 004	3	100,000					100,000
WWTF SCADA Upgrade (MBR Bldg)	WWTF 005	3		200,000				200,000
WWTF SCADA Upgrade (Bldg #60)	WWTF 006	3			100,000			100,000
WWTF SCADA Upgrade (Bldg #90)	WWTF 007	3				100,000		100,000
WWTF SCADA Software Upgrades	WWTF 008	3					150,000	150,000

Source	Project #	Priority	2020	2021	2022	2023	2024	Total
Lift Station repairs/upgrades (Hwy 15 LS)	WWTF 010	3		125,000				125,000
Lift Station repairs/upgrades (Our Saviors LS)	WWTF 011	3			125,000			125,000
Lift Station repairs/upgrade (Campbell LS)	WWTF 012	3				100,000		100,000
Lift Station repairs/upgrade (McDonalds LS)	WWTF 013	3					115,000	115,000
Digester aeration & mixation rehab	WWTF 020	4		358,300				358,300
Building #100 roof replacement	WWTF 021	3				40,000		40,000
Building #90 Boiler/Controls replacement	WWTF 022	3					150,000	150,000
MBR perm pump #1 replacement	WWTF 024	3					90,000	90,000
Main Lift Station grinder rehab	WWTF 025	3					40,000	40,000
Receiving/Bulk water station	WWTF 026	4				200,000		200,000
West ditch Aireo 2 conversion & all VFD install	WWTF 027	4					400,000	400,000
Collection system infrastructure	WWTF 099	3	80,000	80,000	80,000	80,000	80,000	400,000
Biosolids Spreader	WWTF 218	3			34,782			34,782
Tractor Mower	WWTF 276	1	19,123					19,123
Bobcat utility vehicle	WWTF 505	4	14,205					14,205
Vactor Truck & Jetting Trailer	WWTF 648	3					365,790	365,790
3/4 Ton 4x4 work truck	WWTF 752	2	37,153					37,153
1/2 Ton 4x4 work truck	WWTF 760	3		64,154				64,154
1/2 Ton 4x4 pickup	WWTF 775	3	28,700					28,700
12 ton pickup truck	WWTF 844	3	28,600					28,600
<b>Wastewater Fund Total</b>			<b>866,957</b>	<b>2,142,210</b>	<b>2,669,098</b>	<b>1,091,258</b>	<b>1,461,255</b>	<b>8,230,778</b>

### Water Fund

Core Switch Upgrade	IT-1901	2		1,250				1,250
Clinton Ave SW (Harrington-Merrill)	Partial 03	3	3,933					3,933
Merrill St SW (SGR-Clinton)	Partial 04	3	4,366					4,366
Neal Ave SW (Keith-Sunset)	Partial 05	3	5,037					5,037
Dale St SW (SGR-Roberts)	Partial 09	3				33,364		33,364
Washington Ave W (Lynn-Main)	Partial 10	3		24,730				24,730
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Harrington St SW (SGR-Linden)	Reclaim 07	3	6,179					6,179
Merrill St SW (Clinton-Linden)	Reclaim 08	3		2,586				2,586
Neal Ave SW (Dale-Keith)	Reclaim 09	3		1,850				1,850
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Merrill St SW (Linden-4th Ave SW)	Reclaim 45	3					10,336	10,336
TH 15/Main St Reconstruction	Recon 03	2	705,000					705,000
Water Meter Replacement	WATR 001	3			650,000	650,000		1,300,000
High bay lighting at WTP	WATR 002	3	16,000					16,000
Water SCADA Upgrade	WATR 003	3					300,000	300,000
Ammonia analyzer replacement	WATR 005	3		22,000				22,000
Large Water Meter Replacement (4 - 6" dia)	WATR 006	3		70,000				70,000
Well 8 Recovery Treatment	WATR 007	3	50,000					50,000
Well 4 Recovery Treatment	WATR 008	3			50,000			50,000
Well 7 Recovery Treatment	WATR 009	3					50,000	50,000
Well 6 Rehabilitation	WATR 010	3					65,000	65,000
Concentrate vent tee removal	WATR 011	3	20,000					20,000
1/2 ton work truck	WATR 072	3					31,679	31,679
1/2 ton work truck	WATR 484	3		29,418				29,418
Mower replacement	WATR 793	3				17,000		17,000
<b>Water Fund Total</b>			<b>830,176</b>	<b>186,324</b>	<b>779,316</b>	<b>738,258</b>	<b>517,144</b>	<b>3,051,218</b>
<b>GRAND TOTAL</b>			<b>10,077,214</b>	<b>18,908,315</b>	<b>9,614,603</b>	<b>7,710,822</b>	<b>8,728,086</b>	<b>55,039,040</b>



## 2020 Annual Budget

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# Fee Schedule

**City of Hutchinson  
2020 Fee Schedule**

Fee Schedule includes the following (in alphabetical order)

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**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<b>Building/Plumbing/Mechanical Permits</b>					
<b>Fixed Fees:</b>					
1 & 2 Family Residential Reroofing	\$50.00	plus surcharge fee	\$50.00	0.0%	2011
1 & 2 Family Residential Residing	\$50.00	plus surcharge fee	\$50.00	0.0%	2011
1 & 2 Family Residential Window/Door Replacement	\$50.00	plus surcharge fee	\$50.00	0.0%	2011
Manufactured (Mobile) Home Install	\$185.00	plus surcharge fee. Separate mechanical & plumbing permit required.	\$185.00	0.0%	2011
Utility Sheds	\$50.00 \$21.29 /sq.ft.	under 200 sq. ft - surcharge does not apply. Sheds over 200 sq. ft. valuation of \$21.29 / sq. ft.	\$50.00 \$21.29 /sq.ft.	0.0% 0.0%	2011 2016
Moving Permit	\$175.00	plus surcharge fee, includes excavation permit fee, if applicable	\$175.00	0.0%	2011
Demolition Permit	\$50.00 \$125.00 \$250.00	Residential remodels & accessory structures Residential demolition Commercial demolition	\$50.00 \$125.00 \$250.00	0.0%	2015
<b>Residential Square Foot Valuation:</b>					
Dwellings	\$100.26 /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 = \$70.18 x 100 sq. ft. Construction Valuation = <b>\$7,018</b>  <b>Fee (\$2,001 - \$25,000 valuation range)</b> 1st \$2,000 of value: \$ 80.17 Remaining value \$5,018/1000 x \$15.44 \$ 77.48 <b>Total Fee: \$157.65</b>	\$100.26 /sq.ft.	0.0%	2016
Basements	\$10.00 /sq.ft.		\$10.00 /sq.ft.	0.0%	2011
Finished	\$10.00 /sq.ft.		\$10.00 /sq.ft.	0.0%	2011
Semi-Finished	\$20.00 /sq.ft.		\$20.00 /sq.ft.	0.0%	2011
Unfinished	\$70.18 /sq.ft.		\$70.18 /sq.ft.	0.0%	2016
Porches	\$100.26 /sq.ft.		\$100.26 /sq.ft.	0.0%	2016
3 Season Porch	\$40.10 /sq.ft.		\$40.10 /sq.ft.	0.0%	2016
4 Season Porch					
Screened Porch					
Garages	\$38.56 /sq.ft.		\$38.56 /sq.ft.	0.0%	2016
Attached	\$21.29 /sq.ft.	\$21.29 /sq.ft.	0.0%	2016	
Detached					
Gazebo	\$19.00 /sq.ft.		\$19.00 /sq.ft.	0.0%	2011
Deck	\$10.00 /sq.ft.		\$10.00 /sq.ft.	0.0%	2015
<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

**City of Hutchinson**  
**2020 Fee Schedule**

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
\$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
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	\$12.00	\$12 per roughed-in fixture or item. Minimum of \$50.00	\$12.00	0.0%	2011
<b>Mechanical Permit Fees:</b>					
Gas Conversion Connection ( <i>switch</i> )	\$125.00	plus surcharge fee	\$125.00	0.0%	2011
Gas Appliance Replacement	\$50.00	plus surcharge fee	\$50.00	0.0%	2011
Mechanical Fee	1.25%	Valuation X 1.25% - plus State surcharge. Minimum of \$50.00 plus State surcharge.	1.25%	0.0%	2011
<b>Miscellaneous Fees:</b>					
Rental registration/inspection	\$20.00 /unit	Initial inspection and 1 follow up inspection, if needed	\$20.00 /unit	0.0%	2016
Rental Unit Reinspection	\$50.00 /unit Double the cost of previous inspection	Second follow-up inspection Subsequent additional/follow-up inspections	\$50.00 /unit Double the cost of previous inspection		
Failure to Appear at Scheduled Rental Inspection	\$50.00	Fee for not showing up at scheduled inspection	\$50.00	0.0%	2011
Rental Complaint Inspection	\$50.00		\$50.00	0.0%	2011
Existing Home Inspection (FMHA)	\$75.00		\$75.00	0.0%	2011
Parkland Dedication		Per subdivision ordinance			
Temporary Certificate of Occupancy	Refundable Deposit	Add'l staff time and follow-up is required for temp C.O.s. Deposit of \$500.00 required and will be refunded if final within timeframe established by Building Department	Refundable Deposit		
Temporary Permits, including footing and foundation permits and preconstruction demolition	\$125.00	Temporary permits allow limited work to be done prior to complete plan submittal and review	\$125.00	0.0%	2011
All other non-specified inspections*	\$60.00	Minimum fee plus State surcharge * or the total hourly costs of the jurisdiction, whichever is the greatest. The cost shall include supervision, overhead equipment, hourly wages, and fringe benefits of the employees involved.	\$60.00	0.0%	2011
<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**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<b>Creekside</b>					
<b>Gate Fee:</b>					
McLeod County resident leaves, grass clippings, and brush (under 6" in diameter)	No Charge	ID required; Only Compostable bags accepted NO plastic bags or garbage	No Charge		2001
McLeod County resident wood waste includes brush and logs	No Charge	Must be free of dirt and garbage NO root balls accepted	No Charge		2001
McLeod County Residential Pallet, Crate & Demo Wood	No Charge	No painted, stained or treated wood accepted Must be free of plastic and paper	No Charge		2001
Commercial Yardwaste - commingled or separated	\$12.00 /ton	Commingled yardwaste and brush mixed Compostable bags only, no plastic bags	\$12.00 /ton	0.0%	2018
Commercial Source Separated Organics	\$38.00 /ton	Prior approval of acceptance of materials is required Non-compostables not accepted; other fees may apply	\$38.00 /ton	0.0%	2018
Commercial Woodwaste; includes brush and logs	No Charge	Must be free of dirt and garbage NO root balls accepted	No Charge		2018
Commercial Pallets, Crates and Demo Wood	\$30.00 /ton	No painted, stained or treated wood accepted Must be free of plastic and paper	\$30.00 /ton	0.0%	2018
Stump Chip Disposal	No Charge		No Charge		2001
Concrete and Asphalt (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 (Dirty)	\$10.00 /ton	As determined by Creekside staff review	\$10.00 /ton	0.0%	2018
Reinforced Concrete Structures	\$35.00 /ton	Includes reinforced concrete pipe (RCP), manholes, catch basins, etc.	\$35.00 /ton	0.0%	2018
Certified Scale Ticket	\$10.00 /ea	Per ticket issued. Customers/trucks may record their own weights for no charge.	\$10.00 /ea	0.0%	2019
<b>Equipment Rates:</b>					
Horizontal Wood Grinder		Includes operator, wheel loader to feed grinder and fuel.			
Governmental Rate	\$367.50 /hr	Machine repairs as a result of damage from contamination	\$367.50 /hr	0.0%	2018
Rate for all other Customers	\$525.00 /hr	in customer's feedstock will be billable to customer	\$525.00 /hr	0.0%	2018
Wheel Loader		Operator and fuel included			
Governmental Rate	\$85.00 /hr		\$85.00 /hr	0.0%	2018
Rate for all other Customers	\$110.00 /hr		\$110.00 /hr	0.0%	2018
Trommel Screener		Operator, fuel and equipment to feed screener are not included in this rate.			
Governmental Rate	\$95.00 /hr	Mandatory training at delivery/pick-up.	\$95.00 /hr	0.0%	2018
Rate for all other Customers	\$135.00 /hr		\$135.00 /hr	0.0%	2018
65' Radial Stacking Conveyor	\$18.00 /hr	Operator and fuel not included	\$18.00 /hr	0.0%	2018
Portable Light Tower Rental	\$50.00 /event	Cost is per unit; two units available to rent	\$50.00 /event	0.0%	2018
Mobilization Charges	\$100.00 /hr	Roundtrip for delivery and pickup of equipment to and from customer's job site	\$100.00 /hr	0.0%	2018

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 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%
<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%
<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%
<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
	Hoefler	\$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	

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
Security	\$57 /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 \$51/hr. Please refer to "Rental Policy".	\$57 /hr/officer	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 \$20.00 /50 cups	Hutchinson Event Center catered events Non HEC catered events	\$15.00 /30 cups \$20.00 /50 cups	0.0% 0.0%	2014 2014
Tripod Screen 6'	\$15.00 /day		\$15.00 /day	0.0%	2018
Tripod Screen 8'	\$20.00 /day		\$20.00 /day	0.0%	2018
Food Fee-Large Group	\$80.00 /day		\$80.00 /day	0.0%	2017
Food Fee-Small Group	\$50.00 /day		\$50.00 /day	0.0%	2014
China/Flatware	\$1.00 /place setting	Food vendor may add additional fees	\$1.00 /place setting	0.0%	2013
Draper Easels	\$8.00 /day		\$8.00 /day	0.0%	2018
Speaker Phone	\$25.00 /day		\$25.00 /day	0.0%	2018

**Evergreen Senior Dining**

Dining Room & Kitchenette	\$100.00		\$100.00	0.0%	2009
Carpeted Room	\$60.00		\$60.00	0.0%	2009
After Hours Open or Lock-up	\$50.00		\$50.00	0.0%	2007
Damage Deposit	\$100.00	Separate check to be returned when keys are returned and if rooms are cleaned up and no damage has occurred	\$100.00	0.0%	2007

**Finance**

Returned check from the bank (NSF or Closed Account)	\$30.00	Covers bank charge	Set by State Statute	\$30.00	0.0%	2010
Online Payments ACH, Credit Card or Bank Checks	\$30.00	Covers bank charge	Set by State Statute	\$30.00		2018
Lodging Tax - City of Hutchinson	3.00%	per City ordinance 116.01	Set by City Ordinance	3.00%	0.0%	1989
Lodging Tax - penalty for late payment	10.00%	per City ordinance 116.22	Set by City Ordinance	10.00%	0.0%	1989
Local Option Sales Tax:						
Local Sales Tax Rate	0.50%	On retail sales made within, or delivered within, the city limits of Hutchinson. The tax applies to sales that are taxable under the Minnesota sales and use tax laws.		0.50%	0.0%	2012
Local Excise Tax	\$20.00	Per new or used vehicle sold by a dealer located within Hutchinson, in lieu of the Local Sales Tax Rate.		\$20.00	0.0%	2012
Local Excise Tax - Late Fee	10.00%	Dealers are required to report excise tax by the 15th day of the following month. The late fee shall be imposed if not paid by the 20th day of the following month.		10.00%	0.0%	2017
Tax Increment Financing (TIF) Application Fee - as approved by the Hutchinson EDA on 11/28/2018	\$15,000.00	Developers must pay an application fee to cover the legal and consultant costs in establishing a new TIF district. Any unused monies will be returned to the developer.		15,000.00	0.0%	2019

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<b>Fire Department</b>					
Fire Engine	\$200.00 /hr	each hour on scene	\$200.00 /hr	0.0%	2014
Grass Truck/Unit	\$100.00 /hr	each hour on scene	\$100.00 /hr	0.0%	2010
HERT Trailer (Haz-Mat)	\$50.00 /hr	Plus material and/or equipment used	\$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
Platform Truck	\$350.00 /hr	each hour on scene	\$350.00 /hr	0.0%	2014
Rescue	\$200.00 /hr	First hour on scene	\$200.00 /hr	0.0%	2014
	\$100.00 /hr	Each hour after the first hour on scene	\$100.00 /hr	0.0%	2014
Water Tanker Truck	\$150.00 /hr	each hour on scene	\$150.00 /hr	0.0%	2010
Repeat False Alarm	Calculated Amount	Calculation based on the apparatus and labor charges per each hour on scene	Calculated Amount		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)	\$15.00	no pictures included in report	\$15.00	0.0%	2017
	\$40.00	pictures included in report	\$40.00	0.0%	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 \$350 Post Energy Audit \$300	\$650.00		\$600.00	8.3%	2019
Subordination Request Processing Fee	\$100.00		\$100.00	0.0%	2003
Duplicate Document Fee	\$50.00		\$50.00	0.0%	2007
CRPI Rehab Loan Processing:					
Loan Administrative Fee	\$2,600.00		\$2,600.00	0.0%	2015
Loan Document Preparation	\$350.00	Owner match to CRPI	\$350.00	0.0%	2015
GMHF & CRV Gap Loan Admin Fee	\$500.00		\$500.00	0.0%	2017
SCDP Rental Rehab Project Loan Admin Fee	13.00%	% of SCDP Loan	13.00%	0.0%	2015
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	\$20.00		\$20.00	0.0%	2019
Lead Risk Assessment					
Single Family housing (1-4 units)	\$475.00	single request	\$475.00	0.0%	2016
	\$450.00	per unit, 2 or more requests at a time	\$450.00	0.0%	2008
	\$550.00	MHFA Rehab Loan Program (additional samples required)	\$550.00	0.0%	2016
Lead Clearance Testing	\$250.00	for one unit	\$250.00	0.0%	2016
	\$75.00	for additional units up to 4 units	\$75.00	0.0%	2016
MHFA Rehab Loan Program Admin Fee	14.00%	% of loan amount (changed from specific dollar amount)	14.00%	0.0%	2008
City Deferred Grants Administration Fee (TIF)	10.00%	% of loan amount	10.00%	0.0%	2016

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
FUF/CFUF & HHILP Title Search Fee	\$50.00		\$50.00	0.0%	2017
FUF/CFUF & HHILP Loan Document Preparation Fee	\$50.00		\$50.00	0.0%	2008
FUF/CFUF & HHILP Loan Origination Fee	1.00%	% of loan amount	1.00%	0.0%	2008
HRA HILP Loan Application Fee	\$350.00		\$350.00	0.0%	2016
Housing Quality Standards (HQS) Inspection Fee	\$600.00		\$600.00	0.0%	2017

**Legal**

Attorney's Fees for Litigation	\$150.00 /hr	Charged per 1/4 hour	\$150.00 /hr	0.0%	2019
Paralegal's Fees for Litigation	\$75.00 /hr	Charged per 1/4 hour	\$75.00 /hr	0.0%	2019
Contract Review Fee	\$150.00 /hr	Charged per 1/4 hour	\$150.00 /hr	0.0%	2019
Attorney's Fees for Rental Registration Prosecution	\$150.00 /hr	Charged per 1/4 hour	\$150.00 /hr	0.0%	2019
Paralegal's Fees for Rental Registration Prosecution	\$75.00 /hr	Charged per 1/4 hour	\$75.00 /hr	0.0%	2019
Dangerous Dog Designation Hearing	Up to \$1,000.00		Up to \$1,000.00	0.0%	2008

**Licenses**

Carnival	\$525.00	Refundable deposit	\$525.00	0.0%	2009
Dance Permit (short term)	\$55.00		\$55.00	0.0%	2009
Food Cart	\$125.00	Annual License	\$125.00	0.0%	2013
	\$30.00	Temporary License - for up to 3 consecutive days	New in 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
Motorized Golf Cart	\$10.00	January 1 - December 31	\$10.00	0.0%	2009
		Fee set in ordinance			
Peddler/Solicitor/Transient Merchant	\$125.00	Annual License	\$125.00	0.0%	2009
	\$30.00	Temporary License - for up to 3 consecutive days	New in 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**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<b>Liquor Licenses:</b>					
Club Liquor License		<i>Club fees are currently at maximum amount per State Statute</i>			
Under 200 Members	\$300.00	January 1 - December 31	\$300.00	0.0%	2009
201 - 500 Members	\$500.00	January 1 - December 31	\$500.00	0.0%	2009
501 - 1000 Members	\$650.00	January 1 - December 31	\$650.00	0.0%	2009
1001 - 2000 Members	\$800.00	January 1 - December 31	\$800.00	0.0%	2009
2001 - 4000 Members	\$1,000.00	January 1 - December 31	\$1,000.00	0.0%	2009
4001 - 6000 Members	\$2,000.00	January 1 - December 31	\$2,000.00	0.0%	2009
Over 6000 Members	\$3,000.00	January 1 - December 31	\$3,000.00	0.0%	2009
Consumption & Display	\$250.00	January 1 - December 31 Set by statute; max of \$300	\$250.00	0.0%	2012
	\$25.00 /event	Temporary	\$25.00 /event	0.0%	2012
Wine License	\$425.00	January 1 - December 31 Set by statute; max of \$1,000	\$425.00	0.0%	2009
On-Sale 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

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
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
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; must be approved by the City IT Director	\$27.50 /hr	0.0%	2009
8 1/2" X 11"	\$5.00	Color orthophoto prints	\$5.00	0.0%	2009
Legal or Tabloid	\$9.00	Color orthophoto prints	\$9.00	0.0%	2009
18" X 24"	\$20.00	Color orthophoto prints	\$20.00	0.0%	2009
24" X 36"	\$30.00	Color orthophoto prints	\$30.00	0.0%	2009
36" X 36"	\$40.00	Color orthophoto prints	\$40.00	0.0%	2009
36" X 48"	\$50.00	Color orthophoto prints	\$50.00	0.0%	2009
Digital Data Orthophoto	\$550 /sq.mile	Minimum charge of \$550.00	\$550 /sq.mile	0.0%	2009
Digital Data Contours	\$550 /sq.mile	Minimum charge of \$550.00	\$550 /sq.mile	0.0%	2009
Digital Data Planimetrics	\$250 /sq.mile	Minimum charge of \$250.00	\$250 /sq.mile	0.0%	2009

- Purchase a combination of all three data sets for \$1,350 /sq. mile not to exceed a maximum charge of \$18,100
- Special mapping requests = Data Price + \$50 /hr
- All data is provided in Arcview Shape File format on a CD
- An additional \$50 charge will be applied to digital data converted to a .dxf format for CAD systems
- The City reserves the right to waive fees by Council direction for other governmental organizations. Commercial-type printing of private,

**Parks, Recreation & Community Education**

**Aquatic Center:**

Daily Admission	All Swimmers	\$7.00		\$7.00	0.0%	2018
	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	\$4.00	morning fitness, lap swim, river walking	\$4.00	0.0%	2017
Season Pass	Individual	\$90.00	includes morning fitness, lap swim, river walking	\$90.00	0.0%	2017
	Each additional family member	\$35.00	example: \$195 for a family of four (\$90+\$35+\$35+\$35)	\$35.00	0.0%	2018
	Senior (age 60 years+)	\$75.00	includes morning fitness, lap swim, river walking	\$75.00	0.0%	2017
	Each additional senior family	\$20.00	example: \$95 for a family of two seniors (\$75+\$20)	\$20.00	0.0%	2017
Discount Tickets	12 admissions	\$60.00		\$60.00	0.0%	2017
Rentals	Party Tent Rentals	\$20.00	for 2 hours	\$20.00	0.0%	2017

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<b>Youth Sports/Activities:</b>					
Adaptive Recreation	\$5.00 /session	per session	\$5.00 /session	0.0%	2017
T-Ball / Baseball (K - Grade 2)	\$40.00	12 sessions	\$40.00	0.0%	2013
Girls Softball (Grades 1 - 4)	\$40.00	12 sessions	\$40.00	0.0%	2013
Baseball (Grades 1 - 5)	Fee to Association	14 sessions - Association determines the fee	Fee to Association		
Basketball:					
Preschool	\$30.00	7 sessions - was Association now PRCE	Fee to Association		
K - Grade 2	\$35.00	7 sessions - was Association now PRCE	Fee to Association		
Grades 3 - 4	\$50.00	14 sessions - was Association now PRCE	Fee to Association		
Grades 5 - 6	Fee to Association	24 sessions - Association determines the fee	Fee to Association		
Football:					
Flag	\$30.00	6 sessions	\$30.00	0.0%	2013
Tackle	\$75.00	14 sessions	\$75.00	0.0%	2019
Soccer:					
Indoor	\$30.00	6 sessions	\$30.00	0.0%	2019
Outdoor: Grades K-3	\$30.00	6 sessions	\$30.00	0.0%	2019
Outdoor: Grades 4-6	\$45.00	12 sessions	\$45.00	0.0%	2019
Figure Skating:					
Tots-Delta	\$84.00	14 sessions	\$84.00	0.0%	2018
Sunday Practice	\$88.00	14 sessions	\$88.00	0.0%	2018
Open Skating Pass:					
Students/Seniors	\$50.00		\$50.00	0.0%	2018
Adults	\$60.00		\$60.00	0.0%	2018
Families	\$80.00		\$80.00	0.0%	2018
Open Skating:					
Sunday	\$3.00 /day	per youth per day	\$3.00 /day	0.0%	2018
Non-School Days	\$4.00 /day	per adult per day	\$4.00 /day	0.0%	2018
School Days	\$3.00 /day	per adult per day	\$3.00 /day	0.0%	2018
School Days	\$4.00 /day	per family per day	\$4.00 /day	0.0%	2018
Family Hour	\$4.00 /day	per adults	\$4.00 /day	0.0%	2018
Family Hour	\$6.00 /day	per family	\$6.00 /day	0.0%	2018
Swimming Lessons	\$45.00	10 lessons	\$45.00	0.0%	2017
<b>Adult Sports:</b>					
Men's Basketball	\$13.00	per game per team	\$13.00	0.0%	2019
Slowpitch Softball (Umpired Leagues)	\$13.00	per game per team	\$13.00	0.0%	2019
Volleyball:					
Co-Rec	\$13.00	per match per team	\$13.00	0.0%	2019
Sand	\$75.00	per team 10 matches	\$75.00	0.0%	2019
Women's	\$13.00	per match per team	\$13.00	0.0%	2019
Open Basketball	\$3.00	per person	\$3.00	0.0%	2018
Open Hockey	\$5.00 /day	per person per day	\$5.00 /day	0.0%	2001
<b>Other Fees:</b>					
West River Park Camping:					
Tents	\$15.00		\$15.00	0.0%	2017
Electric Hook-Up	\$25.00		\$25.00	0.0%	2017
Water, Sewer, Electric	\$35.00		\$30.00	16.7%	2017
Field Rental	\$20.00	1 1/2 hours	\$15.00	33.3%	2014
VMF Field:					
Day Game	\$45.00		\$45.00	0.0%	2017
Night Game	\$90.00		\$90.00	0.0%	2017

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
Shelter reservation Non-Electrical	\$30.00	per day	\$25.00	20.0%	2019
Electrial	\$50.00	per day	\$45.00	11.1%	2019
Depot building rental - 25 Adams St SE	\$15.00 /hr	4 hour minimum	\$15.00	0.0%	2018
Church rental - 105 2nd Ave SE	\$50.00 /hr	2 hour minimum	\$50.00	0.0%	2016
Bleachers	\$25.00	per 3 rows	\$25.00	0.0%	2019
Picnic Tables	\$15.00	With three-day rental, will move tables; four table minimum	\$15.00	0.0%	2016
Garden Plot	\$35.00	10' x 20'	\$35.00	0.0%	2009
Open Gym Daily	\$3.00	per person	\$3.00	0.0%	2014
Open Gym Pass	\$45.00	per person	\$45.00	0.0%	2014
Indoor Playground: Child	\$3.00	per child	\$3.00	0.0%	2018
Family	\$4.00	per family	\$4.00	0.0%	2018
Family Playground Pass	\$50.00		\$50.00	0.0%	2018
Civic Arena (dry floor):					
First Full Day	\$600.00	per day	\$600.00	0.0%	2001
Half Day	\$350.00	1/2 day	\$350.00	0.0%	2010
Additional Day	\$300.00	each additional day	\$300.00	0.0%	2001
Turf	\$60.00	per hour	\$60.00	0.0%	2013
Youth	\$40.00 /hr	per hour	\$40.00 /hr	0.0%	2013
Rec Center:					
Basketball Rental	\$20.00	per court per hour	\$20.00	0.0%	2013
Volleyball Rental	\$20.00	for either one or two courts per hour	\$20.00	0.0%	2019
Swimming Pool	\$300.00	per hour	\$300.00	0.0%	2018
Gym	\$500.00	per day	\$500.00	0.0%	2017
Gym	\$40.00	per hour	\$40.00	0.0%	2013
Pool Office	\$100.00	per day	\$100.00	0.0%	2018
Concession Stand (without equipment)	\$150.00	per day	\$150.00	0.0%	2018
Concession Stand (with equipment)	\$200.00	per day	\$200.00	0.0%	2018
Lobby	\$20.00	per hour	\$20.00	0.0%	2019
Civic Arena: Ice Time	\$180.00 /hr	per hour	\$180.00 /hr	0.0%	2019
Summer Ice	\$180.00 /hr	per hour	\$180.00 /hr	0.0%	2019
Roberts Park Tournament Fee	\$50.00	per field per day	\$50.00	0.0%	2019
Transfers	\$5.00	per person per class	\$5.00	0.0%	2019
Cancellations	\$5.00	deducted from refund	\$5.00	0.0%	2019

**\*\*\*Team Fees Are Non-Refundable\*\*\***

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
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**Plan Review**

Staff noted these fees are tied to value. As values increase, so do the fees.

Plan Review is 65% of the building permit fee  
 Plan Review Fee for similar plans is 25% of Building Permit Fee (per MN Rule 1300.0160)  
**All other non-specified valuations to be determined by Building Official.**

**State Surcharge Fee:**

Permits with Fixed Fees	\$1.00	Surcharge for mobile home, demolition, moving, excavation, residential reroof, residential reside, residential window or door replacement, and utility sheds over 200 sq.ft.	\$1.00	0.0%	2011
Valuation up to \$1,000,000	Mil (.0005) X Valuations	Mil (.0005) X Valuations up to \$1,000,000	Mil (.0005) X Valuations		2011
\$1,000,000 to \$2,000,000	Valuation - \$1,000,000 X .0004 + \$500.00	Valuation - \$1,000,000 X .0004 + \$500.00	Valuation - \$1,000,000 X .0004 + \$500.00		2011
\$2,000,000 to \$3,000,000	Valuation - \$2,000,000 X .0003 + \$900.00	Valuation - \$2,000,000 X .0003 + \$900.00	Valuation - \$2,000,000 X .0003 + \$900.00		2011
\$3,000,000 to \$4,000,000	Valuation - \$3,000,000 X .0002 + \$1,200.00	Valuation - \$3,000,000 X .0002 + \$1,200.00	Valuation - \$3,000,000 X .0002 + \$1,200.00		2011
\$4,000,000 to \$5,000,000	Valuation - \$4,000,000 X .0001 + \$1,400.00	Valuation - \$4,000,000 X .0001 + \$1,400.00	Valuation - \$4,000,000 X .0001 + \$1,400.00		2011
\$5,000,000 and over	Valuation - \$5,000,000 X .00005 + \$1,500.00	Valuation - \$5,000,000 X .00005 + \$1,500.00	Valuation - \$5,000,000 X .00005 + \$1,500.00		2011

**Planning and Land Use**

After the Fact	Double permit fee		Double permit fee		
Annexation	\$450.00 + \$5 per acre	Includes annexation fee to be paid to State	\$450.00 + \$5 per acre	0.0%	2011
Comprehensive Plan Amendment	\$350.00		\$350.00	0.0%	2017
Commercial Parking Lot	\$150.00	Overlay	\$150.00	0.0%	2016
	\$300.00	Reconstruction	\$300.00	0.0%	2016
Rezoning	\$425.00	Includes recording fees	\$425.00	0.0%	2017
Vacation of street, alley, or easement	\$375.00	Includes recording fees	\$375.00	0.0%	2011
Lot Splits (Single and Two Family)	\$225.00	Includes recording fees	\$225.00	0.0%	2017
Lot Splits (Multiple Family, Commercial, Industrial)	\$300.00	Includes recording fees	\$300.00	0.0%	2017
Planned Unit Development	\$600.00	Includes recording fees	\$600.00	0.0%	2017

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
Platting: Preliminary Plat	\$450.00	Plus recording and legal fees	\$450.00	0.0%	2017
	+ \$10 per lot		+ \$10 per lot		
Final Plat	\$250.00	Plus recording and legal fees	\$250.00	0.0%	2017
	+ \$10 per lot		+ \$10 per lot		
Residential Curb Cut, Driveway Apron, and Hard Surfacing Driveway Permit	\$50.00		\$50.00	0.0%	2011
Site Plan	\$400.00		\$400.00	0.0%	2017
Special Meeting	Double permit fee	Includes \$30 payment to Planning Commissioners in attendance	Double permit fee		
Trees	\$300.00	Per tree	\$300.00	0.0%	2012
Variances	\$350.00	Includes recording fees	\$350.00	0.0%	2017
Zoning Letters Non-Flood Zoning Letters	\$75.00	Per property address	\$75.00	0.0%	2019
Flood Zoning Letters	\$75.00	Per property address	\$75.00	0.0%	2019
Conditional Use Permits	\$350.00	Includes recording fees	\$350.00	0.0%	2017
Fence Permit	\$50.00		\$50.00	0.0%	2011
Portable/Temporary Sign Permit	\$60.00	Per permit, three permits per calendar year	\$60.00	0.0%	2011
Sandwich Board Sign Permit	\$60.00	Per year	\$60.00	0.0%	2011
Sign Permit	\$1.00 /sq.ft. \$60.00 minimum	Per square foot with a minimum fee of \$60.00	\$1.00 /sq.ft. \$60.00 minimum	0.0%	2011

**NOTE:** Application fees include public hearing publication, preparation of maps, public notice mailings, agenda preparation, meetings, site visits, filing fees for the County, administrative expenses, etc.

**Police Department**

Animal License Tag (Dog/Cat)	\$10.00	Cost is waived if pet is spayed, neutered or implanted with a microchip.	\$10.00	0.0%	2007
ATV / Golf Cart Licenses	\$45.00	3 year license	\$45.00	0.0%	2016
Bicycle Licenses	\$5.00		\$5.00	0.0%	2007
Dangerous Dog Designation Registration	\$50.00		\$50.00	0.0%	2009
Animal Impound	\$50.00		\$50.00	0.0%	2007
Animal Maintenance/Kennel Fee:					
Initial kennel fee - first day	\$35.00	applies to both cats and dogs	\$35.00	0.0%	2015
Dogs - kennel fee after first day	\$16.00 /day	per day following the initial kennel fee	\$16.00 /day	0.0%	2015
Cats - kennel fee after first day	\$11.00 /day	per day following the initial kennel fee	\$11.00 /day	0.0%	2015
Vaccination fee	\$5.00	applies to both cats and dogs	\$5.00	0.0%	2015
Testing fee	\$25.00	applies to cats only	\$25.00	0.0%	2015
Audio/Video Magnetic Media	\$30.00 /item	Per item	\$30.00 /item	0.0%	2007
Automated Pawn Services	\$1.50		\$1.50	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	\$20.00		\$20.00	0.0%	2007
Photographs	\$2.00 /page	Per page	\$2.00 /page	0.0%	2007

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
Police Report Copies: Walk In	\$0.25 /page	Per page	\$0.25 /page	0.0%	2007
Mail or Fax	\$5.00		\$5.00	0.0%	2007
Police Service of Papers	\$45.00		\$45.00	0.0%	2015
Vehicle Impound Storage	\$10.00 /day	Per day	\$10.00 /day	0.0%	2007
<b><i>The following are court assessed fees for violation of specific ordinances</i></b>					
ATV Traffic Control Regulations	\$125.00	73.15	\$125.00	0.0%	2012
City Parking Lots & Ramps	\$25.00	72.08	\$25.00	0.0%	2012
Dog at Large	\$50.00	Ordinance No. 93.18	\$50.00	0.0%	2012
Dog Without License	\$25.00	93.18	\$25.00	0.0%	2012
Drive through private property to avoid traffic control device	\$85.00	71.08	\$85.00	0.0%	2012
Emergency Parking Prohibition	\$100.00	72.05	\$100.00	0.0%	2012
Equipment Requirements/Muffler	\$50.00	73.03	\$50.00	0.0%	2012
Excessive Vehicle Noise Prohibited	\$85.00	71.11	\$85.00	0.0%	2012
Fail to Remove Animal Waste	\$30.00	93.01	\$30.00	0.0%	2012
Fire Lanes; Rush Hour Traffic	\$50.00	72.13	\$50.00	0.0%	2012
Loading Zone	\$25.00	72.09	\$25.00	0.0%	2012
Motor-home/Trailer/Rec vehicle park restriction	\$25.00	72.07	\$25.00	0.0%	2012
Motorized Scooters	\$85.00	73.17	\$85.00	0.0%	2012
No Burning Permit in Possession	\$100.00	92.62	\$100.00	0.0%	2012
No Parking	\$25.00	Ordinance No. 72.04 (b) 3	\$25.00	0.0%	2012
No Parking-Bike Lane	\$25.00	70.05	\$25.00	0.0%	2012
No Parking-Snow Emergency	\$50.00	72.15	\$50.00	0.0%	2012
Nuisance Parking	\$25.00	Ordinance No. 92.19	\$25.00	0.0%	2012
Parallel Parking	\$25.00	72.02	\$25.00	0.0%	2012
Parking for Advertising or Sale Prohibited	\$50.00	72.11	\$50.00	0.0%	2012
Parking/Standing/Stopping Prohibited	\$25.00	72.01	\$25.00	0.0%	2012
Physically Handicapped Parking	\$200.00	72.12	\$200.00	0.0%	2012
Possession of uncased loaded firearm	\$125.00	130.05	\$125.00	0.0%	2012
Residential zoning district violation	\$40.00	154.056	\$40.00	0.0%	2012
Traffic Congestion Street/Restriction/Exemption	\$25.00	71.06	\$25.00	0.0%	2012
Truck Parking Restricted	\$25.00	72.06	\$25.00	0.0%	2012
Use of Bike/Skateboards/Rollerskates/Like	\$25.00	73.31	\$25.00	0.0%	2012
U-Turns Restriction	\$25.00	71.04	\$25.00	0.0%	2012
Vehicle repair on street/public parking lot restriction	\$85.00	72.1	\$85.00	0.0%	2012
Violate Angle Parking Ordinance	\$25.00	72.03	\$25.00	0.0%	2012
Violate motorized golf cart ordinance	\$50.00	73.16	\$50.00	0.0%	2012
Violation of Time Limit Parking	\$25.00	72.04	\$25.00	0.0%	2012
Water Shortages/Rest Use/Hours	\$100.00	Ordinance No. 52.06	\$100.00	0.0%	2012

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 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 (paper)	\$80.00	Per set fee	\$80.00	0.0%	2002
Engineering: Plans & Specs (download set)	\$30.00	Per set fee	\$30.00	0.0%	2019

*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.*

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<b>Typical Residential Improvement Assessment Rates:</b>					
Total street reconstruction	\$80.00	Per adjusted front foot	\$80.00	0.0%	2010
Partial street reconstruction	\$65.00	Per adjusted front foot	\$65.00	0.0%	2013
Street rehabilitation	\$52.50	Per adjusted front foot	\$52.50	0.0%	2013
Mill/overlay of street	\$30.00	Per adjusted front foot	\$30.00	0.0%	2010
Water service lateral	\$3,000.00	or based on actual construction costs	\$3,000.00	0.0%	2010
Sewer service lateral	\$3,000.00	or based on actual construction costs	\$3,000.00	0.0%	2010
SAC (Sewer Availability Charge)	\$2,300.00	Residential per MCES criteria & Commercial/Industrial per MCES with initial unit + 50% of additional units	\$2,300.00	0.0%	2011
WAC (Water Availability Charge)	\$1,750.00	Residential per MCES criteria & Commercial/Industrial per MCES with initial unit + 50% of additional units	\$1,750.00	0.0%	2011
Assessment Search	\$30.00		\$30.00	0.0%	2011
<b>Water Rates:</b>					
Base charge	\$7.35	Per water meter	\$7.35	0.0%	2011
Usage (Residential, Retail, Commercial, Industrial)					
To 150,000 gallons per month	\$4.34		\$4.34	0.0%	2011
151,000 to 3,000,000 gallons per month	\$3.18		\$3.18	0.0%	2011
Over 3,000,000 gallons per month	\$2.36		\$2.36	0.0%	2011
Water Service Repair	\$0.50	Per water meter per month	\$0.50	0.0%	2011
State Drinking Water Service Connection Fee	\$0.81	Per water meter per month - State required fee	\$0.53	52.8%	2005
Bulk water	\$45.00	Deposit for key rental	\$45.00	0.0%	2011
Key rental fee (Month or partial month)	\$45.00	Month or partial month	\$45.00	0.0%	2011
Lost key	\$585.00		\$585.00	0.0%	2011
Set up fee	\$25.00	Set up fee for putting a metered valve onto a hydrant for bulk water loading / use	\$25.00	0.0%	2016
Per load	\$20.00	South Park loaded by City staff	\$20.00	0.0%	2011
Per load	\$20.00	2 load/day, hydrant fills	\$20.00	0.0%	2011
Load Charge	\$8.00	per 1,000 gallon (rounded to nearest 1,000 ga.) \$20 minimum	\$8.00	0.0%	2015
Disconnect/Reconnecting Accounts					
Scheduled - Snowbirds or Foreclosures	\$30.00	\$30 for disconnect; \$30 for reconnect	\$30.00	0.0%	2011
Delinquent Accounts	\$40.00	\$40 for disconnect; \$40 for reconnect	\$40.00	0.0%	2011
		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.			
Reconnect after hours/weekends/holiday	\$100.00		\$100.00	0.0%	2011

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<b>Water Meter Fees:</b>					
3/4" X 5/8"	\$295.00	Connections and flanges included	\$280.00	5.4%	2018
1"	\$375.00	* meter pricing includes water meter transmitter	\$360.00	4.2%	2016
1.5" Turbo	\$1,154.00	Water department staff will approve/disapprove or require application of turbo or compound meters.	\$1,120.00	3.0%	2018
1.5" Compound	\$1,555.00		\$1,510.00	3.0%	2016
2" Compound	\$1,792.00		\$1,740.00	3.0%	2018
2" Turbo	\$1,339.00		\$1,300.00	3.0%	2018
3" Compound	\$2,225.00		\$2,160.00	3.0%	2018
3" Turbo	\$1,643.00		\$1,595.00	3.0%	2018
4" Compound	\$3,708.00		\$3,600.00	3.0%	2018
4" Turbo	\$2,997.00		\$2,910.00	3.0%	2018
6" Compound	\$6,275.00		\$6,000.00	4.6%	2016
6" Turbo	\$5,125.00		\$4,890.00	4.8%	2016
Water meter testing fee	\$50.00	Plus all direct costs for testing by others	\$50.00	0.0%	2012
Water meter transmitter	\$150.00	As needed, determined by the Water Dept.	\$125.00	20.0%	2015
<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		New in 2020		
Excavation (1-5 acres)	\$200.00		New in 2020		
Excavation (>5 acres)	\$300.00		New in 2020		
City utility/drainage connection excavation	\$35.00		New in 2020		
Linear project (per 1,000 LF)	\$50.00		New in 2020		
Obstruction	\$50.00		New in 2020		
Small wireless facility (up to 5)	\$500.00		New in 2020		
<b>Sewer Rates: (will be reevaluated upon receipt of NPDES permit renewal)</b>					
Base charge (CATEGORY A)	\$6.41	Per connection	\$6.41	0.0%	2011
Usage (CATEGORY A)	\$6.42	Based upon January/February 30 day avg water usage	\$6.42	0.0%	2011
Base charge (CATEGORY B)	\$6.41	Per connection	\$6.41	0.0%	2011
Usage (CATEGORY B)	\$5.75	Based upon January/February 30 day avg water usage	\$5.75	0.0%	2011
Load charges:					
Biochemical Oxygen Demand (BOD)	\$0.43	Greater than 140 mg/l	\$0.43	0.0%	2010
Total Kjeldahl Nitrogen (TKN)	\$1.16	Greater than 50 mg/l	\$1.16	0.0%	2010
Suspended Solids	\$0.40	Greater than 310 mg/l	\$0.40	0.0%	2010
Phosphorous (P)	\$5.82	Greater than 6 mg/l	\$5.82	0.0%	2010

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
<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
Sampling and Lab costs	at Cost		at Cost		2006
State and Legal Costs	at Cost		at Cost		2006
Limits Exceedance Fees	\$150.00	per pollutant per sampling period	\$150.00	0.0%	2006
<b>Hauling Waste Fees</b>					
Portable Toilets Waste					
Truck tipping fee	\$6.00	per 100 gallons	\$6.00	0.0%	2006
Municipal WWTP Sludge					
Truck tipping fee	\$50.00	per truck load	\$50.00	0.0%	2006
Sludge volume fee	\$325.00	per dry ton	\$325.00	0.0%	2006
<b>Garbage Rates:</b>					
Weekly service					
30-gallon container	\$20.12	per month charge	\$20.12	0.0%	2008
60-gallon container	\$29.02	per month charge	\$29.02	0.0%	2008
90-gallon container	\$39.92	per month charge	\$39.92	0.0%	2008
Bi-weekly service	\$14.16	per month charge (60 & 90 gallon containers not available)	\$14.16	0.0%	2008
Weekly valet service					
30-gallon container	\$28.46	per month charge	\$28.46	0.0%	2008
60-gallon container	\$37.36	per month charge	\$37.36	0.0%	2008
90-gallon container	\$48.26	per month charge	\$48.26	0.0%	2008
Senior Citizens/Low Income Rate					
Bi-weekly standard service	\$14.16	30-gallon container; per month charge	\$14.16	0.0%	2008
Bi-weekly valet service (low income)	\$19.79	30-gallon container, per month charge	\$19.79	0.0%	2008
Senior citizen reduced rate (low income)	\$2.50	per month charge	\$2.50	0.0%	2008
Senior citizen reduced valet	\$10.84	per month charge	\$10.84	0.0%	2008
Senior citizen reduced bi-weekly valet	\$6.67	per month charge	\$6.67	0.0%	2008
Cart delivery fee	\$10.00		\$10.00	0.0%	2007
Stickers for extra garbage bag service	\$2.00	stickers available at City Center Administration window	\$2.00	0.0%	2007
Compost Carts					
First 95 gallon cart	\$0.00	free service	\$0.00	0.0%	2007
Second 95 gallon cart (optional)	\$100.00	annual billing - not to be prorated if cancelled within year	\$100.00	0.0%	2016

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change	
<b>Storm Water Utility:</b>						
Golf Course, Park, Open Space	\$5.92		\$5.75	3.0%	2019	
Single & Two-Family Residential	\$4.57		\$4.43	3.2%	2019	
Public/Private School & Institutional	\$22.98		\$22.31	3.0%	2019	
Multi-Family Residential & Church	\$32.67		\$31.72	3.0%	2019	
Commercial & Industrial	\$58.45		\$56.75	3.0%	2019	
Lots 1 to 2 acres	\$7.91		\$7.68	3.0%	2019	
Lots 2 to 3 acres	\$13.80		\$13.40	3.0%	2019	
Lots 3 to 4 acres	\$19.68		\$19.11	3.0%	2019	
Lots 4 to 5 acres	\$25.58		\$24.84	3.0%	2019	
Lots over 5 acres		See Resolution No. 11637				
Drainage/Erosion Control permit	\$35.00	Drainage connection	\$35.00	0.0%	2012	
	\$35.00	< 5,000 SF disturbed	\$35.00	0.0%	2012	
	\$100.00	5,000 SF - 1 acre disturbed	\$100.00	0.0%	2012	
	\$200.00	1 to 5 acres disturbed	\$200.00	0.0%	2012	
	\$300.00	More than 5 acres disturbed	\$300.00	0.0%	2012	
<b>Cemetery:</b>						
Flush marker grave space	\$790.00		\$790.00	0.0%	2017	
Upright memorial grave space	\$1,030.00		\$1,030.00	0.0%	2017	
Second right of interment	\$430.00		\$430.00	0.0%	2017	
Baby section grave space	\$140.00		\$140.00	0.0%	2017	
Flush marker cremation grave space	\$430.00		\$430.00	0.0%	2017	
Upright memorial cremation grave space	\$1,030.00		\$1,030.00	0.0%	2017	
Cremation grave space	\$430.00		\$430.00	0.0%	2017	
Columbarium Niches	Upper 3 rows	\$1,800.00	all niches	\$1,730.00	4.0%	2017
	Lower 2 rows	\$1,350.00		\$1,350.00	0.0%	2017
	Columbarium Shelter - all units	\$1,950.00		\$1,950.00	0.0%	2017
Replacement Bronze Plaque	\$380.00		\$380.00	0.0%	2017	
Weekday interment	\$790.00		\$790.00	0.0%	2017	
Weekend/Holiday interment	\$1,030.00		\$1,030.00	0.0%	2017	
Winter weekday interment	\$925.00		\$925.00	0.0%	2017	
Winter weekend/holiday interment	\$1,140.00		\$1,140.00	0.0%	2017	
Weekday Baby interment	\$300.00		\$300.00	0.0%	2017	
Weekend/Holiday Baby interment	\$540.00		\$540.00	0.0%	2017	
Winter weekday Baby interment	\$600.00		\$600.00	0.0%	2017	
Winter weekend/holiday Baby interment	\$650.00		\$650.00	0.0%	2017	
Weekday cremation in-ground inurnment	\$415.00		\$415.00	0.0%	2017	
Weekend/Holiday cremation in-ground inurnment	\$655.00		\$655.00	0.0%	2017	
Winter weekday cremation in-ground inurnment	\$535.00		\$535.00	0.0%	2017	
Winter weekend/holiday cremation in-ground inurnment	\$770.00		\$770.00	0.0%	2017	
Vaulted cremains (additional charge)	\$240.00		\$240.00	0.0%	2017	

**City of Hutchinson**  
2020 Fee Schedule

Fee Type	2020 Fees	Notes	2019 Fees	% Change	Last Change
Inurnment-Columbaria: Weekday	\$375.00		\$375.00	0.0%	2018
Weekend/Holiday	\$600.00		\$600.00	0.0%	2018
Winter weekday	\$490.00		\$490.00	0.0%	2018
Winter weekend/holiday	\$700.00		\$700.00	0.0%	2018
Late charges (funerals arrive after 4pm)	\$215.00		\$215.00	0.0%	2017
Disinterment	\$1,650.00		\$1,650.00	0.0%	2017
Holding vault fee	\$135.00		\$135.00	0.0%	2017
Recording fee (not interred at Oakland Cemetery)	\$80.00	permanent record	New in 2020		
Stone setting permit	\$80.00		\$80.00	0.0%	2012
Cemetery deed transfer	\$15.00	Rate set by Statute	\$15.00	0.0%	2008
Chapel rental	\$275.00	Per 1/2 day	\$275.00	0.0%	2017
Memorial Bench Program					
Single bronze plaque	\$550.00		\$550.00	0.0%	2017
Double bronze plaque	\$760.00		\$760.00	0.0%	2017
Engraved name/date per space	\$275.00		\$275.00	0.0%	2017
Commemorative Bench Program					
No memorial on bench; placed by Cemetery	\$2,500.00		\$2,500.00	0.0%	2017
Recording fee	\$80.00		\$80.00	0.0%	2012
Affidavit of Ownership	\$80.00	Claim of ownership by decent of title	\$80.00	0.0%	2012
<b>H.A.T.S. Facility:</b> Fuel Charges	\$0.12	Fuel system maintenance, fuel treatment, equip wash bay	\$0.12	0.0%	2009
<b>Airport:</b>					
City-owned hangars: Hangars #1/9-1/18	\$50.00	Per month. Airport Commission schedule	\$40.00	25.0%	2014
Hangars #1/19	\$230.00	Per month. Airport Commission schedule; +\$20 in '21,'22	\$210.00	9.5%	2014
Hangars #2/1-2/8	\$90.00	Per month. Airport Commission schedule	\$85.00	5.9%	2015
Hangars #3/2-3/4; 3/6-3/8	\$125.00	Per month. Airport Commission schedule	\$120.00	4.2%	2014
Hangars #3/1 & 3/5	\$240.00	Per month. Airport Commission schedule; +\$30 in '21,'22	\$210.00	14.3%	2014
Hangars #4/1-4/8	\$120.00	Per month. Airport Commission schedule	\$110.00	9.1%	2015
Hangars #5/1-5/8	\$190.00	Per month. Airport Commission schedule	New in 2020		
City-owned storage spaces - Hangar #4	\$47.50	Per month. Adjusted to \$1.00/SF annual cost	\$40.00	18.8%	2014
City-owned storage spaces - Hangar #5	\$56.25	Per month. Adjusted to \$1.00/SF annual cost	New in 2020		
Privately-owned hangar spaces:					
General Aviation	\$0.0400	per sq. ft. every other year (next adjustment in 2022)	\$0.0393	1.8%	2018
Commercial	\$0.1350	per sq. ft. every other year (next adjustment in 2022)	\$0.1304	3.5%	2018
<b>Operations &amp; Maintenance:</b>					
Labor rate	\$50.00 /hr	Add \$20/hr for premium/overtime pay	\$50.00 /hr	0.0%	2012
Administrative fee	\$50.00		\$50.00	0.0%	2010
Mailbox reimbursement	\$275.00	Reimbursement to property owners for damaged mailbox not repaired by City staff.	\$275.00	0.0%	2018
Asphalt patching material	\$270.00 /ton	Per ton (up to 3 ton)	\$270.00 /ton	0.0%	2016
Other materials	Quoted		Quoted		
Equipment rental rates		See most recent FEMA reimbursement rates + 20% + Operator cost + Fuel surcharge			



2020 Annual Budget

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# Compensation Plan

# RESOLUTION NO. 15115

## CITY OF HUTCHINSON 2020 COMPENSATION PLAN

### RESOLUTION ADOPTING THE PLAN, POSITION CLASSIFICATION ASSIGNMENT TABLE AND PAY GRID EFFECTIVE JANUARY 1, 2020

WHEREAS, the City Council has considered the existing classification of positions for the City of Hutchinson and the current economic conditions,

BE IT RESOLVED, that a Compensation Plan is hereby adopted. All positions covered by this Resolution shall be grouped in grades having a definite range of difficulty and responsibility. For each position there shall be a title; and there shall be shown examples of work which are illustrative of duties of positions, as well as requirements as to knowledge, abilities and skills necessary for performance of the work; and a statement of experience and training desirable for recruitment into a position.

#### A. Plan Objectives

- To establish and maintain a compensation plan that enables the City of Hutchinson to be highly competitive within our defined market.
- To lead or exceed the market in attracting and retaining qualified, reliable and motivated employees who are committed to quality and excellence for those we serve.
- To ensure, subject to the financial condition of the City, that employees receive fair and equitable compensation in relation to their individual contributions to the City's success.
- To follow the principles of pay equity in establishing and maintaining pay relationships among positions based on the categories of the Keystone Job Leveling System.
- To ensure program flexibility necessary to meet changing economic, competitive, technological, and regulatory conditions encountered by the City.
- To balance compensation and benefit needs with available resources.

#### B. Plan Structure

The compensation plan specifies salary range minimums and maximums. The intent of each salary grade is to fall within 80% and 120% of identified market for positions within the grade. (See Attachment B)

Each numbered pay grade in the basic table consists of the following:

1. **Salary Minimum:** The lowest amount paid to an employee in a specific job grade or class. No employee will receive less than the minimum rate. (80% of market)
2. **Salary Mid-point/Market Rate:** The middle of the salary range. (100% of market)
3. **Salary Maximum:** The highest amount paid to an employee in a specific job grade or class. No employee will be paid a base rate above the maximum of the salary range. (120% of market).

#### C. Open Salary Range

The City shall adopt an Open Salary Range compensation plan that will allow for maximum flexibility and in-range salary administration since there are not defined or pre-calculated

“steps”. Employee movement within the pay grade range to which their position is assigned is based solely on performance. The open salary range concept rewards good and exceptional performers and advances employees to the market rate more quickly. (See item I. [4])

#### **D. Position Classification Assignment**

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

The City Administrator and Human Resources Director may jointly approve a reclassification of a position provided the reclassification does not exceed two grades upward or two grades downward from the current pay grade. To initiate consideration of this type of reclassification, the department director shall submit in writing the specific reasons for the reclassification.

Any changes to the classification of a position of more than two pay grades shall be approved by the City Council. Requests for reclassification are normally brought before the Council with the annual budget process, and at other times of the year, as needed. To initiate such a reclassification request, the department director shall submit a written request for consideration to the City Administrator and the Human Resources Director. The request shall include a description of significant or considerable changes to the position that warrant a reclassification. The City Administrator and Human Resources Director will determine if the reclassification request is to be forwarded to the City Council for consideration.

#### **E. Allocation of New Positions**

When a new position is created for which no appropriate description exists or when the duties of an existing position are sufficiently changed so that no appropriate description exists, the City Council, after recommendation of the Human Resources Director, shall cause an appropriate job description-specification to be written for said position.

#### **F. Pay Grades**

##### **1. Exempt Employees**

Each position is assigned a pay grade. The normal beginning rate for a new employee will be the minimum rate. After satisfactory completion of the required probationary period, an increase may be granted as warranted by the annual performance appraisal. Thereafter, consideration for increases may be given annually on a standardized date established by the City. The City Administrator reserves the discretion to adjust individual rates within the assigned pay grades as required. The Council will determine any pay increase for the City Administrator.

##### **2. Non-Exempt Employees**

Each position is assigned a pay grade. The normal beginning rate for a new employee will be the minimum rate. After satisfactory completion of the required probationary period, an increase may be granted as warranted by the annual performance appraisal. Thereafter, consideration for increases may be given annually on a standardized date established by the City. The City Administrator reserves the discretion to adjust individual rates within the assigned pay grades as required.

### 3. Police Patrol Positions

The position of full time police patrol officer is assigned to Grade 160 on the pay plan. Temporary assignments will be made from these positions as needed for the investigative function for the department. With said assignment, there will be an additional \$200.00 per month premium on top of the employee's patrol officer pay grid assignment.

### 4. Part-Time Liquor Store Clerk, Part-Time Custodial and Part-Time Compost Site Monitor Positions

The part-time positions of liquor store clerk, custodian, and compost site monitor have been placed in separate pay plans that recognize the specific industry labor markets in which they work.

The City Administrator and the Human Resources Director, as directed by the Administrator, shall maintain the discretion to hire at any point within the range based on the qualifications, experience, market conditions or other relevant factors, to secure the best candidate for the position.

## G. Promotion, Position Reclassification, and Demotion Pay Rate Adjustment

1. When an employee is promoted or the position to which they are appointed is reclassified upward, the employee's pay rate will be adjusted as follows:
  - a. If the promotion or reclassification results in a one grade adjustment upward, the employee shall be compensated within the higher salary range at a rate that is equal to the compa ratio of the employee's pay rate in their current range.
  - b. If the promotion or reclassification results in more than a one grade adjustment upward, the employee's pay rate will be adjusted by using one of the following methods:
    - i. To at least the minimum of the higher salary range for classified staff positions; or
    - ii. If the employee's current pay rate is at or above the minimum of the promotional or reclassified position, the pay rate may be increased to a level within the salary range or budgeted pay rate amount that is equitable, based on the employee's related experience, qualifications and the pay rates of the other employees in the same position; or, the appropriate pay rate based on market conditions and competition. Generally, this pay rate increase ranges from 5% to 10%; or,
    - iii. To a level within the higher salary range that is equal to the compa ratio of the employee's pay rate in the current range if the increase does not exceed 10%.
2. When an employee is demoted or the position to which they are appointed is reclassified downward, the employee's salary will be adjusted as follows:
  - a. If the employee's current pay rate is within the salary range of the resulting position, the pay rate will remain unchanged.
  - b. If the employee's current pay rate is above the maximum of the salary range, the current pay rate may be maintained, but frozen until the pay rate falls within the

salary range as a result of adjustments to the pay grid, or may be lowered to the maximum pay rate of the lower pay grade.

When making salary adjustment decisions, the following may be considered:

- market condition trends, such as inflation and the current salary rates for the external market
- employee performance to reward increased productivity and performance improvements
- available resources, salary maximums, and other restrictions to ensure that the increase is allowable and that funds exist to cover it

The City Administrator will normally discuss the proposed pay adjustment with the director/department head and the Human Resources Director. The City Administrator must approve any pay rate adjustment due to promotion, reclassification or demotion and may vary from this policy and approve a different pay rate adjustment, per his/her discretion.

### **Definitions**

Promotion - A promotion is the appointment of a current, active regular employee to a position in a higher salary range than the one to which the position is presently assigned. Most promotions will occur as a result of a job posting or a departmental reorganization. A promotion is also advancement to a position that requires performing accountabilities of increased complexity or responsibility.

Demotion - A demotion is the appointment of a current, active regular employee to a position in a lower salary range than the one to which the position is presently assigned. Most demotions will occur as a result of a departmental reorganization or disciplinary action. A demotion is also an appointment to a position that requires performing accountabilities of decreased complexity or responsibility.

Reclassification – A reclassification is the placement of a current position in a higher or lower salary grade because the position evaluation criteria have changed and now meet the requirements of a higher or lower pay grade.

### **H. Apprenticeship Program**

The City has implemented an apprenticeship program for those Water and Wastewater Department positions subject to identified employee development including required licensures/demonstrated skills, experience /longevity, and maturation in a position that directly affect the department's ability to deliver municipal services.

### **I. 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. For 2020, the effective date is Sunday, March 8, 2020. New employees are eligible for consideration for a merit/performance increase after one year of continuous employment, generally, the first year anniversary date. In subsequent years, eligible employees will be eligible for consideration for the merit/performance increase as specified previously and at the discretion of the department director. Application of merit/performance increases for employees appointed to the position of full time police patrol officer 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.

#### **J. Annual Market Adjustment Consideration**

As part of the budget preparation process, an annual market adjustment to the existing pay grid, expressed as a percentage increase, is recommended to the City Council for review and consideration for approval.

In determining a recommendation for an annual market adjustment, at least the following information shall be considered:

1. U.S., Midwest, and Minneapolis/St. Paul consumer price index changes (CPIU & CPIW)
2. Employment cost data
3. Social Security and PERA calculation of cost of living increase
4. Unemployment rate
5. Employee turnover rate
6. Legislative growth factor constraints

An approved market adjustment is applied only to the City Pay Grid, and no individual market increases will be granted in 2020. 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>.

#### **K. 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.

#### **L. 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.

#### **M. 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.

**CITY OF HUTCHINSON**  
**2020 Position Classification Table**

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

<b>2020 Hutchinson Pay Grid - 2% Increase</b>				
	<b>Grade</b>	<b>MIN</b>	<b>MID/ MARKET</b>	<b>MAX</b>
		<b>80%</b>	<b>100%</b>	<b>120%</b>
	260	\$50.14	\$62.67	\$75.20
	250	\$47.25	\$59.06	\$70.87
	240	\$44.80	\$56.00	\$67.20
	230	\$42.79	\$53.49	\$64.19
	220	\$39.01	\$48.76	\$58.51
	210	\$37.00	\$46.25	\$55.50
	200	\$35.21	\$44.01	\$52.81
	190	\$31.87	\$39.84	\$47.81
	180	\$29.42	\$36.77	\$44.12
	170	\$26.92	\$33.65	\$40.38
	160	\$25.63	\$32.04	\$38.45
	150	\$23.62	\$29.53	\$35.44
	140	\$22.30	\$27.87	\$33.44
	130	\$20.73	\$25.91	\$31.09
	120	\$18.94	\$23.68	\$28.42
	110	\$16.49	\$20.61	\$24.73
PT Cust	100	\$14.70	\$18.38	\$22.06
PT LIQ	95	\$11.50	\$14.38	\$17.26
PT Comp	90	\$10.83	\$13.54	\$16.25

Adopted by the City Council this 19th day of December, 2019. (This replaces Resolution No. 15020)

ATTEST:

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

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

Attachment B



**2020 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 in a single document.
2. The plan establishes principles to guide both staff and City Council members to make consistent and informed financial decisions.
3. The plan provides guidelines for ensuring and maintaining an appropriate level of funds, unreserved and reserved, to sustain the financial integrity of the City.

The objectives of this Plan are:

- To provide both short term and long term future financial stability by ensuring adequate funding for the provision of services needed by the community;
- To protect the City Council's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies;
- Prevent financial difficulties in the future;
- To provide sound principles to guide the decisions of the City Council and Administration;
- To employ revenue policies which prevent undue or unbalanced reliance on certain revenues, distribute the cost of municipal services fairly, and provide funding to operate desired programs;
- To provide essential public facilities and prevent deterioration of the City's public facilities and infrastructure;
- To protect and enhance the City's credit rating and prevent default on any municipal debt;
- To create a document that City staff and City Council Members can reference during financial planning, budget preparation and other financial management issues.
- **The financial management plan will be reviewed annually during the city's budgeting process.**

# CASH AND INVESTMENTS

## PURPOSE

The purpose of this policy is to establish specific guidelines the City of Hutchinson will use in the investment of City funds. It will be the responsibility of the City Administrator, or his designee, to invest City Funds in order to attain the highest market rate of return with the maximum security while meeting the daily cash flow demands of the City and protecting the capital of the overall portfolio. Investments will be made in accordance with all state and local statutes governing the investment of public funds.

## SCOPE

The City Administrator, or his designee, is responsible for the investing of all financial assets of the City of Hutchinson, excluding pension funds. These funds are accounted for in the City's Comprehensive Annual Financial Report and include the following:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Economic Development Authority

## PRUDENCE

Investments shall be made with judgment and care, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with this policy, with MN Statutes, Chapter 118A, and exercising due diligences shall be relieved of personal responsibility for an individual security's risk or market price change, provided that reasonable action is taken to control adverse developments and unexpected deviations are reported in a timely manner.

## OBJECTIVE

- 1) **Safety** – Safety of principal is of critical importance to the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
  - a. Credit Risk – the risk of loss due to failure of the security issuer or backer, will be minimized by:
    - i. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business in accordance with this policy under Authorized Financial Dealers and Institutions.
    - ii. Limiting investments to the types of securities listed in this policy under Authorized and Suitable Investments.
    - iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Insurance or collateral may be required to ensure return of principal.

- b. **Interest Rate Risk** – the risk that the market value of securities in the portfolio will fall due to changes in market interest rates will be minimized to:
    - i. Provide for liquidity by reviewing cash flow requirements and making investments to meet the shorter cash flow needs, thereby avoiding the need to sell securities in the open market prior to maturity.
    - ii. Manage the annual maturity of the overall portfolio to be consistent with the risk of the City.
- 2) **Liquidity** – The City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements reasonably anticipated. The portfolio will be structured to emphasize liquidity and consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio may be placed in money market mutual funds or local government investment pools that offer same day liquidity for short-term funds.
- 3) **Yield** – The City’s investment portfolio shall be designed with the objective of attaining a market rate of return. The core of investments is limited to low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
- a. A security with declining credit may be sold early to minimize loss of principal.
  - b. A security swap would improve the quality, yield, or target duration in the portfolio.
  - c. Liquidity needs of the portfolio require that the security be sold.

### **DELEGATION OF AUTHORITY**

Authority to manage the City’s investment program is derived from MS 118A which authorizes the City to invest any funds not presently needed for other purposes. This law applies to all types of funds not presently needed, including all general, special revenue, permanent, trust or other funds regardless of source or purpose. Under this chapter, a city may invest idle funds in state or national banks, savings and loan associations, or credit unions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the policy.

Management responsibility for the investment program is hereby delegated to the City Administrator, or his designee, who shall be responsible for all transactions. The City Administrator, or his designee, shall establish procedures for the operation of the investment program, consistent with this policy. Such procedures may include delegation of authority to persons responsible for investment transactions.

### **ETHICS AND CONFLICTS OF INTEREST**

The City Administrator and Finance staff involved in the investment process shall refrain from conducting personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment staff shall annually disclose to the City Council any material financial interests as required by state statute. Investment staff shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales, and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

## **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The City Council will annually approve by resolution the depositories and a list of financial institutions authorized to provide investment services.

- 1) Only approved security broker/dealers, selected by creditworthiness, shall be utilized, with a minimum of \$10,000,000 capital and at least five years of operation.
- 2) Financial institutions must be qualified as a “depository” by the City Council; these may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).
- 3) All investments must be insured or registered, or securities must be held by the City or its agent in the City’s name.
- 4) No public deposit shall be made except in a qualified public depository, as established by state laws.
- 5) When investments purchased by the City are held in safekeeping by a broker/dealer, they must provide asset protection of \$500,000 through Securities Investor Protection Corporations (SIPC), and at least another \$2,000,000 Supplemental Insurance Protection, provided by the broker dealer.
- 6) Before engaging in investment transactions with the City, the supervising officer at the securities broker/dealer shall submit a certification of “Notification to Broker and Certification by Broker Pursuant to MN Statute 118A”. Said certification will state that the broker/dealer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts or risk to public funds that might arise out of business transactions between the securities broker/dealer firm and the City. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the City’s funds.

## **AUTHORIZED AND SUITABLE INVESTMENTS**

It shall be the policy of the City that available funds be invested to the best rates obtainable at the time of investment in conformance with the legal and administrative guideline outlined herein. US Treasury Obligations and Federal Agency Securities will be given preference when the yields are equal to or greater than alternative investments.

The investments of the City will be made in accordance with Minnesota Statutes, section 118A, which lists all permissible investments for municipalities.

## **COLLATERAL**

Interest-bearing deposits in authorized depositories must be fully insured or collateralized. Collateralization will be required on Certificates of Deposits (where the dollar amount is in excess of FDIC coverage). In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of the market value of principal and accrued interest. When the pledged collateral consists of notes secured by first mortgages, the collateral level will be 140% of the market value of principal and accrued interest. Collateral shall be deposited in the name of the City, subject to release by the City Administrator.

## **SAFEKEEPING AND CUSTODY**

Securities purchased shall be held by a third party trustee as a safekeeping agent and in a segregated account for the City’s benefit. The investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the City listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information. The financial service provider that executes the transaction on the City’s behalf shall deliver all securities on a delivery versus payment method (DVP) to the designated third party. Delivery versus payment (DVP) is a way of controlling the risk to which securities market participants are exposed. Delivery of securities (i.e. the change in their ownership) is done simultaneously with payment. This

means that neither the buyer nor the seller is exposed to the risk that the other will default. The City may not invest in securities that are uninsured. Securities will be held in the City's designated accounts.

Investments, contracts and agreements may be held in safekeeping with:

- Any Federal Reserve bank;
- Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased.

## **DIVERSIFICATION**

The City Administrator or investment designee will attempt to diversify its investments according to type and maturity. The City will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields. Diversification strategies shall be determined and revised periodically by the City Council for all funds.

- 1) Institutions – Diversity between financial institutions used.
  - a. The City Administrator or investment designee will attempt to diversify its investments equally amongst investment companies, keeping in mind that some temporary fluctuations may occur throughout the year (i.e. tax settlement in June, GO Bonds for projects, etc.).
  - b. No funds may be invested in any single investment company in excess of the amount insured by it.
- 2) Maturities – Diversity in length of maturities
  - a. Investments shall be made to assure that funds are constantly available to meet immediate payment requirements.
  - b. No investments shall be made with a term of more than 10 years.
- 3) Investments – The City should maintain a diversity of investments.
  - a. Depending on market conditions, with the exception of US Treasury Securities, authorized pools, and Federal Agencies (backed by the full faith and credit of the US Government or its agencies), no more than 50% of the City's total investment portfolio may be invested in any one of the following: Certificates of Deposit or Commercial Paper.

## **POOLING OF INVESTMENTS**

The City shall pool excess cash from all funds into one investment account in order to maximize the amount of monies available for investment. Monthly investment earnings shall be allocated among the various funds based on monthly cash balances.

## **PRIOR POLICY**

The policy above supersedes the prior city policy #1.14.

# **Cash Controls & Procedures Policy**

## **PURPOSE:**

To provide reasonable controls for the handling and safeguarding of monies received in the course of operations at various City facilities, and to protect City assets and minimize the potential for theft, fraud and discrepancies in cash transaction records. The purpose of this policy is also to protect City employees from inappropriate charges of mishandling of funds by defining his/her responsibilities in the cash handling process.

## **Cash Systems and Records**

All cash received in the course of operations, including concessions sales, must be entered into the City's point-of-sale (POS) system. Each transaction type will have a preset code within the POS system with predetermined prices set up per City approved pricing amounts. Separate cash drawers shall be maintained at each point-of-sale location and shall be integrated with the POS system for formal accounting of each transaction.

All employees authorized to receive cash shall have a separate user ID and password to gain access to the POS system. Employees shall not share POS access information with others.

Daily reports will be generated from the POS system and forwarded to Finance on a weekly basis along with the daily cash proofs for each cash drawer and the daily bank deposit proof. Finance will reconcile submitted documentation to the bank records.

## **Safeguarding of Cash**

The facility will have a cash safe with either a combination or key lock. Access to the safe shall be restricted to City approved managers. The combination or key shall be changed periodically due to turnover of authorized personnel or if theft occurs. The cash safe shall be located within a secure room or office with access limited only to authorized personnel. Ideally, the office shall have computerized records of access based on an employee access card.

Transporting and counting of monies within the facility must always be done by two authorized employees and never by only one employee. Cash and deposit counts must always be performed within the secure office and documented by each of the two employees. Signatures by each employee on a daily cash log represents approval of the cash count and bank deposit. Discrepancies between the cash counts and the actual bank deposit shall be directly addressed to the two employees evidenced on the cash log and the manager of the facility, or their designees.

Employees may be subject to disciplinary action or termination due to cash discrepancies or theft.

## **Daily Cash Handling Process**

### **1) Cash Drawer start-up cash**

- a. Each morning prior to opening for business, the facility manager, or the designee, shall prepare each cash drawer with the preapproved amount of cash and coin.
- b. Cash drawers shall remain in the secure location until the start of business.
- c. Each employee working a cash drawer shall recount the start-up cash and sign off on the daily cash log sheet.
- d. The manager on duty shall walk each employee to the appropriate cash register and verify that the cash drawer is placed in service and that the employee logs into the POS system.
  - i. Cash drawers shall never be transported by only one employee.

## **2) Cash Transactions**

- a. All cash and credit transactions must be entered through the POS system.
  - i. Acceptance of personal checks will be prohibited at certain facilities. Those facilities shall have a sign posted informing customers of this policy.
- b. A receipt shall be offered to the customer after every transaction.
- c. Only the approved managers shall have system authority to process refunds, returns, voids or over-rings.

## **3) Cash Drawer Count and Reconciliation**

- a. At the end of each employee's shift, the manager on duty shall verify that the employee logs off the POS system.
- b. The manager shall remove the cash drawer and walk with the employee to the secure office.
- c. The cash drawer shall be counted immediately by the employee in the direct presence of the manager and documented on the daily cash log.
  - i. The cash count shall be compared to a cash register report from the POS system and any discrepancy shall be noted.
- d. The manager shall recount the cash drawer and evidence the cash count on the daily cash log.
  - i. Any discrepancies in count between the employee and manager shall be reconciled prior to finalizing the daily cash log.
  - ii. If employee and manager are in agreement, both parties sign the daily cash log and the monies and log sheet are placed in the safe by the manager prior to the employee leaving the secure room.

## **4) Bank Deposit Preparation**

- a. The shift manager, in the presence of the facility manager, or the designee, shall prepare a total daily bank deposit based on the daily cash logs of each cash drawer.
  - i. The facility manager, or the designee, verifies that each cash log sheet is properly approved by employee and shift manager.
  - ii. The facility manager, or the designee, recounts the cash and verifies that the total deposit amount is in agreement with the totals of each daily cash log.
- b. Start-up cash for the following day's cash drawers are deducted from the daily deposit.
  - i. The start-up cash is placed in a bank bag and stored in the safe for the subsequent day cash drawers.
- c. The shift manager and facility manager, or their designees, sign the deposit slip, make a copy for Finance Department, and place the monies and deposit slip in the bank deposit bag.
  - i. The deposit bag is placed in the safe, witnessed by both employees.

## **5) Transporting Daily Deposit to the Bank**

- a. For deposits made at night, an on-duty police officer shall be called to the facility to transport the shift manager, or the designee, and deposit bag to the bank. The deposit bag shall be removed from the safe with the police officer present as witness. If the police are unavailable, two authorized employees shall deliver the deposit to the bank.
- b. For deposits made during the day, it is preferable to have two employees deliver the deposit to the bank.

## **6) Daily Reports to Finance**

- a. The facility manager, or the designee, shall be responsible for forwarding the following information to the Finance Department:
  - i. Approved Daily Cash Logs

- ii. Daily POS system report with subtotals by cash register
    1. POS reports shall be only for the operations of one specific department.
  - iii. Copy of the approved Daily Bank Deposit slip
    1. The facility's deposit shall be made separately from any other related departmental operations (i.e.: Aquatic Center deposits shall be separate from Recreation deposits)
  - iv. Any other reports as may be determined from time to time.
- b. Finance shall reconcile facility reports to the bank statement.

### **Other Cash Controls**

- 1) Currency larger than a twenty-dollar bill (\$20) shall be inspected for any signs of being counterfeit.
- 2) Only cash or credit cards will be accepted at certain facilities.
- 3) Credit cards will be processed at the point-of-sale and must not leave the customer's sight. In no instance will credit card information be written down by City staff or retained in any fashion.
- 4) A receipt is required to be given to the customer for every transaction.

### **Cash Operations without a POS System**

Some City operations may be conducted in a location where it is not feasible to have a POS system to account for cash transactions, such as the Roberts Park concession building and offsite events for the liquor store. This policy is still applicable in those instances with the exception of reconciling the receipts to a POS system report. Daily cash count sheets must still be maintained and approved, and deposits shall be made on the next business day. If possible, two employees shall be present when counting the cash and creating the deposit slip.

### **Policy Compliance**

All employees of the City of Hutchinson, primarily Liquor Hutch and the Aquatic Center, who are responsible for cash transactions shall be subject to the procedures within this document. The Finance department acknowledges that certain aspects of this policy may not be practical for all situations. A deviation from policy may be approved if it is determined that that such deviation does not present a material risk of mishandling or misreporting cash activity. Any deviation from this policy must be approved by the Finance Director.

The City's Finance department shall reserve the right to create an internal audit process and to perform audits as determined necessary.

# **REVENUE POLICY**

## **PURPOSE**

The City of Hutchinson is committed to maintaining a revenue system that meets the City's immediate and long-term service delivery needs, protects the City's creditworthiness, and follows best practices for administration and collection.

## **REVENUE STRUCTURE AND SOURCES**

The City will strive to maintain a stable and diverse revenue system to reduce the effects of short-term fluctuations in any one revenue source. Services having a city-wide benefit shall be financed with revenue sources generated from a broad base, such as property taxes, state aids and transfers from enterprise funds. Services where the customer determines the use shall be financed with user fees, charges and assessments related to the level of service provided.

### **1) Property Taxes**

Property tax payments are the largest source of revenue in the City's General fund, accounting for approximately 40% of the total annual revenue. The City will strive to proactively avoid large increases in property taxes and will explore all other alternatives, including:

- Other policy options (debt management, fees & charges, cost allocation, expenditure cuts and use of reserves).
- Budget scenarios for a 0% tax levy, including potential reductions in service levels.
- Consideration will be given to staying within the amount of revenue generated by increased market value with no increase in the tax rate.

If after exhausting these alternatives, a tax increase is required, the goal of the City will be to keep any property tax rate increase at or below the prevailing inflation rate. City services will be funded to the maximum extent possible by the increases in market valuation (i.e.; new tax base growth and valuation increases).

Possible factors for considering an increase in property tax include:

- Long-term protection of the City's infrastructure.
- Meeting legal mandates imposed by outside agencies.
- Maintaining adequate fund balance and reserve funds sufficient to the City's Fund Balance Policy.
- Funding City development and redevelopment projects that will clearly result in future tax base increases. The expenditures of development and redevelopment funds must be in accordance with a defined strategy as shown in the City's comprehensive plan, capital improvement plan, and other council documents.

Property tax increases to meet other purposes will be based on the following criteria:

- A clear expression of community need.
- The existence of community partnerships willing to share resources.
- Establishment of clearly defined objectives and measurements of success, including appropriate sunset provisions.
- Voter approved referendums for specific community needs/projects.

### **2) Fees and Charges**

The City will establish fees and charges for services when the cost of services can be allocated equitably among service users.

**a. General Fund**

Tax dollars should support essential City services that benefit and are available to everyone in the community (such as parks, police and fire protection). For services that largely or solely benefit individuals, the City should recover full or partial costs of service delivery through user fees. The user fees must not exceed the full cost of providing the service.

**b. Enterprise Fund User Fees**

Customer or user fees for services/products provided by an enterprise fund shall be determined at a level that fully covers the total direct and indirect costs, including operating expenses, capital expenditures and debt service. The fees shall also provide for a positive cash flow and adequate working capital.

**c. Fee Schedule**

The City's fee schedule shall document all fees charged, or assessed, for services provided to users or customers. Departments shall review existing fees as part of the annual budgeting process to ensure that fees keep pace with changes in the service delivery costs as well as changes in methods or levels of service delivery. Fees for new services shall also be determined in a manner that equitably charges the user for the service provided. Administration and Finance shall compile a preliminary fee schedule and present to city council for review by October 31 of each year with final approval of the schedule-taking place by December 31 of each year.

**REVENUE ESTIMATES**

The City will conservatively estimate and budget for its annual revenues using an objective, analytical process. All existing and potential revenue sources will be re-examined annually.

**NON-RECURRING REVENUES**

Revenue sources that are non-recurring in nature shall not be used to fund ongoing programs or operations of the City. This includes revenue such as sales of assets, settlement from a lawsuit, inter-fund transfers and other one-time payments. These revenue items should be used to build reserves or for projects that will result in long-term operating costs savings.

Non-recurring revenue may also include grants and donations. These revenue sources should be dedicated to the use designated by the grantor or donor.

The annual budget shall be prepared in a manner that eliminates, or minimizes, reliance on unpredictable or non-recurring revenues for on-going operating costs.

# OPERATING BUDGET

## PURPOSE:

The objective of the operating budget policy is to ensure that sufficient information is available to decision makers to provide for adequate levels of funding for essential City services at reasonable costs.

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The “operating budget” is the City’s annual financial operating plan. The annual budget includes all operating departments of the general fund, other governmental funds and proprietary funds.

The budget will provide for adequate maintenance of city facilities and equipment and for their orderly replacement.

The following funds are included within the City’s annual budget:

## GOVERNMENTAL FUNDS:

- 1) **General Fund**, which accounts for all financial resources except those required to be accounted for in another fund, and include basic governmental services, such as Police, Fire, Parks and Recreation, Streets and Highways, Building Inspections, Cemetery, Airport and Administrative services.
- 2) **Special Revenue Funds**, which account for revenues that are legally restricted or committed to a specific purpose other than debt service and capital projects. The City currently budgets for the Economic Development Authority and the H.A.T.S. Facility funds. (See exhibit A)
- 3) **Debt Service Funds**, which are used to account for the payment of general obligation bond principal and interest from the City’s debt tax levy and special assessment bond principal and interest from special assessment levies.
- 4) **Capital Projects Funds**, which are used to account for the acquisition or construction of major capital projects other than those financed by proprietary fund activities.

## PROPRIETARY FUNDS:

Proprietary funds will be self-supporting and user rates or fees will be reviewed annually and adjusted if necessary to ensure adequate funding of operating and capital expenses.

- 1) **Enterprise Funds**, which include the City’s “business-type” activities. The City budgets for the Liquor, Water, Wastewater, Storm Water, Compost and Refuse funds.
- 2) **Internal Service Funds**, which account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City budgets for the Equipment Replacement and Self-Insurance funds.

## BASIS OF ACCOUNTING AND OF BUDGETING:

The City accounts and budgets for all **Governmental Funds** using the modified accrual basis of accounting. This basis means that revenue is realized in the accounting period in which it becomes available and measurable, while the expenditures are recognized in the accounting period in which they are incurred. Exceptions to the modified accrual basis include:

- Grants, which are considered revenue when awarded, not received; and
- Principal and interest on long-term debt, which are recognized when paid.

The City's **Proprietary Funds** are accounted and budgeted using the *full-accrual basis of accounting*. Under this method, revenues are realized when they are earned and measurable, while expenses are recognized when they are incurred regardless of timing or related cash flows. The basis for preparing the budget is the same as the basis for accounting except for principal payments on long-term debt and capital outlay expense, which are treated as budgeted expenses.

### **BALANCED BUDGET:**

The City Administrator shall submit a balanced General fund budget that provides for all current expenditures with current revenues, matching ongoing operating expenses with the appropriate source of ongoing revenues, except in emergency situations or in the event of unforeseen needs.

The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' budgets.

Any inclusion of previous years' excess fund balance in the adopted budget will be intended for one-time or non-recurring expenses or projects.

The impact on the operating budget from any new programs or activities being proposed should be minimized by providing funding with newly created revenues wherever possible.

### **BUDGETARY CONTROLS:**

The City Administrator will ensure that a budgetary control system is in place to adhere to the adopted budget and will provide monthly reports comparing actual revenues and expenditures to the budgeted amounts. The legal level of budgetary control is at the department level within a fund.

- 1) Departments shall not exceed the budget within the four main expense categories without City Administrator approval. Specific expense items within a category may be over budget as long as the category in total does not exceed the budget. The main expense categories are as follows:
  - a. Wages & Benefits
  - b. Supplies
  - c. Services & Charges
  - d. Miscellaneous
- 2) Surplus departmental revenue may not be used to justify overspending an expenditure without approval from the City Administrator.
- 3) The City Administrator is authorized to approve a transfer of funds from one appropriation to another within the budget of any department of the City. Department means any city function organized under the direct control of a single department head. Such approval shall be made by written memorandum setting forth the reasons therefore.
- 4) No officer or employee of the City shall place any order or make any purchase except for a purpose and to the amount authorized in the budget resolution, or as authorized by the City Administrator.

### **CAPITAL IMPROVEMENT PLAN:**

The City Administrator will coordinate the development of the Capital Improvement Plan with the development of the operating budget. Costs associated with new capital improvements will be tracked for each project and included in future budget forecasts.

### **PUBLIC HEARING:**

The City's budgeting process allows for public input at various budget workshops as well as the annual Truth in Taxation hearing.

# **FUND BALANCE**

## **Policy Overview:**

**Fund Balance** is defined as the difference between assets and liabilities reported in a governmental fund. It is essentially the accumulation of all prior years' net surpluses and/or deficits of revenues over expenditures.

The City of Hutchinson (City) understands it has a responsibility to maintain prudent financial practices to ensure stable operations for the benefit of city residents and businesses. Fund balance reserves are an important component in ensuring the overall financial health of a community by giving the City cushion to meet contingency or cash flow timing needs.

The office of the State Auditor recommends that at year-end, local governments maintain an unrestricted fund balance in their general fund and special revenue funds of approximately 35 to 50% of fund operating revenues, or no less than five months of operating expenditures. While the bond rating agencies do not have recommended fund balance levels, the agencies look favorably on larger fund balances, which protect against contingencies and cash flow needs.

The purpose of this policy is to establish specific guidelines the City will use to classify fund balances into categories based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

## **Classification of Fund Balance:**

Annual financial statements shall be prepared in accordance with generally accepted accounting principles establishing fund balance at the end of each year into the following categories:

### **1) Non-spendable**

- a. This category includes amounts that are not in a spendable form (i.e.: prepaid expense or supply inventories). Resources that must be maintained intact pursuant to legal or contractual requirements are also considered non-spendable.

### **2) Restricted**

- a. Amounts subject to externally enforceable legal restrictions (creditors, grantors, contributors and by law through constitutional provisions or enabling regulations).

### **3) Unrestricted**

The total of committed fund balance, assigned fund balance and unassigned fund balance as described below:

#### **a. Committed**

- i. Fund balance that can only be used for the specific purposes determined by the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to commit those amounts.
- ii. The City Council will annually, or as deemed necessary, commit specific revenue sources for specified purposes by resolution. This formal action must occur prior to the end of the reporting period, however, the amount to be subject to the constraint, may be determined in the subsequent period.
- iii. To remove the constraint on specified use of committed resources, the City Council shall pass a resolution.

**b. Assigned**

- i. Amounts that are constrained by the government's intent to use for specified purposes, but are neither restricted nor committed. Assigned fund balance in the General fund includes amounts that are intended to be used for specific purposes.
- ii. The City Council has delegated the authority to assign and remove assignments of fund balance amounts for specific purposes to the City Administrator.

**4) Unassigned**

- a. Unassigned fund balance represents the residual classification for the General fund. This includes amounts that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the General fund. The General fund should be the only fund that reports a positive unassigned fund balance amount.

**Governmental Funds:**

The City's governmental funds include the following fund types:

**1) General Fund**

- a. The City will maintain an unrestricted fund balance in the General fund of an amount not less than 40% of the next year's General fund budgeted expenditures. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aid are received in the second half of the City's fiscal year.

**2) Special Revenue Funds**

- a. Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Governmental accounting standards require that substantial inflows of revenues into a special revenue fund be either restricted or committed in order for the fund to be considered a special revenue fund.

**3) Debt Service Funds**

- a. Debt Service fund balances are considered restricted. They are resources that are being accumulated for payments of principal and interest maturing in the current and future years.

**4) Capital Projects Funds**

- a. Capital Project fund balances are considered either committed or assigned. They are resources that are used to account for the acquisition or construction of capital facilities, infrastructure and equipment, other than those financed by Enterprise funds or the Equipment Replacement fund.
- b. The majority of these funds should be assigned for the Capital Improvement Plan (CIP) or reserved for a specific project.
- c. Specific Capital Project funds may temporarily have a negative fund balance due to the timing of federal, state or other funding.
- d. Future capital projects must be identified and quantified within the City's five-year CIP, which shall be included in the City's annual budget document.
- e. The City has several capital projects funds, including:

- i. Capital Projects fund, Community Improvement fund, Airport Construction fund, and the annual Capital Improvement Construction funds.
  1. The **Capital Projects** fund accounts mainly for capital improvements related to General fund facilities and miscellaneous infrastructure maintenance. The main funding sources are LGA, excess HUC payments and grants.
  2. The **Community Improvement** fund accounts for city enhancement and public arts projects as approved by the City Council. The main funding sources are retired bond funds, grants and donations.

### **Enterprise Funds:**

- 1) It is the goal of each enterprise fund to cover the costs of operations, including depreciation and a transfer to the General fund, to maintain a financially healthy enterprise. The City will maintain cash reserves in the Enterprise funds at a minimum level equal to 25% of the annual operating costs plus one year of debt service payments.
  - a. The Liquor fund shall be exempt from this provision since the majority of profits are transferred to the General fund.
- 2) The Water, Sewer and Storm Water funds may contribute capital improvement dollars to the annual Capital Improvement Construction fund as a reimbursement for infrastructure placed in service in conjunction with roadway and other improvement projects. Contributions shall not exceed the total cost of the specific infrastructure being capitalized within the enterprise fund.
- 3) Utility rates will be reviewed annually regarding projected expenses and capital improvements. The City Council will annually establish rates in accordance to operating cost recovery and the projected capital improvements.

### **Order of Fund Balance Spend-Down:**

- 1) When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then unrestricted, as they are needed.
- 2) When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; (1) Committed; (2) Assigned; and (3) Unassigned.
- 3) A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the General fund.

### **Monitoring and Reporting:**

The City Council shall review fund balance and cash-flow needs during the budget process in accordance with this policy. Annually, after the audited financial report has been completed, the City Council shall review fund balance results with the City Administrator, Finance Director and the City's independent auditor.

# **CAPITAL IMPROVEMENT PLAN**

## **VISIONS AND GOALS**

Each year, as part of the annual budgeting process, the City of Hutchinson prepares a five-year Capital Improvement Plan (CIP) that includes the following years' capital budget. The CIP identifies projects that will support existing and projected needs in the following areas: transportation, parks & recreation and public safety, etc. It is based upon numerous long range planning documents that are updated regularly as identified by the Facilities Committee, Fleet Committee, Resource Allocation Committee and City staff. The CIP prioritizes the use of limited resources that are available for capital items by identifying which projects will be funded, how they will be paid for and when they will be purchased. It establishes a comprehensive development program that is used to maximize outside revenue sources and effectively plan for the growth and maintenance of the City's infrastructure.

## **POLICIES**

Criteria identified for inclusion of capital items in the CIP plan are as follows:

- 1) Capital Item must have a minimum cost of \$10,000
- 2) Project must define the year proposed
- 3) Funding source should be identified
- 4) Detail should include annual operating costs or savings for proposed capital item
- 5) Department priority should be established
- 6) Must have a useful life of three years or greater

## **The plan encompasses projects using the following priority levels:**

**Priority 1: (Urgent)** Projects currently underway or those that are considered essential to the departments of City operations, and should not be delayed beyond the year requested. Failure to fund these projects will seriously jeopardize City's ability to provide service to the residents and/or expose the City to a potential liability and negative legal exposure.

**Priority 2: (Very Important)** Projects that are needed by a department or the City to improve or maintain their operations, and to delay would cause deterioration or further deterioration of their current operation and/or level of service to the residents of the City. These should not be delayed beyond the year requested.

**Priority 3: (Important)** Projects that are needed by a department or the City to improve or maintain their operations, and should be done as soon as funds can reasonably be made available.

**Priority 4: (Less Important)** Projects, which are desirable, but needing further study.

**Priority 5: (Future Consideration)** Projects, which sometime in the future will need to be funded to maintain operations, safety or infrastructure desired within the community.

## **CIP PROCESS**

- 1) Finance distributes CIP forms and the prior year's data to departments for updating.
- 2) Departments add, remove and reprioritize CIP data from the prior year's report.
- 3) Finance updates the CIP database with recommendations made by the department directors and the Fleet, Facility and Resource Allocation committees.
- 4) Initial draft is reviewed with City Administrator and Department directors; corrections or adjustments are made.
- 5) Preliminary CIP plan is submitted to City council by August 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 have changed. All capital projects are subject to the City's purchasing policy, requiring quotes/bids and approvals commensurate to the total cost.

# **DEBT MANAGEMENT PLAN**

The Finance Department of the City of Hutchinson has developed this Debt Management Policy to provide guidelines for the issuance of bonds and other forms of indebtedness to finance necessary land acquisitions, capital construction, equipment and other capital items for the City.

While the issuance of debt is frequently an appropriate method of financing capital projects and major equipment acquisitions, such issuance must be carefully monitored to preserve the City's credit strength and to provide the necessary flexibility to fund future capital needs.

The City will strive to maintain a "pay-go" capital funding policy, supporting capital spending without the use of debt whenever feasible. The City will attempt to pay cash for capital projects that can be anticipated and planned in advance. Financing capital projects with debt in certain circumstances may be the most cost-effective means available to the City. City staff will analyze each potential capital improvement and make a recommendation to City Council to either use cash reserves or issue debt. The City's 5-year Capital Improvement Plan will be a valuable planning tool for the financing of future improvement needs.

The goal of the City's Debt Management Policy is to ensure a stabilized overall debt burden and future tax levy requirement in addition to ensuring that issued debt can be repaid without weakening the City's financial condition. Adequate resources must be provided for the repayment of debt, and the level of debt incurred by the City must be effectively controlled to amounts that are manageable and within levels that will maintain or enhance the City's credit rating.

With the adoption of this policy, the special property tax debt levy will not exceed the levy limit of \$2,600,000. See Exhibit B for the estimated future debt tax levies per this plan.

## **Purpose of Financing**

The City borrows money primarily to fund long-term capital improvement projects, essential equipment and vehicle needs and to refinance existing debt. The city will not issue long-term debt to finance current operations or to finance projects where the debt maturity exceeds the useful life of the improvement or asset. Debt will be used to finance eligible projects only if it is the most cost-effective means available to the City.

The four primary borrowing purposes are summarized below:

### **1. Long-Term Capital Improvements**

The City typically issues general obligation bonds to finance improvements to roadways, infrastructure and city facilities. General obligation bonds generally achieve lower rates of interest than other financing options since they are considered a lower risk. Debt issued for this purpose generally will be for a term of at least 15 years.

Inter-fund borrowing is another form of long-term financing available to the City and will be permitted only in those circumstances in which all of the following conditions are met:

- a) The remaining fund reserve in the lending fund is adequate to meet cash flow needs.
- b) A repayment schedule will be prepared detailing the annual principal and interest payments due to the lending fund.
- c) The repayment schedule will not exceed 15 years or the useful life of the improvement.
- d) The City Council approves the inter-fund loan and repayment plan via city resolution.

2. Essential Vehicle and Equipment

Certain specialized vehicles and equipment may require the issuance of short-term debt. City staff will analyze cash reserves, other funding sources and short-term debt for each potential purchase. Assets potentially financed with short-term debt include fire trucks, jet-vac trucks, snowplow trucks, wheel loaders and any other specialized equipment as recommended by City staff. Debt issued for this purpose generally will be for a term of 5 to 10 years.

3. Refinancing/Refunding of Existing Debt

The Finance Director shall periodically review the City's existing debt and recommend refinancing or early refunding when economically beneficial.

4. Other Allowable

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

### **Special Property Tax Debt Levy**

The City annually issues General Obligation Special Assessment bonds in accordance with Minnesota Statutes 429 and 475. The annual debt service payments are funded by the city's special property tax debt levy ("**debt levy**") and by special assessments paid by property owners. It is the intent of the City to best manage the debt levy by using the following guidelines to finance annual roadway and infrastructure improvements.

A. The project costs financed by G.O. Special Assessment Improvement bonds will consist of two components accounted for in the Debt Service fund:

1. Project costs not financed by special assessments.

- i. The debt associated with this component is repaid by the City's debt levy.
- ii. The City will manage this component with an average annual **debt limit** of \$1,900,000.
- iii. The annual debt limit may be increased up or down by city council to account for changing interest rates and other economic factors.
- iv. The City will manage all debt issuances and forecast future issuances to reach a debt levy of \$2,600,000. Based on current assumptions and interest rates, this is projected to occur for property taxes levied in 2030 for 2031 collection.

2. Private property owner special assessments of at least 20% of the total project costs financed by the G.O. bonds.

- i. The debt associated with this component is generally repaid by private property owners over a 10-year period, but it may be less depending on the cost of the improvement and associated assessments. The annual installments shall be on a straight-line basis with simple interest equal to the true interest rate on the debt issuance plus 1%. The City's debt levy generally is not impacted by special assessments unless significant assessments are delinquent or deferred indefinitely.
- ii. Certain improvement projects may result in a substantial assessment to a specific large commercial property with the property owner agreeing to prepay the entire assessment in the year of improvement. In this instance, the prepaid assessment may be eliminated from the debt issuance and used as a funding source in the Improvement Construction fund.

- B. Future debt issuances will mature after 15 years. In the case of an exception to this guideline, the debt maturity shall always be shorter than the life of the financed improvement or asset.
- C. Debt service will be structured such that the debt levy will be stable over the 15-year debt term. This will prevent large fluctuations in the debt levy on a year-to-year basis.
- D. Any bond premium received will be used to reduce the par value, ultimately resulting in lower debt. City staff will review each year for any circumstances that may necessitate a different treatment of the bond premium.
- E. Debt issuances will be in an amount to finance the estimated project costs and professional fees plus a reasonable construction contingency. The costs to issue debt will also be included in the total amount financed.
- F. Net general obligation debt will not exceed the statutory limit of 3% of the estimated market value of taxable property in the City as required by Minnesota Statute, Section 475.53.
- G. Retired debt service funds will be closed into the City's Community Improvement fund. This fund will be the primary funding source for any potential debt service shortfalls.
- H. City staff will periodically review the annual debt limit and may make recommendations to City Council to increase the debt limit to address rising construction costs, interest rates or other unforeseen factors.
- I. Future financing may need flexibility in structuring its debt. This policy shall not prevent the City from deviating from this policy as long as the City adheres to the overall intent of this policy.

### **Prior Property Tax Levy Debt Policy**

City Council approved resolution 13445 on July 8, 2008, setting guidelines to manage the special property tax debt levy and the issuance of future debt. The Debt Management Policy above supersedes the 2008 policy and shall be used as the guideline for all existing and future debt.

# **PURCHASING POLICY**

## **Policy Overview**

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

## **Public Purpose**

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

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

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

## **Purchasing Agent**

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

## **Purchasing**

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

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

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

### **1) Purchasing Limits:**

\$ 0 to \$ 4,999	Department Director approval, or approved designee
\$ 5,000 to \$ 24,999	Finance Director or City Administrator approval required
\$ 25,000 to \$ 49,999	Finance Director and City Administrator approval required
\$ 50,000 to \$ 99,999	Finance, City Administrator & City Council approval required
\$100,000+	Competitive Bidding required (certain exceptions)

### **2) Written Quotes:**

- a. Purchases estimated to cost less than \$5,000 may be made without seeking more than one quote, however more than one quote is encouraged.
- b. Purchases estimated to cost more than \$5,000 but less than \$100,000 must have at least two written quotes. Verbal quotes should not be accepted. The City will maintain documentation for a period of at least one year of its efforts to obtain at least two written quotes as required by state statute 471.345.

- c. The City will require competitive bidding on the sale, purchase or rental of supplies, materials or equipment and on contracts for the construction, alteration, repair or maintenance of real or personal property estimated to exceed \$100,000.

### 3) Competitive Bidding

Competitive bidding is required for certain contracts estimated to exceed \$100,000. The competitive bidding process may not be avoided by splitting a contract into several smaller contracts, each of which is under the competitive bidding threshold.

### 4) State Pricing & Cooperative Purchasing

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

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

### 5) Purchase Orders

An approved purchase order is required for all purchases estimated to exceed \$5,000.

***Departments may not place an order without a prior approved purchase order.***

- a Departmental Responsibility
  - i. Obtaining at least two written quotes
  - ii. Preparing and forwarding a purchase requisition to the Finance Director for review
    - Attach the written quote documentation
    - Provide a reasonable explanation of the requested purchase
    - Include the proper departmental expense coding
    - Obtain the department director's approval
  - iii. Forwarding a copy of the approved purchase order to the vendor, if required.
- b Finance Department Responsibility
  - i. The Finance Director will review each purchase requisition in a timely manner.
  - ii. An approved purchase order, or an explanation in the case of a denied requisition, will be provided to the originating department generally within 2-3 business days.
  - iii. The finance department will maintain scanned images of all approved purchase orders and corresponding written quotations for compliance with state statute
  - iv. Finance Director and City Administrator approvals are required prior to seeking City Council approval on purchases over \$50,000.
- c Purchases not requiring a Purchase Order
  - i. ***Annual Service Contracts*** – The City shall evaluate the performance of service contracts at least every three years and determine if the City will renew the agreement or seek written proposals from service providers.
  - ii. ***Professional Services*** - Contracts with a total cost of \$5,000 to \$50,000 to provide professional services shall be approved by the City Administrator. Contracts with a total cost over \$50,000 shall be approved by City Council. A purchase order is not required if a contract is executed.

- iii. **Inventory Purchases** - Purchases for inventory assets of certain operations shall not require a purchase order as doing so would delay purchases and potentially hinder operations. This shall apply to the Liquor store, Creekside's bagging production process, Water and Sewer chemical purchases and HATS fuel purchases. The department directors shall be responsible for ensuring that the City is receiving favorable pricing.
- iv. **Emergency Purchases** - Purchases required by emergencies which impair the City's ability to deliver services shall be outside the scope of this policy. In these rare instances, a purchase order is not required, however the departmental director shall submit a brief written explanation of the emergency situation and attach to the invoice presented for payment.

### **Disbursement Methods**

The following disbursement methods are available for departmental approved purchases:

- 1) **City Check** – This is the standard disbursement process described in the next section.
- 2) **Departmental Procurement Card** – Covered under separate policy; "Procurement Card Policy".
- 3) **Vendor In-House Charge Accounts** – The City currently utilizes charge accounts with various vendors in the City. The Finance department will maintain a list of departmental employees authorized to make purchases and will submit updated lists to the vendors at least annually. Authorized purchasers shall be regular full-time or regular part-time employees.
- 4) **Vendor Charge Cards** – The City currently utilizes vendor charge cards for a limited number of vendors. Departments will control access to these cards to prevent unauthorized use and will notify the Finance Director immediately of lost/stolen cards or fraudulent activity.
- 5) **Petty Cash** – Departmental petty cash funds may be utilized for small purchases. The department shall maintain detailed receipts for each purchase and periodically submit to the Finance department for replenishment. Receipts shall be properly coded and contain an adequate explanation of the expense along with departmental approval.

### **Disbursement Process**

Departments will submit properly coded and director approved invoices to the Accounts Payable Specialist by **12:00pm on Monday**, one week prior to each City Council meeting. In the case of a Monday holiday, the deadline shall be 12:00pm on the prior Friday. Invoices submitted after the deadline may be delayed to the next council check run. Checks will be distributed on the Wednesday after each City Council meeting.

#### **1) Invoices – Content and Approvals**

- a. Payments will only be made from original mailed or emailed invoices.
  - i. Payments will not be made from faxes, photocopies, vendor statements or quotes/estimates.
- b. The City of Hutchinson shall be named on the invoice as the purchaser.
  - i. Invoices naming another entity as the purchaser will not be processed for payment. The vendor should be contacted to correct the invoice.
- c. The invoice date shall accurately reflect the actual date of service or purchase.
- d. The invoice is sent directly from the vendor to the City's Accounts Payable Specialist at City Center.
  - i. The A/P Specialist will stamp each invoice with a received date and route to the appropriate department for approvals.
- e. A reasonable description of the purchase or service, shall be included on the invoice.

- f. The departmental expense code and director/supervisor approval shall be evidenced directly on the invoice and not on a separate paper or post-it note.
- g. Departments are responsible for ensuring that the merchandise is received or the services are performed prior to submitting an invoice for payment.
  - i. The City generally does not provide down payments for merchandise or services. Progress payments may be made to vendors based upon a reasonable percentage of completion for the service or project.
  - ii. Departments shall work directly with the vendor to correct any issues regarding incorrect or defective merchandise or service.

### **Prompt Payment of City Bills**

Minnesota Statute 471.425 requires cities to pay each vendor obligation according to the terms of the contract. If no contract terms apply, payment must be made within the standard payment period of 35 days from the date of receipt.

#### **1) Date of receipt is defined as the later of:**

- a. The completed delivery of the goods or services, or the satisfactory installation, assembly or specified portion thereof; or
- b. The receipt of the invoice for the delivery of goods or services.

#### **2) Invoice Errors**

- a. The City must notify a vendor within 10 days of the date of receipt if the invoice is incorrect. The 35-day standard period begins when a corrected invoice is received.

#### **3) Payment of Interest**

- a. The City must calculate and pay interest if an invoice is not paid according to the terms of the contract, or if no contract terms apply, within the standard period of 35 days.
  - i. Interest rate shall be 1.5% per month or part of month.
  - ii. The minimum monthly interest penalty that the City shall calculate and pay a vendor for the unpaid balance of any one overdue bill of \$100 or more is \$10.
  - iii. For an unpaid balance of less than \$100, the City shall calculate and pay the actual interest penalty due to the vendor.

#### **4) Prompt payment to Subcontractors**

- a. Each contract of the City must require the prime contractor to pay any subcontractor within 10 days of the prime contractor's receipt of payment from the City for undisputed services provided by the subcontractor.
- b. The City's contract must require the prime contractor to pay interest of 1.5% per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor.
  - i. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.
  - ii. For an unpaid balance of less than \$100, the prime contractor shall calculate and pay the actual interest penalty due to the subcontractor.

### **Prior Policy**

The policy above supersedes the prior city policy #1.11.

# **PROCUREMENT CARD POLICY**

## **POLICY:**

The purpose of this policy is to provide detailed information regarding the use of procurement cards authorized by the Hutchinson City Council and assigned by the City Administrator to selected department directors to purchase goods and services for the City. The use of the procurement card is an alternate means of payment and is not meant to replace the standard purchasing order system of the city. The use of procurement cards should only take place when the normal purchasing order system cannot be used and/or the use of a credit card is the only purchasing mechanism allowed.

## **STATUE AUTHORITY:**

*Minnesota Statute 471.382 Credit Cards.* “A city council may authorize the use of a credit card by any city officer or employee otherwise authorized to make a purchase on behalf of the city. If a city officer or employee makes or directs a purchase by credit card that is not approved by the city council, the officer or employee is personally liable for the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or city policy applicable to city purchases.”

## **POLICY ADMINISTRATION:**

The City Administrator shall determine the appropriate department directors to be issued City procurement cards. The Finance Director, with the oversight of the City Administrator, is hereby designated the responsibility of procurement card issuance, accounting, monitoring of use, retrieval, payment of all charges, maintenance of a list of authorized users and cards assigned to them and general compliance with the City’s Procurement Card Policy.

## **MAXIMUM LIMITS:**

The monthly maximum card limit per director will be established by the City Administrator and Finance Director based on the anticipated need.

## **DOCUMENTATION:**

Invoices or receipts are required to support all procurement card purchases since the monthly billing statements lack sufficient detail to comply with Minnesota Statutes. For purchases in which a receipt is not normally available, a copy of the completed application or order form should be used as a receipt (for example, conference registration forms).

## **CARDHOLDER RESPONSIBILITIES:**

- 1) The Department Director is responsible for the authorized use of the City issued procurement card and for any purchases made on it.
- 2) Ensure that the procurement card is used in compliance with the City’s Purchasing Policy.
  - a. Purchases must be budgeted.
  - b. Use of the procurement card for personal purchases is strictly prohibited. If the procurement card is inadvertently used for a personal purchase, contact the Finance Director/City Administrator immediately. Not reporting inadvertent personal purchases will result in immediate revocation of the procurement card and the cardholder may be subject to disciplinary and/or legal actions. The cardholder will be personally responsible for reimbursing the City for any inadvertent personal purchases.
- 3) The procurement card may only be used for the purchase of goods or services for official City business.

- a. The procurement card may not be used for cash advances or any other type of purchase not permitted under the City's Purchasing Policy. No cardholder shall be allowed to make any purchases for personal use through the City. Use of the card for personal use or inappropriate purchases, as deemed by the City Administrator, shall be reimbursed and may result in discipline. Two or more inappropriate purchases may be cause for revocation of the credit/procurement card.
  - b. Purchase of motor fuels is prohibited, with the exception of extended travel with a city owned vehicle. Fuel for personal vehicles used for official city business is reimbursed to the employee based on the IRS mileage reimbursement through the Employee Expense Reimbursement process covered under separate policy.
  - c. Cardholders shall verify with the Finance Department and notify vendors if the transaction is exempt from Minnesota sales tax. All transactions should be exempt from all local sales tax.
- 4) Authorized cardholders are responsible for the secure custody of the procurement card and protection against theft, misuse and fraud.
- a. Notify the Finance Director immediately if the procurement card is lost or stolen and when fraudulent activity is suspected.
  - b. When fraudulent activity is suspected, immediately contact the procurement card company at the phone number listed on the back of the card. The procurement card must not be used again until the situation is resolved. A new procurement card will be issued if the activity was in fact fraudulent.
  - c. To prevent fraudulent activity, the cardholder shall not make transactions over unsecured websites. Giving out procurement card information over the telephone is not recommended and should only be done in rare instances where the order cannot be completed in any other manner.
- 5) Monthly review, approval and reporting of transactions:
- a. At the end of each month, department directors shall have 10 days to review and approve the prior month purchases via the Wells Fargo online portal.
    - i. Each transaction shall be evidenced by a detailed receipt or order confirmation.
    - ii. Directors shall code each purchase to the correct departmental expense account and provide an adequate description of the expense within the online portal.
    - iii. Directors shall print from the online portal a listing of all purchases made during the month and submit to the Finance department along with all detailed receipts supporting the purchases. Finance shall receive this information by the 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 Wells Fargo to deduct from the City's bank account the total payment amount to cover all authorized purchases.

6) Returns or Disputed Transactions:

- a. It is the cardholder's initial responsibility to work directly with the merchant to receive proper credit on returned merchandise or disputed transactions.
- b. Finance Department will be available to assist cardholders with returns or disputed transactions if initial contact by the cardholder is unsuccessful.

7) The cardholder must immediately surrender the procurement card to the Finance Director upon retirement or termination of employment. All receipts for current purchases shall be coded and submitted to the Finance Director when the credit card is surrendered.

8) Any exceptions to this policy must be approved in advance by the City Administrator.

**SUSPENSION OR REVOCATION OF CARDS:**

If any of the following occur, immediate suspension and/or revocation of the procurement card privileges may result, including discipline, as determined by the City Administrator:

- 1) Use of the card for personal purchases or cash advances.
- 2) Unauthorized use of card.
- 3) Failure to notify the procurement card company and Finance Director of a lost or stolen card, and fraudulent activity.
- 4) Repeated failure to submit in a timely manner the monthly billing statement with proper receipts/support for payment.
- 5) Repeated failure in which the attached receipts do not match the item description or dollar amounts listed on the monthly billing statement with no explanation.

# City of Hutchinson

## Request for Procurement Card

Applicant: \_\_\_\_\_ Department: \_\_\_\_\_

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

By requesting a City procurement card, I acknowledge the following:

1. The procurement card is to be used only to make purchases in compliance with Minnesota Statutes and the City's Purchasing Policy.
2. The card must be used in accordance with the City's Procurement Card Policy.
3. Violation of the Procurement Card Policy may result in suspension or revocation of use privileges. Employees found to have inappropriately used the procurement card will be subject to discipline, including ~~potentially~~ the requirement to reimburse the City for all costs associated with such improper use.

Director Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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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 procurement card in the name of the applicant with a monthly card limit as approved by the City Administrator.

# City of Hutchinson

## Acknowledgement of Receipt of Procurement Card

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

- 1) The procurement card is a cost-effective method for the purchase and payment of small dollar material transactions and is limited to \$ \_\_\_\_\_ per month.
- 2) The procurement card is to be used solely for City business purchases; not personal purchases.
- 3) I am responsible for reconciling monthly statements and maintaining accurate accounting records.
- 4) I must attach the itemized receipt with my statement each month.
- 5) Should my employment with the City of Hutchinson terminate, I am responsible for returning the procurement card to the City Administrator or Finance Director, along with all receipts for purchases within the current billing cycle.

If the procurement card is used for personal purchases, for unauthorized items, or used by someone not authorized to do so, I hereby agree to personally pay the City for such purchases and hereby authorize the City, if necessary, to withhold from my paycheck any amount necessary to pay these charges.

This acknowledgement will be kept in my personnel file and I may be subject to discipline or termination from employment for violation of this policy.

Procurement Card #: \_\_\_\_\_

Unique #: \_\_\_\_\_ *(used to activate card and ID purposes with Wells Fargo customer service)*

Employee Name: \_\_\_\_\_  
(please print)

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Wells Fargo Customer Service: 1-800-932-0036

# TRAVEL & MEAL EXPENSE REIMBURSEMENT POLICY

## Policy Overview

This policy recognizes the fact that certain travel for official city business may require employees or elected officials to incur expenses subject to reimbursement by the City. Reasonable travel costs for out of town business meetings, conferences and training seminars may qualify for reimbursement as provided by this policy. To be reimbursed by public funds, expenditures must meet a “**public purpose**”, defined by Minnesota Supreme Court as meeting all of the following:

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

This policy is intended to provide guidelines regarding which travel related expenditures are for public purpose and authorized in accordance with the City’s annual budget.

The City Administrator and Finance Director shall review all employee expense reimbursement requests and will determine if an expense does not meet a public purpose and is not subject to City reimbursement.

## Travel Approval

Each department director is responsible for ensuring that employee travel is for City business and is consistent with City policy. Department Directors are responsible for approving all travel requests within his/her respective departments and will ensure that departmental budget dollars are sufficient to cover requested travel prior to approving. Requests for travel by Directors shall have prior approval by the City Administrator. The following approvals are needed prior to employee travel:

- 1) **Same Day & Overnight Travel** - Department Director approval is required.
- 2) **Out of State** - All out-of-state travel exceeding a 300-mile radius from Hutchinson must be approved within the annual budget process and approved separately by City Council. The frequency of this out-of-state travel shall not exceed once every other year. In the event an additional conference or seminar presents itself, the council may use its discretion in considering the request.
- 3) **Out of State** - All out-of-state travel within a 300-mile radius of Hutchinson shall be approved by the City Administrator and does not require City Council approval.

## Reimbursable Expenses

### 1) **Transportation**

Several means of transportation exist and each travel request shall consider the least-cost method. For the majority of travel requests, a City vehicle provides the least-cost to the City and shall be considered before any other means. Vehicles from other departments may be available and shall be a consideration.

- a) **City Vehicle** – All direct expenses incurred will be reimbursed, including fuel, oil and maintenance/repair expenses. Only City employees are authorized and insured to drive a city owned vehicle.
- b) **Personal Vehicle** – When a city vehicle is not available, a personal vehicle may be authorized for use. City reimbursement for the use of a personal vehicle is based on the current IRS approved mileage rate using the shortest route. If the travel originates from home, the mileage reported for reimbursement should be from the home or the employee’s normal City work facility, whichever is less. An employee’s normal commute mileage will not be reimbursed.
- c) **Airplane/Other** – travel by any means other than by vehicle shall be approved by the City Administrator.

- d) **Other related costs** – Reasonable parking fees, car rental and fares for rail, bus, taxis and shuttles are all subject to reimbursement if related to City business. Taxis and shuttles reimbursement may include a maximum gratuity of 20%. Gratuities in excess of 20% will not be reimbursed by the City. A standard model sedan shall be used when renting a car unless unusual circumstances dictate otherwise.

## 2) Lodging

The City will reimburse the reasonable cost of lodging for training, seminars or conventions of two or more days if the event site is ***outside a 50-mile radius*** of Hutchinson.

All employees shall ask for a standard room. In the event that a standard room is not available, other lodging establishments shall be contacted prior to booking a non-standard room. A non-standard room is reimbursable if it is at a contract rate through the event, offered at the same rate as a standard room or if no other options are available within a reasonable distance from the event.

An increase in lodging rate due to family members staying is not reimbursable. The employee will be reimbursed only for a standard room.

Entertainment expenses incurred will not be reimbursed, such as in-room movies, mini-bar and optional entertainment-type events provided at conferences.

## 3) Meals

The City will reimburse the cost of job-related meals only if an employee's travel requires an overnight stay or if a business meeting is held during typical meal hours. The following limits are in place for each meal:

Breakfast:	\$15 – Travel begins before 6:00am and extends beyond 9:00am
Lunch:	\$20 – Travel begins before 11:00am and extends beyond 2:00pm
Dinner:	\$30 – Travel begins before 4:00pm and extends beyond 7:00pm

- a) Meetings scheduled and held during typical meal hours do not automatically necessitate that a meal will be provided at City expense. Per IRS regulations, a meal must have a clear business purpose in order to be reimbursed.
- b) The maximum amounts listed above apply to the meal, non-alcoholic beverage, sales tax and gratuity.
- c) Gratuities paid by the employee over 20% will not be reimbursed.
- d) The above dollar amounts cannot be combined in any fashion in order to reimburse an employee for a meal costing more than the maximum amount listed per specific meal. For example, an employee cannot use the breakfast and lunch amounts to justify reimbursement of a \$60 dinner.
- e) Employees are expected to take advantage of meals provided by the conference or seminar. The City will not reimburse an employee for a purchased meal when a meal was provided by the event.
- f) If more than one employee is present at a job-related meal, one employee may pay for the entire meal cost of all employees. The reimbursement request shall clearly identify each employee present for the meal.
- g) If non-city personnel are present at a job-related meal, the city may reimburse the paying employee for the cost of the meal(s) of the individual(s) if an itemized receipt and a form indicating who attended, where the meal was held and the city-related purpose for the meal is submitted and approved by the Department Director and City Administrator. Reimbursement of a non-employee's meal is subject to the same dollar limit as the employee.
- h) When family members are present, a separate detailed receipt for the employee's meal shall be requested.

- i) The daily meal limits may be adjusted for out-of-state travel by the Finance Director based on current IRS per diem guidelines.

#### 4) **Registration or Membership Cost**

The City will reimburse the costs for registration, training and membership incurred to attend conferences, seminars or training sessions. A check request shall be submitted to the City's accounts payable department prior to the event as the primary option for payment of this type of cost. The request shall include the necessary documentation evidencing the amount payable and provide sufficient time to process a check prior to any payment due date. A departmental purchasing card may also be used for payment based upon receipt of all necessary travel approvals prior to making payment. Departments shall strive to utilize any early registration discounts.

#### 5) **Non-Reimbursable Costs**

- a. Alcoholic beverages – whether consumed by an employee or a non-employee
- b. Gratuities exceeding 20%. An employee will be required to reimburse the City for gratuities in excess of 20% if a department purchasing card was used.
- c. Snacks and other food/beverages outside of the daily meal reimbursements
- d. Meals or events for spouses or family members traveling with an employee
- e. Meals when an event provides for a meal
- f. Private automobile expenses, including gas, oil, repairs
- g. Traffic citations or fines
- h. Travel between an employee's home and work facility
- i. Entertainment expenses
- j. In-room movies, mini-bar or other hotel services not required for City business
- k. Optional entertainment events unless included as part of the overall conference registration fee (e.g. optional golf rounds, sporting events, concerts)
- l. Personal losses incurred while on City business
- m. Other costs that do not meet the public purpose definition as determined by the City Administrator and Finance Director

#### **Employee Expense Reimbursement Form**

The Finance Department shall annually provide an updated Employee Expense Reimbursement Form (Exhibit B) to all employees. This form shall be used for all reimbursement requests related to approved travel or work-related expenses paid by an employee .

- 1) **Detailed Receipts** – each item submitted for City reimbursement must be supported by an itemized receipt indicating a reasonable explanation for the expense. All receipts shall be attached to each reimbursement request.
  - a. Meals will be reimbursed based on a detailed itemized receipt. When a credit card is used to purchase the meal, both an itemized receipt and a credit card charge slip indicating the tip amount shall be submitted.
  - b. Receipts for parking and taxis may not be available and may be submitted for reimbursement without a receipt.
  - c. Mileage reimbursement for the use of a personal vehicle shall detail not only the mileage but also the location traveled and the business reason for travel.
  - d. Proper departmental expense codes shall be used for each line item.
  - e. Unsupported expenses will not be reimbursed. If an employee is unable to get a detailed receipt or the receipt is lost, a signed statement by the employee detailing the purchased item, the business reason for the expense and certifying that the claim is accurate must be submitted and approved by the Department Director. A copy of the

employee's credit card statement may also be provided to help support the dollar amount being reimbursed.

- 2) Employees shall submit an employee expense reimbursement form with all necessary supporting documentation to the appropriate Department Director for review and approval.
- 3) A Director approved employee expense reimbursement form shall be forwarded to the Accounts Payable Clerk who will route to the Finance Director and City Administrator for approval prior to payment. Any issues will be communicated back to the employee for correction/clarification.
- 4) The Finance department will make necessary corrections to reimbursement requests for mathematical errors, gratuities in excess of 20%, to remove any alcoholic beverages and other changes that may be necessary to comply with this policy.
- 5) Reimbursement will be made with the next City Council check register.
- 6) Employees shall submit an expense reimbursement claim no later than **60 days** from the date the expense was paid or incurred. If employee expenses are submitted for reimbursement more than 60 days after the expense is incurred, the reimbursement may be taxable and appropriate withholdings would need to be made through the payroll system.

### **Cash Advances**

An employee may request a cash advance prior to an overnight business trip. The cash advance shall be used only for expenditures related to official City business as specified within this policy. An employee expense reimbursement form shall be completed upon the employee's return, detailing the expenses subject to reimbursement, less the cash amount advanced. Expenses paid by the employee above and beyond the cash advance amount will be subject to employee reimbursement per this policy. Any portion of the cash advance that was not expended for a City related purpose must be reimbursed to the City within **60 days**.

The employee shall be responsible for any cash advance that is lost or stolen. In such instances, the employee must reimburse the City within 60 days.

### **City Representation**

Employees shall be aware at all times that they are representing the City of Hutchinson while traveling out-of-town for official City business. Employees given the opportunity to be away from their regular work and having their expenses paid are expected to perform in a similar manner as if they were still at work. Conduct improper for a city employee will be treated as if it occurred during regular working hours. At no times shall alcoholic beverages be consumed by any person(s) driving or riding in a City of Hutchinson vehicle.

### **Prior Policy**

The policy above supersedes the prior city policies #3.22 and #3.23.

# **FISCAL AGENT POLICY**

## **Purpose**

This policy defines the parameters necessary for the City of Hutchinson (City) to act as the fiscal agent for a non-501(c)(3) organization (Other Entity) in order to secure grants or donations on behalf of the Other Entity.

## **City Authority**

All requests for the City to serve as fiscal agent shall be approved by the City Administrator. The City Finance Director shall be made aware of all details related to approved fiscal agent projects for proper accounting of proceeds and expenditures.

## **City Purchasing Policy**

The City's purchasing policy must be followed in order to comply with the State of Minnesota purchasing and contracting statutes. Vendor quotes shall be received, if required by policy, and the contract shall be awarded to the lowest responsible bidder. Invoices paid by the City must be billed to the City of Hutchinson and not another entity.

## **Public Purpose Expenditures**

The City expenditure made on behalf of the Other Entity must meet a "public purpose", defined by the Minnesota Supreme Court as meeting all of the following:

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

The Minnesota Supreme Court further clarifies that activities that promote the following objectives for *the benefit of all the city's residents* further a public purpose:

- Public Health
- Safety
- General welfare
- Security
- Prosperity
- Contentment

## **Donations**

Donations related to a project with the City serving as fiscal agent shall be made directly to the City of Hutchinson. The Hutchinson City Council shall formally accept all donations by resolution prior to those funds being used for the designated purpose.

## **Grants**

The Other Entity shall be responsible for the preparation of all grant documentation and grant compliance, including reporting requirements. The City shall, upon request from the Other Entity, supply supporting documentation or reports related to transactions incurred within the City's financial system.

## **Other**

The City shall not expend funds in excess of donations or grant proceeds received without City Council or City Administrator approval.

## EXHIBIT A

### List of City Funds

#### **Governmental Funds:**

- 1. General Fund**
- 2. Special Revenue Funds**
  - a. Rural Fire Department
  - b. H.A.T.S. Operation
  - c. Hutchinson Enterprise Center
  - d. Economic Development Loan Funds
  - e. HRA Loan Fund
  - f. Tax Increment funds
  - g. Public Sites Fund
  - h. Tree Disease Mitigation Fund
- 3. Debt Service Funds**
  - a. Special Assessment Bonds Debt Service Funds
  - b. Tax Increment Debt Service Funds
- 4. Capital Projects Funds**
  - a. Capital Projects Fund
  - b. Community Improvement Fund
  - c. Airport Construction Fund
  - d. Special Assessment Capital Improvement Funds
  - e. Municipal State Aid Fund

#### **Proprietary Funds:**

- 1. Enterprise Funds:**
  - a. Liquor Fund
  - b. Compost Fund
  - c. Refuse Fund
  - d. Water Fund
  - e. Wastewater Fund
  - f. Storm Water Fund
  - g. Hutchinson Utilities Commission
- 2. Internal Service Funds:**
  - a. Equipment Replacement Fund
  - b. Self-Insurance Fund

#### **Component Units:**

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