

2020 ANNUAL CITY REPORT

JULY 2021

**Annual City Report for Year Ending 2020
City of Hutchinson**

CITY OF HUTCHINSON 2020 ANNUAL REPORT TABLE OF CONTENTS

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Overview

The City of Hutchinson's Annual Report provides an overview of the services provided over the previous year. This report is attempting to measure the "performance" of the City on an annual basis. All data and information referenced is accurate from January 1, 2020 through December 31, 2020. To the extent possible, information is compared with the previous year(s) to provide a base from which to measure services and accomplishments.

Organization of Report

This annual report is arranged according to the City's organizational department model, with data reported by the major departments within the City. This report is intended to show:

- Alignment of City services with the City's Core Values (end statements), Mission Statement and Vision Statement
- Priorities within the annual budget
- Trend data impacting City services

Limitations of Performance Measure

Applying performance measure in the public sector presents a number of limitations:

- Information can be subjective and highly dependent upon each individual's source used
- There is no single measure of success, such as profit in the private sector
- Data is not all-inclusive, a precise science, a quick fix nor the only tool available for decision-making

Even with these limitations, there is still a need to measure performance and develop standards for comparing Hutchinson to other cities. The City has historically used the other 18 outstate small regional centers¹ as market comparisons for a variety of data points.

Performance measurement can mean different things to different people. One of the goals of this report is to tell a story about whether or not the City and its activities are achieving the objectives of and if progress is being made toward attaining city policies and/or goals. Another goal of this report is to provide the Hutchinson City Council with information to help them determine if their desired results are being accomplished.

¹ Albert Lea, Alexandria, Austin, Bemidji, Brainerd, Cloquet, Fairmont, Faribault, Fergus Falls, Hibbing, Marshall, New Ulm, Northfield, Owatonna, Red Wing, Willmar, Winona, Worthington

2020 Annual Report

Executive Summary

I'm pleased to present to you the first-ever City of Hutchinson Annual Report. It is the City's intention to produce this report on an annual basis so that the City Council, residents and businesses of Hutchinson can be informed of and engaged in city services and the measurement of how the City is performing. We will continue to build upon this report in the years to come, with a goal of showing more "performance-related" measures along with additional department reports in the future. This initial report won't necessarily tie performances into the City's core values (end statements) with a goal to build upon that in future reports.

2020 was the year of the COVID-19 pandemic. The COVID-19 pandemic changed the way we looked at providing services here at the City and caused us to shift our focus on what was important. A lot of work dealing with COVID shifted the focus of staff off of certain projects and to that of fighting the pandemic. With that being said, it was still a very busy and successful year that saw the complete reconstruction of Highway 15/Main Street and a new marketing and branding plan for the City.

While COVID saw our unemployment rate peak at 8.2% in May, we have recovered to post an unemployment rate at 4.1% in November and 4.8% in December, basically the same level it was at pre-pandemic. Unemployment rates in Hutchinson continue to remain lower than the State (4.9%) and Federal (6.5%) percentages. Vacancy rates for our market rate rental units also continue to be at historic lows and our median sales price of our residential homes continue to rise, having increased from \$175,000 last year to \$200,000² through the end of 2020, the eighth 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. 2020 saw us issue 36 building permits for new homes, representing the seventh straight year where we have issued 20 or more new home permits.

As we all know, 2020 was weird, to say the least. While the whole community struggled with the battle of COVID-19, other parts of the community continued to plug away investing in Hutchinson. Both Warrior Manufacturing (45,000 sq. ft.) and Hutchinson Health (\$21 million) completed major expansions this past year and 2020 saw the remodeling and opening of Industrial Park 7 East, a private development that will hopefully serve our manufacturing community for the years to come. 2021 will welcome a new manufacturer to the Community. Rite Way Conveyors began work on a new

² Source: Minneapolis Area Realtors

facility within our industrial park this past year, and they recently moved into our community within the first couple of weeks of 2021.

2020 brought us the opening of Jimmy John's and Sports Clips. We also saw the opening of the first phase of the Century Court West Townhomes (3 of 7 units), along with the opening of the expansion of Woodstone Senior Living and Prince of Peace. We have had 174 new rental units open up over the past four years and there are plans for an additional 70 units to open up in 2021 with phases 4 and 5 of the Highfield Apartments likely to be completed. 2020 also saw work begin on the North Star Counseling, the Dollar General Store, and an expansion of West Elementary. The City has added over \$200 million in new value to the community over the past 4 years as well, and we are anticipating continued growth in 2021.

The rest of 2021 looks to be just as exciting as 2020 and should continue the recent trend of investments within the community, even as we recover from COVID. 2021 should see the Dollar General Store and North Star Counseling along with the Marshalls within the Hutchinson Mall opening by the spring. 2021 should also bring the conclusion of phase four and five of the Highfield Apartments and the next phase at Century Court West Townhomes. The City is also expecting work to begin on a Civil Air Patrol building, a new Police Station, and the expansion/remodeling of Park and West Elementary. On top of this, there continues to be interest in the old Cenex and medical clinic sites for additional commercial, industrial or residential growth. We anticipate continued growth in new home construction to offset the tight housing market as well in 2021.

One of the goals of this great City is to be the best and most attractive small regional center in outstate Minnesota. In an effort to be the most attractive small regional center, it is our responsibility to create an atmosphere that is conducive for growth and achievement throughout the community. This report is a culmination of the effort staff put forth in 2020 in providing quality services hopefully at a cost of government similar to, or less than, comparable outstate regional centers. 2020 was definitely a year of survival and hope for the future; a hope for the future that a "City on Purpose" can easily strive for.

Matt Jaunich
City Administrator

2020 Annual Report

Our Story

In late 2019, the City of Hutchinson embarked on a community branding initiative, along with a marketing strategy to assist city staff and elected officials in promoting the city of Hutchinson to new residents and young families along with prospective businesses and developers. The study was to provide insights regarding current perceptions of the City and help to drive the recruitment of new residents and young families; energize current residents and instill a sense of pride of the community; and position the City as a desirable place for relocation and redevelopment to increase new resident attraction and economic growth. That initiative concluded in 2020 and resulted in a new city logo, tag line and branding message. Below is the City's brand story or message.

Brand Message

On a late November afternoon standing on the crest of a hill overlooking the Crow River, three Hutchinson brothers knew they had found what they had been looking for: the perfect place to establish a community that stood for the values and human rights they had been expounding for years through their popular music. Only now they could actually put those lyrics into practice by advocating for principles, such as the abolition of slavery and women's equal rights through laws enacted on the town's very first day. So it was, long before the rest of the country would come around to their forward-thinking ideas, Hutchinson, Minnesota established a reputation for blazing trails as a town ahead of its time.

More than 160 years later, Hutchinson still stands apart as a city with a vision for the future. A city that thinks and acts differently because of its solid commitment to plans and decisions that first and foremost improve the quality of life – the economic, physical, social, emotional and environmental wellness for all its residents, workers and visitors.

Like the Crow River, generations of wisdom have flowed through this area's rich history, gleaning and drawing deeply from its abundant woods, wildlife and surrounding lakes. Here is a community shaped not only by the natural beauty and forces that come together only here in this part of rural Minnesota, but also by its legacy and its people.

Somewhere between small town and big city, farm community and metropolis, lies Hutchinson. Though a small town by some standards, it's more big city in its vision for the future and ability to get things done. You'll find small town charm in its historic downtown where quaint shops, local businesses, a cozy coffee shop and restaurants line Main Street. But you'll also find big city appeal in an exceptional school system and a vibrant arts and cultural community that includes the Hutchinson Center for the Arts, Hutchinson Theater Company, the Minnesota Pottery Festival, Orange Spectacular, Minnesota Garlic Festival and celebrated RiverSong Music Festival.

A friendly, personalized, supportive approach to doing business, more indicative of a small-town welcoming spirit is alive and well in this community. Yet, it's also recognized as a pioneering, highly productive, forward-thinking manufacturing, agricultural and industrial regional hub that finds creative ways of working with new businesses and entrepreneurs. In fact, Hutchinson is already preparing

tomorrow's workforce today with the state's most ambitious skilled workforce development initiative, TigerPath, where high school students discover their interests and talents by learning, exploring and building career and technical skills.

Some cities talk. Hutchinson acts. Wasting no time doing things "because that's the way it's always been done", over the years the city's leaders have seen the opportunity in challenges instead, acting decisively on the most efficient, effective solution for all. The fact that they hatched the idea of selling their own compost is certainly testament to that.

Much can be owed to a local spirit of cooperation and collaboration. And the ability to discern what is worth saving, such as the State Theater, and what can fall away. Hutchinson is a micropolitan that has managed to balance growth with preservation. Where development doesn't compromise its cultural or environmental character. The downtown redevelopment project is a great example of that, going forward even in the midst of challenging times.

Just as the Hutchinson brothers first recognized, the city's abundant natural resources and beauty greatly add to a higher quality of life. With hiking, biking and snowmobiling trails, such as the Luce Line Trail, walking paths, a wildlife sanctuary and access to fishing, boating, kayaking and water sports on the area's more than 50 lakes, there are ample opportunities to experience Minnesota's great outdoors right out your back door. Or, as a great escape from bigger cities.

Here you'll find a community confident in itself and its direction. Unwavering in its focus and sense of mission. With a way of thinking about the world that inspires them to set their sights on noble and bold, but also achievable goals. This is a city whose marching orders are clear: to serve its people, commerce and industry with a clear focus, staying on point with intention and purpose. Charting a better course for the future while still cherishing what is right before us.

The City of Hutchinson
A City On Purpose

MISSION STATEMENT

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

VISION STATEMENT

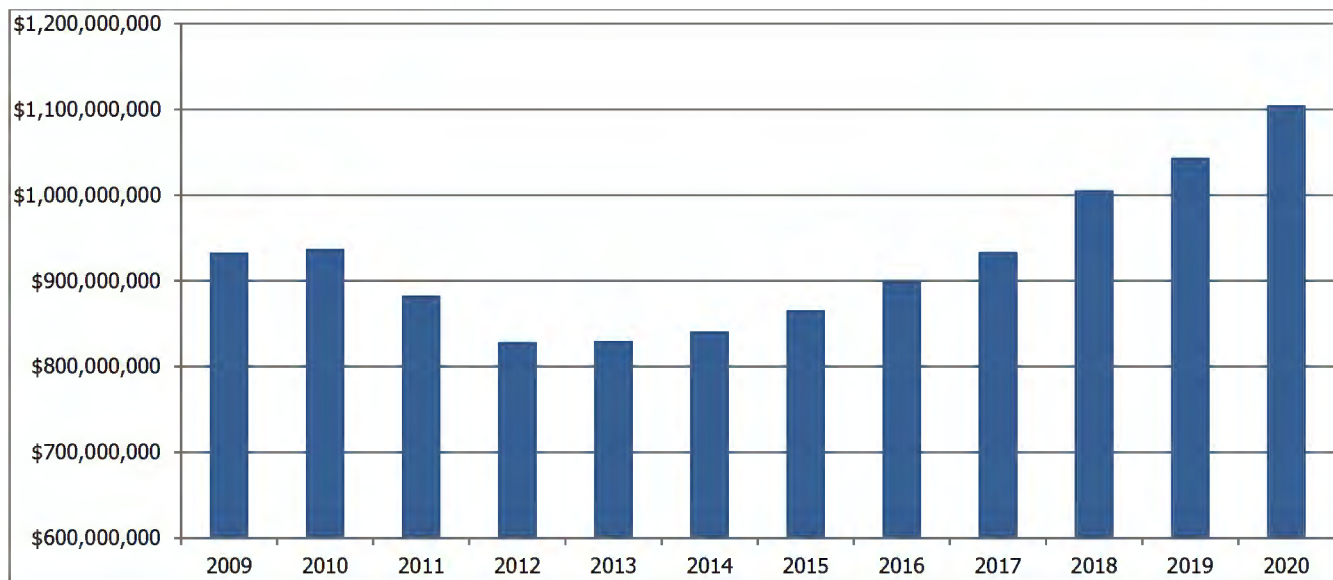
Our vision for the City of Hutchinson is that we will continue to be an involved, progressive and innovative community that promotes our regional prominence while preserving our hometown character and delivering quality, cost-effective services

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Broad Indicators

Assessed Market Value

One of the most significant indicators of Hutchinson's success is demonstrated in the consistent growth in total assessed market value.



The total assessed market value of the city increased 5.9% in 2020. Residential values increased 5.4%, commercial/industrial values increased 4.4%, agricultural values increased 10%, and apartments saw the largest value increase at 16%. 2020 was the eighth straight year that the assessed market value of the City increased.

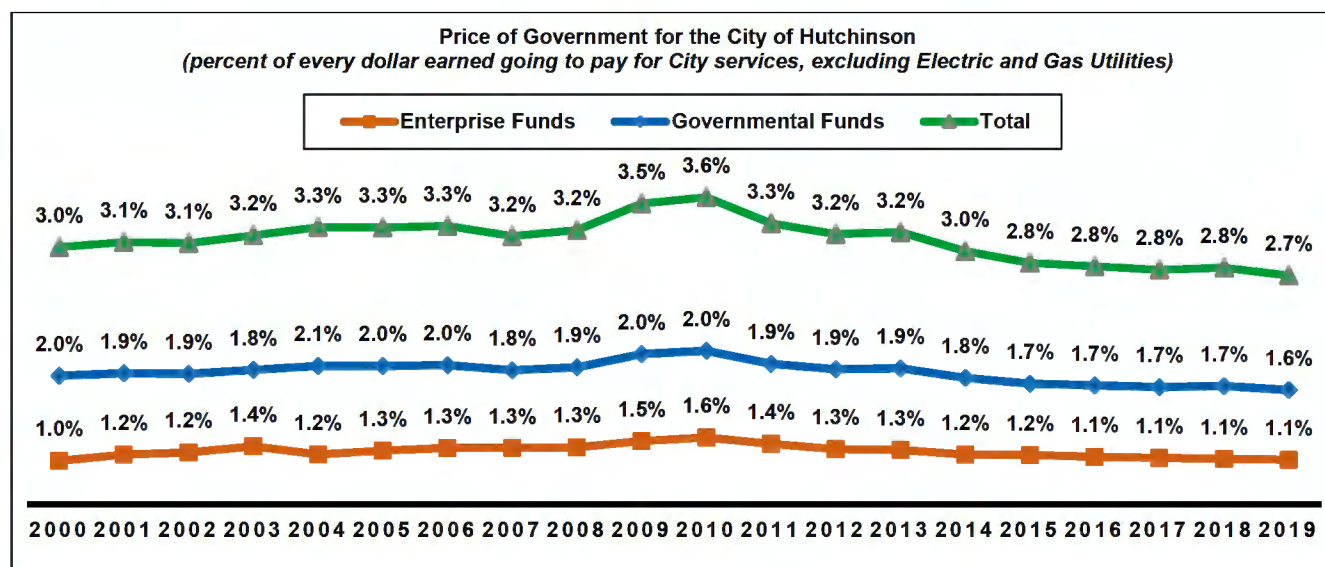
The bottom years of 2012 and 2013 reflect the "great recession" and values have increased 33% since 2013; an average of 4% each year. Current values are at all-time high for the City. The market value for each year is determined as of January 1 based on prior year sales. It is anticipated that the 2021 assessed market values will also show an increase.

Price of Government

In recent years the City has tracked its "Price of Government" as a means to measure local government affordability. The "Price of Government" 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 amount has changed over time.

The graph below shows the City's price of Government since 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.

Data is always a year behind due to the lag in the availability of data from the U.S. Bureau of Economic Analysis. For 2019, Hutchinson Citizens spent 1.6% 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 2.7% of each dollar earned by Hutchinson citizens was spent on City services.



Bond Rating

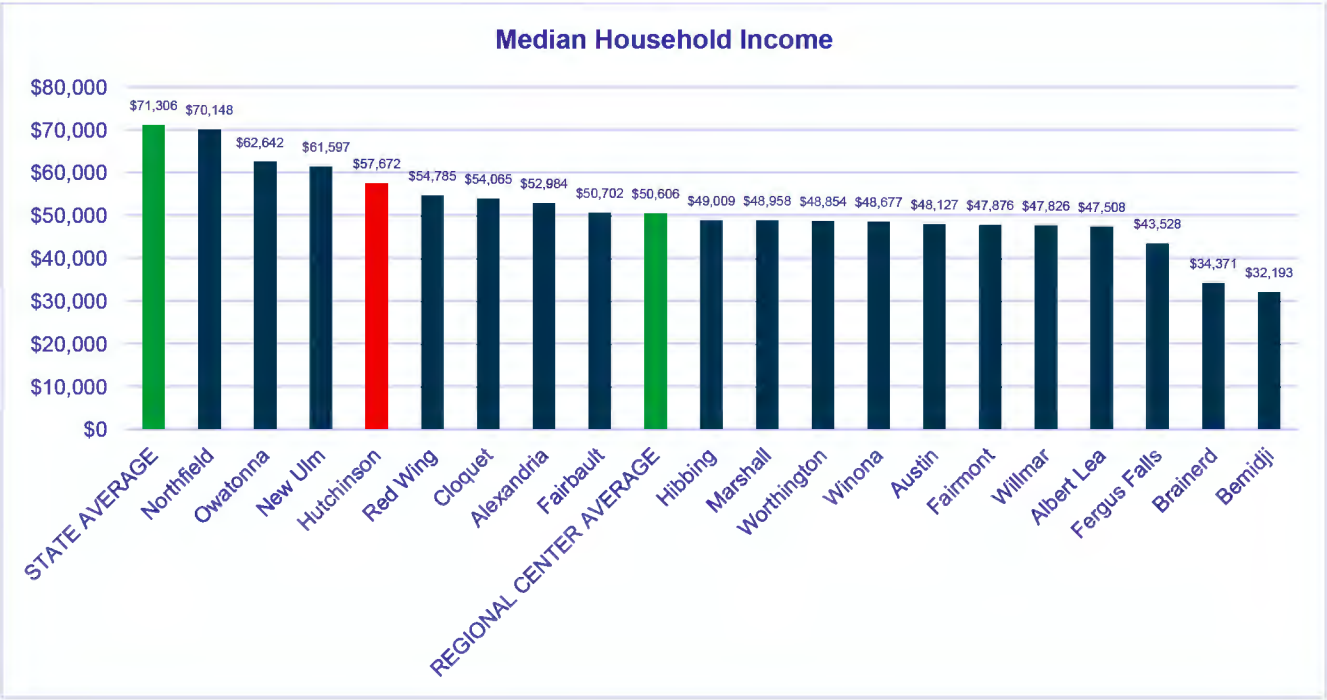
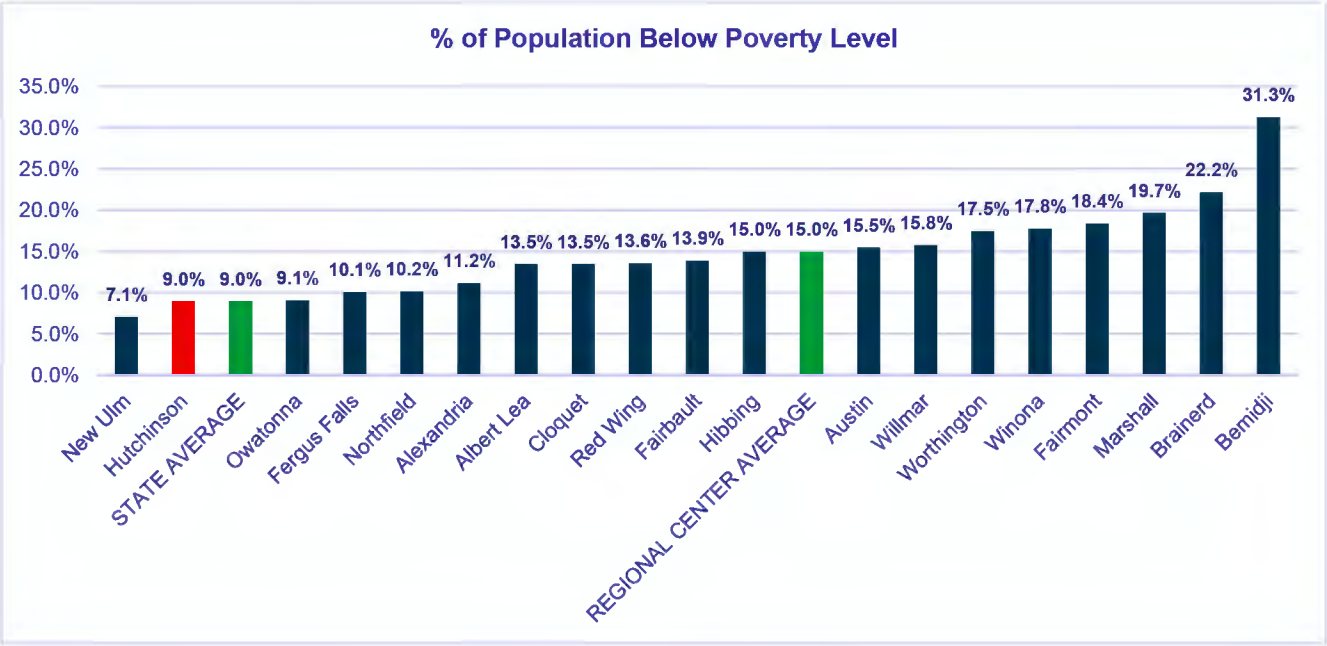
An important indicator of financial stability is the credit rating assigned by independent rating agencies.

In 2020, Standard & Poor's (S&P) Rating Services reaffirmed its AA- rating for the City of Hutchinson. This rating is 4th strongest on S&P's rating scale and identifies the City has having a "stable outlook". The independent evaluation of a municipalities credit risk is one of the single most important indicators of prudent financial and administrative management. The evaluation considers many factors including the local economy, budgetary management, debt load, and budgetary performance.

Poverty Levels and Household Incomes³

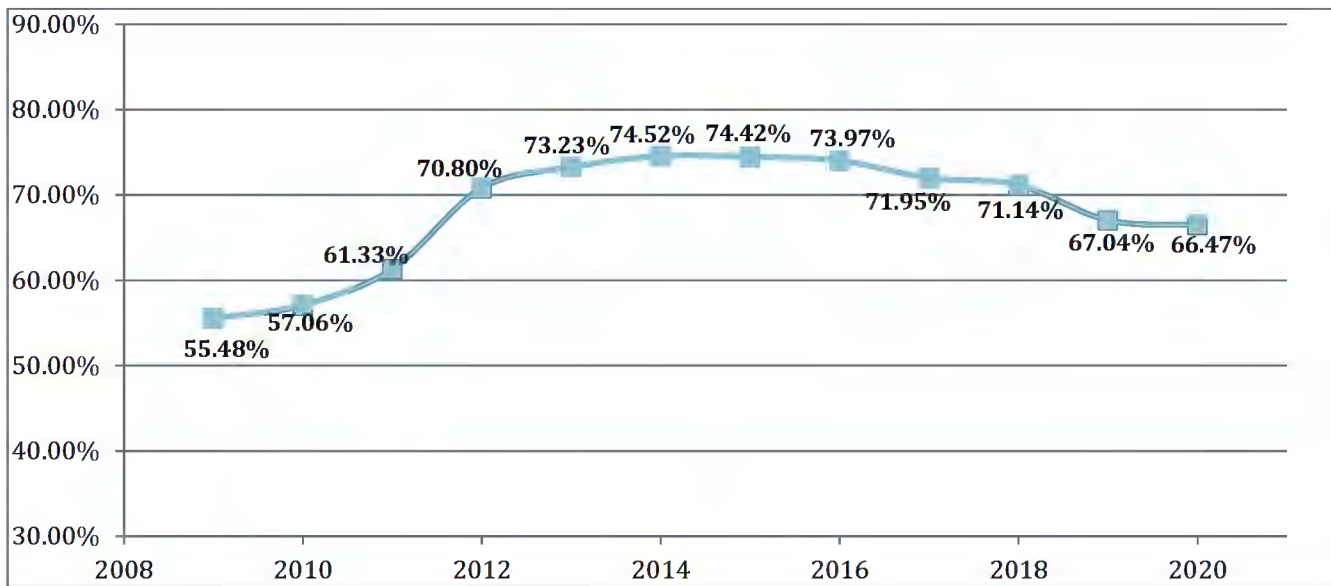
³ Poverty and household income data was for 2019 and was obtained from the American Community Survey, available from the U.S. Census Bureau.

The City of Hutchinson monitors poverty levels and household income levels in an effort to gauge the economic strength of the community. Historically the City has had poverty levels below that of the State and Regional Center averages. While household incomes have been below that of the state average, it has remained in the upper third and above average of the outstate regional centers that Hutchinson compares itself to.



City Tax Rates

The following tables show a comparison of city tax rates to other outstate small regional centers. The first table shows the trend of the City's tax rate since 2009. The second is a comparison of the 2020 tax rates of outstate regional centers. The following tables reflect only the City portion tax levies and do not include special levies that cities may also certify.



The table down below shows a comparison of Hutchinson's 2020 city tax rate for city services with other outstate regional centers. Hutchinson's tax rate was the fifth highest out of the 19 regional centers.

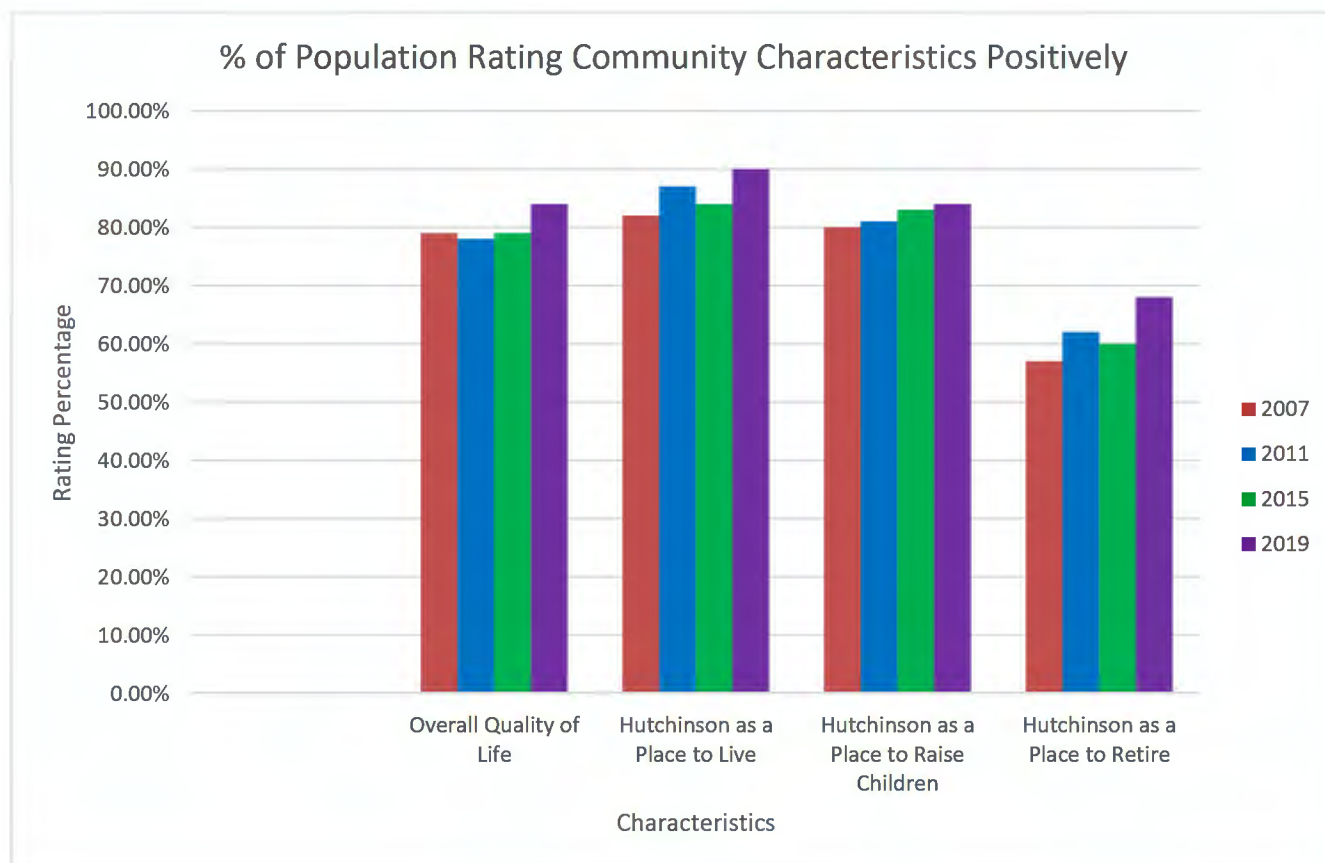
	<u>19 Regional Centers</u>	<u>2020 Tax Rate</u>	<u>2019 Tax Rate</u>
1	Cloquet	33.84%	34.15%
2	Willmar	39.49%	37.73%
3	Alexandria	40.41%	40.47%
4	Winona	41.85%	41.60%
5	Bemidji	50.14%	50.78%
6	Faribault	53.14%	53.96%
7	Worthington	55.55%	50.57%
8	Austin	55.72%	56.53%
9	Fergus Falls	57.76%	57.95%
10	Northfield	58.17%	56.16%
11	Marshall	58.31%	56.65%
12	Fairmont	59.64%	54.37%
13	Albert Lea	60.06%	61.91%
14	Owatonna	62.48%	63.28%
15	Hutchinson	66.47%	67.05%
16	Red Wing	71.51%	64.41%
17	Brainerd	78.78%	79.84%
18	New Ulm	78.82%	78.07%
19	Hibbing	91.19%	88.98%
	Average of 19 Regional Centers	58.60%	57.60%

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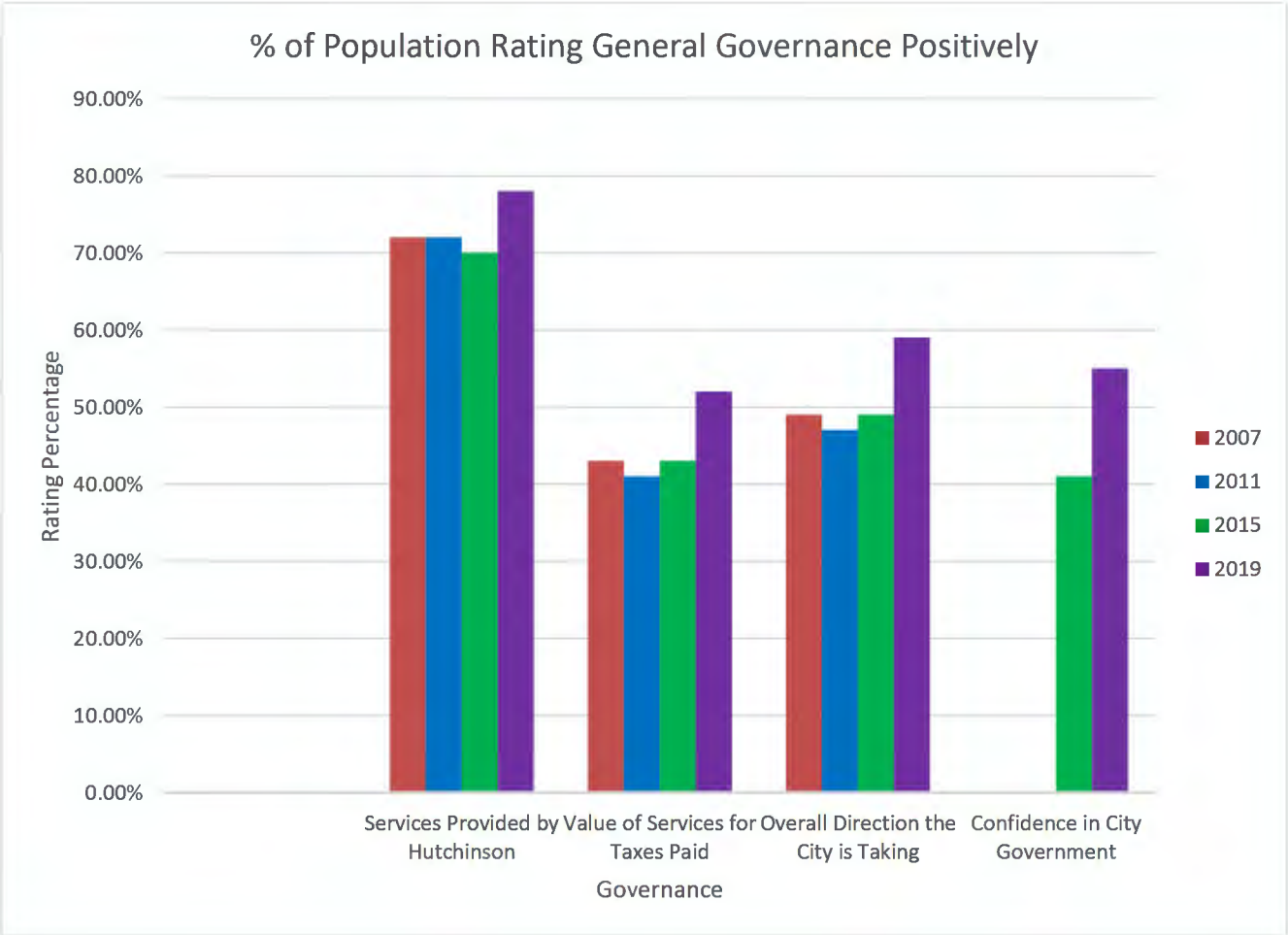
Community Surveys

Feedback from the community is also an important measuring tool for the City. The City of Hutchinson conducts statistically valid community surveys every four years through the National Community Survey (NCS). The community survey assesses aspects of community life, local government service quality, and resident participation in community activities. The survey captures residents' opinions and the results are based on resident perceptions. Overall, the survey describes areas where the community believes things are going well and sheds light on the areas that could benefit from improvement.

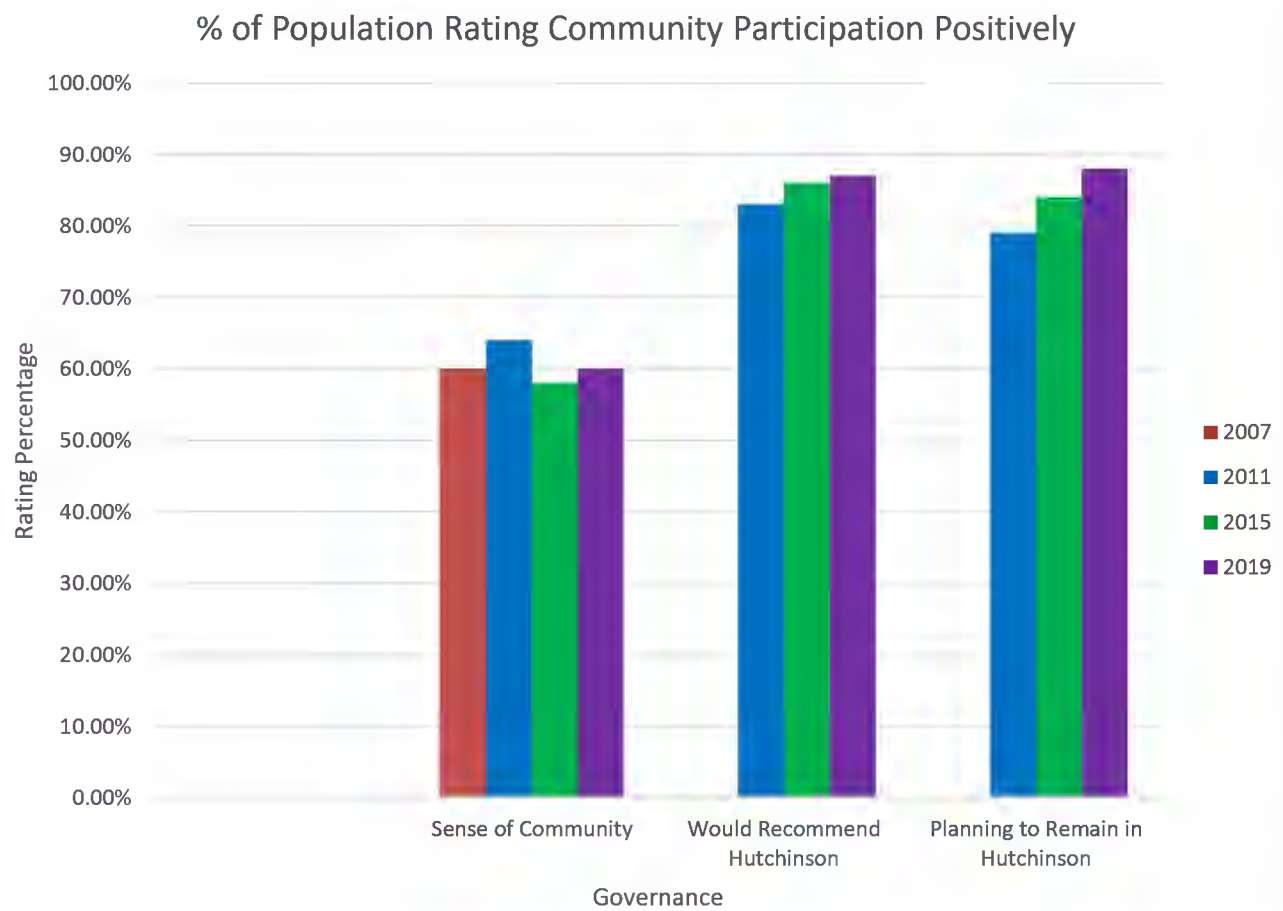
When it comes to aspects of making a community livable, attractive and a place where people want to be, the latest survey (2019) showed that the percentage of residents responding "excellent" or "good" improved from previous years. The majority of our residents (84%) rated the quality of life in Hutchinson as excellent or good; 90% rated the city as an excellent or good place to live; 84% rated Hutchinson as a place to raise children as excellent or good; and 68% viewed Hutchinson as an excellent or good place to retire.



When it comes to how well the government of Hutchinson meets the needs and expectations of its residents, the latest survey showed that the percentage of residents responding “excellent” or “good” improved from previous years. The majority of our residents (78%) rated the overall quality of services provided by the City of Hutchinson as excellent or good; 52% rated the value of services for taxes paid as excellent or good, the highest on record. 59% rated the overall direction city government is taking as excellent or good, and 55% viewed confidence in city government as an excellent or good.



When it comes to how well the residents of Hutchinson are connected to the community and each other, the survey showed that the percentage of residents responding “excellent” or “good” improved from the previous survey. 60% of our residents rated the overall sense of community as excellent or good, while 87% of the residents would recommend living in Hutchinson to someone else and another 88% planned to remain in the community for the next five years.

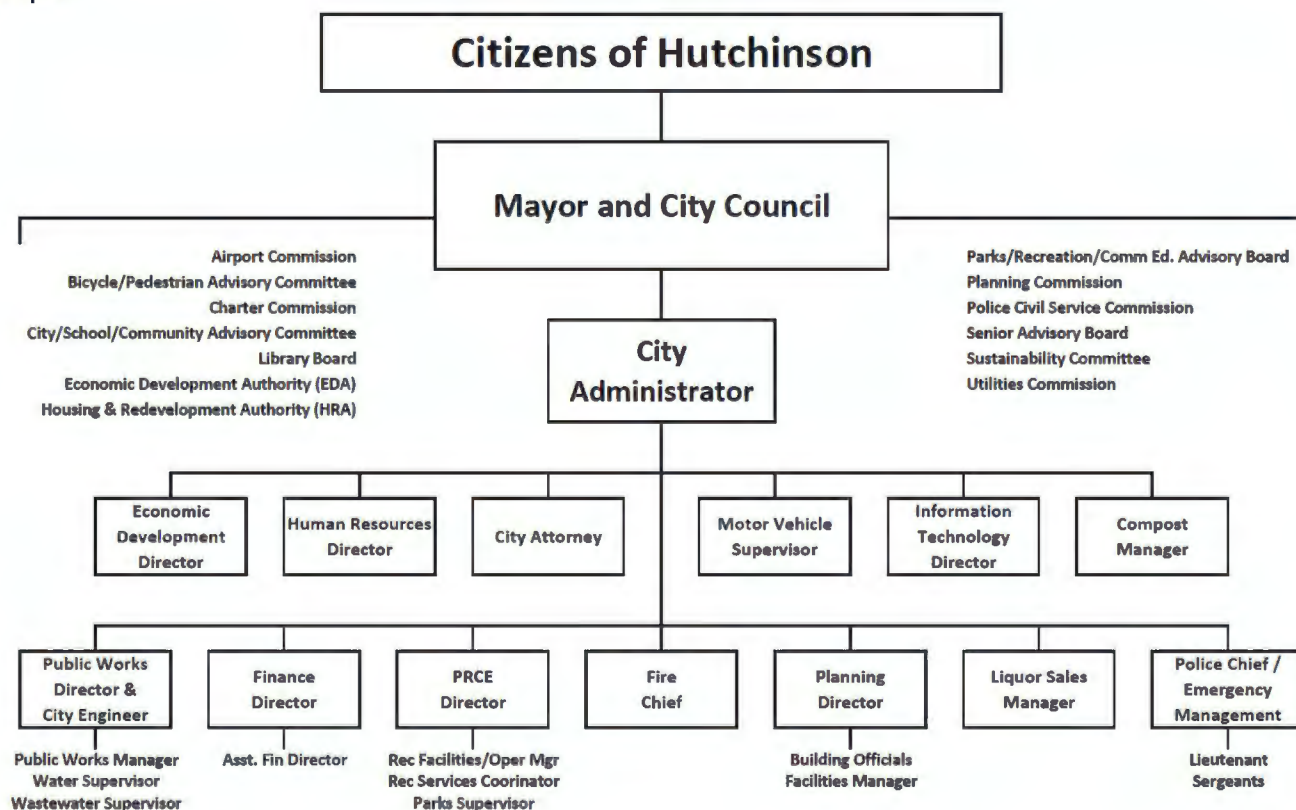


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Organization of the City

The city of Hutchinson is governed by a home rule charter and operates as a Council-Manager/Administrator form of local government. The city council consists of a mayor and four designated council seats, all elected at-large. The city council serves as the governing authority in the "weak mayor-council" form of government. The mayor serves as the chair to the council, but does not have greater authority than the other council members do. The mayor and council are responsible for making policy and legislative decisions that govern the City, while relying on the city administrator and staff to handle the administrative and day-to-day operations of the City.

As chief executive officer, the city administrator is the sole employee of the city council and is responsible for ensuring the day-to-day operations of the city are being met. The city administrator is appointed annually by the city council. The city of Hutchinson has approximately 140 regular staff, who provide residents a wide array of municipal services including administration/legal, finance, public safety (police & fire), streets, economic development, culture/parks/recreation, engineering, public improvements, building permits/inspections, planning and zoning, and motor vehicle/DNR licensing. The City also operates public water, sanitary and storm sewer collection and treatment utilities, a soils manufacturing/compost business, an off-sale liquor store, and owns a municipal airport.



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Grants and Donations

Another way to consider the effectiveness of how a community is built is by how the City leverages its resources. How does the City save local tax dollars through grants, donations, sponsorships and state and federal assistance? The following are major grants, donations and state or federal aid from the past year that help fund major services provided by the City:

Forestry

- Minnesota DNR Urban Forestry – \$9,586.94
- Minnesota DNR Tree Grant – \$5,588.88

Housing

- HRA Federal Funding for Southdale Apartment Improvements – \$113,868.05

Parks & Art

- Elks Lodge Donation for Improvement to Elks Park – \$6,000
- Police Memorial Park Donations (Various) – \$1,985
- Daggett Family Donation for New Benches at Riverside Park – \$6,000
- Lions Club Annual Donation for Updates Made to Lions Park – \$1,620
- Hutchinson Huskies Contribution to New Fence at VMF – \$3,000
- JC Women's Park Upgrades – \$1,000
- Two Donations for the Slapshot Sculpture at the Civic Arena – \$1,250

Public Safety

- Federal CARES Act Money for COVID Pandemic – \$1,074,352
- Federal CARES Act Money for Airport Operations – \$23,629
- CARES Act Money from Cedar Mills Township (Fire) – \$2,118.75
- General Donations to the Fire Department – \$100
- Dept. of Justice Grant (Police Body Armor) – \$4,962.87
- State Grant for Fire Department Washer & Dryer – \$8,000
- Donations for Fire Department Washer & Dryer – \$3,000
- State Grant to Police Department Toward "Zero Deaths" – \$8,584.36
- State Fire Training and Education Reimbursement – \$1,572
- State Reimbursement of Police Training Expenses – \$21,640.94
- State Aid to Operate the Police 911 Operations – \$44,691.48
- General Donations to the Police Department – \$2,379.59

Recreational Program Sponsorships/Contributions

- Youth Sports – \$14,330

- Senior Center Activities – \$4,993.52
- Recreation Center Activities – \$625
- Waterpark – \$1,000
- Various Miscellaneous Contributions – \$6,250

State Pension Aid

- Public Pension Aid – \$203,984.89
- Fire Pension Aid – \$117,030.15

Transportation

- Municipal State Aid (General Maintenance) – \$29,280
- Municipal State Aid (2nd Avenue Bridge) – \$28,625.70
- Municipal State Aid (South Grade Road) – \$44,159.57
- State Grant for 2nd Avenue Bridge – \$21,363.75
- State Grant for South Grade Road – \$6,296.21
- State Aeronautics Grant to Update Airport Zoning – \$38,062.06
- VFW Donation to the Alley Paving Project – \$17,352.38

Other

- County Grant for Refuse Receiving Scale at Creekside – \$12,827.25

In total, the City received **\$1,891,110.34** in grants, donations, and state and federal aid in 2020.

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City Partnerships

Partnerships save city resources and help ease the tax burden on city residents. The City has pursued partnerships with a variety of other government agencies as well as private groups and community service organizations to provide for better community services. All city departments take advantage of opportunities to join forces with different agencies and groups on an on-going basis. Below is a list of many of the partnerships that have had and will continue to impact city operations:

Administration

- Member of the MCMA – Information and Resource Sharing Network
- Member of the ICMA – Information and Resource Sharing Network
- Member of LMC – Information and Resource Sharing Network
- Member of CGMC – Information and Resource Sharing Network
- McLeod County Administrators/Clerks (quarterly meetings/resources)

Finance Department

- Partners with the County in area of Assessing Services. The City pays the County about \$61K per year to annually assess the City's 5,800 parcels. This service includes the on-site property reviews of approximately 25-30% of total parcels each year.

Creekside

- Per the McLeod County Solid Waste Plan, Creekside receives organic waste material from all McLeod county residents at no charge.
- Creekside also provides a disposal service to all McLeod County municipalities' compost sites.

Fire Department

- Mutual aid agreements with all neighboring fire departments (frequently utilized for large scale events)
- McLeod County Fire Chief's Association (quarterly meetings, resources)
- Metro Fire Chief's Association (membership, meetings, training, resources)
- Minnesota State Fire Marshal's Office (fire code review)
- Meeker/McLeod Fire Safety Trailer (shared regional trailer for teaching fire safety, resource housed at our station and used throughout our multi-county region)
- Minnesota Department of Human Services (conduct fire safety inspections for daycare and foster care centers and homes)
- McLeod County Fair (inspections, grand stand event coverage, facility usage for training)
- McLeod County Sheriff's Dept. (emergency calls, resources & equipment)
- McLeod County Social Services (protection services, child/vulnerable adult)
- McLeod County (community service partnership for troubled youth)
- Project Life Saver (McLeod county partnership, resources housed at our station)
- Regional Disaster Response Unit (Partnership with Immanuel-St. Joseph's Hospital Mankato, resources housed at our station)
- Allina ambulance (emergency calls, joint training)

-
- 3M (promoting community fire safety and awareness with the use of the jointly owned, "Bullex" digital/electronic fire extinguisher training device).
 - Village Ranch, Inc. (projects and assistance for young men)
 - Internal – Police Dept. (emergency calls, training site, resources & equip., EOC)
 - Internal – Building Dept. (shared resources for rental inspections, new building plan reviews and final inspections)

Human Resources

- Hutchinson Utilities Commission – Provide all HR related services as needed. This includes recruitment, policy/contract administration, benefits, discipline, COBRA, work comp, new hire orientation, etc.
- HRA – Provide bi-weekly payroll and all payroll related services. HRA is included in our employee insurance benefit plans and work comp coverage.
- McLeod Rail Authority – Provide meeting notices for all regular meetings.
- Complete salary related and other surveys or provide other information as requested – annual LMC survey, ICMA, federal govt. requests, other MN cities, unions, etc.

Information Technology

- Provide, for a fee, fiber connectivity for McLeod County Solid Waste and the fairgrounds for the County network.
- Provide, for a fee, fiber connectivity to Ridgewater East campus for the State of Minnesota network.

Legal

- Hutchinson Utilities Commission – Provide all legal related services as needed through the City Attorney.

Planning & Zoning

- Hutchinson Area Joint Planning Board – City of Hutchinson, McLeod County, Acoma Township, Lynn Township, Hassan Valley Township.
- Backup building inspection services with Meeker County on an as needed basis (has not been utilized recently but contract is in place).
- Partnership with Pioneerland Library services to manage and operate the Hutchinson Public Library. City owns building, provides custodial staff, and manages building and associated improvements.
- Partnership with Lutheran Social Services for Senior Dining Service at Evergreen.
- Partnership with Hutchinson HRA to provide rental rehab inspections both in Hutchinson and County wide for HRA rental rehab projects.

Police Department

- Mutual Aid: An agreement with McLeod County including all municipalities all emergencies as needed.
- Emergency Management:
 - McLeod County including all municipalities
 - Planning
 - Training for licensed and civilian staff
 - Civil Defense siren testing and alerts

-
- Coordinated County-wide response
 - Weather spotters through the county
 - County-wide inventory of equipment and resources for emergencies both public and private
 - Communication Center:
 - Member of the State's Regional Radio Board with City Council Member having a position on the Board
 - McLeod County including all municipalities
 - Hutchinson Fire
 - Aliana Medical
 - Communication Support for Hutchinson Water, Waste Water, and Street Departments
 - The two systems are joined virtually:
 - CAD, RMS, Jail Package
 - Recommended by the consultants
 - Redundant system in case of failure
 - Support in major emergencies
 - Emergency Management tool
 - SRT Communication support
 - Communication Advisory Board:
 - Made up of police, fire, and medical agencies throughout McLeod County
 - Addressing radio programming, radio protocols, call out procedures and priorities, resolving issues
 - Southwest Metro Drug Task Force:
 - We currently have one licensed police officer assigned to the Task Force
 - McLeod, Carver, Scott, West Hennepin, Glencoe, Lester Prairie, Winsted, Brownton, Shakopee, New Prague, Jordan
 - Monthly McLeod County Chief's Association (Region VI) meetings:
 - All county Chiefs
 - Sheriff
 - County Attorney
 - State Patrol
 - County-wide training hosted and supported by McLeod County Chief's Association and MPPOA:
 - Active Shooter
 - Mental Health training for licensed and civilian staff
 - Police and Fire Training facility:
 - We allow any law enforcement in the state to utilize our range
 - We allow McLeod County to utilize our range
 - We allow McLeod County to utilize our EOC
 - Special Response Team (SRT):
 - The Hutchinson and McLeod teams train together
 - Respond to all emergencies together
 - Share equipment
 - This approach allows each agency the ability to control costs
 - This approach allows each agency to manage liability
 - This approach allows each agency to control utilization of team within their jurisdiction
 - School Liaison Officer:
 - Hutchinson School District

-
- High School and Middle School
 - Shared compensation
 - Hospital Security:
 - Hutchinson Health
 - Security Team
 - Total compensation
 - Park Patrol Officer:
 - Park and Rec. Department
 - Shared compensation
 - DARE Program:
 - McLeod County teaches this program to all schools throughout the County
 - Our contribution is \$8,000.00 annually
 - Project Lifesaver:
 - All police and fire agencies in the county participate
 - The equipment is purchased by the County
 - McLeod County Fair:
 - The two agencies share a display booth during the fair
 - We back up the Sheriff's Posse as needed throughout the fair
 - Susteen Secure view mobile forensic software:
 - Shared service allowing access to mobile phone data
 - Shared fee
 - Safe and Sober:
 - Headed up by the State
 - Enforcement program partnered with agencies throughout the state
 - ICAC:
 - Computer forensics partnered with the BCA
 - CARE Council:
 - HPD has an officer on the Board
 - County-wide participation
 - Parent Connection Team:
 - HPD has an officer on the Board
 - County-wide participation
 - McLeod County Public Health Nuisance Provider Roundtable:
 - HPD has an officer on the Board
 - County-wide participation
 - Adult Protection Team:
 - HPD has an officer on the Board
 - Courts, Prosecutors, Social Services, Probation, Advocates
 - Child Protection Team:
 - HPD has an officer on the Board
 - Courts, Prosecutors, Social Services, Probation, Advocates
 - Take it to the box program:
 - Hutchinson PD, Winsted, and the Sheriff's Office have drop boxes in their lobbies
 - MEADA Coalition (Meth Education and Drug Awareness):
 - HPD has an officer on the Board
 - County-wide participation

Park & Rec

- ISD 423 PRCE Joint Powers Agreement
- ISD 423 Grounds Maintenance Agreement
- Hutch Utilities Maintenance Agreement
- HPD shared Bike Patrol
- Youth Associations: Shared programming for Baseball, Softball, Hockey, Figure skating, Basketball, High Tides, Wrestling, Volleyball, Lacrosse, and Soccer
- Fraternal Organizations: Park Development/Maintenance: Rotary, Oddfellows, Masons, VFW, Legion, Elks, Kiwanis, Jaycees, Boy Scouts, Girl Scouts Lions, Maplewood Academy, and Historic Hutchinson
- Associations: Programs and Events: Chamber of Commerce, River Song, Center for the Arts, Little Crow Archery, EDA and Hutch Health
- Adopt-a-Park with the Hutchinson Huskies on Veterans Memorial Field

Public Works

- Engineering – The engineering department staff utilizes and is utilized as a resource to the local MNDOT District 8 and McLeod County Highway Department staffs while maintaining a very amiable working relationship. Relative to these relationships, city staff has initiated, developed, coordinated and/or administered several inter-agency cooperative agreement projects such as the TH 7/15 Reconstruction (including Main Street Bridge), School Road Pedestrian Underpass, Adams Street & Washington Avenue Reconstruction, TH 15 & North High Drive Roundabout, TH 15 & Airport Road Roundabout, South Grade Road Bridge & Micro-Surfacing, TH 15 Retaining Wall, and future TH 15/Main Street (downtown) Reconstruction. These projects have leveraged city resources to achieve significant infrastructure improvements. In regards to the MNDNR, city staff has worked well with MNDNR to address the replacement of the Crow River Dam and improve the Luce Line/River trails corridor. Also, City staff is always actively monitoring and maintaining our Municipal State Aid (gas taxes allocated by MNDOT) fund balance to deliver timely and cost-effective projects. Lastly, city staff continues to be involved in the development of the McLeod County Trails Plan and future planning of the Dakota Rail Trail corridor improvements.
- Area Transportation Partnership (ATP) – City staff is continually engaged in ATP activities to promote MNDOT trunk highway system improvements in our region and capitalize on Federal Aid funds to deliver City projects such as 2nd Avenue SW & Dale Street Reconstruction, School Road NW Reconstruction, future School Road and Roberts Road multi-use trails, and future Century Avenue SE improvements.
- Hutchinson Area Transportation Services (HATS) – HATS has facilitated the establishment of a great working relationship with McLeod County and MNDOT. Equipment is shared routinely at the operator/lead level. Examples include the city routinely using a county dump truck to haul biosolids and having MNDOT assist the city by coring concrete for sign installations. MNDOT provides facility maintenance assistance. Fuel purchases are done jointly and fuel is purchased by the State, County and City departments. We are also reimbursed by the State for spring sweeping and snow removal operations and trade for materials with the County to offset spring sweeping costs. We also routinely share aggregate materials stockpiled at HATS amongst the three entities. The City and County jointly purchase winter salt.
- Airport – At the airport there is significant cooperative efforts between the FAA, MNDOT, and the FBO. Without these entities, it would be unfeasible for the City to effectively operate an airport. Both FAA & MNDOT personnel routinely assist us in troubleshooting problems,

determining cost-effective solutions and to help ensure the airport is safe. The FBO serves as the eyes and ears for the city with regards to airport operations, since they are on-site every day. ASI Jet pays for half of the internet connection at the airport.

- Cemetery – The chapel at the Cemetery is a joint venture with Dobratz-Hantge Chapel. The Cemetery also partners with local businesses to provide employee parking
- Safety – Public Works is part of a network made up of other Public Works Departments that serve as a “think-tank” for safety/operational issues related to Public Works operations. While this group meets regularly, off-line various entities are able to provide resources to each other and act as a sounding board for safety/operational issues.
- Signs – The City has a great working relationship with the County when it comes to utilizing one another’s sign inventory and equipment. This helps to offset the typical lead time or ordering signs.
- Equipment – The City is part of the MNDOA Cooperative Purchasing Agreement (State Bid) for purchasing equipment other items. This saves a significant amount of time as staff does not have to prepare separate bid documents for each purchase
- Streetlights – They City has a relationship with HUC relative to energizing and maintaining streetlights.
- Snow Removal – The County snow blower serves as the City’s backup snow blower.
- Wastewater – City staff administers an industrial waste permitting process which allows for the City to collect materials from other agencies and organizations for an established fee resulting in City revenues. Also, city staff coordinates a biosolids spreading program with local farmers to cost-effectively dispose of sludge materials.
- MNWARN – The City is part of MNWARN (Minnesota Water/Wastewater Agency Response Network). This is a formal emergency response program in MN which is facilitated by a standard mutual aid agreement. All of the communities within a 25-mile radius of Hutchinson are part of this network.

2020 Annual Report

Awards and Recognitions

One way to consider the effectiveness of city services is through independent awards and recognitions received by the City and its departments over the past year.

Environment

- City reconfirmed its status as a step 4 & 5 city of the Green Steps City Program
- 41st year as a Tree City USA Community

Finance

- 24th Straight year being recognized by GFOA for Excellence in Financial Reporting

Parks and Recreation

- The City's Park, Recreation and Community Education Department received an Award of Excellence for its 2019 Master Parks Plan

City Administration

Primary Services

The city administrator and the administration department provide the following services:

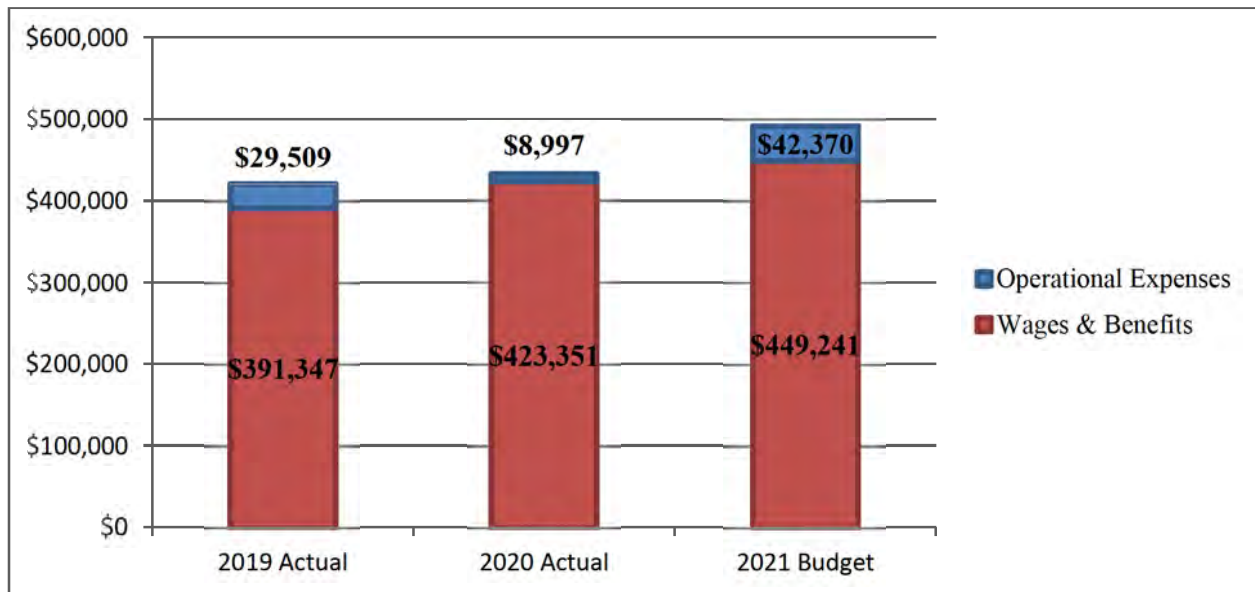
- Directs the general operation of city government and oversees the day-to-day operations of the City
- Provides overall organizational leadership and direction
- Provides direct supervision to all department directors
- Provides staff assistance to the mayor and city council in research, investigation, and resolution of problems, budget analysis, policy review, and public relations
- Assists the City Council in preparation of public meetings
- Responsible for implementing the City Council's vision (programs & policies)
- Responsible for seeing that City Charter and laws (ordinances) are enforced
- Serves as the city's Chief Negotiator for Union contracts and has ultimate authority over the hiring and firing of city employees
- Provides direction to Human Resources on the functions, policies and procedures of the City (Human Resources is a component of administration)
- Works in conjunction with the finance department on preparing and managing the development of the city budget and CIP
- Provides recommendations on policies that govern the financial affairs of the City
- Oversees municipal elections
- Oversees the City's permitting processes (except for building & planning/zoning)

2020 Staffing Levels

3.40 Full-time Equivalent Staff

Budget

General operations of this department total \$432,348 in 2020



2020: The Year in Review

2020 Accomplishments

- Attended and completed the Blandin Community Leadership Program
- Assisted staff in dealing with the impacts of COVID-19 on the staff and the community. Assisted in developing several policies to help fight the pandemic
- Completed the City's effort to create a Marketing and Branding Plan
- Worked with the City Council on putting together the City's "Legislative Priorities"
- Established an "Adopt a Park" Agreement with the Hutchinson Huskies
- Negotiated a new agreement on the Sitz Property Assessment
- Completed negotiations on a new Police Officer Union contract
- Assisted in getting information out on the 2020 Census
- Partnered with the Finance Department to conduct a strategic planning session with the City Council that focused on financial priorities and general fund balance policy discussions
- Held a virtual "So you want to be an Elected Official" program that saw 9 people attend
- Established a set of guidelines to allow for outdoor dining during COVID-19 restrictions
- In conjunction with the finance department, continued the City's strong financial presence which was reaffirmed with an AA- Bond Rating with S&P
- Created an RFP and held interviews on a Construction Management company to assist the City with the new Police Station (Contegrity Group).
- Negotiations began on a new Garbage Contract with West Central.
- Put together a recruitment brochure and began interviews to fill the PRCE Director position following the retirement of Dolf Moon
- Oversaw the 2021 budget preparation process and delivery of a balanced budget with a tax levy increase at 2.3%
- Put together the Truth-in-Taxation presentation and budget message for the 2021 budget
- Produced several reports as requested by the Council on various issues relating to the city and the budget process

2021: A Look Forward

The 2021 goals for the Administration Department are as follows:

- Create an annual monitoring report
- Successfully bid and see the start of construction on a new Police Facility
- Complete a Compensation Study
- Hire a new PRCE Director
- Establish a General Fund Balance Policy
- Continue to roll out the next steps of the City's Branding and Marketing Plan
- Have a discussion with the Council on the City's Street Width Policy and Policy on Deferred Assessments
- Finish work on the City's garbage contract
- Look at establishing a city-wide orientation program with the City Administrator
- Look at creating a "Policy Book" for the City – A comprehensive book that contains all of the city's policies

Economic Development Authority

EXECUTIVE SUMMARY

2020 was the year of the world-wide coronavirus pandemic which affected pretty much everything. Main Street Hutchinson was very hard hit by the loss of a number of businesses, most notably Zella's Restaurant. Other businesses were affected to varying degrees, some severely, others moderately and some with almost no ill effects. Some local manufacturers actually saw an uptick in business as orders that would typically be placed overseas were brought back to the United States.

Activities of the Hutchinson Economic Development Authority were largely unaffected, changing more in type than in volume. Highlights of the year included:

- Identified developer for the Franklin Redevelopment site
- Identified potential developer for the 3rd Avenue NW Redevelopment site (Cenex)
- Purchased a blighted property for redevelopment (Franklin House)
- Warrior Mfg. completed its 41,000 sf expansion
- Recruited Rite-Way Conveyors
- Updated the EDA Strategic Plan
- Completed major update of the EDA website
- Joined Minnesota Marketing Partnership
- Developed and administered the \$750,000 CARES business assistance program
- Facilitated county economic development effort

ACTIVITY REPORT

Downtown Grants & Loans

Hutchinson's downtown remains a key focus area for the Hutchinson EDA. In a very real way the EDA believes that *"as the downtown goes, so the community goes."* It really is a barometer for the overall health of the community and a considerable amount of fixed asset wealth is concentrated there. The downtown plays a key role in recruiting new families to the community, thereby helping provide the workforce our local manufacturers need. Finally, the health of the downtown plays a very significant role in helping recruit new employers to the community.

To incentivize continued reinvestment in the downtown the EDA operates three programs: the Sign & Awning Grant Program, the Façade Improvement Matching Grant Program and the Commercial Rehabilitation Loan Program.

Sign & Awning Grant Program

For 2020 the Sign & Awning Grant program provided \$1,000 grants for business owners to purchase signs and / or awnings for their downtown businesses. No match is necessary. For the year, six grants were awarded totaling \$5,275 as shown in Table 1, below:

Table 1 – Sign & Awning Grants

Approved	Recipient	Amount
5/27/2020	State Farm / Steve Kroop	\$1,000
5/27/2020	Art's Place	\$1,000
7/22/2020	Junk-N-Treasures	\$920
8/26/2020	Clay Coyote	\$1,000
10/28/2020	Aspire Counseling, LLC	\$870
12/2/2020	BG Jewelers	\$485
TOTAL		\$5,275

Façade Improvement Program

The Façade Improvement Program is a matching grant whereby property owners can receive a dollar-for-dollar match up to \$5,000 to make improvements to the front or rear of their buildings to improve their curb appeal. In 2020 four matching grants were awarded totaling \$17,483. Details can be found in Table 2, below.

Table 2 – Façade Improvement Matching Grants

Approved	Recipient	Amount
4/22/2020	Happy Sprout / Premier Investments	\$5,000
5/27/2020	Art's Place	\$5,000
8/26/2020	Touch of Grace	\$2,483
10/28/2020	Main Street Sports Bar	\$5,000
TOTAL		\$17,483

Commercial Rehabilitation Loan Program

The purpose of the Commercial Rehabilitation Loan Program is to preserve the building stock of downtown Hutchinson by providing low interest loans to compliment traditional bank financing. One loan was made in 2020 totaling \$150,000. Previously program rules had been updated giving the EDA Board discretion to provide larger loans for larger projects. With Main Street Sports Bar (MSSB) being a significant anchor business in the downtown it was deemed appropriate to provide a higher level of funding for the project. Table 3, below, provides a program summary.

Table 3 – Downtown Loans

Approved	Recipient	Amount
8/26/2020	Main Street Sports Bar	\$150,000
TOTAL		\$150,000



For its expansion project, MSSB acquired the neighboring building to the north (seen at right) and is expanding its bar area and adding office. The EDA provided a \$150,000 loan.

Downtown Programs Updated

The reconstruction of Main Street combined with the negative economic effects of the pandemic put considerable stress on Hutchinson’s downtown in 2020.

To facilitate the recovery of Main Street the EDA Board significantly strengthened its downtown programs: the Sign & Awning Grant Program was doubled from \$1,000 to \$2,000; the Façade Improvement Program was increased by 50%, providing a dollar-for-dollar match of up to \$7,500 for projects and the Commercial Rehabilitation Loan Program was doubled from a \$30,000 maximum loan up to \$60,000. The EDA Board also indicated it would consider larger loan requests on a case-by-case basis. Program modifications are summarized in Table 4, below:

Table 4 – Downtown Program Modifications

PROGRAM	Previous Limit	New Limit
Sign & Awning Grant	\$1,000	\$2,000
Façade Improvement Matching Grant	\$5,000	\$7,500
Commercial Rehabilitation Loan	\$30,000	\$60,000 +

Downtown Redevelopment

In addition to operating programs to preserve and enhance downtown building stock, the EDA is actively engaged in promoting the redevelopment of blighted areas of downtown where the free market fails to act.

Franklin House Acquisition

In the fall of 2020 a property adjacent to the Franklin Redevelopment Area (the old clinic site) became available for purchase. Due to its proximity to the existing redevelopment area and the extremely poor condition of the building, the EDA expanded the boundaries of an existing TIF District (TIF 4-16) and paid \$120,000 to purchase the property from McLeod County Treatment Programs. Current plans call for the building to be demolished sometime in 2021 and the .33-acre site incorporated into a planned townhome development. Historic Hutchinson has indicated an interest in the original structure, theorizing that it might have a connection to the Harrington-Merill property nearby. This will be investigated further in 2021.



The EDA purchased the 'Franklin House;' the building will be removed by mid-2021 to prepare the site for redevelopment.

Franklin Street Redevelopment Project (Old clinic site)

The EDA initiated redevelopment of the old clinic site in 2015 by establishing a Redevelopment TIF District and purchasing the severely blighted one-acre site of an old medical clinic/commercial office building. After the building was removed a Request for Proposals (RFP) document was developed and circulated to solicit ideas for how the area could be redeveloped. The winning proposal, as determined by the EDA, would have an opportunity to purchase the site for \$1. The EDA would be reimbursed for its acquisition and demolition costs via future property tax revenue generated by the new development. Those dollars could then be utilized for additional redevelopment activities downtown.



Redevelopment TIF District 4-16 was expanded from its original dimensions (126 Franklin) to include 135 Franklin Street. A grant application to FEMA has been submitted to acquire and remove 125, 135 & 145 Glen Street on the northwest corner of the block (red square).

To facilitate redevelopment of the entire two-acre block area, EDA staff submitted a grant application to FEMA in late 2019 for funding to acquire three properties in the 100-year floodplain and adjacent to the Crow River. If grant funding is obtained the buildings would be removed and a rain garden or other storm water control feature would be established in their place. The grant application was for **\$513,676**, which would cover 75% of estimated project costs. The EDA is required to provide a 25% local match, which would amount to **\$171,225**. Matching dollars are on hand, coming from the SHOPKO Development District, which had a balance of \$194,260 at year-end.

Originally it was understood that the result of the Hutchinson FEMA grant application would be made known sometime in September-October 2020. Unfortunately, the announcement was delayed due to an administrative rule that requires McLeod County to have a current Hazard Mitigation Plan on file with FEMA at the time of grant award. As it happens, the McLeod County plan is currently being updated and won't be completed until the fall of 2021. The final disposition of the grant application will have to wait until that time. It is hoped that funding will be approved in the fall of 2021 and the project able to move ahead in 2022.

In response to the EDA's Request for Proposals to redevelop the site, a local developer suggested a plan for an upscale rental townhome development and this proposal was accepted. The site would be redeveloped with approximately 41 two-bedroom townhomes with a garage on the ground level and two-story living spaces above. Stormwater runoff would be accommodated with a rain garden or stormwater retention pond on the northwest corner of the block.

By establishing housing in and around the downtown, the project will provide more customers for area businesses, facilitate the establishment of a downtown arts & entertainment district and create a more walkable, 'greener' community.



The proposed redevelopment site plan envisions 41 two-bedroom townhomes with two floorplan options.



The proposed townhomes will feature ground-level garages with two-story living areas above.

3rd Avenue NW Redevelopment Site (CENEX)



Prior to EDA involvement, the 3rd Avenue NW site was home to the Cenex COOP fertilizer plant, several blighted buildings and significant environmental contamination.

In 2007 the EDA and the City of Hutchinson jointly initiated a project to redevelop a blighted area between 3rd Avenue NW and the Crow River.

After establishing a redevelopment TIF District, the Hutchinson COOP fertilizer plant and a neighboring residential property were acquired and the buildings demolished. Once done, the EDA worked with Hutchinson COOP and the Minnesota Pollution Control Agency's Voluntary Investigation and Clean-up (VIC) program to complete an environmental remediation of the site. During this time the EDA re-platted the former Hutchinson COOP property, the neighboring residential lot and an adjacent railroad right-of-way to create a new 3-acre lot to set the stage for redevelopment.

Unfortunately, no redevelopment opportunities presented themselves (in part due to the Great Recession of 2007-2009) and the redevelopment TIF district was later decertified before any redevelopment activity took place.

In 2020 a local developer expressed an interest in developing the site for high-end rental townhomes. At year end plans were being formulated for a rental townhome concept and it is hoped that a project will materialize on the site in 2021.



Industrial Park

Rite Way Conveyors

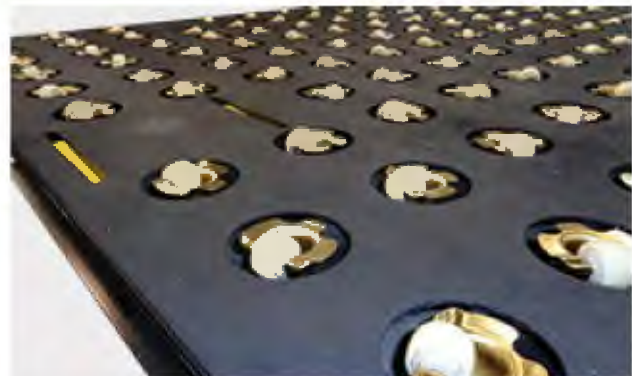
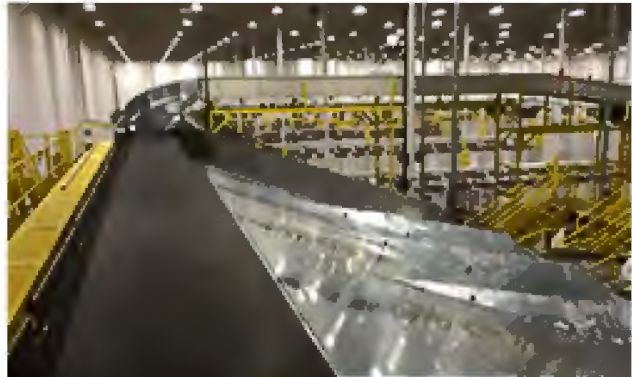
The year began with discussions with Litchfield builder **Systems West** about the possibility of constructing a 30,000 square foot industrial "Spec" building in the Hutchinson Industrial Park. The proposed partnership would have the Hutchinson EDA provide an industrial park lot for \$1, Systems West would finance and construct the building, and the EDA & Systems West would jointly market it. Systems West would then either lease or sell the building once a suitable tenant was identified.

At the same time, EDA staff was in talks with Rite-Way Conveyors about the possibility of expanding in Hutchinson.

These two projects merged, with Systems West constructing a 40,500 square foot building that it leased to Rite Way Conveyors with an option for them to purchase later. The Hutchinson EDA established an economic development TIF District (TIF 4-21) that allowed it to sell the lot for \$1 while establishing a mechanism to get itself reimbursed for 100% of the cost by capturing future property tax revenue generated by the project.

Rite Way Conveyors manufactures a variety of material handling equipment including welded conveyors, gravity conveyors, spiral chutes, sorting systems and container handling equipment, among other items. The company moved into its new Hutchinson facility at the end of 2020 with an initial employment of 35. The company is currently hiring.

***Rite Way** Conveyors, Inc.*

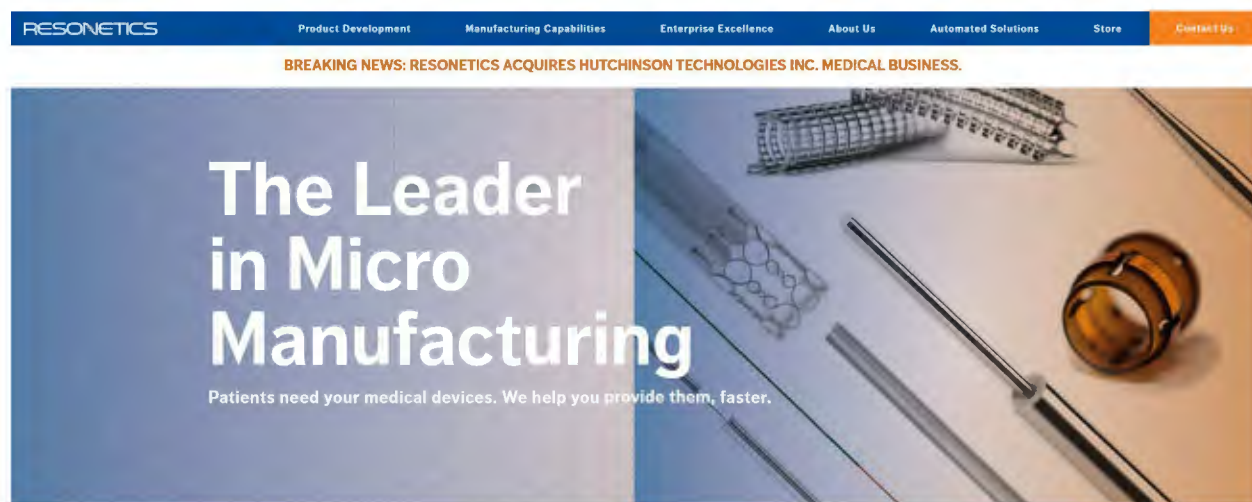


Riteway Conveyor manufacturers a wide variety of package handling equipment.

Resonetics

In November 2020 **Resonetics** completed the acquisition of TDK-HTI's medical devices division, bringing another precision, high-tech manufacturer to Hutchinson. With the purchase, Resonetics inherited approximately 150 TDK-HTI employees and concluded a long-term lease for 130,000 square feet of the HTI main building, inhabiting approximately the western third of the facility.

Founded in 1987 and headquartered in New Hampshire, Resonetics is a privately-held company specializing in micro-manufacturing. Their focus is on components and assemblies for medical device and diagnostics manufacturers. Resonetics is a leader in laser processing, centerless grinding, nitinol processing, thin-wall stainless steel tubing fabrication, precious metal forming, and other critical machining services. The company has 10 locations globally.



The Resonetics website can be found at www.resonetics.com

Solar Array

During 2020 the Hutchinson Utilities Commission (HUC) partnered with the EDA to explore the feasibility of constructing a 766 kWh solar array in the industrial park. HUC is responding to a desire of local manufacturers and city residents for a renewable energy option they could subscribe to. For the EDA, the project would provide an opportunity to power its offices at the **Hutchinson Enterprise Center** with 100% renewable energy, totally offsetting its utility bills. Savings for the EDA would be approximately \$4,000 per year, thereby improving the cash flow of the facility. At year end tentative plans were made for construction of the solar array in mid-2021 on a three-acre lot adjacent to HUC's Generating Plant # 2, on the southwest corner of the city's industrial park.



Proposed layout of HUC's 766 kWh solar array at the intersection of Industrial Boulevard and Hackbarth Street in the city's industrial park.

To increase its inventory of 'shovel-ready' industrial park lots the EDA began work to bring its 1140 5th Avenue SE lot up to development standards. Needed improvements include the construction of a storm-water retention pond and a suitable driveway onto 5th Avenue. An existing gravel approach on the south side of the lot would also be removed. In the fall of 2020 the EDA hired the engineering firm Short Elliot Hendrickson (SEH) to complete the design work for the needed improvements at a cost of \$10,550. Construction of the could be done in 2021 once a suitable funding source is identified.

EDA staff is in discussions with a small CNC machine shop about possibly constructing a 5,000 square foot facility on the lot in 2021.



Skilled Workforce Development

The shortage of skilled workforce, particularly in manufacturing and the building trades, continues to be a major challenge to economic growth. The 2020 COVID pandemic forced high schools and colleges to shift to remote learning models for most of the year. As a result, the vast majority of skilled workforce development activities, by their very nature 'hands-on,' in-person and experiential, were put on hold. Assuming a return to in-person learning in 2021, renewed emphasis will be placed on promoting the success of TigerPath and other skilled workforce development initiatives in Hutchinson.

Civil Air Patrol Training Facility

The EDA aided in having Hutchinson chosen as the location of a Civil Air Patrol training facility – one of the few such dedicated facilities in the nation. Construction on the roughly \$3.5 million facility is scheduled to begin with site work in mid-summer 2021 and building construction by the fall, with overall project completion in mid-2022.

Included in the project will be construction of a hanger and a training center with classrooms, a dining facility and a 120-bed barracks. The new training facility will be located on Airport Road adjacent to Hutchinson's airport and will host approximately 24 training events that will bring 600+ visitors to Hutchinson each year.



Site plan for Hutchinson's Civil Air Patrol training facility.

Marketing

Minnesota Marketing Partnership (MMP)

To boost its marketing efforts, in early 2020 Hutchinson joined the Minnesota Marketing Partnership, organized by the Minnesota Department of Employment & Economic Development (DEED).

The MMP is a public-private marketing effort designed to promote Minnesota to site selectors and corporate real estate managers at the state, regional and national levels. Membership gives Hutchinson a voice in shaping Minnesota's economic development marketing strategy, increases Hutchinson's visibility regionally and nationally and allows Hutchinson to incorporate MMP developed marketing materials into its own local marketing efforts.

Cost for the annual membership was \$700 and came from the EDA's marketing budget.

Website Update

Working with Vivid Image, the Hutchinson EDA reorganized and updated the look of its website, which is the EDA's primary marketing and outreach tool. Additionally, the website's functionality was modernized to make it work better on tablets and smartphones.

The entire website was streamlined by reviewing data on the number of 'hits' each section of the old website received, then removing those pages that were viewed infrequently. Other modifications included:

- The LOIS (Location One Information System) property management system was integrated into the website. LOIS is a national database of available buildings and sites often used by corporate site selectors and real estate managers.
- Because expanding companies prefer locating near firms of like and similar nature, information about Hutchinson's manufacturers was added, along with links to their respective webpages.
- As a state, Minnesota ranks #1, Top 5 or Top 10 nationally in literally dozens of categories. This information was added to the EDA website to highlight the fact that Minnesota is an exceptional place for business.
- To aid in the recruitment of early-stage companies, information about the Hutchinson Enterprise Center was added. A further enhancement will be added in early 2021 when an on-line application form is developed for Enterprise Center admission.
- To facilitate entrepreneurship in Hutchinson, the 'Start a Business' section was revised to better leverage existing resources from the Small Business Development Center, the Southwest Initiative Foundation and the Small Business Administration.
- To better promote redevelopment, the 'Downtown' section of the website was revised to add information for developers about the EDA's two downtown redevelopment projects: the Franklin Site and the 3rd Ave. NW site.
- To better market the community and increase transparency, the 'About Us' section of the website was expanded to include information about the EDA's mission, vision & values, the various awards the EDA has won over the years, and the EDA's strategic plan, along with EDA Board minutes and annual reports.

The updated website keeps the Hutchinson EDA on the cutting edge of informational, site-selector optimized economic development websites.

Social Media Outreach

In 2020 the EDA maintained its social media presence with 118 postings each on Facebook and Twitter. For the year 'likes' on Facebook increased from 326 to 538 (65% gain) and on Twitter from 90 to 98 (9% gain). In addition to being a popular channel for marketing and disseminating

information, the EDA's social media presence enhances the visibility of the EDA's website on the internet.

CARES Program

To assist businesses adversely affected by the 2020 pandemic the Federal government passed the CARES Act, which made funding available so localities could establish their own business assistance programs.

In June the City Council made available **\$750,000** in CARES Act funding to the EDA for the development of a local business assistance program.

The EDA developed a forgivable loan program with the aim of helping small-to-medium sized companies survive. To make provision of award amounts as objective as possible, a point system was developed scoring applicants on gross sales, net profits, number of employees and whether they had been shut down due to an executive order of the governor.

With the assistance of Vivid Image, a web-site and on-line application was developed to promote the program. Paper applications were made available at City Center and the Chamber offices and EDA staff personally visited downtown businesses to promote the program.

A total of 81 applications were submitted with 69 being approved for funding. The average forgivable loan was \$10,878. Loans were eligible for forgiveness once documentation was received by the EDA documenting that dollars were used for eligible expenses.

APPLICANT TYPE	NUMBER
Non-profit	10
Downtown Business	27
Manufacturer	4
Other	28
TOTAL	69

11 applications were denied for various reasons: business didn't lose money due to pandemic, lack of supporting documentation, business was not profitable pre-pandemic, business was defunct, business didn't meet size criteria, etcetera.

\$4,605 was reimbursed to the EDA for staff time used to administer the program. Altogether the EDA was able to utilize \$701,526 (93.5%) of the funds allocated. The balance was returned to the City which used it to cover other eligible municipal expenses.

Strategic Plan Update

The Hutchinson EDA's strategic plan, which serves as the blueprint for economic development in the city, was revised and updated in early 2020.

Broadly speaking, the EDA plan for economic development in Hutchinson includes:

- ✓ Prioritizing existing **Business Retention & Expansion**
- ✓ Facilitating **skilled workforce development** with TigerPath
- ✓ Growing our own companies through a comprehensive program of **business incubation**
- ✓ Maximizing our readiness (sites/building/workforce) so as to **attract business expansion** projects

- ✓ Promoting **downtown redevelopment** to maintain an attractive, vibrant downtown area.

The EDA's marketing strategy is to continue building the '**Minnesota's Manufacturing City**' brand with a first-in-class economic development website and social media presence and by actively cultivating relationships with corporate site selectors and commercial realtors.

Downtown Association Support

The EDA continued its staff support for the Hutchinson Downtown Association in 2020. Due to the ongoing pandemic most of the HDA's traditional activities, such as Picnic in the Park and Main Street Christmas, were cancelled for the year. The HDA's board of directors is listed in Table 5, below.

Table 5 – Hutchinson Downtown Association Board of Directors, 2020

Director	Position	Affiliation
Mike Cannon	President	Citizen's Bank & Trust
Dr. David Mach	Vice-President	Hutchinson Family Dentistry
Joanne Willmert	Treasurer	The Village Shop
Matt Pulkrabek	Director	Hometown Realty
Kevin True	Director	Hutchinson Leader
Kris Haag	Director	
Jamie Maas	Director	Southwest Eye Care
George Quast	Liaison	Historic Hutchinson
Mary Hodson	Liaison	Chamber of Commerce
Gary Forcier	Liaison	City Council
Tim Rohde	Liaison	Hutchinson Farmers Market

EDA BUDGET & FUND REPORT

Operating Budget

For the year the Hutchinson EDA finished on budget, with a final net operating revenue gain of \$6,913 over the previous year. This amount goes to the EDA's fund balance, which now stands at roughly 77% of projected expenditures for the upcoming year.

On the revenue side of the ledger, the EDA finished 2020 with total revenues of \$196,351 against a budgeted amount of \$190,883. The \$5,468 in additional revenue came primarily from reimbursement of staff time utilized in the administration of the CARES business assistance program, with a small amount coming from hay land rental revenue being higher than anticipated.

For expenditures, the EDA finished the year with expenditures of \$189,438 compared with the budgeted amount of \$189,883. The savings of \$445 was due to lower operating supplies, which is where EDA Board and Finance Team meals are coded. Due to the pandemic most meetings

were held virtually, so there was no accompanying meal expense. Significant additional savings came about due to a very low amount of staff travel / conferences expenses, again due to the pandemic. The resulting savings was utilized to fund the update of the EDA website and still keep the EDA on-budget.

For 2021 the EDA levy was set at \$200,325 – an increase of about 6% (\$11,192) over the 2020 levy amount of \$189,133.

Economic Development Loan Fund

The Economic Development Loan Fund finished the year with \$105,744 in cash available, a gain of \$46,801 over the previous year. Less a \$20 accounts payable item, the gain in cash is detailed in the table at right.

SOURCE	AMOUNT
Interest earnings	\$9,505
Redline Systems loan payoff	\$6,309
Loan payments (2 companies)	\$12,655
Enterprise Center loan payment	\$18,352
TOTAL	\$46,821

Among its assets, the ED Loan Fund also has two loans that may be forgiven if the companies meet certain job-creation goals; these are loans of \$23,000 to Laser Dynamics and \$14,355 to Innovative Foam.

Downtown Revolving Loan Fund

At the close of 2020 the Downtown Revolving Loan Fund had \$655,286 in cash available and 16 loans receivable totaling \$247,902. All loans were performing (more-or-less) as required and four loans were paid off during the year. In addition, the fund had a total of \$201,329 invested in two capital assets: the former Cenex and Wright properties on 3rd Avenue NW. Finally, the Franklin Street TIF District owes the downtown revolving loan fund \$5,184. Total assets in the fund at year-end totaled \$1,109,701 – a decline of \$14,496 from the previous year.

Minnesota Investment Loan Fund

The Minnesota Investment Loan Fund, made up of dollars obtained from DEED through a federally-funded MIF grant, finished 2020 with a cash balance of \$4,597 and one loan receivable of \$13,812 from Moxy. The loan was performing as required.

Hutchinson Enterprise Center

The Hutchinson Enterprise Center budget finished the year with a cash balance of \$20,529 and rent receivable of \$8,180. Tenant companies were allowed to defer rent payments for a portion of the year due to the pandemic. At year end one company was still getting caught up on its rents, which it hoped to do by Q3 of 2021.

Operations were more-or-less on budget for the year. Revenues totaled \$65,746 for the year, just \$294 shy of the \$66,040 budgeted. On the expense side the Enterprise Center was on budget, with expenses for the year totaling \$43,504 against a budget of \$60,040.

The difference of \$18,352 was applied to the Enterprise Center's loan from the Economic Development Loan Fund. With this payment, the Enterprise Center owed \$264,794 at year-end.

SHOPKO Development District

The SHOPKO Development District finished the year with \$194,260 cash on hand and receivables of \$483,475. Total assets then were \$677,735. Table 6, below, breaks down the receivables.

Table 6 – SHOPKO Development District Receivables

RECEIVABLE	2019 BALANCE	2020 BALANCE	CHANGE	NOTES
Old Medical Building	\$322,661	\$333,863	+ \$11,202	Interest on balance
Enterprise Center TIF	\$136,285	\$129,108	(\$7,177)	TIF payment
Cobblestone Hotel TIF	\$12,915	\$0	(\$12,915)	TIF payment
Warrior Mfg. TIF	\$9,045	\$9,389	+ \$344	Interest on balance
Rite-Way Conveyors TIF	\$0	\$11,114	+ \$11,114	New TIF District
TOTAL		\$483,475		

Additional Notes:

The Old Medical Building receivable is for the acquisition of the Franklin Avenue property and demolition of the building that used to occupy it. A redevelopment TIF district (TIF 4-16) has been created on the site so that, once redeveloped, property taxes can be captured to reimburse SHOPKO Development District. To keep the TIF District from falling victim to the '5-year rule' mandated by state statute, a development agreement must be in place by **August 31, 2021**.

The Enterprise Center TIF receivable represents a loan made to cover Enterprise Center site work from when the building was constructed. The Enterprise Center TIF District is generating tax increment to repay this loan plus interest.

The Cobblestone Hotel TIF receivable is now paid off. Originally this was to cover the costs of establishing the Cobblestone Hotel Soil Conditions TIF District.

The Warrior Mfg. TIF receivable is for expenses related to establishing that economic development TIF District.

Finally, the Rite Way Conveyors TIF receivable is for expense related to the establishment of that economic development TIF District.

At least \$171,225 of the existing cash balance in the SHOPKO Development District is reserved to cover the required 25% local match for the FEMA grant to acquire and remove three properties on the northwest corner of the Franklin redevelopment site.

GOVERNANCE

EDA Board

The Hutchinson Economic Development Authority is governed by a seven-member board of directors appointed by the City Council for six-year terms. Two City Council members serve on the EDA Board, serving as a liaison between the two groups. Membership on the Board was stable for 2020, with Corey Stearns being appointed to second 6-year term in January. Table 7 below, provides additional detail.

Table 7 – Economic Development Authority Board of Directors, 2020

Member	Position	Years Service	Affiliation
Mike McGraw	President	16	State Farm Insurance
Jonny Block	Vice-president	8	Hillyard
Chad Czmowski	City Council liaison	12	City Council/Outdoor Motion
Daron Vanderheiden	Commissioner	11	ISD 423
Mary Christensen	City Council liaison	10	City Council
Corey Stearns	Commissioner	6	Stearnswood
Mike Cannon	Commissioner	5	Citizens Bank
Jeremy Carter	Ex-officio		Hutchinson Utilities Comm.

Overseeing the financial aspects of the Economic Development Authority is the EDA Finance Team. Comprised of two EDA Board members and seven other members of the community, the Finance Team provides recommendations to the EDA Board on everything from budgets to proposed financial incentives. Banker Josh Laffen was appointed to a 1-year term in August.

Finance Team membership for 2020 is detailed in Table 11.

Table 11 – EDA Finance Team, 2020

Member	Position	Affiliation
Mike Cannon	Chair / EDA Board Liaison	Citizens Bank
Scott Ziegler	Member	Piehl, Hanson, Beckman
Anthony Hanson	Member	Citizens Bank
Jack Daggett	Member	Pride Solutions
Corey Stearns	EDA Board liaison	Stearnswood
Josh Karg	Member	Heartland Ag Systems
Eric Lipke	Member	MITGI
Ben King	Member	Kraft, Walser Law Office
Josh Laffen	Member	Home State Bank

SUMMARY

Despite the adverse economic effects of the coronavirus pandemic 2020 was a relatively busy year for the Hutchinson EDA. Significant projects were launched both in the downtown and the industrial park and existing initiatives continued to move forward. By year end a potential developer was identified for both the Franklin Street and the 3rd Avenue NW redevelopment sites downtown.

A number of significant projects could unfold in 2021:

- Townhome development on the 3rd Avenue NW site
- FEMA grant for the Franklin Street redevelopment area
- Removal of the Franklin House
- 766 kWh solar array comes on-line in the industrial park
- Jump-Start downtown brings a new business to Main Street
- Possible redevelopment of 101 Park Place
- Possible new manufacturer in the industrial park

The Hutchinson Economic Development Authority continues to successfully promote redevelopment, job creation and success of manufacturing in the community.

Finance

Primary Services

The Finance Department provides customer service to all city departments as well as the city's residents and businesses. The department operates under the management of the Finance Director and is guided by Generally Accepted Accounting Principles, Minnesota State Statutes, City Policy and departmental procedures. Finance's various functions include:

- Accounts payable
- Accounts receivable
- Payroll
- Utility billing
- Water, Sewer, Refuse work orders
- Financial analysis and reporting for the City, EDA and HATS Facility
- TIF administration and reporting to the State
- Tax levy administration
- Certification of Special Assessments and Delinquent Utility Billing amounts to the County for collection on the following year's property tax statements
- Maintain and manage the Special Assessment database – *new in 2020*
- Administer the Assessment Search process for title companies – *new in 2020*
- Certifications to the County and State for the City's budgets, tax levies, truth in taxation meetings, outstanding debt and annual financial reports
- Administration of the EDA and HRA grant and loan programs
- Administration of the City's lodging tax, cable TV franchise tax and excise tax
- Grant administration and reporting
- Budget development
- Capital Improvement Plan (CIP)
- Annual debt issuance, debt service analysis and bond payments
- Long-range financial planning
- Cash and investment management
- Banking relations
- Administration and oversight of departmental procurement cards
- Risk Management
- Budgetary and policy support for other city departments

Finance Budget

Other than labor, auditor fees (\$47,600) and software costs (\$13,491) represent the largest expenditures for the Finance budget.

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Budget</u>
Wages & Benefits	\$281,701	\$280,741	\$302,959
Supplies	10,307	5,215	575
Services & Charges	71,585	69,824	77,085
Miscellaneous Expenses	978	1,034	1,550
Total Expense Budget	<u>\$364,571</u>	<u>\$356,813</u>	<u>\$382,169</u>

Full-time Equivalent Staffing

General Fund	3.0	Finance Director, Payroll Specialist, Senior Accounting Specialist
Enterprise Funds	2.0	Assistant Finance Director, Utility Billing Specialist

2020 Accomplishments

- Received the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the City's 2019 Comprehensive Audited Financial Report. This is the 24th consecutive year of earning this award, since 1996.
- Received an unmodified (clean) opinion from the City's independent auditors that the 2019 financial statements were fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).
- Standard & Poors reaffirmed the City's AA- bond rating for the 2020 bond issue.
- Issued \$2,405,000 of G.O. Bonds for the City's annual street improvement projects.
- Coordinated and accounted for \$1.074M in CARES Act monies that the City received in response to the COVID-19 public health emergency. This included working with city staff to identify eligible projects, following up to ensure the projects were completed within the short timeframe dictated by the Federal government and the submission of monthly and final spending reports to the State. Finance staff attended several webinars regarding the proper usage of these funds.
- Finance staff performed a review of the refuse customer carts, comparing the city's billed cart sizes to West Central's actual cart sizes. Several adjustments were made and a process was developed to review the cart data on an annual basis to ensure proper billing to customers.
- Finalized a review of the City's assets located in various parks for appropriate insurance coverage on the 2020 property insurance renewal.
- Worked with the Fleet Committee to update the fleet policy with council approval in May 2020.
- Found \$8,000 of expense savings for the Parks department by disconnecting electrical power at Roberts Park and VMF during the winter months while the facilities are not being used for activities. Parks staff will need to coordinate disconnect/reconnect each year with HUC.
- Transitioned several Finance functions and responsibilities to the newly promoted Assistant Finance Director.

2020 Performance Measurement Monitoring Data

Accounts Payable

Use of automated payment solutions continues to provide efficiencies to departmental purchasers and enhances internal controls through established approval processes.

- Processed 124 electronic purchase orders totaling \$3,703,610
- Use of departmental procurement cards decreased 6% in 2020, likely due to the pandemic's impact on travel and training
- 4691 disbursement checks totaling \$26,933,618 were issued in 2020 compared to 4,744 checks totaling \$29,247,950 in 2019

Utility Billing

- Billed an average of 5,093 accounts on a monthly basis in 2020 with 68 new accounts added during the year due to new construction
- Coordinated the monthly billing process with the third-party printer/mailer
- The monthly process to disconnect water for delinquent accounts was discontinued in March 2020 due to the pandemic
 - We have yet to resume water shutoffs and billing of late fees on delinquent accounts to date
 - We may want to consider returning to water shutoffs and late fees when Governor Walz lifts the moratorium on evictions
- Coordinated work orders related to Water, Sewer and Refuse service
- Monitored water usage for large fluctuations or leaks, and informed customers
- Prepared, analyzed and billed new sewer charges to customers based on the January and February average water usage
- Provided notes or inserts within the utility bill mailings for City related information
- Managed and promoted the various electronic payment options available to customers
 - We increased our electronic payers by 11% in 2020
 - 64.7% of our accounts are now paying electronically

Payroll

- Issued 260 W2s in 2020 compared to 369 in 2019, 385 in 2018 and 372 in 2017
 - The drop in 2020 is related to seasonals not being hired during the pandemic
- Hired and terminated 33 summer seasonal employees in 2020, compared to 150 in 2019.

Insurance

The City's insurance policies are administered by the finance department. Other than a few exceptions, the City's policies are with the League of Minnesota Cities Insurance Trust (LMCIT). LMCIT is a self-insurance pool of cities, which was formed to meet the specific coverage and risk management needs of cities. The coverage included in the City's policies are property, crime, bond and petrofund, automobile damage and liability, equipment breakdown, municipal liability, liquor liability, volunteer accident coverage and workers' compensation. Finance staff process claims, premium payments, deductible payments, and coordinate the insurance renewal process each year. Human resource staff process workers' compensation claims. LMCIT requires a representing insurance agency. The City's agent is Arthur J. Gallagher & Co (AJG), whose staff is extremely helpful in analyzing the City's coverage and explaining areas where the City may have increased or decreased liability. AJG also serves as the liaison between the City and LMCIT's underwriters for renewals and questions related to coverage or claims.

The City also administers the insurance coverage for the HATS Facility through LMCIT and AJG. The facility, which is co-owned by the State, County and City, consists of five buildings. Two buildings are shared by all three entities for office space, a mechanics bay and salt storage. The other three buildings are separately owned by each entity for equipment storage. This policy includes property coverage only for the two, shared buildings. The individually owned storage buildings are insured separately by the applicable entity's own insurance coverage. This policy also covers crime, petrofund and some minor shared equipment.

The City's LMCIT policy has automatic builders risk coverage for building projects with total estimated cost less than \$3,000,000. For projects estimated to exceed \$3,000,000, finance staff must procure a separate policy, with AJG's assistance, through another insurance provider prior to the start of construction.

The City has two other insurance policies for specialized facilities not normally covered by LMCIT. The solar array located at the Sewer facility has a policy through The Hartford, which covers equipment damage and

breakdown. The City also has a policy for the municipal airport through Old Republic Insurance Co, which includes coverage for liability, property, and terrorism.

Banking and Investments

Finance staff strives to produce growth in investment income by actively managing the City's cash. We maintain a portfolio with our investment custodian (Oppenheimer) consisting of Certificates of Deposit, Municipal bonds, Federal Agency bonds and a money market account. We also have local bank accounts to handle the day-to-day operations. The 2020 pandemic caused a low interest rate environment, adversely impacting interest earnings for our money market funds. Consequently, we recorded \$555,125 of interest earnings in 2020 compared to \$788,001 in 2019. Locking into 2 to 5-year CD and bond maturities prior to 2020 helped to achieve somewhat respectable earnings. Additionally, we shifted the majority of our idle cash to our local bank where we earn an APR of 0.30% compared to 0.005% in our Oppenheimer money market. I have avoided buying new investments over the past year due to the low returns. I would have to look at 4 or 5-year investments just to achieve a return better than our local bank's 0.30%. That's a long time to lock up city funds in an economy that hopefully is poised for rate increases within two years. This strategy is also recommended by our two investment advisors. This is an area that I continually monitor and discuss with our advisors. I will resume investing in CDs and bonds when it makes sense to do so.

Debt Issuance and Debt Management

The City annually issues General Obligation Special Assessment bonds to finance street and utility infrastructure improvements. Finance staff works closely with Engineering and Resource Allocation Committee to determine the appropriate bond issuance amount to finance the estimated project costs. Finance consults with its financial advisor, Ehlers & Associates, while structuring the debt to fit within the parameters of the City's Debt Management Plan. Finance, with the assistance of Ehlers & Associates, holds a bond rating phone call with Standard & Poor's (S&P) prior to each year's bond issuance. The purpose of the call is to discuss the bonded projects in addition to the City's policies, financial health and economic outlook in order for S&P to determine the City's bond rating. The City's current bond rating of AA- has been reaffirmed by S&P for several years and is likely the highest rating we can attain. The bond rating is an important factor used by potential investors in determining the City's risk related to debt service repayment.

Financial Reporting

Finance staff annually prepares two major documents related to the City's finances. The first and perhaps most important document is the annual budget. Finance coordinates the budgeting process in accordance with the City Administrator's calendar and direction. Five budgets are created throughout the year:

- Initial budget
- Department budget
- Preliminary budget
- Truth in Taxation budget
- Final Approved budget

The initial budget consists of the same revenue and expense levels as the previous year's budget with the exception of updated assumptions for wage and benefit increases. Departments use the initial budget to work through their operating needs and submit a Department budget back to finance. Finance and the City Administrator review and meet with departments to discuss budgetary needs. Any changes are reflected in the Preliminary budget which is used to certify preliminary tax levies to the county auditor by September 30. Further discussion with departments occur after the preliminary budget in order to produce a budget that falls within the parameters directed by city council. That budget is presented at the annual truth in taxation (TNT) public hearing. The final budget, which may include revisions from the TNT budget, is approved by council in December. Final tax levies are certified to the county by the end of December.

The second major finance document is the audited comprehensive annual financial report (CAFR). Finance begins planning and performing initial audit work in December of each year. The process continues through the end of March, leading up to the auditor fieldwork in early April. The CAFR itself is produced by the auditors in early June, with review performed by the lead auditor, the audit firm's partner and city staff. The State requires us to report our CAFR to them by June 30 of each year. We are also required to publish summary audited financial statements in the local newspaper by the end of July.

Financial reporting to the State for the City's tax increment financing (TIF) districts is required by July 31. We contract with Ehlers & Associates to prepare the reports based on data provided by Finance, which can be a complex process. Finance staff ensures that the audited financial statements for the TIF districts are complete and accurate. Finance also performs a thorough review of Ehlers reports prior to the data being transmitted to the State Auditor. Fees charged by Ehlers are paid by the TIF districts, utilizing 10% of the TIF revenue that can be dedicated to administrative costs, per State statute.

Other important reporting functions include the financial and investment reports provided to city council on a monthly basis, the five-year capital improvement plan and the fee schedule. S&P and the city's auditors confirm each year that these reports are being provided to the city council.

2021 Finance Department Goals

- 1) Financial Management Plan review and revisions
- 2) Special Assessment policy review with revisions approved by City Council
- 3) Create a special assessment procedural document for the Finance department with the goal of consistent and accurate data provided to title companies
- 4) Transition Special Assessments from LOGIS to BS&A, resulting in a more economical annual software cost
- 5) Financing for several city projects
 - G.O. CIP Bonds - Police Facility
 - G.O. Special Assessment Improvement Bonds – roadway improvements
 - G.O. Tax Abatement Bonds – non-assessable improvements
 - G.O. Wastewater Revenue Bonds – headworks improvements
 - Internal financing for the street light LED conversion project
- 6) Procure builders risk policies for the new police facility and the WWTP headworks project
- 7) Distribute an RFP for city banking services and potentially transition to a new bank in late summer or early fall
- 8)

Fire Department

Challenges

The keywords for 2020 were “change, adapt and overcome”. When it became apparent that the pandemic was heading our way, our officer group met, revised our procedures and protocols, and came up with a plan to stockpile more PPE supplies, take strategic action to reduce or eliminate resource exposure to firefighters and equipment on emergency scenes and at training. Swift and improved decontamination procedures were implemented along with a host of other measures to ensure the safety of our firefighters without sacrificing emergency response. The plan has worked extremely well and we are still utilizing it at this time.



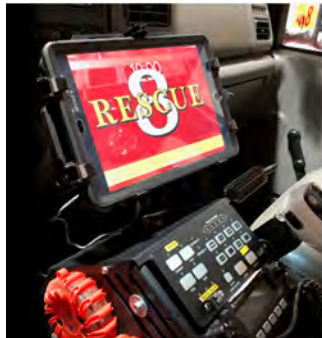
Firefighters are a huge family/team. We train together, we conduct frequent meetings, we are in close quarters in our apparatus. Bottom line is we are with our firefighter family as much or more than our actual families. This pandemic threw a huge wrench into our daily operations, so we modified our training into small groups, online learning modules and virtual events. We alternated training nights and made many, many other small changes to ensure the safety of our people.



We conducted a handmade mask drive in which we received over 1,000 masks of various shapes and sizes. In turn we redistributed 100% of these masks to care facilities in need throughout our community.

Accomplishments

- Conducted all annual requirements to maintain Firefighter licensing and certification. Worked with our medical training partner (Allina) to keep up with all continuing education needs.
- Completed annual firefighter physicals, blood tests, SCBA and N95 fit testing along with all other requirements.
- Completed annual testing, certification and required maintenance on all apparatus, breathing air compressor, SCBA packs, and small equipment.
- Our truck committees put in countless hours developing specs for our new tanker truck and rescue truck. Both of these trucks have been ordered and will be delivered in 2021.
- Continued annual replacement of PPE to stay ahead of minimum NFPA requirements.
- Tested and hired 5 new recruits
- Recruits completed EMR Classes
- Completed several apparatus lighting upgrades
- Ordered armor vests
- Region #10 host site for FD PPE distribution
- Face mask collection & distribution
- Pandemic response protocol changes instituted
- Prescribed burns in city & county
- Installed new metal windows in training tower
- Installed lights on training tower
- Technology upgrades (I-pads) in more vehicles
- Station window & HVAC upgrades

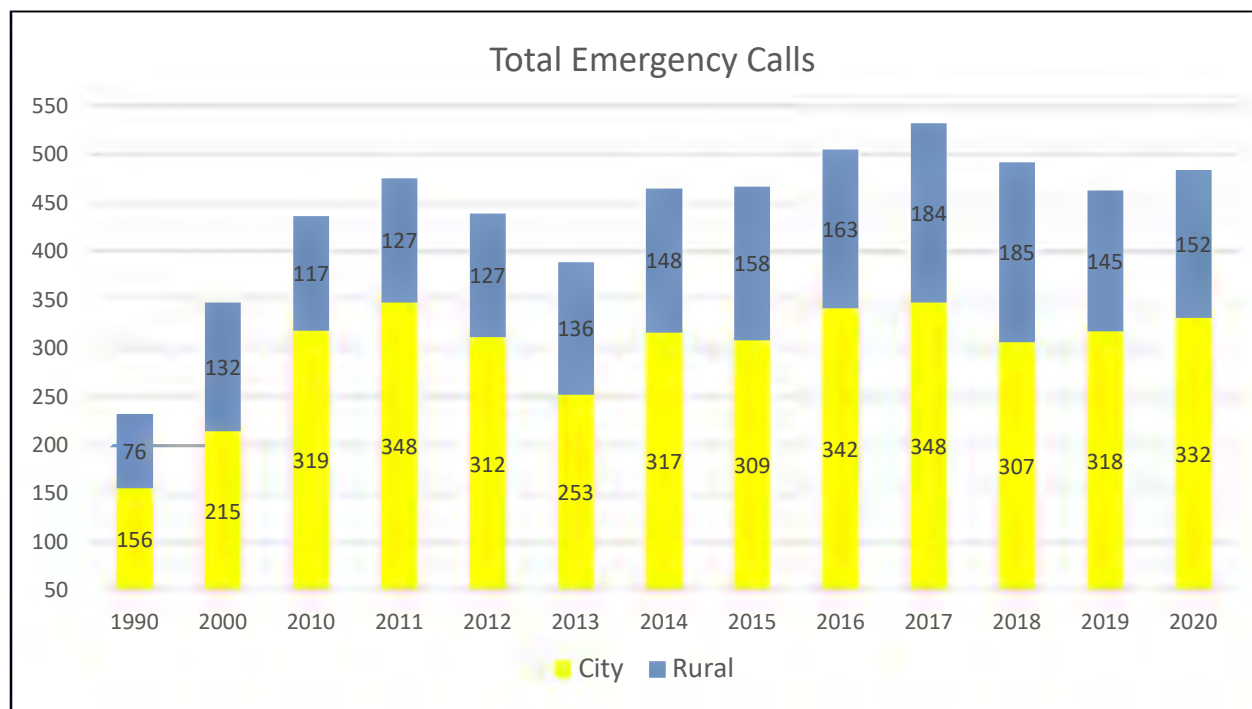


-HFD-RA major bylaw changes to promote the financial health of the pension fund, improve firefighter benefits and aid with firefighter retention.

-Summer duty crews operated on the weekends between Memorial Day and Labor Day. They responded to 18 emergency calls, (MVA's, water rescue, fire, medicals, alarms, etc.). They completed apparatus maintenance and repairs, installed new metal windows in our training

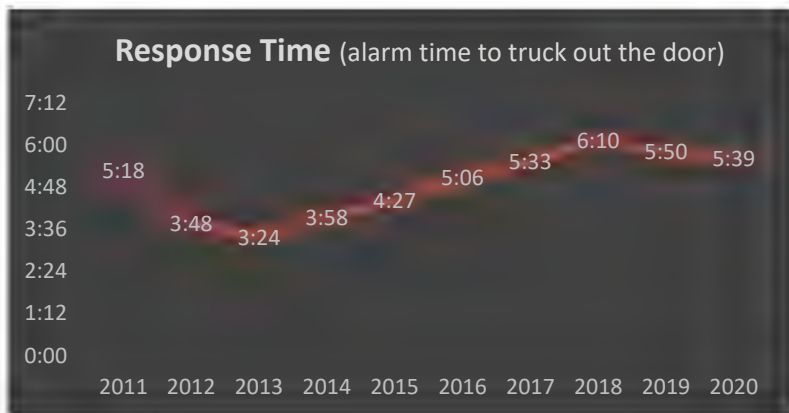
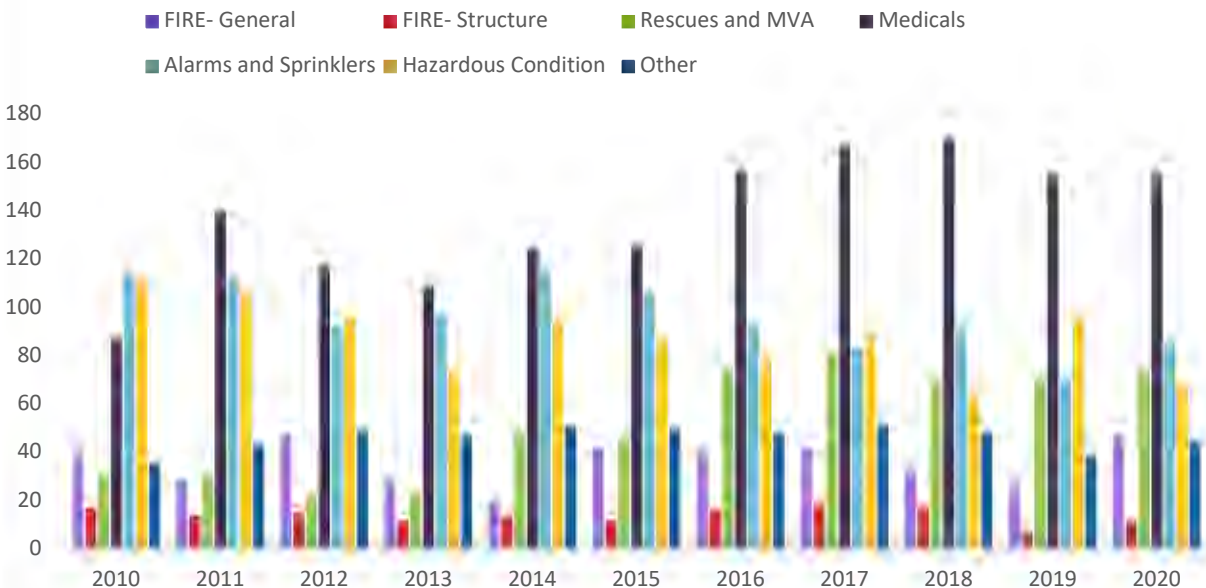
tower, completed routine maintenance and cleaning around the station, pre-planned commercial properties, trained together, gained invaluable first truck experience and promoted team building. The program was an overwhelming success and we hope to continue with it.

Operational Data



Emergency call volume for the year was fairly unchanged by the pandemic as illustrated above. There has been a slight upward trend in total calls as would be expected by normal population growth. In the chart below it is worthy to note the increasing number of medicals and rescues over the last decade.

Emergency Call Type



Response time calculations changed in 2016 and we began using the most accurate means possible to capture exact "first truck out the door" time. Prior to 2016 the numbers were averaged based on multiple factors.

The officer only response program is core to our operation, increasing customer service and improving emergency scene command capabilities. It also saves the city an average of \$25,000 and approximately 2,000

firefighter labor hours each and every year.



2020 Important Numbers

Total Calls for Service = 484

Lives Saved (by HFD interventions) = 3

Property Value Saved (by HFD interventions) = \$6,621,500

Public Relations and Fire Safety Education

There was a substantial reduction in events related to public relations and fire safety education because of the pandemic. We were forced to close the fire station for tours and education events and for the first time in many decades we had to cancel our annual open house event, all in an effort to keep our people and the public safe.

Thankfully we worked out a new plan with Hutchinson Public Schools and were still able to deliver fire safety education at both West Elementry and Park Elementry.

24 public relations events / 327 hours

5 fire safety education events / 48 hours

922 total students



Inspections and Permits

There was also a substantial reduction in inspections as we made a decision that we would not enter private living units (apartments, rentals, etc.) or occupied commercial spaces unless there was an emergency or an immediate safety concern that required attention.

Daycare and Foster Care facilities were still inspected but only as requested (approx 14) and all new construction was inspected to ensure proper installation and operations of fire alarm and sprinkler systems (approx 32).

Building plan reviews were also conducted jointly with the City of Hutchinson Building Department.

We were heavily involved with facilitating the fire alarm and security panel upgrades throughout all City of Hutchinson facilities to ensure proper communication and function.

Because of the pandemic all rural burn permits had to be issued by the fire department instead of the township representatives like it had been done in previous years. 86 permits were ultimately written to rural residents from the HFD. Note: the current burn permit system is being evaluated with a hopeful change coming for 2021.

Goals for 2021

- Continue our firefighter health and safety initiative by making facility and equipment improvements as needed and also focusing on personal health and well-being
- Aggressive replacement of PPE items as needed to ensure NFPA compliance
- Major repair and upgrade items on Tanker 6 and Rescue 8 to extend service life
- Put into service new tanker truck and new rescue truck
- Train on and put into service new armor vests
- Complete the next phase of improvements to Fireman's Park and plan for the future
- Install new memorial wall at the fire station honoring those who served 20 or more years
- Work with township and county officials to implement a new burn permit program
- Resume and expand inspection program
- Complete review and update of SOG/policies
- Expand on technology upgrades



- Conduct advanced, hands on live burn training
- Continue with summer duty crews

Primary Services

We will continue to delivery excellent emergency response with a focus on professionalism and consistency. Community fire safety education will remain one of our cornerstone programs. Utilizing technology and analytics we will strive to make improvements to our operations whenever and wherever possible. High quality and frequent training will continue ensuring firefighter proficiency in all duties. Firefighter health and safety is, and will continue to be, our #1 priority so that "Everyone Goes Home."

Major Capital Improvement Schedule
15+ Year Equipment Replacement Plan (2021 Estimates)

Vehicle	Description / Code	Model Year	Replace Year	Total Miles	Total Hours	Original Cost	Estimated Replacement Cost
Ladder 1	Pierce, 100' Aerial Ladder	2001	2026	12,902	1,957	\$730,000	\$500,000 Refurbish
							\$1.7 mil Replace
Utility 5	Chevy Crew Cab pickup**	2008	2021	44,917	-	*from HPD	Current Rescue 8 will become Utility 5
Chief 1	Dodge Durango	2013	2023	60,055	4,541	\$28,000	\$42,000
Command	Ford Interceptor	2017	2027	39,431	2,794	\$38,000	\$46,000
HERT Trailer	Hazardous Material Trailer	2000	2025	-	-	\$6,000	\$8,000
Tanker 4	Chevrolet, Tanker 3000	1990	2021	14,817	1,461	\$81,721	\$265,000
Tanker 6	International, Tanker 3000	1996	2031	13,261	1,187	\$77,912	\$310,000
Engine 2	Rosenbauer, Engine/Pumper	2016	2036	11,103	719	\$579,000	\$725,000
Engine 7	Rosenbauer, Engine/Pumper	2008	2028	27,582	1,588	\$321,955	\$650,000
Rescue 8	Ford, Grass/Medical**	2002	2021	28,554	-	\$33,164	\$59,000
R-8 Skid	Slide in Skid Unit / Bed	1999	2021	-	-	\$6,000	\$49,000
Ranger	Polaris 6 Wheeler w/skid	2006	2024	-	209	\$17,752	No skid \$22,000
Boat	Inflatable w/25hp Yamaha	2007	2032	-	-	\$5,961	boat only \$4,000
Boat	Metal Ice Boat	1998	-	-	-	\$300	Do Not Replace
Med. Trailer	Mass Casualty Trailer*	2004	-	-	-	-	N/A
	*Owned by private health care group and housed by HFD						

	City Owned vehicle
	Rural Owned vehicle
	Shared 50/50 vehicle

Note: Estimated replacement cost is speculative assuming a 3-6% annual inflation rate and/or current market analysis.

Hutchinson Housing and Redevelopment Authority

Primary Services

The Hutchinson HRA is a public body politic formed by the Hutchinson City Council in 1969 according to MN State Statute. The HRA was created to address a shortage of housing for low to moderate income families and to address substandard areas in Hutchinson. In 2020:

- The HRA administered \$500,000 in SCDP funds for the 907 Dale Street Apartments (South Dale) rental rehab project.
- The HRA administered owner occupied rehab programs throughout the city to preserve housing stock and improve neighborhoods.
- The HRA owns and manages Park Towers Apartments. The HRA determined in 2019 that a non-financial conversion from HUD public housing to HUD Section 8 was feasible. The RAD application was approved by HUD in October 2019 when a CHAP was issued. The RAD conversion was closed in December of 2020. The HRA promotes a strong emphasis on property management, property improvements, and energy conservation at Park Towers.
- Promoted the Healthy Homes Program by offering grant match funds for radon mitigation.
- Evaluate housing data to identify community housing needs and develop housing programs that provide a positive impact on the community.

Why does Housing matter?

Housing matters because:

- Safe, affordable housing is shown to stabilize families. Studies have shown that children who have stable housing do better in school.
- Housing Programs help improve neighborhoods and maintain property values.
- Housing Programs provide economic stimulus for the local economy by providing work for local contractors and businesses.

Summary of 2020 Activities

Park Towers Apartments

Asset preservation, property improvements and energy conservation a priority at Park Towers

- New vinyl planking was installed in the community room and kitchen, as well as in 15 apartment units at turns. Water saver power flush toilets were installed in 7 units to save water and reduce toilet plugs.

Park Towers Property Management

- Sixteen apartments were re-occupied in 2020.
- Achieved a 98.85% percent average occupancy for 2020.
- Park Towers continues to be a needed source of 101 apartments with subsidized rent based on 30% of adjusted income. Project demographics include the elderly, disabled and low-income workforce.

Tenant Services

Park Towers continued as a Senior Dining Program Site through a lease with Lutheran Social Services. Meals are prepared at the Evergreen Senior Dining kitchen, then delivered to Park Towers Monday through Friday.

Park Towers RAD Conversion from Public Housing to Section 8 Project Based Rental Assistance Program

The HRA converted Park Towers from Public Housing to RAD Section 8 Project Based Rental Assistance (PBRA) in order to lock in attractive 2021 RAD rents with high Capital Funds and Operating Funds while moving to a more stable funding environment. Park Towers will still be publicly owned, managed and operated by the Hutchinson HRA. The RAD program provides a set 20 year contract with less uncertainty around year to year fluctuations in congressional funding. The RAD program also provides a plan to continue maintenance replacements needed over the next twenty years. After closing, an Initial Deposit of \$650,000 was deposited into the Park Towers Replacement Reserve Account for future Capital Needs. The RAD closing occurred in December 2020, with the change from Public Housing To Section 8 going into effect January 1, 2021.

City Center Operations

Owner Occupied Rehabilitation

In 2015, City of Hutchinson TIF owner occupied Home Improvement Program (HIP) was added as a flexible tool for single-family owner-occupied housing rehab to continue owner occupied rehab efforts throughout the city. At the April 2020 HRA Board meeting the HRA Board approved the creation of the Hutchinson Emergency Home Repair Grant Program to assist homeowners with a grant for eligible emergency home repair costs.

- The City grant HIP with Minnesota Housing Impact Program and the Minnesota Housing Rehab Loan Program are “full service” programs that are HRA labor intensive, requiring home inspections, work write ups, procurement and bidding, loan closing with the owner(s), construction oversight, and disbursement of loan proceeds to the contractor.
 - The 2017 MHFA Impact Program was revised to allow rehab of manufactured homes to match City HIP (TIF).

- The City Accessibility Grant, Hutchinson Emergency Home Repair Grant, the City HIP Grants (Live and Work in Hutchinson and Streamline) and the Minnesota Housing Fix Up Loan Program requires that the owner submit contractor quotes and that the owner meets loan underwriting criteria to obtain home improvement loan proceeds. However, HRA inspection and construction management is not required.
 - There were no City Accessibility or Hutchinson Emergency Home Repair Grants closed in 2020.
 - One Live and Work in Hutchinson grant was closed.
 - Three Streamline HIP grants were closed in 2020 for a boiler, roof and furnace.
 - One Mobile Home Initiative grant was closed.
 - One MHFA Fix Up Loan (secured) closed in 2020.

City Home Improvement Grant Program (TIF):			Match Funds:			
Live and Work				Personal	Weatherization	Total Project Cost
	\$5,000.00	Southview Dr. SW				\$5,000.00
Total	\$5,000.00			\$0.00	\$0.00	\$5,000.00
Home Improvement - Grant				Personal	Weatherization	Total Project Cost
	\$7,218.50	Spruce Ct. NE	Boiler	\$7,218.50		\$14,437.00
	\$3,950.00	Mark Dr. NE	Roof	\$3,950.00		\$7,900.00
	\$2,513.50	Osgood Ave. SW	Furnace	\$2,513.50		\$5,027.00
Total	\$13,682.00			\$13,682.00	\$0.00	\$27,364.00
Mobile Home Initiative			MHFA Impact Funds	Personal	Weatherization	Total Project Cost
	\$10,000.00	448 California St. NW	\$10,000.00	\$3,400.00		\$23,400.00
Minnesota Housing Fix Up Loan:						
	\$13,691.00	Minnesota Street NW				
2020 Total Owner Occupied Rehab Projects			6			

Rental Rehabilitation

The 2019 Minnesota Small Cities Development Program Grant (SCDP) full application was submitted to DEED and approved for the rental rehab of 907 Dale Street Apartments (South Dale).

Activity	# of units/goals	SCDP Cost Per unit	SCDP Cost/ without admin	Total SCDP Admin	SCDP Admin %	Total SCDP Costs	PI	Total Leveraged Resources	Source of Leveraged Funds	Totals
Rental Rehab-MF	40	10,212	408,479			408,479	91,521	214,286	GMHF & Owner Match	714,286
Rental Rehab	40	1,523								



The SCDP and Program Income (PI) funds equal \$500,000 which is used for 70% of the total rehab costs. The owner must contribute the remaining 30% as an owner match.

The deferred grant requires that 51% of the units will be occupied by low-moderate income (LMI) household at affordable rents. On an annual basis if the owner meets these criteria, 20% of the loan will be forgiven each year for 5 years.



Project Time:

June 2019	DEED Awards Announced
June-August 2019	Execution of Contracts, complete DEED's start up checklist, complete federal requirements and Environmental Review/Clearance (achieved 8/19/19)
August 2019	Inspections/Scopes of Work/Bid documents
December 2019	Bids Due/Project Funding Finalized (GMHF Loan & Owner's Match Funds)
February 2020	Contract Award
*COVID-19 Delays in	Schedule
May 2020	Loan Closing (maturity May 2025)
July 2020	Pre-Construction Meeting
August 2020	Notice to Proceed, Construction/Rehab started
Spring/Summer 2021	Project Close out
September 30, 2022	DEED funds need to be obligated/used

Before



After



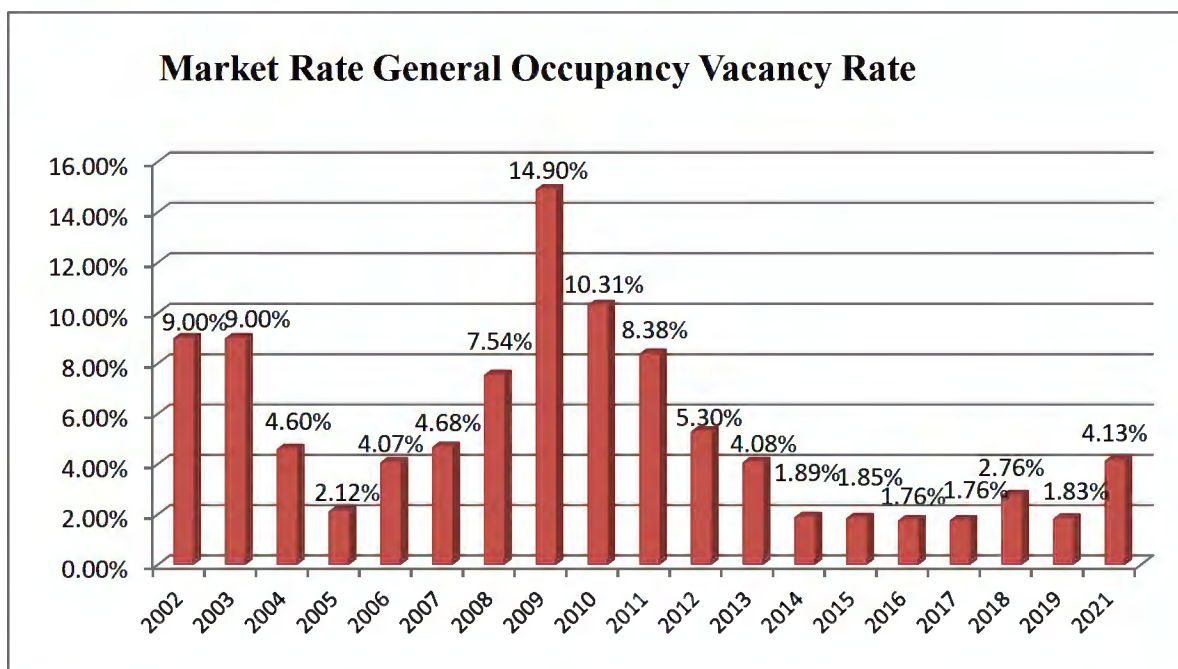


Trends

- Rental Housing: Vacancy rates may be lower than reported due to the eviction moratorium. A shortage of for sale housing, especially for those that are affordable to first time buyers, also helped drive some demand for rentals.**

Market Rate General Occupancy Rental

The market rate general occupancy rate in February of 2021 was 4.13%. A 5.0% vacancy rate is considered a healthy vacancy rate to allow for turnover and consumer choice. A vacancy rate of greater than 5.0% indicates a soft demand or mismatch between supply and demand. Since 1999, the rental vacancy rate has fluctuated from a low of 1.00% to a high of 14.9% in 2009 due to area layoffs. Highfield Apartments (Kuepers developers) has opened three buildings (87 units) assisted with TIF funds. Kuepers opened an additional 70 units that are not TIF financed in 2021. Century Court West Luxury townhomes has an approved site plan of 84 total units that are not TIF financed. Three 12 unit buildings were completed in February 2020 and another is under construction. The rent is \$1350 - \$1400 for a 2 bedroom, 2 bath unit with an attached garage.



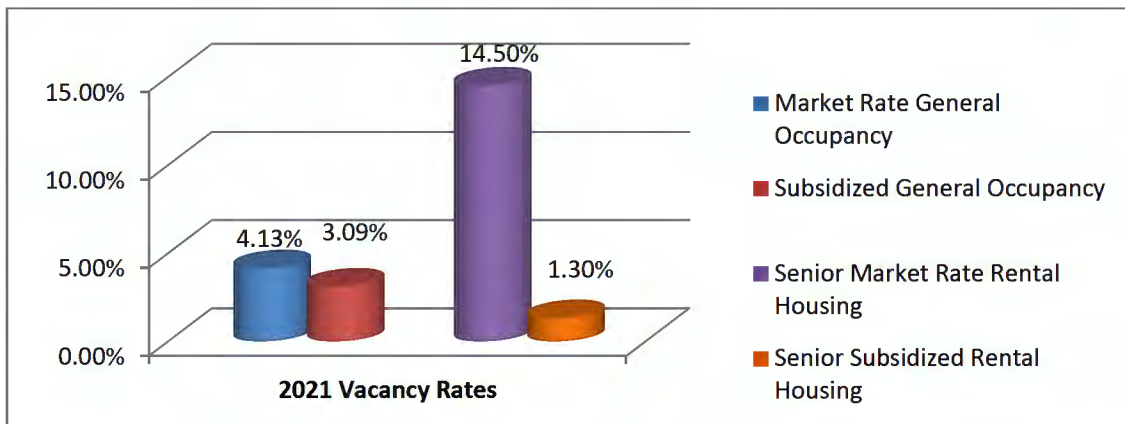
Non-Market Rate General Occupancy Rental

The vacancy rate of non-market rate general occupancy projects in February 2021 was 3.09%. Vacancies in subsidized developments should typically fall around 2.0% - 3.0%.

Senior Housing

February 2021 vacancy rate for market rate, apartment style senior housing for the Oaks & Pines and Prince of Peace Retirement Living, (not including memory care) was 14.5%. Woodstone has completed 38 units of senior independent living.

The February 2021 vacancy rate for affordable/subsidized senior housing was 1.30%. Vacancies in subsidized developments should typically be around 2.0 - 3.0%.



2021 General Occupancy-Market Rate Rents (February 2021)

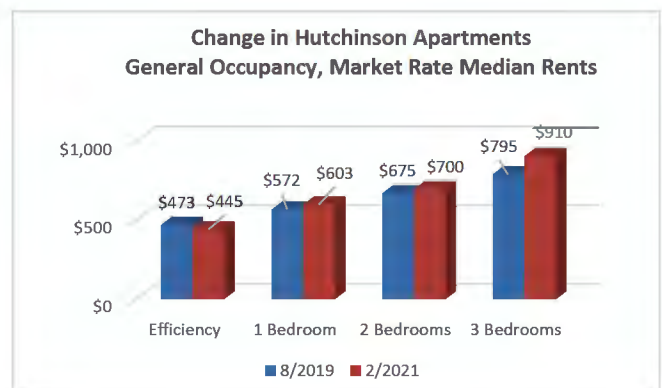
AptName	#of Efficiency	Effic. Rents	AptName	#of 2 BD	2 BD Rents	AptName	#of 3 BD	3 BD Rents
Dawson Property	2	\$400	435 California Apt.	2	\$475	435 California Apt.	1	\$600
Colonial Apt.	1	\$415	Alexander	10	\$550	Valley View Apt.	2	\$713
Gateway Central	1	\$445	Mansard Apt.	11	\$550	Olson Apartments	6	\$750
Alexander	1	\$500	Olson Apartments	25	\$550	Golfview Apts.	2	\$750
South Dale Apt.	2	\$550	Colonial Apt.	4	\$570	Dale Street Apt.	1	\$750
			Apollo Apt.	7	\$600	Bradford Apts.	2	\$875
			Parkwood Apartments	16	\$610	Ridgedale Square	12	\$945
AptName	#of 1 BD	1 BD Rents	Valley View Apt.	32	\$655	Highfield 1,2&3	6	\$950
435 California Apt.	1	\$395	Golfview Apts.	9	\$670	Twin Oak Townhomes	8	\$970
Mansard Apt.	1	\$475	Gateway Central	13	\$675	Deer Park	12	\$1,015
Apollo Apt.	3	\$500	Bartco	8	\$699	Bartco	3	\$1,100
Dawson Property	2	\$500	Bradford Apts.	2	\$700	Century Court Apt. E	28	\$1,260
Olson Apartments	2	\$500	Cedar Acres Apts.	15	\$700			
Twin Apt.	14	\$500	Dale Street Apt.	30	\$700			
Parkwood Apartments	8	\$515	Southview Terrace	18	\$700			
Colonial Apt.	3	\$530	Fairlane Apt.	15	\$705			
Gateway Central	3	\$575	Park View Terrace A	17	\$710			
Valley View Apt.	2	\$592	Echo Manor Apt.	28	\$720			
Golfview Apts.	1	\$590	565 Jefferson Apt.	11	\$725			
Echo Manor Apt.	2	\$600	Country Club Manor	50	\$755			
Dale Street Apt.	7	\$600	Ridgedale Square	34	\$775			
Fairlane Apt.	9	\$605	Hutchinson Apts LLC	34	\$800			
565 Jefferson Apt.	1	\$605	Twin Oak Townhomes	64	\$800			
Cedar Acres Apts.	21	\$650	Highfield 1,2&3	51	\$850			
Bartco	3	\$669	Deer Park	105	\$910			
Park View Terrace A	1	\$695	Highfield 4&5	46	\$995			
Country Club Manor	21	\$695	Century Court Apt. East	47	\$1,040			
Ridgedale Square	2	\$705	Century Court Apt. West	84	\$1,350			
Twin Oak Townhomes	8	\$715						
Hutchinson Apts LLC	2	\$750						
Highfield 1,2&3	30	\$750						
Deer Park	20	\$815						
Century Court Apt. E	21	\$870						
Highfield 4&5	24	\$895						

Hourly rate	Yearly	30% Monthly Income
\$10	\$20,800	\$520.00
\$12	\$24,960	\$624.00
\$15	\$31,200	\$780.00
\$18	\$37,440	\$936.00
\$20	\$41,600	\$1,040.00
\$22	\$45,760	\$1,144.00
\$27.727	\$57,672	\$1,441.80

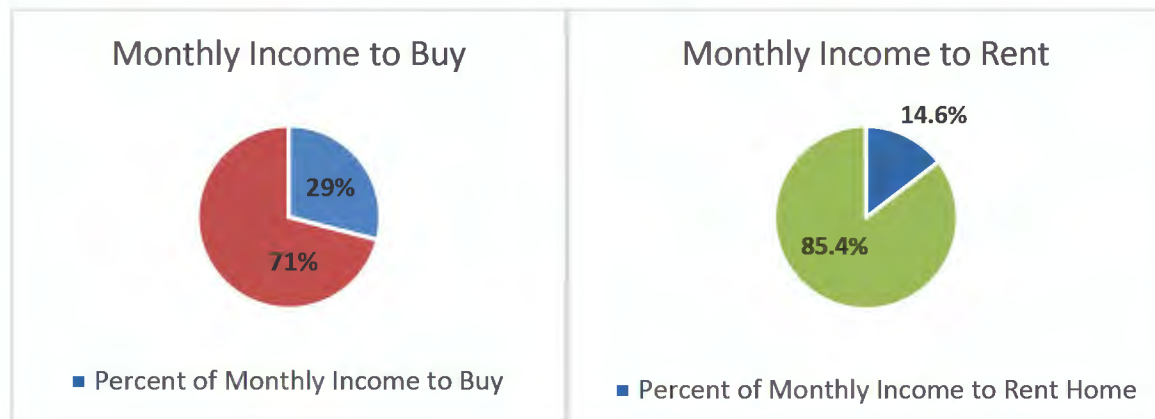
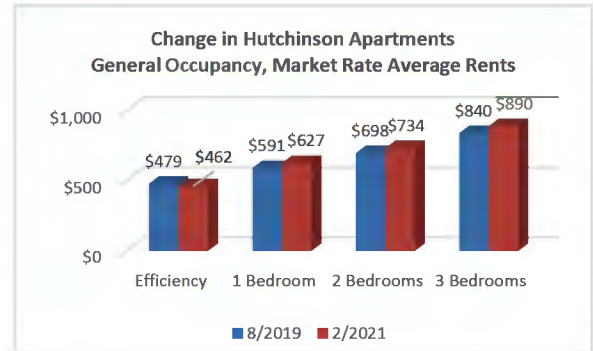
* Median Household Income in Hutchinson from USCB 2019: ACS 5yr Est. Table

* Some above listed rents may include utilities; see the Hutchinson Apartment Guide for details.
 **Information is deemed correct at time of survey but not guaranteed.

Market Rate Median Rents					
	8/2019	2/2021	Change	% change	
Efficiency	\$473	\$445	-\$28	-5.92%	Decrease
1 Bedroom	\$572	\$603	\$31	5.42%	Increase
2 Bedrooms	\$675	\$700	\$25	3.70%	Increase
Bedrooms	\$795	\$910	\$115	14.47%	Increase



Market Rate Average Rents				
	8/2019	2/2021	Change	% change
Efficiency	\$479	\$462	-\$17	-3.55%
1 Bedroom	\$591	\$627	\$36	6.09%
2 Bedrooms	\$698	\$734	\$36	5.16%
3 Bedrooms	\$840	\$890	\$50	5.95%



	\$57,672	Median Income*	
Median Price of Hutchinson Home Re-Sale from MLS	\$200,000	* Median Household Income in Hutchinson from USCB 2019: ACS 5yr Est. Table	
Monthly Mortgage Payment	\$843	\$700	Median Rent of Market Rate 2 BR in Hutchinson
Percent of Monthly Income to Buy	29%	14.6%	Percent of Monthly Income to Rent Home

2. Homeownership

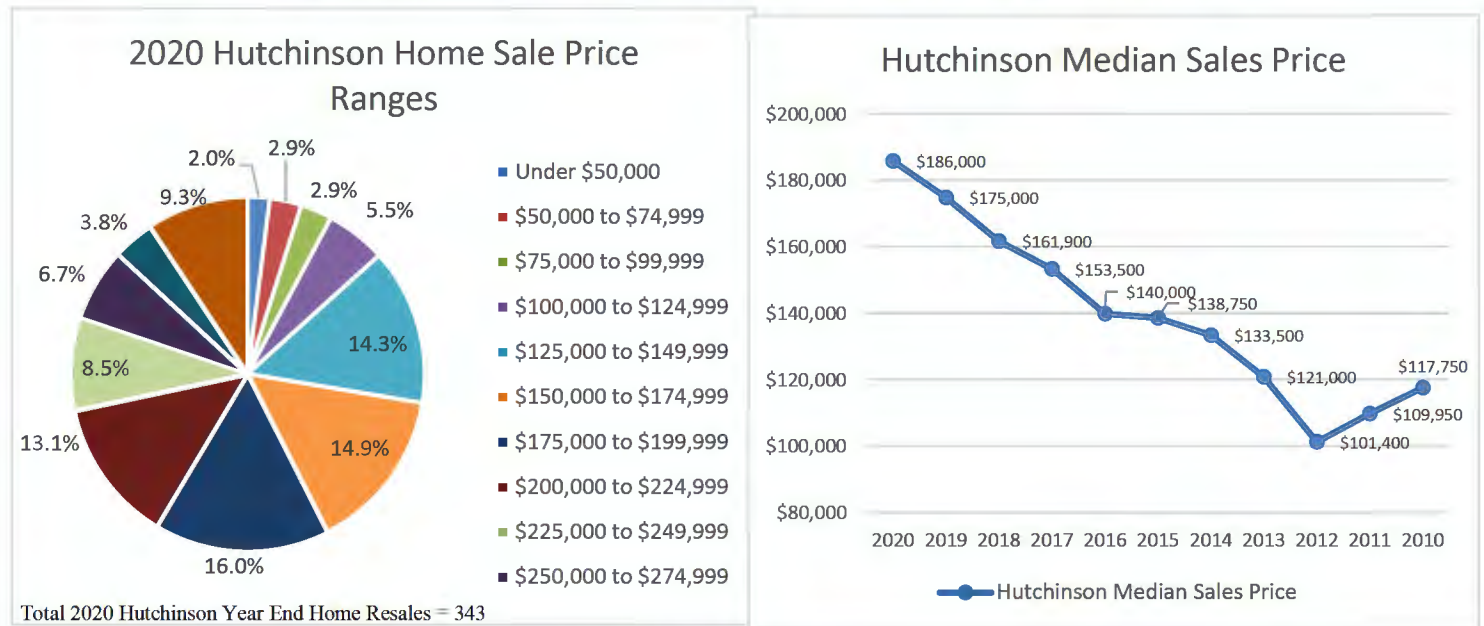
Interest rates are currently low; low interest rates and an affordable median re-sales price compared to Hutchinson median income provide opportunities for buyers who have good credit and are mortgage ready. The thirty-year fixed rate mortgage interest rate is 3.00%. For a loan of \$200,000 the payment for principal and interest would be \$843 per month. However, currently the lack of inventory is slowing sales.

According to information from the Minneapolis Area Association of Realtors, the median Hutchinson sales price rose 10.5% in 2020 from \$181,000 to \$200,000, a vigorous increase in the for sale housing market. There were 323 sales in 2020 compared to 315 sales in 2019. As of December 2020, there was an inventory of only 18 homes for sale.

According to information from **McLeod County**, in 2020 there were 343 sales in Hutchinson with a median sales price of \$186,000

HOME RESALES CITY OF HUTCHINSON 2010 through 2020																						
Year	2020		2019		2018		2017		2016		2015		2014		2013		2012		2011		2010	
Price Range	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$50,000	7	2.0%	1	0.3%	7	1.9%	9	2.7%	10	3.0%	15	4.2%	18	5.7	29	10.2	44	15.3	30	12.4	24	11.1
\$50,000 to \$74,999	10	2.9%	5	1.6%	11	3.1%	10	3.0%	15	4.6%	26	7.3%	17	5.4	35	12.3	33	11.5	31	12.8	16	7.4
\$75,000 to \$99,999	10	2.9%	8	2.5%	15	4.2%	22	6.6%	38	11.6%	39	11.0%	34	10.8	36	12.7	62	21.6	46	19.0	32	14.8
\$100,000 to \$124,999	19	5.5%	27	8.6%	46	12.8%	46	13.8%	54	16.4%	58	16.3%	59	18.7	49	17.3	52	18.1	48	19.8	38	17.6
\$125,000 to \$149,999	49	14.3%	50	15.9%	67	18.7%	70	21.0%	76	23.1%	68	19.1%	68	21.5	59	20.8	41	14.3	33	13.6	38	17.6
\$150,000 to \$174,999	51	14.9%	64	20.3%	70	19.5%	73	21.9%	55	16.7%	60	16.9%	51	16.1	29	10.2	16	5.6	22	9.1	23	10.6
\$175,000 to \$199,999	55	16.0%	59	18.7%	55	15.3%	39	11.7%	23	7.0%	27	7.6%	21	6.6	16	5.6	13	4.5	9	3.7	12	5.6
\$200,000 +	142	41.4%	101	32.1%	88	24.5%	64	19.2%	58	17.6%	63	17.7%	48	15.2	31	10.9	26	9.1	23	9.5	33	15.3
Total	343	100.0%	315	100.0%	359	100.0%	333	100.0%	329	100.0%	356	100.0%	316	100.0	284	100.0	287	100.0	242	100.0	216	100.0
Median	\$186,000		\$175,000		\$161,900		\$153,500		\$140,000		\$138,750		\$133,500		\$121,000		\$101,400		\$109,950		\$121,600	
Sources:	Peterson-Paulsen Associates Inc. Realty Maxfield Research Inc. McLeod County Assessor's Office																					

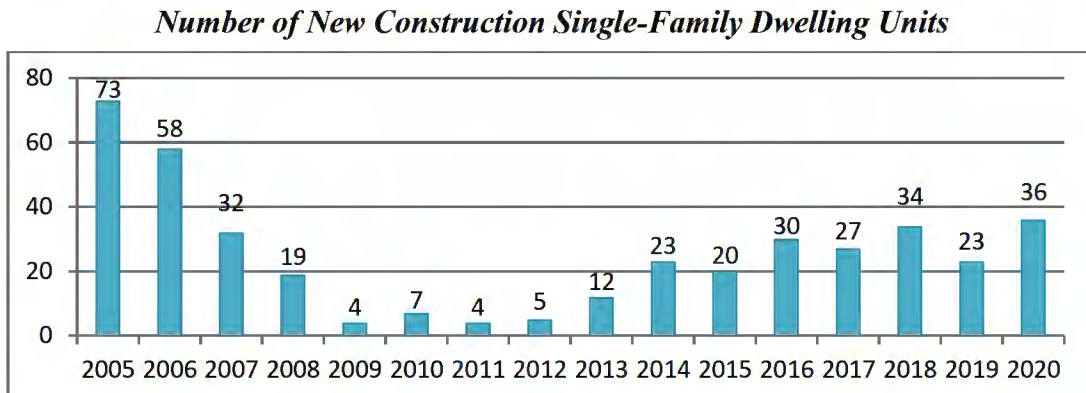
According to the Census 2019: ACS 5 year estimate, the median household income for Hutchinson is \$57,672 or \$27.73/hour at 40 hours per week. Based on a household being able to afford a home priced at 3.5 times their income, not factoring in savings or debt that they may have, a \$57,672 yearly income could afford a home priced at \$201,852.00.



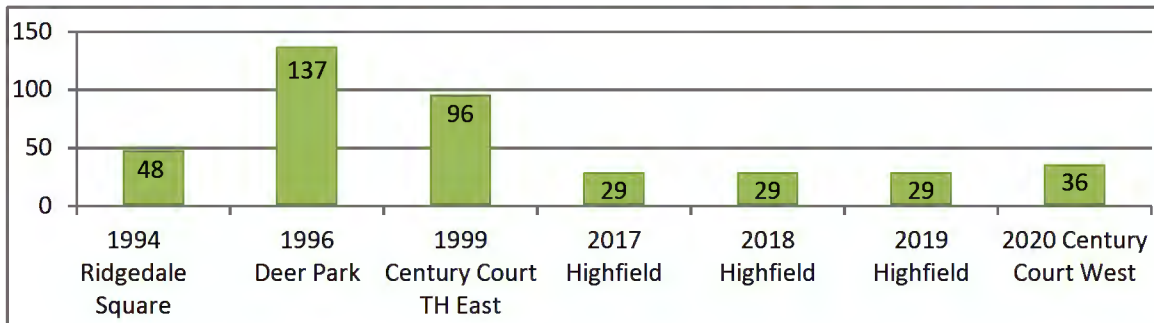
The above charts are based on information from McLeod County.

3. Housing Construction in Hutchinson

According to the City of Hutchinson, Planning/Zoning/Building Department, there were 36 new construction dwelling units built in 2020. As of 12/31/2020 there were 133 lots available. The lot supply benchmark for growing communities is a three to five year lot supply. A three to five year lot supply allows adequate consumer choice but minimizes developer's carrying costs.

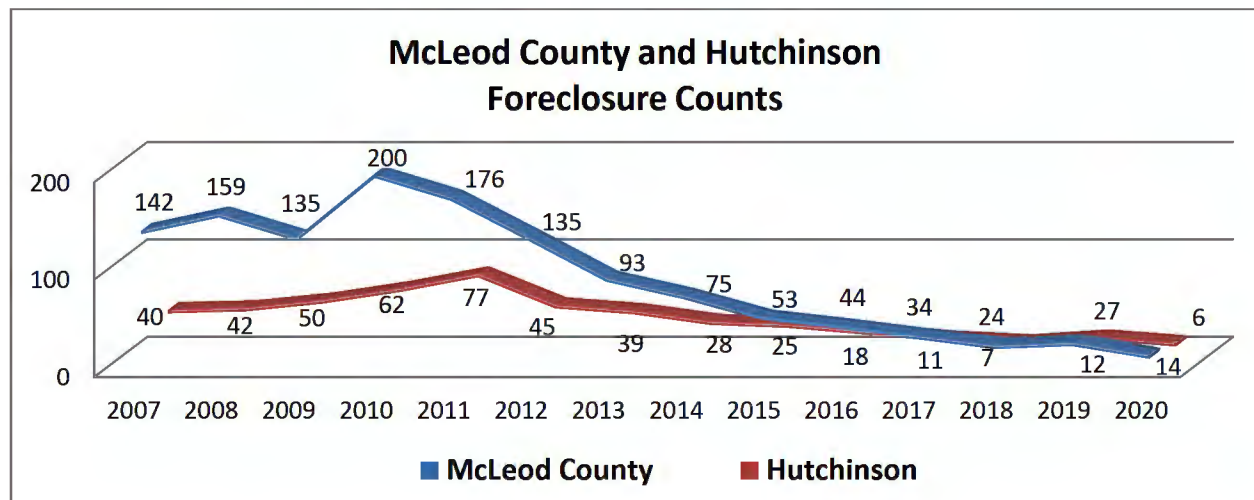


Number of Certificate of Occupancy for General Occupancy Multi-Family Dwelling Units



The above 3 charts are based on information from the Department of Planning, Zoning and Building

- 4. Foreclosure Update:** Foreclosures in 2020 were lower than in 2004 when foreclosure data was initially tracked.



Number of Foreclosures in McLeod County and Hutchinson

	Year	McLeod	Hutchinson
	2004	48	14
	2005	56	
	2006	72	
	2007	142	40
	2008	159	42
	2009	135	50
	2010	200	62
	2011	176	77
	2012	135	45
	2013	93	39
	2014	75	28
	2015	53	25
	2016	44	18
	2017	34	11
	2018	24	7
	2019	27	12
	2020*	14	6

*Moratorium on all pending and future foreclosures when the foreclosure arises out of a substantial decrease in income or substantial out of pocket medical expenses caused by the COVID-19 pandemic, or any local, state, or federal governmental response to COVID-19 (State of Minnesota Emergency Executive Order 20-79)

2021 Realtor Predictions:

Q. What do you see for the housing market for Hutchinson in 2021?

A. We expect the housing market to be very similar to 2020.

Q. What are the most influential factors affecting housing in Hutchinson?

A. The lack of inventory of homes for sale is driving the prices up. This is not a local concern, but a concern throughout the country. However, many buyers are able to purchase because of the low mortgage interest rates.

Q. There were 36 houses built in 2020. What do you think will happen to new housing construction in 2021?

A. We expect the building to continue to expand. That being said, we will likely run short of lots to build on, but there are a couple of areas that are being considered for development.

Hutchinson HRA Priorities for 2021:

HRA Park Towers:

- Implement RAD Section 8 PBRA at Park Towers.
- Follow legislation that may require sprinklers in high rise residential buildings.

City Center Operations, Owner Occupied Rehab:

- Administer the City Home Improvement Grant Program (TIF available funds) for owner occupied rehab.
- Administer Minnesota Housing Impact Funds, and Fix-Up Loans, as leverage funds to the City Home Improvement Grant Program.
- Administer the Minnesota Housing Rehab Loan Program for owner occupied rehab for very low income homeowners.
- Administer the Fix Up Fund Home Improvement Loan Program.
- Identify owner occupied target areas needing rehab. Consider allocation of targeted funds to those areas.

City Center Operations, SCDP Rental Rehab Program:

- Identify and determine interest of potential rental rehab projects.

City Center Operations, Rental Development:

- Obtain a Comprehensive Housing Study/Market Analysis for Hutchinson after the 2020 Census Data is available. Develop a subsequent housing plan including potential resources for needed housing development.

December 31, 2020 Housing Fund Balances

SCDP City Revolving Local Income Balance	\$171,856.08
SCDP City Revolving Program Income Balance	\$51,873.89
TIF Available Balance	\$340,000.00
Total Funds Available:	\$563,729.97
City SCDP New Construction	\$78,450.00
City SCDP Rehab (Owner & Rental)	\$324,430.40
City TIF Owner Rehab	\$93,725.25
Total Balance of City SCDP Loans Receivable	\$496,605.65
HRA Notes Receivable HHPOP	\$9,245.56
HRA Notes Receivable Rehab	\$10,305.29
Total Balance of HRA Loans Receivable	\$19,550.85

Human Resources

Primary Services

Under the direction of the Human Resources Director, the human resources department provides the following organizational development and services:

- Recruitment
- Compensation
- Benefit administration
- Employment policies and laws
- Workers' compensation
- Employee safety
- Labor relations
- Wellness
- Performance evaluations
- Organizational development
- Training and development
- Provide HR services to Hutchinson Utilities

2020 Human Resources Staffing

1.875 Full-time Equivalent Staff – Human Resources Director and Human Resources/Administrative Technician

Budget

The Human Resources budget is contained within the City Administration budget.

Alignment with Council ENDS and OUTCOMES

The primary purpose of the Human Resources Department is to provide information, support and consultation to internal customers to assist them in delivering quality, cost effective City services to the public and accomplishing the ends and outcomes identified by the City Council.

2020: The Year in Review

2020 Accomplishments

- Completed 17 recruitment processes that included 11 regular full-time/part-time recruitments; 2 internal assignment recruitments; 1 Housing and Redevelopment authority recruitment; and facilitated the hiring of all temporary/ seasonal employees whose numbers were greatly reduced in 2020 due to the pandemic.
- Completed and submitted the required and compliant 2020 Pay Equity Report to the State of Minnesota Management and Budget Department.
- Secured Employee Assistance Program (EAP) services for all City employees through Nuvantage.
- Participated in the negotiations with the Police Officer bargaining unit represented by MNPEA that resulted in an executed agreement for 2020 and 2021.
- Participated in the on-going negotiations with the Police Sergeants bargaining unit represented by LELS.
- With the assistance of the City benefits consultants - USI - secured a renewal for the 2021 employee health plan with MEDICA with no premium increase. No increase for dental, Life or LTD insurance premiums in 2021.
- Drafted for Council consideration and adoption the Pandemic Staffing and Telework policies as precipitated by the COVID-19 pandemic.
- Assisted in the drafting of the City COVID-19 Preparedness Plan.
- Communicated and facilitated employee leave due to the pandemic and per the Families First Coronavirus Response Act (FFCRA).
- Processed all required correspondence, notifications, and recordkeeping related to City employee positive COVID-19 and close contact situations.
- Drafted the 2021 City of Hutchinson Compensation Plan and Seasonal Pay Plan for Council consideration and approval in December 2020.
- Facilitated the transition from TASC/BMO Harris to Fidelity for the employee HSA and Flexible Spending Accounts.

2020 Performance Measurement Monitoring Data

Consistent with the council's adopted governance statements, priority indicators follow:

Employee Efficiency

The department provides human resource services to all City employees and strives to assist them in increasing productivity, and balancing resource constraints and increased demand for services.

POPULATION PER EMPLOYEE						
	2015	2016	2017	2018	2019	2020
Population	14,170	14,146	14,188	14,260	14,282	
Number of Employee FTEs	114	118	121	126	125	124
Population per Employee	124	120	117	113	114	

* The employee numbers include full-time and regular part-time employee Full Time Equivalents (FTE) only. FTE's are not calculated for seasonal part-time staffing. The population is based on best available estimates provided by the Minnesota State

2020: The Year in Review, Continued

Employee Decision-Making

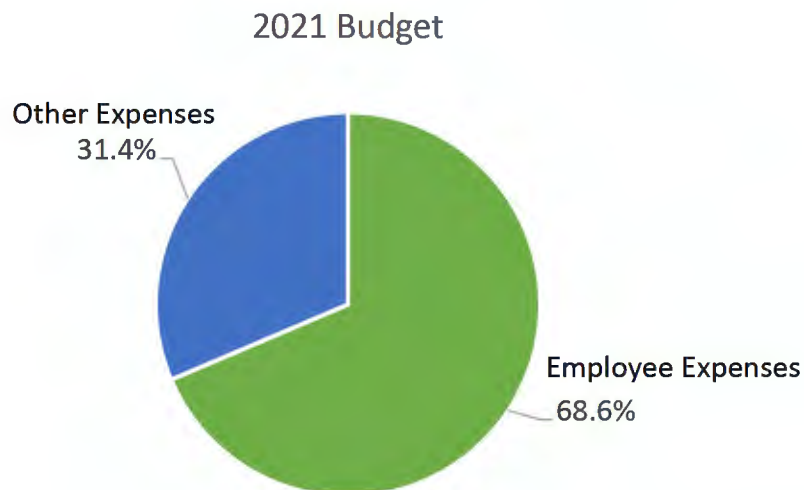
In order to accomplish the City's mission, employee involvement in the decision-making process as well as employee feedback and participation is essential.

Employees participate in significant decision-making processes such as:

- Evaluation and selection of new employees
- Employee Wage Committee recommendations
- Employee benefit program provider and program selections
- Development of safety program components and safety program administrative functions
- City website and social media content
- Management Team participation

Cost of Employee Services

The *total cost of employee services for the City of Hutchinson is estimated to be \$12.7 million for 2021*, including General Operating and Enterprise Funds. When considering the City's General Fund budget, as the following chart indicates, investment in Employee Services is 68.6% percent of the City's 2021 General Fund.



Health Insurance

A portion of employee costs are for health insurance premiums. Each year, the City considers vendor and plan design changes in order to keep premium costs low. Hutchinson maintains premiums competitive with the market average, which results in a savings to both the City and its employees.

Deductible plans are difficult to compare because the amount of the deductible and out of pocket maximum varies by city, but the chart below compares our \$2,000 / \$4,000 and \$3,000 / \$6,000 deductible plans with similar plans in 16 of our market communities. The City negotiated an agreement with Medica for a 0% increase for 2021.

DEFINED MARKET INSURANCE COMPARISON								
2021	Family Rate Premium		City Contributions		Employee Cost		Annual Employer HSA Contribution	
Hutchinson HSA Plan	Hutchinson	Market Average	Hutchinson	Market Average	Hutchinson	Market Average	Hutchinson	Market Average
\$2k / \$4k	\$1,904	\$1,917	\$1,523	\$1,462	\$381	\$491	\$2,000	\$2,214
\$3k / \$6k	\$1,769	\$1,917	\$1,415	\$1,462	\$354	\$491	\$2,000	\$2,214

REGULAR EMPLOYEE HEALTH PLAN PARTICIPATION						
	2015	2016	2017	2018	2019	2020
Health Plan Participants	80	85	86	92	94	91
% of Eligible Employees	80.8%	82.5%	81.1%	85.2%	84.7%	82.7%

REGULAR EMPLOYEE FLEXIBLE SPENDING ACCOUNT PARTICIPATION						
	2015	2016	2017	2018	2019	2020
Medical FSA Participants	13	15	14	11	12	16
Dependent Care FSA Participants	9	9	8	8	6	5

Labor Contracts

Two bargaining units represent two groups within the Hutchinson Police Department. Labor contracts are negotiated and administered by the City and one contract has gone to arbitration in the 9 years since the first unit was organized.

Labor Measurements

REGULAR FULL TIME AND REGULAR PART TIME RECRUITMENTS						
	2015*	2016*	2017*	2018	2019	2020*
# of Recruitments	29	12	22	11	22	17

# of Applications Received	468	211	377	145	311	266
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*Includes Hutchinson Utilities Commission and/or Hutchinson Redevelopment Authority position recruitments.

REGULAR EMPLOYEE ATTRITION						
	2015	2016	2017	2018	2019	2020
* Attrition %	14.9%	8.8%	8.4%	5.6%	13.7%	10.5%
Full Time Employee Attrition %	10.2%	7.9%	4.9%	5.8%	7.2%	10.1%

* Includes full-time and regular part-time employees and no seasonal/temporary employees.

2019/2020 Employee Retirements

- Dan Hatten – Police Department
- Clifford Kieper – Liquor Hutch
- Patricia Pulkrabek – Liquor Hutch
- Russell Borgendale – Liquor Hutch
- Debra Voss – Police Department
- Greg Nadeau – Police Department
- Patrice VanderVeen – Engineering

141 years of experience!

2021: A Look Forward

The 2021 human resources department budget allows for continued services including:

- Completion and implementation of an abbreviated job evaluation and compensation plan study – previous comprehensive study completed in 2016
- Negotiation of new labor contracts with the Police Sergeant and Police Officer groups
- Participation in the Hutchinson Utilities job evaluation and compensation plan project and union negotiations with the IBEW Local 949 bargaining unit.
- Assisting the Hutchinson HRA with the HRA director search.
- Employee wellness initiatives.
- Review and updating of the City performance evaluation system.
- Employment policy review and updates.

Information Technology

2020 IT & GIS Services

Primary Services

Under leadership from the Information Technology Director, the Information Technology (IT) Department is responsible for most technology systems across all City departments including Hutchinson Utilities. The range of items supported is technologically diverse and includes:

- Retail Point of Sale systems (Liquor Hutch)
- Manufacturing process software (Creekside)
- Law Enforcement applications with strict security standards imposed by the FBI
- Electrical Generation systems (Hutchinson Utilities Production)
- Mobile work systems (Field Crews)
- Network Architecture for Electric, Gas, Water and Waste Water SCADA systems
- General Government applications
- Voice Over Internet Protocol (VOIP) phone systems and related contracts
- Radio Systems for Emergency Services. (IT supports the network, server and workstations)
- Cell phones and related contracts
- Cyber Security
- Managing, supporting & expanding, when appropriate, City owned fiber optic network. (Hutchinson is unique in that the City owns, manages, and leases fiber to other entities)
- We are available 24x7 to support law enforcement, Liquor Hutch and Hutchinson Utilities.
- Manage 50+ yearly software contracts
- Web page management and upkeep
- Credit Card Processing & Security
- PD Body camera support for PD & Legal
- GIS

2020 Information Technology Budget

General Operating: \$600,314

Revenue: \$119,852

Water: \$21,469

Waste Water: \$22,807

Liquor Hutch: \$9,839

EDA: \$4,637

HRA: \$4,061

HUC: \$121,741

Total Managed Budget \$794,541

Staffing

3.5 Full-Time Equivalent Staff including GIS

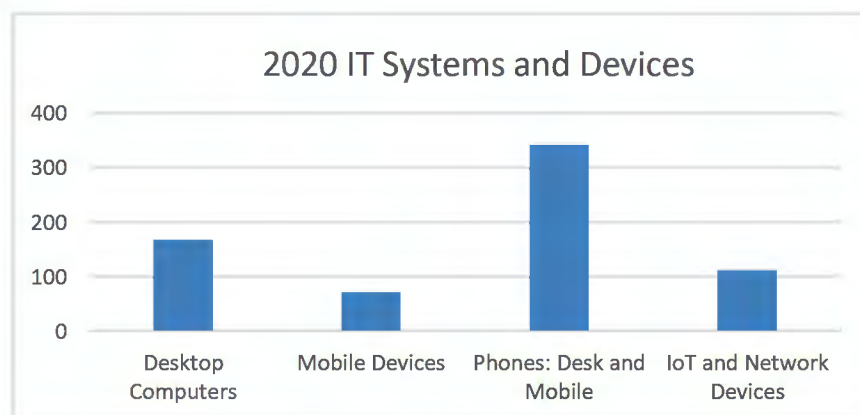


2020 Narrative

In 2020, the focus shifted from normal daily operations and planned projects, to issues related to the pandemic. Much of the focus was on leveraging our current systems to allow for remote access without losing any network security. Remote access accounts were added and mobile devices were purchased and configured. The system was utilized by several staff over the last year. These options allowed staff to continue a productive role for the City of Hutchinson while following Pandemic protocols.

2020 Accomplishments

- Year one of a three-year comprehensive Security Review
- Implemented remote office options for staff affected by the pandemic
- Assisted Hutchinson Utilities with implementation of a new SCADA system
- Implemented a new Mobile Device Management system
- Rewrite of the software budget to automate budget process and allows a constant current budget amount
- Served on the Marketing and Branding Committee
- Hired a new IT Technician and worked with Justin orienting him to the City network
- Completed reengineering of the Airport network to provide greater stability and extended wireless communication to the hangers and Tarmac
- Upgrade of Civil Defense siren controls
- Redesign of the City network for greater redundancy and better business continuity
- Upgrade of remaining servers to latest Operating System. Continued from 2019.



2021 Information Technology Budget

General Operating: \$587,903

Revenue: \$119,852

Water: \$18,388

Waste Water: \$25,095

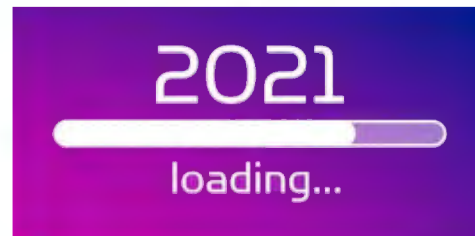
Liquor Hutch: \$9,982

EDA: \$7,126

HRA: \$5,564

HUC: \$109,083

Total Managed Budget \$763,141



Looking Forward to 2021

The IT department will be involved with the design and implementation of the new Police Department. The IT Department will be working with Wold Architects on network design that will include two network rooms, a modern wireless network to allow greater efficiency for dashcam video management. There will be a new video surveillance system that will also allow access to McLeod County Dispatch to keep officers safer during the overnight shifts.

Other Items for 2021:

- Year two of a in depth security review
- Upgrades of 16 desktops
- Upgrades of 3 laptops
- Upgrades of 7 network switches
- In-depth network policy review which will include a new set of management and security policies
- Research video surveillance options for Creekside Soils
- Continue efforts to leverage the network against Cyber Security attacks
- Technology upgrades to the two meeting rooms and the Council Chambers to allow for virtual meetings
- A comprehensive review of GIS projects and planning for future projects

Technology Department Philosophy

Information technology is a cornerstone of all modern organizations, supplying the communication and business systems necessary to perform daily tasks in the most efficient manner possible. IT provides a central coordination point to technology solutions and services for both internal and external customer needs. The IT Department has made great strides in implementing new technology solutions, enhancing the technology environment, and collaborating with other departments to provide cost efficient and effective solutions to their technology needs.

Parks, Recreation, Community Education

(Parks and Natural Resources, Burich Arena, Recreation Center/Aquatic Center, Recreation, Community Education, Event Center/Senior Center/Adaptive Recreation)

Parks and Natural Resources

2020 Accomplishments

General Site Improvements:

- Refurbished nine park benches with new wood and cement pads: Oddfellows, Tartan, Rotary and Elks Parks.
- Added two park benches with cement pads around Linden storm water pond.
- Rebuilt the existing commercially manufactured pieces of Skate Park equipment, along with demo of the homemade structure-replaced by \$20k worth of new equipment.
- Installation of new playground at Lions West Park.
- Soldier statue (donated by the Kamrath Family) and paver walkway added into McLeod County Veterans Park.
- Multiple log features replaced with treated lumber at Tartan Terrain Park.
- Elks Park cement pads poured for ADA picnic table and bike racks. Installed additional park light on west end of playground.
- Restroom floor improvements at Elks and Masonic/West River shower and shelter building.
- Sandblasted and painted the 100-year-old cupola at Fireman's Park.
- Safety wood playground fiber mulch added to various playground locations.
- New flagpole and pad at Legion Park (project facilitated by Eagle Scout).
- "Slapshot" sculpture added to front entrance of Burich Arena East.

Athletic Field/Court Maintenance:

- Straightened and replaced bulbs in outfield lights at Roberts Park.
- VMF new outfield fencing- along with new flagpole in outfield (Eagle Scout project).
- Sunshade erected at VFW Park to go over bleacher seating behind backstop.
- Expanded North Park skating rink to accommodate for additional skaters-due to social distancing. Timers added to outdoor rink lights.
- Moved and placed 200 yards of aglime to various ballfields late fall.

Landscaping:

- Flag display at VMF entrance - granite path and plants added behind display (Eagle Scout project).
- Library Square south sidewalk bed renovation with help from Hutchinson Leadership Institute (HLI).
- Police Memorial paver walkway completed off the Luce Line trail.
- Middle School entire front parking lot area reseeded. New trees, shrubs and perennials were added. Remainder to be completed by HHS Landscaping classes spring 2021.

Forestry/Natural Resources:

- All 35+ acres of prairies mowed during the extended fall season.
- 96 trees planted in various Parks with mostly forestry/park staff and one volunteer group.
- Tree removals: 85 of mostly ash (DNR EAB diversification grant project).
- Continued mowing walk paths in Middle School prairie for increased outdoor learning opportunities for West Elementary students.
- Riverbank clearing in various parks along Crow River.
- Late fall prairie burns conducted by HFD at Millerwood's Oak Savanna.

Narrative

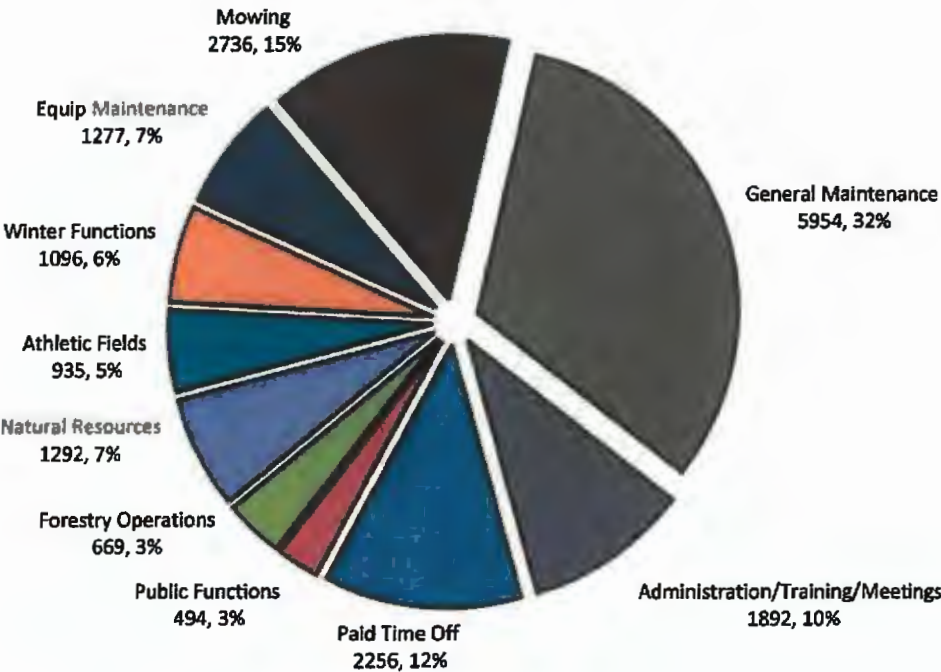
"Pandemic -Coronavirus- CoVID 19" seemed to be a common theme of 2020 for most of us in our personal and professional lives. In the parks world things were different - yes, but the amount of usage we witnessed in our parks system was higher than ever. Due to so many unknowns of the CoVID 19 virus, we opted to bring in portable toilets to better serve some of park locations. This cut down on the staff labor hours needed for extra cleaning to ensure better sanitation in our shelters/restrooms. In a normal year, cleaning of restrooms was only done in the morning, with Police Department patrol locking them in the evenings. This year with guidance from federal and state agencies, it was suggested to add additional cleanings, which required additional staff hours. We were fortunate to get help of our fellow Recreation employees to assist with this function. The Recreation staff also helped with other daily maintenance tasks and general site improvements, such as needed maintenance on the wayfinding signage areas- including staining the wood posts and sealing the paver pads. We also only allowed closed shelters to be open by reservation only. The campground did not open until the June 1, which is four weeks later than usual. Due to the uncertainty of campground and facilities being potentially closed again, we only allowed reservations to be made a maximum of 6-8 weeks ahead.

The nature of what we do by being outdoors still allowed us to complete almost all our 2020 project goals. During late winter months, we were able to work on the refurbishing of park benches to go into multiple park locations, along with rebuilding the commercial pieces of Tartan Skate Park. As spring arrived, one of the first projects completed was a new playground at Lions West Park. This upgrade was made possible from a donation by the local Lions Club. Another larger project was the addition of the "Solider" statue at McLeod County Veterans Park by the Kamrath Family. We were fortunate to have a Hutchinson Leadership Institute (HLI) small group participate in building of the paver walkway up to statue. HLI large group graduation project day happened in Library Square at the end of July with upgrades made to landscaping and paver walks into the south side of the park. Parks maintenance routes became more manageable with the addition of two new full time Parks Maintenance Operators- Andy Bentz in March and Trent Draeger (filled a vacant position) in October. Both come to the department with years of park maintenance experience. With the reduction of revenue and daily athletic field preparations, we cut our summer seasonal crew down to over half of what it is in a normal year. All seasonals that returned had worked the previous summer, so there was little training involved and they were able to hit the ground running.

2021 Goals

- Eheim Park- walkway, Little Crow pad and hillside landscape renovation (HLI small group). (April)
- Elks Park restroom renovations. (April)
- Improvements made to Tartan Park (HLI small group). (May)
- Oddfellows Park: new serving counter, tree planting, etc. (HLI large group) (May)
- JC Womens neighborhood playground project. (July)
- First time-host site for MN Pottery Festival at Masonic/West River Park. (July)
- Rotary Park improvements: shelter painted, bench upgrades, landscaping around shelter and bathroom area (Sept.)
- Fireman's Park memorial walk and shelter improvements. (Oct.)

Total Park Hours **18601 hours**



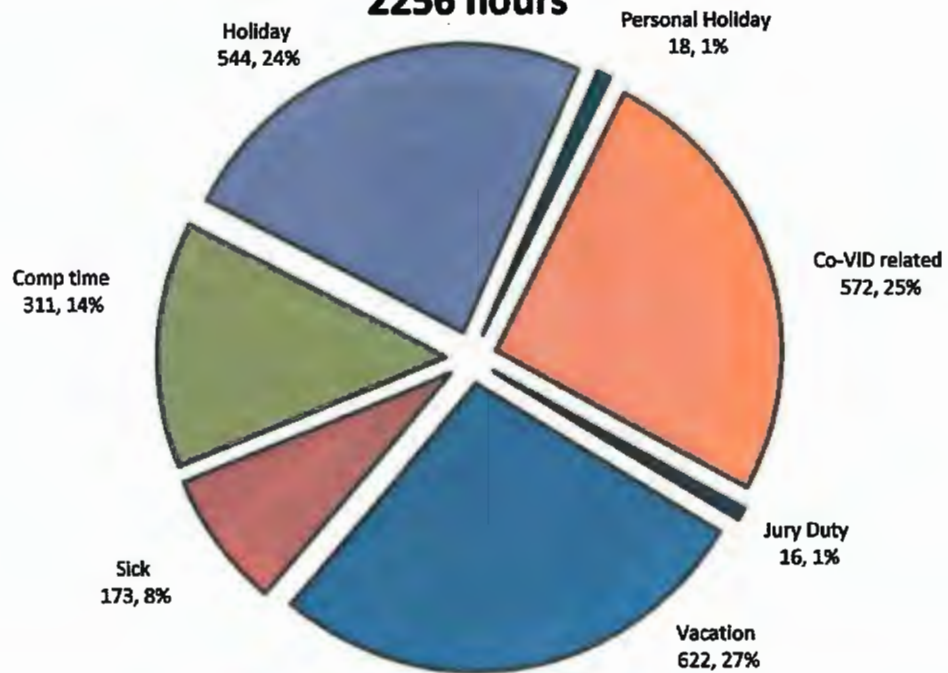
Mowing & Weedwhipping **2736 hours**



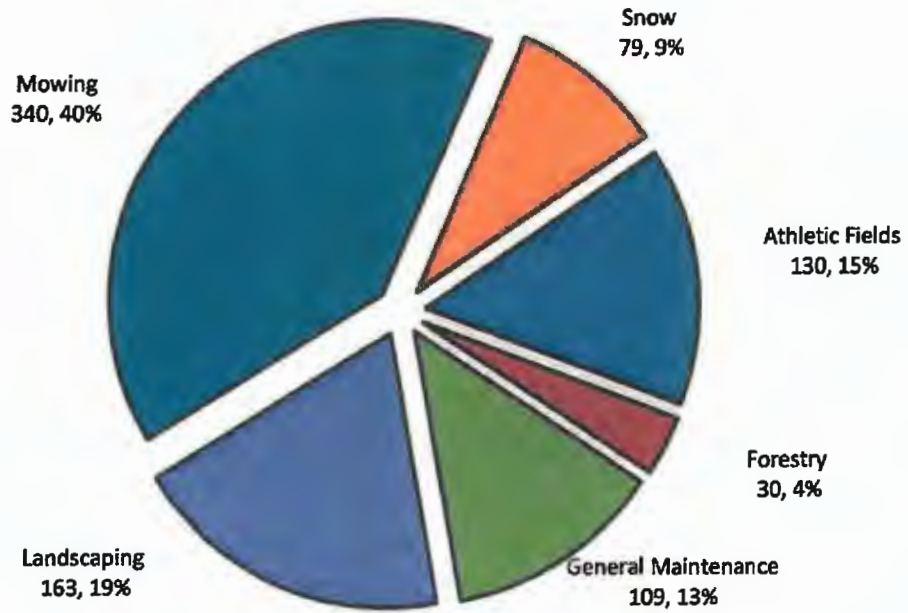
Non-Park Functions 2936 hours



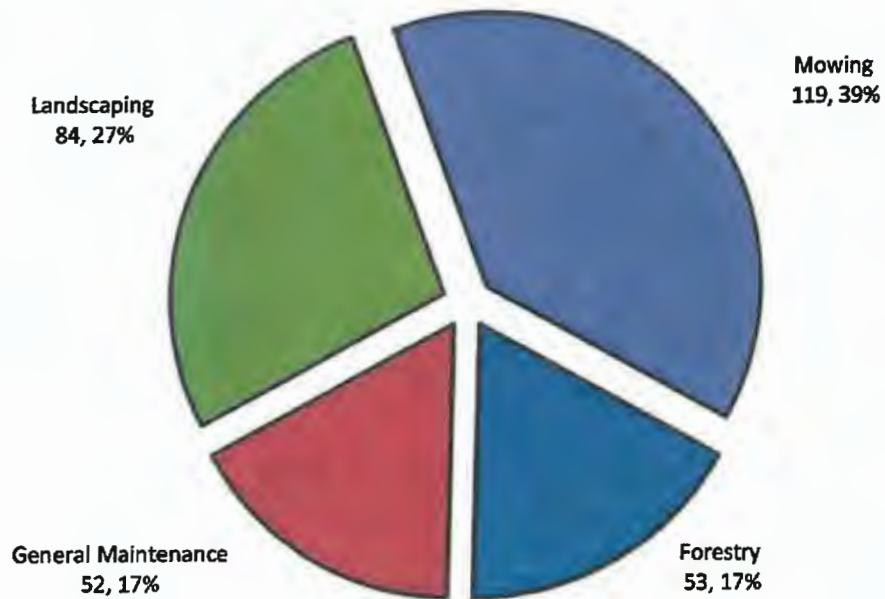
Paid Time Off 2256 hours



**ISD 423 Functions
851 hours**



**Hutchinson Utilities
308 hours**



Burich Arena

2020 Accomplishments

- Received the new Zamboni ice resurfer The Burich family donation of \$60,000 helped us move the scheduled replacement of our year 2000 model machine up one year. The new machine was delivered in early January.
- Completed replacement of existing fluorescent lighting throughout the east and west rinks. We now have all interior fixtures (except for the ice sheets) replaced with energy efficient LED lights.
- Worked with ISG Architects and Engineers on creating design, plans and specifications for east rink roof replacement, exterior sidewall improvements and upgraded HVAC.
- Began removal of north and south side landscaping at the east rink in preparation for construction project now scheduled for 2022.
- Continued improvement of staffing patterns for building attendants. We operate two arenas with primarily seasonal staff. We hire and train good people and seek the experienced worker whenever possible.
- The Facilities Technicians continued to improve maintenance logs of building equipment and systems, including resurfacers, heating units/systems, and refrigeration systems.

Narrative

COVID has had a big impact on the usage of our ice sheets. We were not able to safely offer a summer ice program. This decision affected youth hockey players, high school hockey players, Hutchinson Figure Skating association and our PRCE learn to skate program. We were able to open again in late September, with many restrictions, guidelines and protocols.

Our season was again interrupted in November by the Executive Order requiring facilities to be shut down for a 6 week pause. We were closed from November 19th until January 4th. Activities resumed, but with many restrictions. We have scheduled youth and high school games, allowing a maximum of 150 spectators for each event. We began offering public skating again in February. We are not able to offer our annual ice show due to restrictions. HFSA and PRCE will each offer a year-end skating event separately to help celebrate their skating seasons.

We originally planned to replace the roof and improve the sidewalls (similar to the Recreation Center) in 2021. As we worked through the details of the project, we now understand that heating and ventilation concerns need to be addressed at the same time. In order to fund the entire project, the Facilities Committee has deferred the project to 2022.

The conceptual construction plan from Stevens Engineering with an upper level concourse, west rink improvements such as permanent spectator seating, concrete refrigerated floor, and a common lobby area providing access to both sheets of ice continues to be a long term goal. We will work with ISG to create a plan for replacing existing east rink roof and upgrading exterior sidewalls, similar to Recreation Center project.

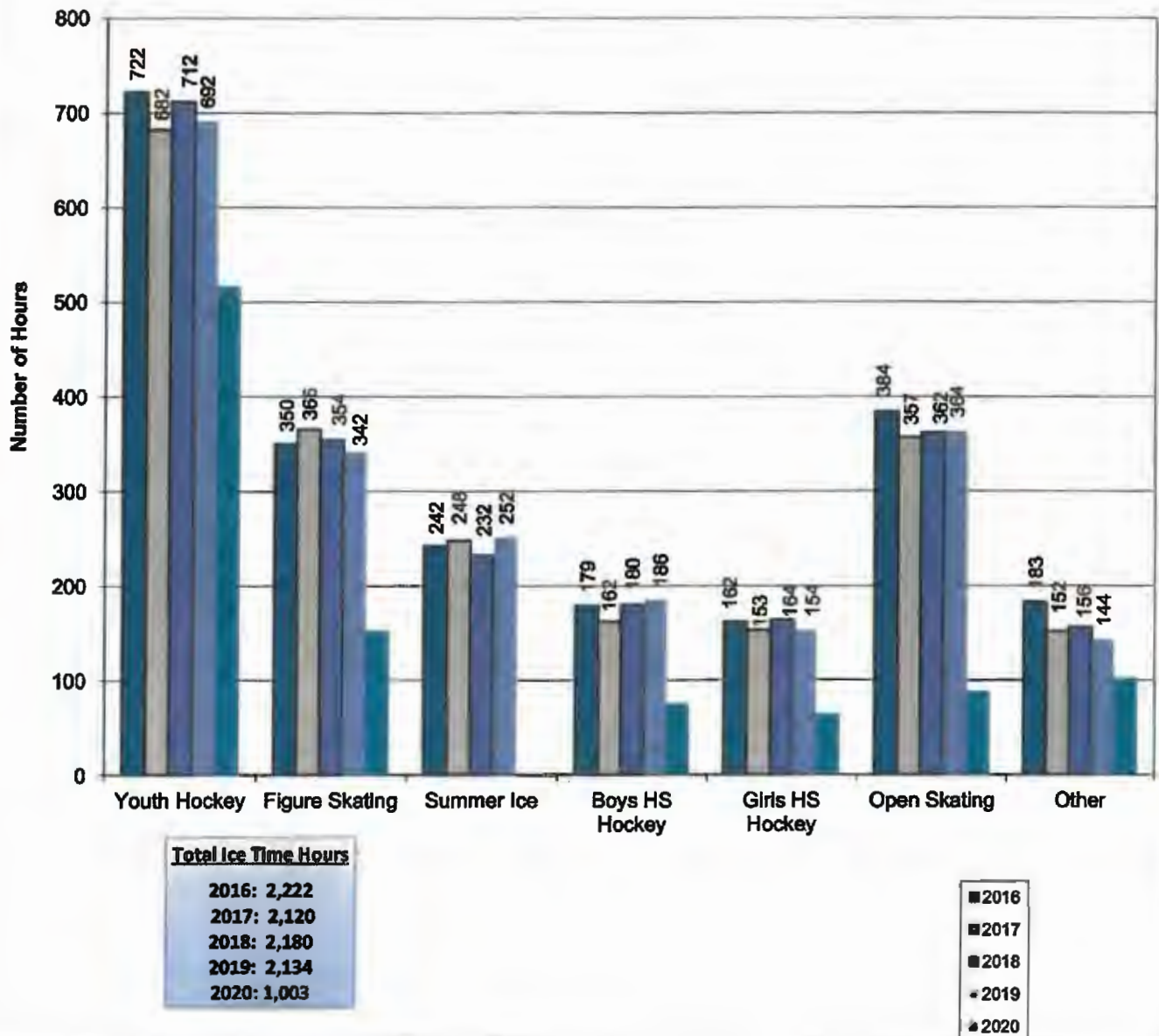
This conceptual plan was an extension of the original study done by Stevens. This plan gives us a road map for the future, helping us to make decisions on future building improvements. We will continue to work with city staff, Hutchinson Hockey Association, and Hutchinson Figure Skating Association representatives to continue planning on how to accomplish this project

2021 Goals & Objectives

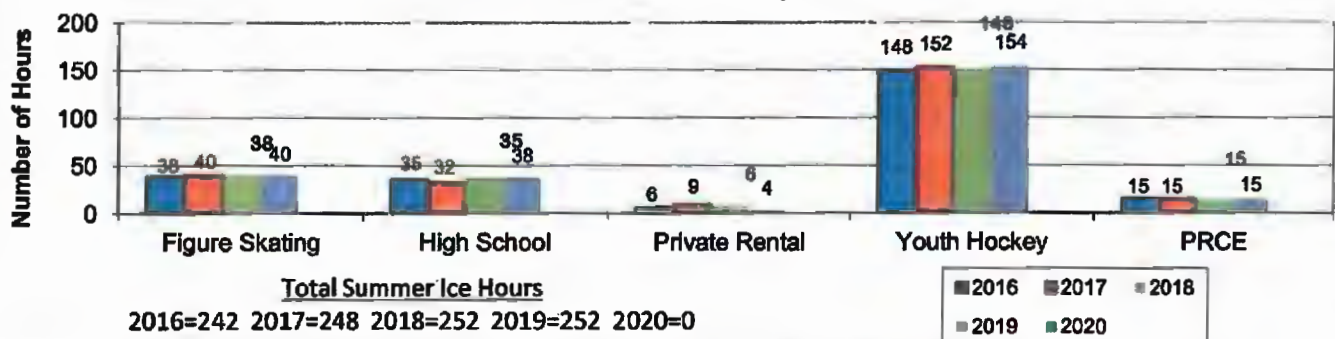
- Through the city's Facility Committee, present information to the Mayor and City Council regarding the Burich Arena improvement project for east rink roof replacement, sidewalk improvements and HVAC upgrades.
- We will replace existing fluorescent lighting in the east rink with energy efficient LED fixtures. This task will be included when the east rink roof is replaced.
- Work with the engineering department regarding parking lot replacement. This project was originally scheduled for 2025. Underground sewer work in the parking lot and the surrounding streets moved this project to 2021.
- Recruit and advertise for replacement of Facilities Technician. This position has been vacant since August of 2020. With facilities and activities scheduled to resume to full usage, we will need to have this position filled in spring of 2021.
- Complete the removal of east rink existing landscape materials. We are preparing for the construction project to begin in spring 2022.
- Continue to improve and nurture our partnership with HFSA. Participation numbers remain strong. PRCE continues to offer ISI (Ice Sports Industry), an opportunity for younger skaters, and HFSA offers a competitive program for the more experienced skater. The annual ice show is possible only with the city's support and volunteer help from HFSA.
- Continue long-term planning for major building system's component replacement. Work with the city's Facility Committee and Stevens Engineering to help prioritize major projects and purchases involved with the next phases of building improvements.
- Work with the Burich family and Hutchinson Hockey Association on funding for Burich Arena improvements. These groups have committed to contributing to the future improvements at the facility.
- Continue replacement of exterior light fixtures. East rink lamps have been replaced and we have 5 metal halide fixtures left on the west rink to complete the conversion to all LED. We are achieving our goals of energy savings, increased lighting levels and reduced maintenance expenses.

Ice Time Report

2016 - 2020 Comparison



Summer Ice 2016 - 2020 Comparison



Recreation Center/Aquatic Center

2020 Accomplishments

- Worked with ISG and the general contractor, APX, to complete Recreation Center roofing and wall upgrade project. Exterior roof panels were installed as well as adding interior roof liner. Exterior wall steel panels were updated and new brick façade was installed over the existing concrete block.
- Through the Facilities Committee, the gymnasium lighting was replaced. As part of the roofing replacement project, the current fluorescent fixtures were upgraded to energy efficient LED lights.
- Utilized existing staff to complete interior preparation and painting of the Recreation Center gymnasium. As part of the roofing/sidewall project, the interior of the building has a whole new look.
- Continued training of our PRCE Facilities Technicians. These two positions are responsible for maintaining our equipment and facilities. With increased usage of Burich Arena, and the addition of the aquatic center, these positions are vital to properly maintaining our assets.
- Through the Recreation Programmer, pickle ball participation continued to grow. Purchased dedicated portable nets for exclusive use in the gym instead of sharing with Park Elementary tennis courts.

Narrative

Covid-19 forced the city council to decide to keep the aquatic center closed for summer 2020. The Minnesota Department of Health protocols that were needed to keep our staff and the public safe proved too difficult to instigate. In order to open, we need at least 15 staff in place and we would only be allowed to operate at 25% of capacity while working to keep swimmers socially distant.

We were not able to offer swimming lessons to the public. In a normal summer, we are able to teach about 900 swimmers.

The Recreation Center was able to open up again for activities in fall of 2020. This came to an end November 19, with the Executive Order requiring a 6 week pause. We opened up again with restrictions beginning January 5.

Working with the city's Facility Committee, designer ISG, and general contractor APX, we oversaw the roofing replacement and sidewall improvement project at the Recreation Center. The project was bid in January 2020, construction began in April 2020, and continued through January 2021. The building now has a new roof, new exterior finish and will be a model for future improvements when it is time to re-do the exterior finishes at Burich Arena.

We will work with the Minnesota Department of Health to re-open the aquatic center for summer 2021 and follow the updated rules and protocols for outdoor public pools prior to our projected opening in June. We will be part of Minnesota Recreation and Park

Association's efforts to gather information and present information to MDH and the governor's office regarding recommendations for safely re-opening.

We will continue to hire, train, and coach quality seasonal employees. These front-line people are the faces that represent our department. We will reach out to former aquatic staff members and recruit and train new staff. We are hopeful that we will be able to reach our hiring goals after not being open in summer 2020.

2021 Goals & Objectives

- Work with Minnesota Department of Health to re-open the aquatic center. MDH will update rules and protocols for outdoor public pools prior to our projected opening in June.
- Work with ISG and the general contractor, APX, to complete Recreation Center roofing and side-wall upgrade project. The project is substantially complete. We have a number of smaller items left for APX to complete this spring before we close out the project.
- Recruit, hire and train American Red Cross Swimming staff to serve the outdoor pool, as well as teach our summer American Red Cross learn-to-swim program. Admissions duties will become part of lifeguard rotations, including patron check-in, tube wrangling, and water slide attendants.
- Continue to offer American Red Cross swimming lessons at Carlson Pool and the Aquatic Center. Pre-school lessons continue to grow as we make further use of our outdoor spaces. We will learn and follow American Red Cross and MDH guidelines as we work to re-establish our learn-to-swim program.
- Continue to work through the Facility Committee on future facility upgrades.
- Continue and refine maintenance policies and procedures for aquatic center operations. Work with maintenance team and summer aquatic staff to plan and respond to various water quality challenges.
- Recruit, hire, and train to fill empty position of Facilities Technician. This position has been vacant since August of 2020.
- Continue replacement of sidewalk light fixtures. We began to replace current fixtures with brighter, more energy efficient LED lamps. This will help keep our sidewalk and parking lot areas well lit.

Recreation

2020 Accomplishments

- **Pickleball Expansion**: 2020 turned out to be a big year for growth in pickleball. With the new courts at Park Elementary, the numbers really grew over the summer. This resulted in the Recreation Center expanding from four to six courts in its facility. Pickleball is now scheduled five days a week along with private rentals on the side.
- **New Ballfield Facilities**: Linden Park regained two fields this past summer which were designed for our youngest players. The fields featured 45-foot base distances which were perfect for our pre-school through second grades. Although COVID cut the season short, we were able to use the field for four weeks beginning in July.
- **Tiger Ball**: The Junior League Baseball Association agreed to combine their first and second grade baseball programs with our first and second grade girls' softball programs this past year. Since both programs play with a padded ball at that age, there was no obvious reason for separating boys and girls. By combining the programs, we provided the girls with greater access to coaches with a background in the sport and provide a more uniform experience for all the kids in the program. Although numbers were down due to concerns with the COVID-19 virus, we were able to put together a seven-team league that began play in July. Boys and girls will now separate at third grade when they begin playing in traveling leagues through their respective associations.
- **Construction Project at the Recreation Center**: We were concerned how the construction on the Recreation Center roof would affect our program schedule. As it turned out, this was the perfect year to do the remodeling since programming was shut down for much of the spring and summer. Since programming was halted, staff helped to pitch in and put a fresh coat of paint on the interior of the gym. This gave us a facility that looks new on the inside as well as the outside.

Narrative

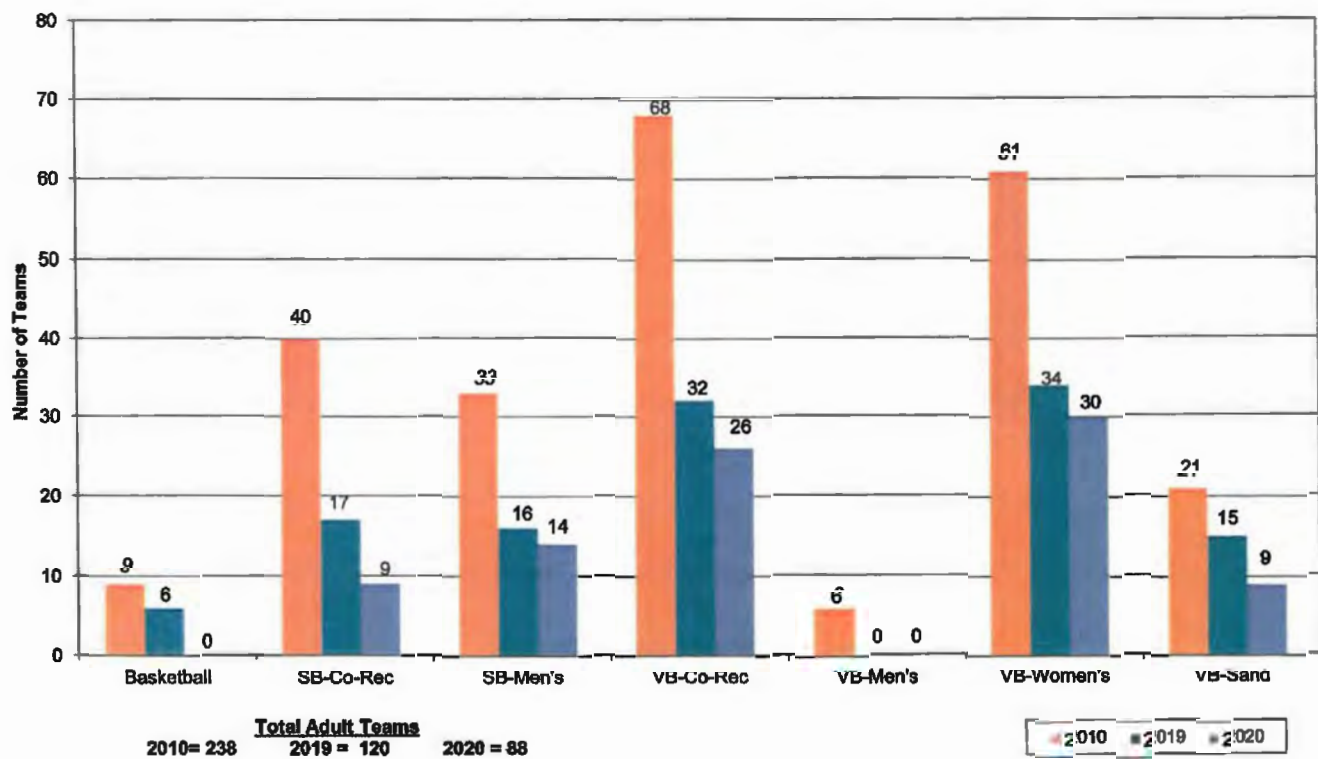
Like everyone else, 2020 proved to be a very challenging year for our recreational programs. Just before our first major program was about to start, indoor soccer, we got word to shut down all programming. Recreation staff were redirected to the parks department and spent the next several months weeding, trimming, painting, and staining. We were able to resume activities in July and managed to put together a shortened summer season of adult and youth activities. Fall was almost normal except for a drop in participation due to virus concerns. That was followed by another stoppage in play around mid-November when volleyball and basketball were sidelined. We are looking forward to the potential to return back to more normal participation in 2021 with hopes pinned on rapid execution of the vaccination process. It will be interesting to see if participation returns to prior numbers or if taking a year off affects registration going forward.

2021 Goals

- **New Registration System**: Our current registration system, MaxGalaxy, was bought out by our former provider Active Network. MaxGalaxy will become obsolete in October of 2021. This will require our department to install the new software and train staff. In addition, we will need to start from scratch to create a new database of all our customers. This will be about a four-month process beginning in late April with the plan to be online for fall registration beginning August 1.
- **Fall Softball**: With COVID greatly affecting the past summer season of softball, we ran a fall league for the first time. We ended up with six men's teams and also had some girl's fastpitch in the mix. We are going to test the waters this fall to see if that was a one-year blip or an identified desire for future programming.
- **Safe Sport Certification**: There is a new federal law requiring all adults that work with children to go through Safe Sport training. This is in addition to the concussion training that they were already required to take. It also involves a background check. The training is meant to prepare coaches to deal with a number of different issues that may come up in the course of a season and to watch for signs that a child may be suffering abuse when away from their activity. This new law will require additional funds to pay for the certifications and require an additional two hours of training for prospective coaches.
- **New School Ballfields**: The High School constructed two new softball fields on their campus specifically for girl's fastpitch softball. We hope to incorporate them into our summer program for use as a fastpitch field and as a youth baseball field. While we lost one field to the construction taking place at West Elementary, they are replaced by these two fields which are far superior in quality. With these additions we should have no difficulty providing practice and game space for all of Hutchinson's youth teams.

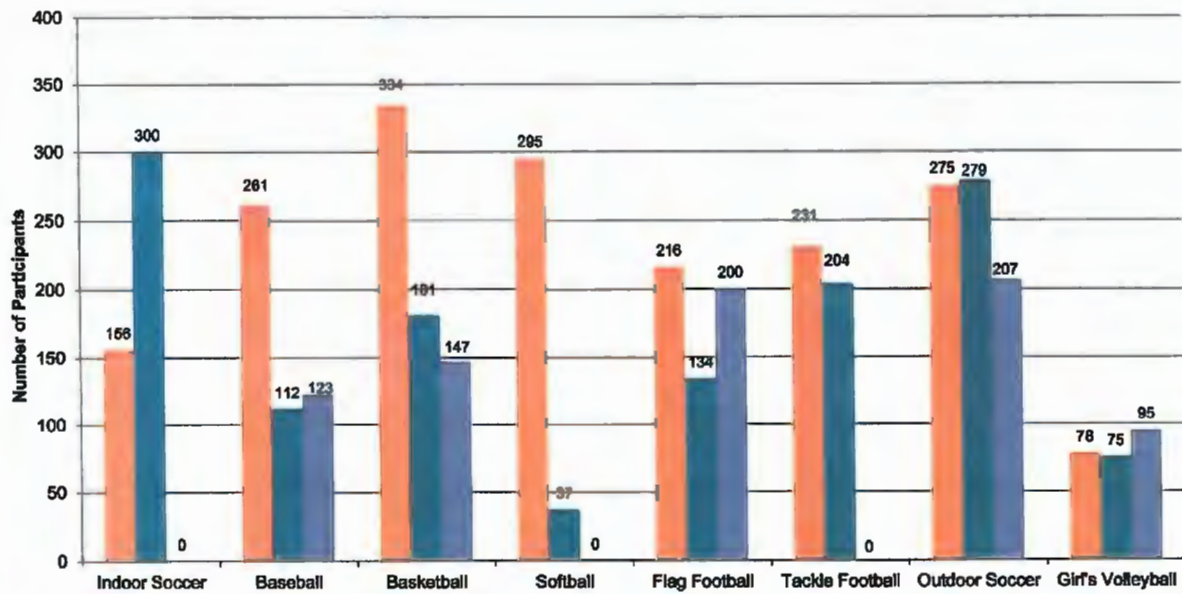
Adult Program Participation

2010, 2019, 2020 Comparison



16

Youth Program Participation 2010, 2019, 2020 Comparison



Youth Participation
2010 = 1846 2019 = 1351 2020 = 772

2010 2019 2020

Community Education (ISD 423)

2019-2020 Accomplishments and Highlights:

- **Summer Brochure (2019)**: Seven new youth activities offered, two cooking classes, Science, Nature, Sensory, Sudsy, and Imagination Camps
- **Fall Brochure (2019)**: Six new activities offered – Five Adult and one Youth. Personal Goal Setting, Breaking Down Stressful Situations, Developing Resiliency, Introduction to Enneagram, and Living Your Personal Standards and Youth Musical Theatre Intensive
- **Winter-Spring Brochure (2020)**: Three new adult activities offered. – Enneagram and Relationships, Cooking for One or Two, and Master Cast Iron Cooking. March 2020 Community Education activities were cancelled for the remaining of fiscal year due to Covid-19 virus, a global pandemic

Narrative

Hutchinson Community Education offers year-round opportunities and resources to reach the needs of community members by providing instructional, educational, and engaging experiences. Instructors and coaches offer activities in which they have knowledge, experience or a skill creating a positive impact in our community with an opportunity to grow as individuals. Community Education activities are held in Hutchinson Public Schools, the Recreation Center, park shelters, and local businesses.

Programs started out strong offering over 150 activities and held over 100 activities during fall and early winter seasons. Then in March 2020 Covid-19, a new strain of coronavirus, was identified as a global pandemic. Minnesota experienced state-wide closures and stay home executive orders. This affected Community Education as activities were cancelled, resulting in revenue loss, added expenses in refund fees and a temporary layoff of the program coordinator from May 4-June 15. Upon returning to work in June, we successfully organized 23 camps and activities for youth modifying duration to be held in July and August and wrote preparedness plans, all following limits per Stay Safe MN Guidelines, MN Department of Education, Minnesota State High School League and Governor Walz's executive orders. Thank you to all our coaches and instructors for providing students an opportunity to safely participate in activities after four months staying at home.



Community Education is required to submit an annual report to the Minnesota Department of Education (MDE) from school districts having a community education levy. Report period is July 1 to June 30 of the previous fiscal year. MDE changed information for data reporting to Programs Offered, Facilities and Highlights. This report is available to view at the Community Education office.

School Facility Rentals and Usage:

Community Education coordinates rentals and usage of Hutchinson Public School facilities, fields, and parking lots through the online rSchoolToday Facilities Scheduler. This program

provides real-time views of all activities in all buildings and locations within the district. It also shares data in real-time with rSchoolToday Athletic Scheduler. July 1, 2019 to June 30, 2020, rental and usage data reflects 59 groups submitted 501 permits estimating 219,875 participants. Rentals and usage were cancelled March – June, 2020 due to Covid-19.

Facility Use by Building:

Building	Groups	Permits	Est. # of Participants
High School	33	265	92,134
Middle School	27	138	92,122
Park Elementary	14	55	22,059
West Elementary	8	30	8,508
Fields-Outdoor Campus	9	23	5,627
Parking Lot	0	0	0



Middle School Activities (2003): Submitted by Thayne Johnson

Middle School Activities opportunities are offered to students in grades 6, 7, and 8. They are Community Education funding and managed by the Activities Director in Hutchinson High School. Fall 2019 season, seven different activities were offered and 175 students participated.

Winter 2020, five different activities offered and 87 students participated. Spring 2020 season was cancelled due to Covid-19.

Passport to the Parks: Submitted by Angeline Kallhoff

Passports to the Parks is a grass-roots volunteer effort that grew out of the Southwest Initiative Foundations', Grow Our Own initiative, in partnership with Hutchinson Health, Community Education, and numerous nonprofit organizations. Passports to the Parks sponsored a series of free events in 2019.

Additional events were planned in 2020, but were cancelled because of Covid-19. As a committee, we felt the best way to reach the children of families we wanted to serve in McLeod County was to provide care packages to the family care providers. A Bag of Good Things was brought to more than 80 home-based day care providers in McLeod County. We thank our funding organizations, the Southwest Initiative Foundation and Hutchinson Health for supporting us as we salute your efforts with items in this bag. Together we are working to help our kids thrive and have a chance to reach their full potential. After distribution of care packages, the committee donated leftover reusable grocery bags to Common Cup, concluding Passports to the Parks.



Hutchinson Adult Basic Education Submitted by Shari Brunes

Hutchinson Adult Basic Education (ABE) is located at Ridgewater College in room 145. Our mission is to provide adults with educational opportunities to acquire and improve literacy skills in order to become self-sufficient and to participate effectively as productive workers, family members, and citizens. A certified teacher is in the room to meet the needs of learners four days a week. Our schedule includes both daytime and evening hours, and provides the opportunity for a total of 24 instructional hours weekly for students. Hutchinson ABE offers programming twelve months a year. We launched a new website in November 2019 at www.hutchadulthood.edu



This year has been anything but “normal”. We stopped in-person classes on March 16, 2020, and have been working with students remotely. Our delivery system has been creative, flexible, and adaptive to student needs. Teachers were assigned a caseload of students and checked in with them regularly to assist with lessons, test scheduling, and academic guidance. We moved to a complete online delivery system, which has been a challenge for teachers and students. Teachers are to be commended for stepping up to these challenges and using their personal computers, cell phones, Wi-Fi, printers, and other office supplies to do their jobs. Classes are offered through Zoom, Google Classroom, and independent study plans are created for students working on distance learning. Many students are making academic progress, but remote instruction has been very difficult for our English language learners. One of our biggest struggles has been access to technology and Wi-Fi for our students. We received a generous \$3,000 grant from the Burich Family Foundation last spring to purchase technology to lend to students. Currently, we have 5 iPads and 8 laptops with webcams that students may check out and use at home.

This year, the state shifted the reporting year to match the federal reporting period. We used to report our academic year from May 1-April 30, but now report from July 1-June 30. Because of the significant changes due to the pandemic, the state has temporarily lifted academic testing requirements for students and will be using pre-pandemic contact hour data to calculate funding.

We continue to build on relationships with groups in the community including the public library, employers, and community organizations. ABE is a valuable component to Hutchinson’s Community Education program, meeting the needs of many individuals from the surrounding area by making them better family members, employees, and citizens. Shari Brunes manages the Hutchinson Adult Education program. Ann Trochlil serves as the Glacial Lakes ABE Consortium Program Manager. The Hutchinson teaching staff currently includes: Joyce Evenski, Barb Haugen, and Mary Horrocks.

For the 2019-20 academic year (July 1, 2019 to June 30, 2020), 175 students attended for a total of 4,888 contact hours. Students who attend 12 or more hours are considered “participants”. Hutchinson ABE had 84 participants for the year. These numbers follow a downward trend that the entire state is seeing in adult education. Pre-pandemic, we primarily attributed this to low unemployment numbers. Currently, the average ABE student attends for 28 hours, which is up from last year. Overall, we have fewer students, but they are working with us longer than in previous years.

ABE Data Summary Information:

Hutchinson Adult Basic Education 2019-20 Information		Notes
Total Enrollees	175	<i>262 in 2018-19</i>
Total Hours	4,88	<i>21% decrease</i>
Total Participants	84	<i>Must attend 12+ hours</i>

Total GED Earners	22	
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Early Childhood Family Education, Submitted by Marijean Storlie

Early Childhood Family Education (ECFE) offers a variety of class options for families during the Hutchinson Public School District's school year with sibling care available for all day time classes as well as a sliding fee scale and scholarships that support and encourage families of all income levels to participate in our classes. NO family is ever turned away due to inability to pay.

ECFE classes include separating & non-separating classes as well as parent only classes, family events, special one-time classes. New offerings this school year include online parenting classes, home daycare visits where our staff and curriculum go to the provider's home, and summer classes.



ECFE recognizes and supports parents/guardians as a child's first and most significant teacher. Our mission is to strengthen each family unit through education and support while providing the best possible environment for healthy growth and development of their child.

During the 2020 school year, our numbers were drastically reduced due to the need to close our program with the onset of the Covid-19 virus. We also had to suspend all collaborations in March with limited virtual collaborations that were re-established in the fall of 2020.

Our program was restored in the fall of 2020 with limited programming due to the Governor's guidelines and the need for distancing between each family in any class offering. We were able to complete a short 6-week program for families with children ages birth through age 5 before Covid-19, once again, struck hard in our county as well as in our state. This strong uptick in positive cases, worried families in our programming, and we had most families choose not to return for the second half of our fall programming. With only two families registered for the next 6-week series of classes, we had to cancel our programming until we were able to safely reopen our classes to families, following our district and state guidance.

Our program is set to reopen on February 1, 2021, shortly after our elementary students are back in person into both West and Park Elementary Schools. We look forward to being able to support our youngest learners and their parents while following all necessary guidelines for the health and safety of our families and staff.

2020-21 Goals & Objectives

Community Education Goals:

- Offer new experiences throughout the year for multiple age levels and current trends following District and state guidance
- Restore partnerships while targeting community needs and wants
- Restore and maintain healthy relationships with instructors, customers, and staff

- Participate in Minnesota Community Education Association (MCEA) continuing education training and classes, in person or via Zoom
- Restore and promote awareness of PRCE activities through Facebook, websites, brochures, flyers, and in person
- Maintain, revise and organize new and changing areas within the school district online reservation system, rSchool Today
- Maintain fluidity in programming and job assignments

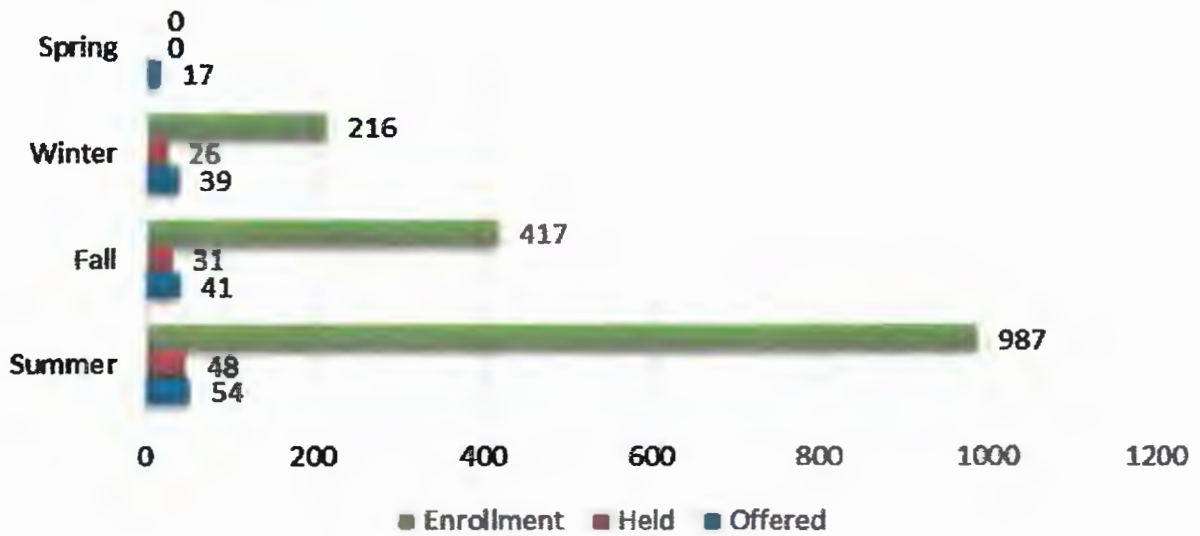
Adult Basic Education Goals: *Submitted by Shari Brunes*

- Reach out to learners in the community in need of ABE services; ongoing
- Train staff in Zoom and other tools to engage with students online
- Develop online delivery strategies for our learners
- Participate in the High School Equivalency Test Selection Stakeholder Working Group
- (When we return to in-person programming) Pretest and posttest students to successfully meet MN ABE goals of 60% of students achieving a gain of at least one academic level
- Develop grants with partners to assist students as they explore career pathways; ongoing
- Provide distance learning (online) opportunities using state approved platforms; ongoing
- Design an orientation process for students using distance learning
- Offer digital literacy classes for CareerForce clients to empower them in their job search and increase employability; ongoing
- Collaborate with Ridgewater and CMJTS to offer adult training and certifications
- Partner with Head Start and ECFE/Family Literacy parents to earn a GED or with other educational needs

Early Childhood Family Education Goals: *Submitted by Mary Storlie*

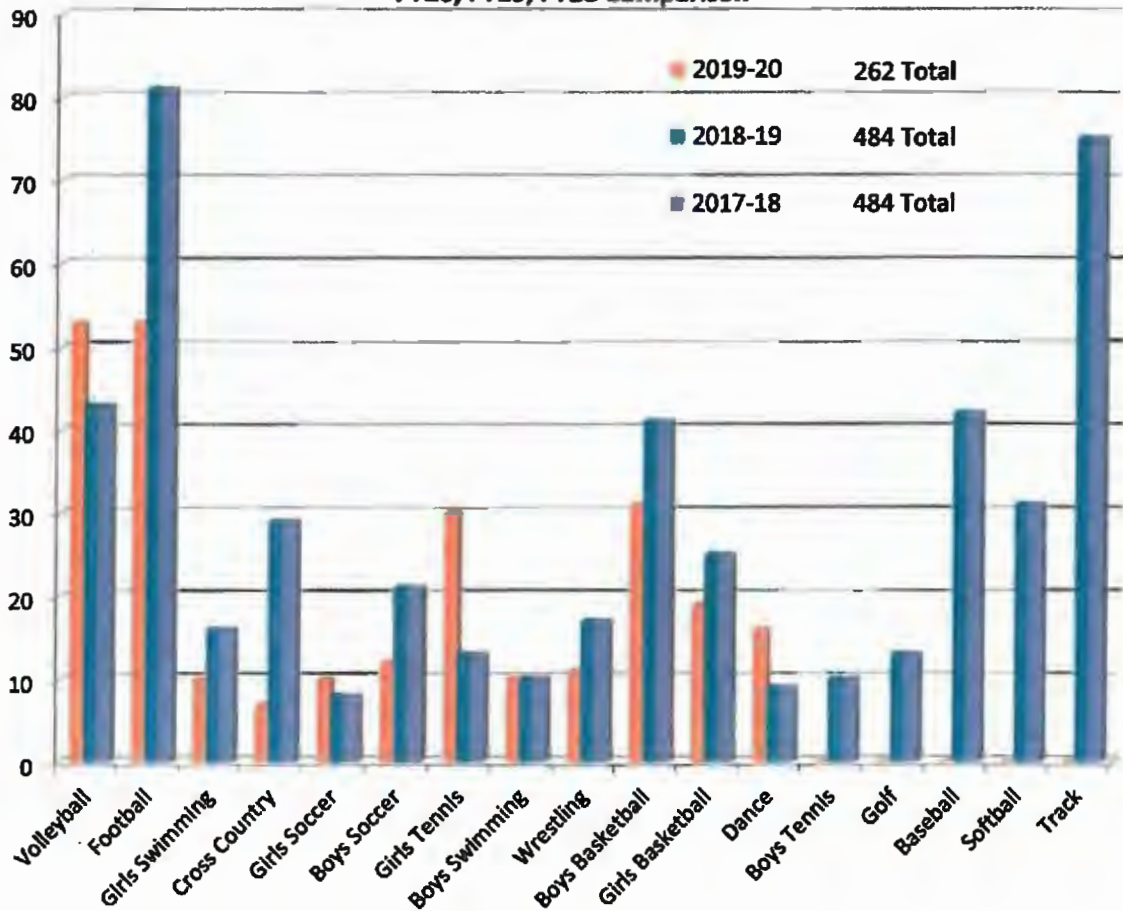
- Maintain ongoing quality in our ECFE programming
- Restore collaborative efforts with other local community agencies and businesses
- Continue ongoing assessments of our programming
- Continue to evaluate and update parent and child class curriculum
- Restore collaborations with local preschools, daycares and in-home daycare providers
- Continue registration collaboration with PRCE to streamline the process for our families
- Continue to distribute new Early Childhood Screening postcard to families; our Welcome Baby postcard to parents of a newborn; our free baby bucket that contains a hardcover children's storybook, a free ECFE baby class and other local businesses information and/or gifts
- Continue our marketing efforts through our new ECFE trifold and Facebook page
- Continue to evaluate current class trends through participant surveys and discussions within our collaborative groups and adjust class offerings as needed

2019-20 Activities



Middle School Sports

FY20, FY19, FY18 Comparison



Event Center/Senior Center Programming/Adaptive Recreation

2020 Accomplishments

- Senior knitting project - January
- Mini-golf day fundraiser/programming - March
- Senior ZOOM - SAIL and knitting groups
- Drop location for Lion's Club recycling of hearing aids and eyeglasses
- Host location for large group event - September fundraiser followed protocol
- Investigate fees to have monthly newsletter printed in color - not well received/cost
- Enhance the vestibule for a better "first impression" - completed October
- Add an electronic charging station - deemed unnecessary
- Co-sponsor with community service group Fare for All - February & March indoor, June & August outdoors
- Update audio in great room - received bids for future improvement
- MAJOR cleaning/repair - entire facility

Narrative

The past year has been challenging in every part of our lives and that is certainly true for the Event Center, Sr. Programming, and the Adaptive Recreation program. January of 2020 looked very promising both in the number of event center bookings and increased senior programming participants. The current health situation drastically set back all momentum the center gained after years of effort to rebuild rentals and increase participation of the "younger" senior.

Due to the great room's flexibility, several rentals were able to be adjusted by placing them in larger spaces. Events that could not be adjusted within the CDC meeting guidelines were refunded or transferred to future dates. Because senior citizens and adaptive recreation participants were the most vulnerable, all senior activities were suspended immediately.

The outlook for rentals in 2020 was so promising. A dozen new clients had dates booked, 18 clients/organizations had their annual meetings reserved, another 19 different clients had multiple dates booked throughout the year, and a strong number of weddings/private events were confirmed. As the year progressed, additional rentals were anticipated. Due to COVID-19 restrictions, 225 bookings were cancelled. Following strict health guidelines, 174 rentals were held.

Several city departments moved meetings to the Event Center so they could still meet while following restrictions. The Event Center was chosen as the ISD 423 Childcare location, while the hybrid model was in use for the 2020-2021 school year. During the month of September and a partial week in November, the center was set-up classroom style for over 60 children in grades K-5. The Event Center was able to accommodate other business meetings while the childcare program was in progress. With everyone's cooperation, the Event Center was able to successfully accommodate all meetings.

During the shelter in place time, staff were actively cleaning, organizing, and updating the facility. With the benefit of not having the full great room in use, we were able to tackle cleaning projects that required room access for multiple days. All 155 tables and 550 chairs were lined up and cleaned. The complete scrub down of ceiling vents, light fixtures, walls and carpets was accomplished. All 15 sections of staging were brought down for repairs and thoroughly cleaned, two storage areas were cleared to clean and repaint floors, the 9x12 screens were cleaned, ceiling tiles in the coat room and entry way were repainted, other walls were textured and repainted. Numerous other cleaning and repair projects were completed.

Senior programming ended abruptly on March 16. This age group was the target population that COVID-19 affected the most making alternative programming necessary. The SAIL program (exercise group), sponsored by RSVP, developed a zoom program that anyone could join. With weather conditions being favorable, the Kayaking program planned numerous outings. Using the zoom platform, book clubs and the Knitting group were able to continue to meet. McLeod County nurses, adhering to strict guidelines, were able to temporarily resume the foot care program. Mid-October, using social distancing and requiring masks, a speaker was able to have a Railroad presentation. Even though some programming was still able to proceed, the center had numerous requests as to when seniors could return for indoor activities. Staff researched other senior centers, visited a site, developed a safety plan using CDC guideline, and planned to reopen programming the second week in November. At this time, the number of COVID-19 cases skyrocketed and the plan was immediately dropped. Hopefully COVID cases will drop and a vaccine will be available so the center will be able to cautiously reopen with limited programs.

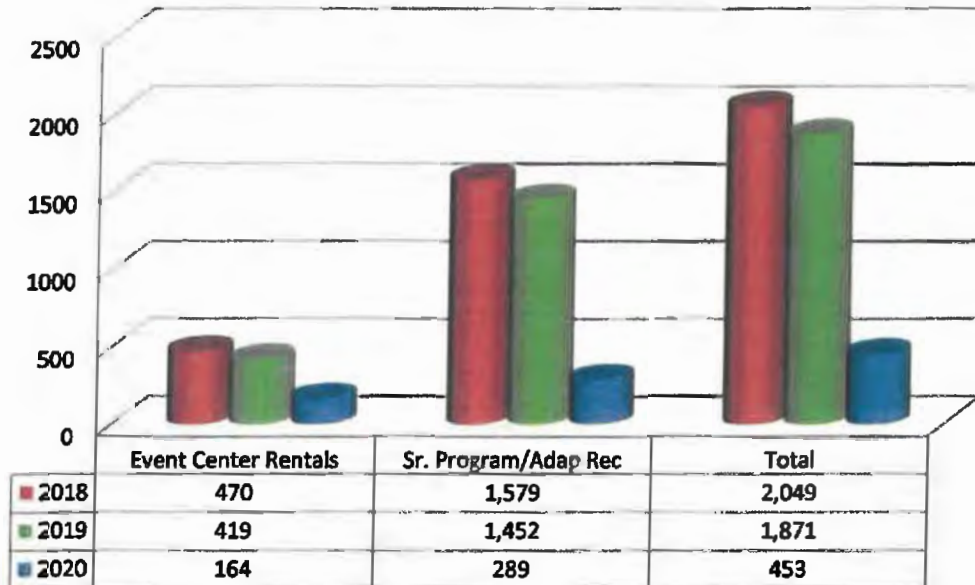
Due to COVID restrictions, the Adaptive Recreation program was cut short on March 16. Even if precautions could be secured, the vulnerability of this group did not allow for any programming. Staff are hoping this activity can safely resume fall 2021.

To be competitive in 2021 as a rental venue for both business and private rentals, staff must focus on making social networking a priority. The square footage of the Event Center creates an advantage by being flexible and able to provide a variety of set ups and still be within guidelines.

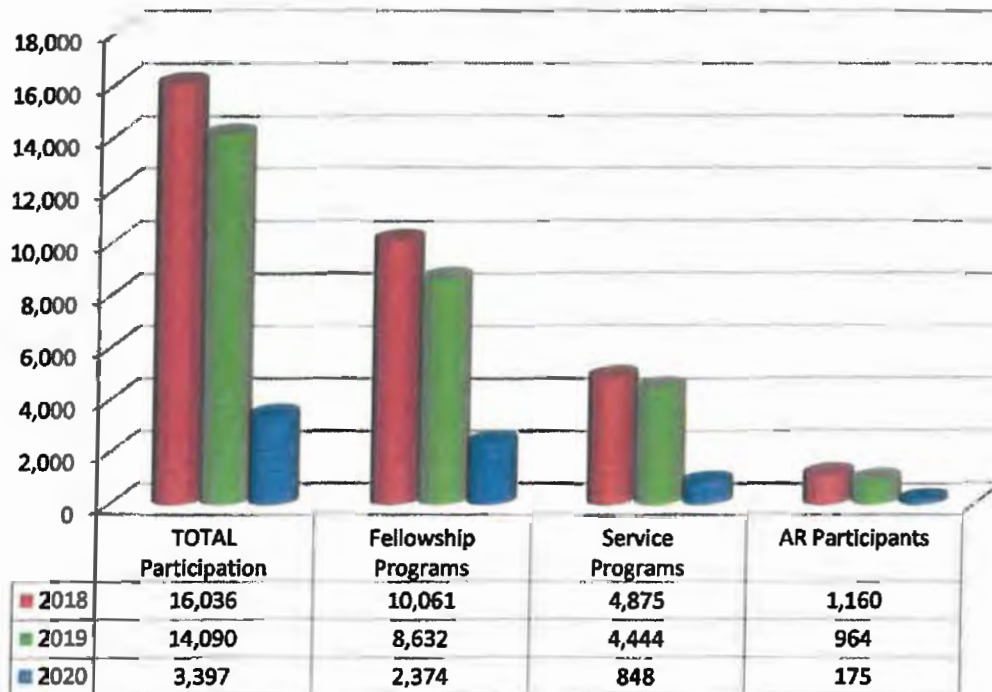
Objectives for 2021:

- Utilize Facebook to promote weekly senior activities and business rentals
- Coordinate business meetings with the possibility of having the school district childcare here during hybrid learning
- Mini-golf day fundraiser/programming - date determined by health guidelines
- Continue to collaborate with health professionals to offer different seminars for seniors - April
- Open house for Senior Center - plan for the holiday time frame depending on current health guidelines
- Host senior fundraiser - date determined by health guidelines
- Develop a plan for flexibility in senior programming to accommodate any health restrictions/guidelines
- Update audio in great room - add to long range city improvement budget

**Facility Use - *Rentals *Senior Programs
*Adaptive Recreation**



**Senior Programming & Adaptive Recreation
Participation**



Planning/Building/Zoning Department



Primary Services

Under the direction of the Planning Director, this department provides long range planning services and reviews land use plans for consistency with the city plans. It also regulates properties to ensure general health, safety, and welfare standards for the community. In addition, it offers services that provide minimum standards to safeguard life or limb, 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 this jurisdiction.

Overall Functions include:

- Comprehensive Planning
- Redevelopment Planning
- Zoning and Subdivision Administration
- Administration of State Building Code
- Building Permit Issuance and Reporting
- Plan Review
- Commercial and Residential Building Inspections
- Zoning and Property Maintenance Enforcement
- Coordination of City Rental Inspection Program
- Education

2020: The Year in Review

2020 Accomplishments

- Delivered core services through Pandemic.
- Implemented safety/security update to the Planning/Building Department front counter area.
- Finalized Airport Zoning Amendments with City and McLeod County (Hutchinson Area Joint Planning Board).
- Provide staff and expertise for the Hutchinson Planning Commission and Hutchinson Area Joint Planning Board.
- Assisted with City marketing and branding initiative.

2021: A Look Forward

2021 Planning/Zoning/Building Department Overview

- Local Construction Activity has been strong despite Pandemic.
- Unsure of long-term economic impacts of Pandemic.
- Hopeful that construction activity remains strong as things return to “normal”.
- Staff will be working with a consultant on a “Growth Area Study” to identify and develop more detailed plans for future residential and commercial growth in Hutchinson.
- Expected Projects
 - New Police Department
 - Civil Air Patrol Project
 - Century Court West – additional buildings
 - Park Elementary Renovations
 - Continued Residential Development

Primary Services

Overview – Planning and Zoning Department staff provide a variety of customer services, coordination, and review services, including processing and reviewing of land use applications. The Department provides long range planning services and reviews land use plans for consistency with city plans. Demographic information, as well as projections about population growth are monitored and planned for by this department. The Department also drafts policies and revises ordinances to implement the goals of the City regarding growth management 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. The Zoning Department 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 “up-front” to get questions answered at the beginning of the project. Department staff issues applications for Conditional Use Permits, Variances, Rezoning, Annexations, Lot Splits, Platting, and Sign permits.

The Planning Department provides the following services.

- Planning Commission support
- Development Review
- Long-range/Comprehensive planning
- Special land use and redevelopment studies
- Point of contact for lands use and zoning inquiries and property research
- Document preparation for land-use decisions, ordinance updates and development decisions
- Permanent sign and zoning permit coordination and administration
- Building permit review for land use and zoning conformity
- Zoning, Subdivision and FEMA Flood Ordinance administration

2020 Accomplishments:

Reviewed and Processed:

- 21 Applications for Planning Commission
- 213 City Land Use Applications
- 104 zoning reviews of building permits.
- 36 sign permits reviewed.
- 27 predevelopment/application meetings.

2020 Planning Commission Items

- Conditional Use Permit for a Mental Health Facility (outpatient therapy) in a C-5 Zoning District located at 225 3rd Ave NW
- Lot Split located at 885 HWY 7 W
- Consideration of Adopting an Airport Zoning Ordinance Update
- Conditional Use Permit for a Storage Building located at 720 Airport Rd
- Preliminary and Final Plat for White Hawk Village Second Addition
- Conditional Use Permit and Site Plan for Improvements to West Elementary School located at 875 School Rd SW
- Lot Split located at 1055 Dale St SW
- Modification to the Development Program for Development District No. 4 and a Tax Increment Financing Plan for Tax Increment Financing District No. 4-21 and that it Conforms to the General Plans for the Development and Redevelopment of the City.
- Site Plan for 1285 HWY 7 W
- Preliminary/Final Plat, Vacation of Easement, and Site Plan at 327 and 479 HWY 7 E
- Site Plan for 1105 Benjamin Ave SE
- Site Plan for 225 HWY 7 W
- Final Plat for West Elementary School located at 805 and 875 School Rd SW
- Conditional Use Permit for a Metal Fabrication Shop in an I/C Zoning District
- Variance to Reduce a Side Yard Setback located at 1891 West Shore Dr SW
- Preliminary and Final Plat for Hahn's Addition to Maryview
- Conditional Use Permit for Outdoor Storage in an I/C Zoning District located at 845 HWY 7 W
- Conditional Use Permit for Shoreline Work in an Easement Area located at 1830 West Shore Dr SW

BUILDING DEPARTMENT

Primary Services

Overview of Building Department - MN Rule 1300.0030 states that the purpose of the MN State Building Code is to establish minimum requirements to safeguard the public health, safety and general welfare, through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to firefighters and emergency responders during emergency operations.

The code applies to the design, construction, addition, alteration, moving, replacement, demolition, repair, equipment, installation, use and occupancy, location, maintenance, and inspection of any building, structure, or building service equipment in a municipality.

The code includes among other provisions: The MN Building Code, the MN Residential Code, the MN Conservation Code for Existing Buildings, the MN Floodproofing Regulations, the MN Accessibility Code, the Prefabricated Structures Code, the Industrialized/Modular Buildings Code, the MN Plumbing Code, the MN Commercial Energy Code, and the MN Residential Energy Code.

The purpose and scope of the MN State Building Code clearly convey the complexity and significance of building code administration. The practical administration of the code includes education, communication, plan review, correspondence, permit administration, field inspection, and enforcement to ensure the purpose of the code is accomplished throughout the breadth of its scope.

Under the direction of the Planning Director and the Building Official, protective inspections provides the following services:

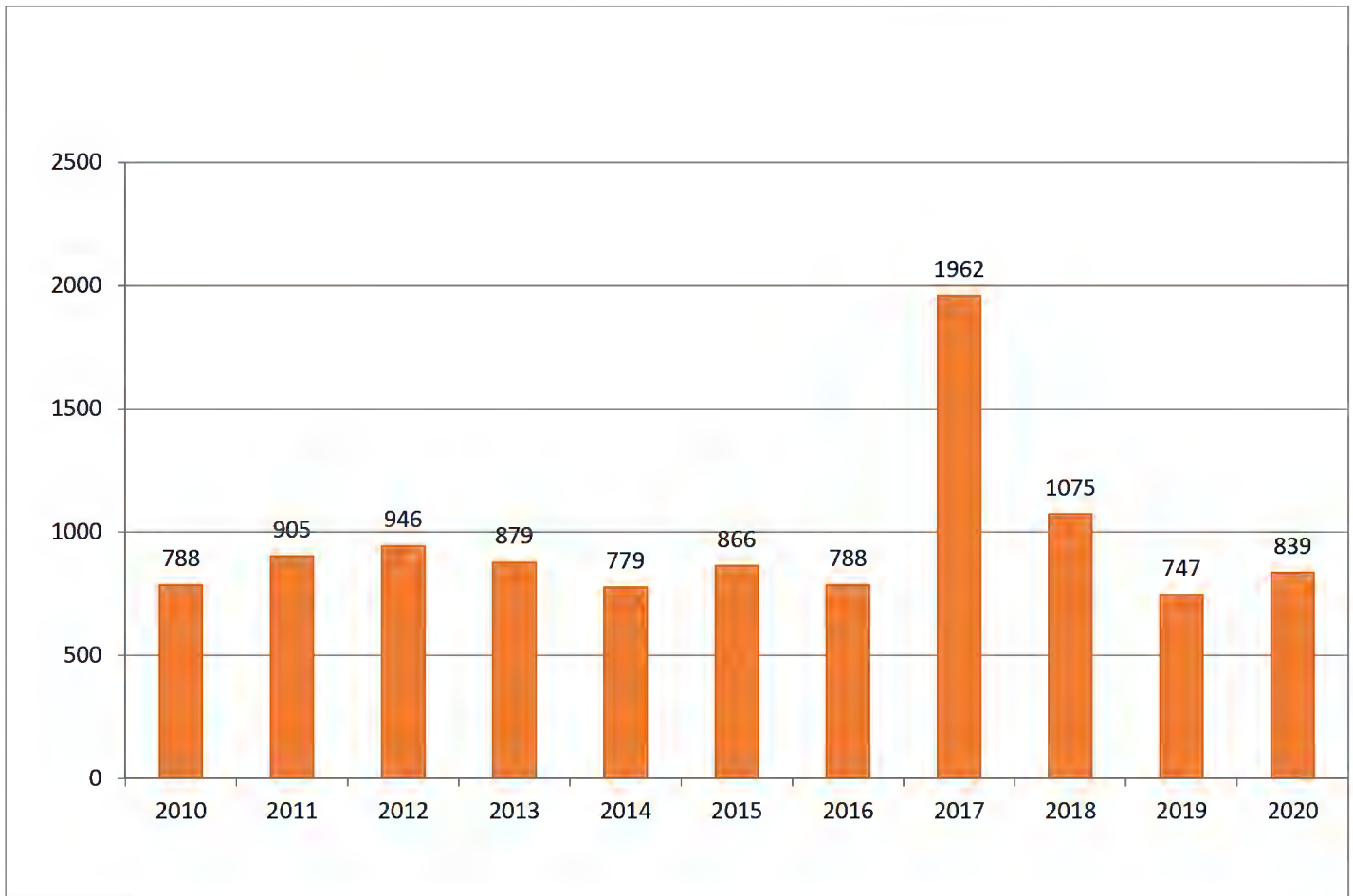
- Plan Review for residential, commercial properties and State licensed facilities
- Clearinghouse for the issuance of building, mechanical, plumbing, erosion control, grading, and sign permits.
- Field Inspections
- Enforcement of building, plumbing, and mechanical codes (i.e. new and existing building construction for fire, life, health and safety)
- Education of homeowners and contractors on the building code, permits, and processes.

2020: The Year in Review

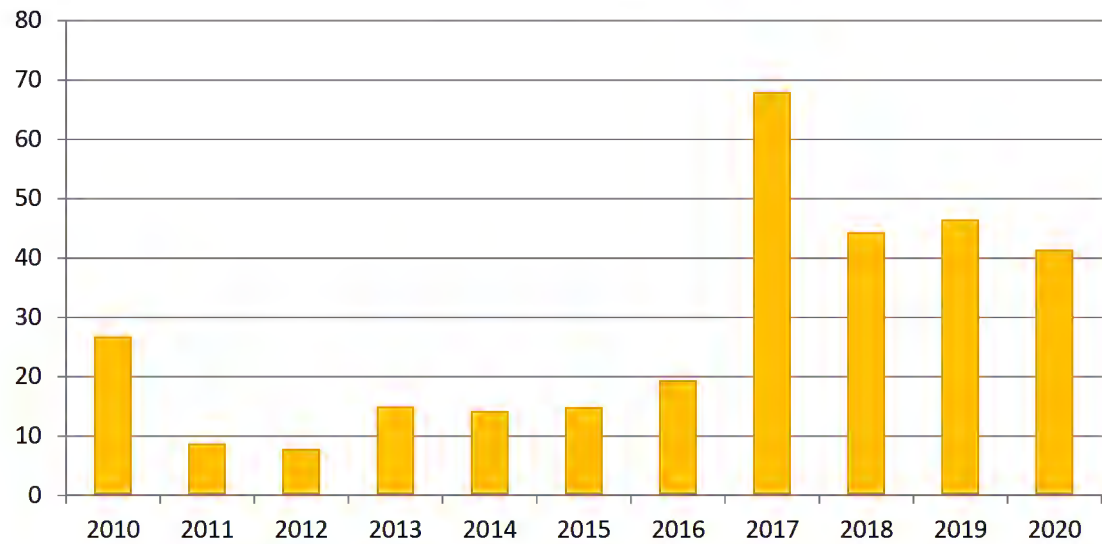
2020 Accomplishments

- Provided plan review and building inspection services through the Pandemic with minimal service interruption.
- Adjusted service delivery model as Pandemic dictated.
- Utilized technology to complete virtual inspections.
- Educated property owners regarding permit requirements, licensed contractors and state building codes
- Provided Inspection and plan review services:
 - Prince of Peace
 - Marshall's
 - Pizza Ranch
 - Art's Place
 - Snap Fitness
 - Rec Center
 - Hutchinson Evangelical Free Church
 - HHS Softball Fields & Scoreboards & Bleachers
 - Goebel Fixture
 - Armory Lighting Improvements and Fence
 - South Dale Apartments
 - Northstar Counseling Center
 - Rite Way Conveyors
 - West Elementary
 - Dollar General
 - Century Court West Apartments
 - Main Street Sport Bar

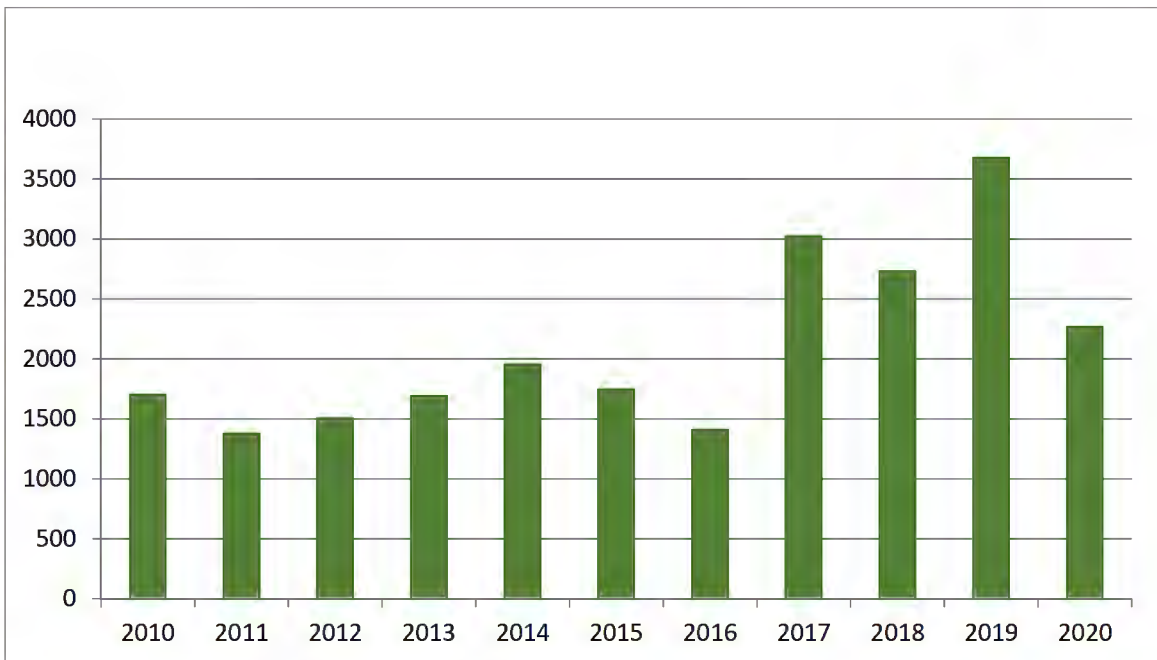
Number of Permits Issued 2010 Through 2020



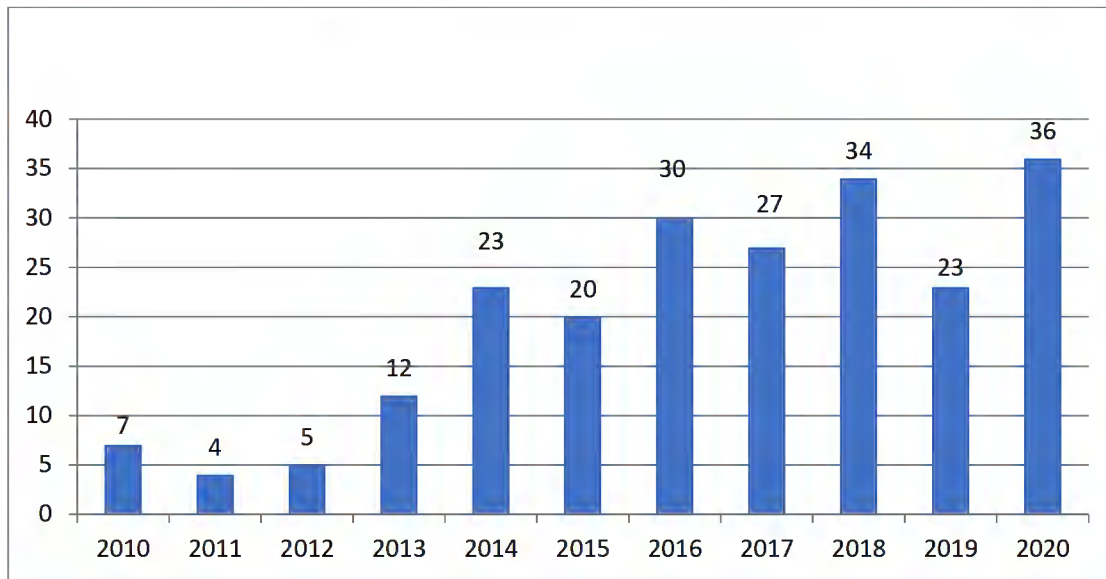
CONSTRUCTION VALUATION MILLION \$ VALUATION 2010-2020



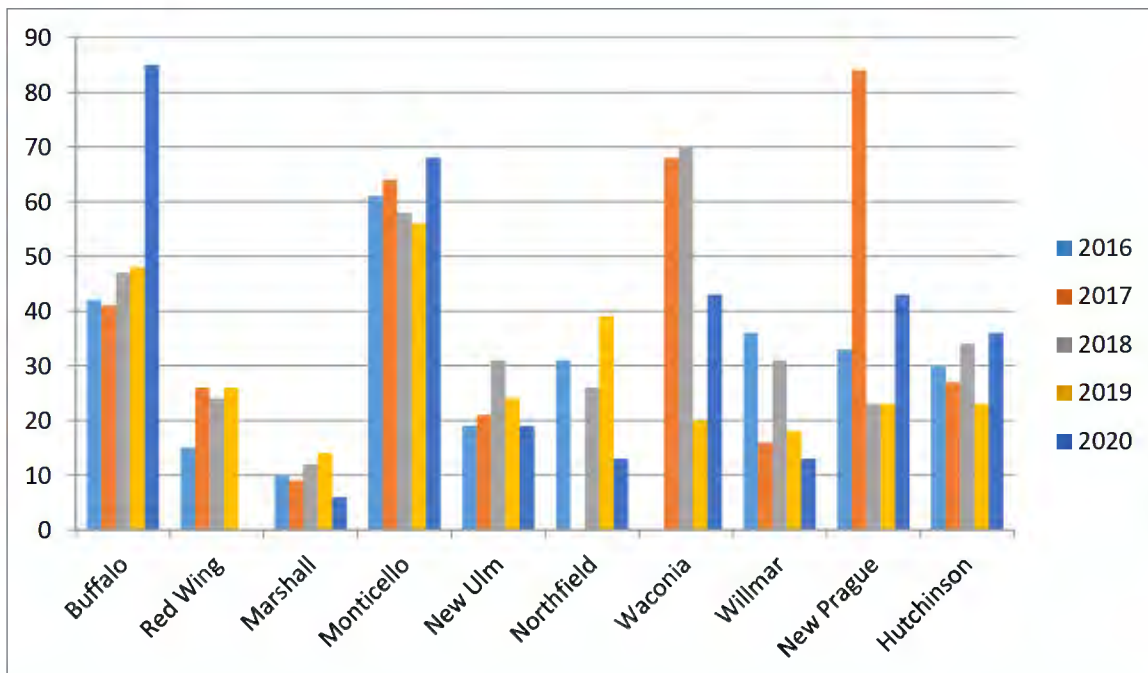
2010 – 2020 Total Building Inspections



New Dwelling Unit Construction



Staff has researched recent trends of new residential construction in this region by surveying other communities in the area with populations similar to Hutchinson in an effort to attempt to verify if the level of new residential construction activity in Hutchinson is common to the surrounding regions. The majority of similarly sized communities in this region indicate construction trends similar to what Hutchinson has experienced in recent years. As may be expected, communities that are metropolitan suburbs or regional hubs have experienced higher total volumes of construction. However, the overall trend of construction activity in the surveyed region is very similar between communities.



Rental License Program

The City adopted the rental program in 2008 and the Planning/Building/Zoning Department took it over from the Fire Department in 2014. The rental inspection program data suggests that most property owners/managers are planning and preparing for the inspections. Staff are happy to educate new rental property owners and new managers who are not familiar with the expectations of the rental program. Most experienced property owners are actively checking units ahead of time and preparing them prior to the inspection. They are making repairs to improve the general condition of the units and this greatly reduces the likelihood of major violations and subsequent enforcement action. City inspectors are now being viewed as a resource to help the business operate successfully and the tenants express the support they receive when there are problems or concern that go uncorrected.

The Pandemic paused the rental inspection program in 2020 due to State guidelines on entering occupied dwellings for inspections. Staff was able to complete a portion of the inspections in January, February, and March before things were shut down due to the Pandemic. Rental unit inspection will resume in 2022 as the rental unit inspections are on a 3-year rotation and it makes the most sense to start with a new year versus mid-year.

ADDENDA

***CITY OF HUTCHINSON
COUNT OF BUILDING/PLUMBING/MECHANICAL PERMITS
ISSUED AND VALUATION
2020***

Total Number Inspections	2,275
Building Permits Issued by Type	Year to Date Number Permits & Valuation
Commercial (new)	5 - \$3,770,386
Commercial Additions/ Remodels	89 - \$22,123,067
Industrial (new)	2 - \$3,333,920
Industrial Additions/Remodels	1 - \$246,500
Fire Sprinkling	47 - \$692,549
Total New Residential Units (Single Family, twins, townhomes)	36 - \$7,582,886
Residential misc. (additions, repairs, remodels, etc)	144 - \$1,187,800
Set fee permits (reside, reroof, window replacement, misc.)*	515
HRA Building Permits	0- \$0
Waived Fees	0- \$0
Subtotal Building Permits:	\$38,937,108
Mechanical	178 - \$2,495,764
HRA Mechanical	0 - \$0
Plumbing*	137
HRA Plumbing	0
Total Permits issued and valuation	1,154 - \$41,432,872
*Set fees not included in valuation	

Yearly Permit and Valuation Totals

YEAR	TOTAL NO. OF PERMITS		TOTAL VALUATION
2020	Building	839	\$38,937,108
	Mechanical	178	\$ 2,495,764
	Plumbing	137	\$ _____
			\$41,432,872
2019	Building	747	\$42,560,147
	Mechanical	198	\$ 3,955,457
	Plumbing	92	\$ _____
			\$46,515,604
2018	Building	1075	\$40,161,512
	Mechanical	239	\$ 4,147,765
	Plumbing	110	\$ _____
			\$44,309,277
2017	Building	1962	\$60,949,672
	Mechanical	232	\$ 6,912,447
	Plumbing	97	\$ _____
			\$67,862,119
2016	Building	788	\$18,429,091
	Mechanical	206	\$ 1,000,062
	Plumbing	94	\$ _____
			\$19,429,153
2015	Building	865	\$13,690,216
	Mechanical	166	\$ 1,247,905
	Plumbing	78	\$ _____
			\$14,938,121
2014	Building	779	\$12,378,612
	Mechanical	219	\$ 1,821,629
	Plumbing	83	\$ _____
			\$14,200,241
2013	Building	879	\$14,099,677
	Mechanical	190	\$ 898,781
	Plumbing	70	\$ _____
			\$14,998,458
2012	Building	946	\$ 6,670,152
	Mechanical	168	\$ 1,183,714
	Plumbing	68	\$ _____
			\$ 7,854,157
2011	Building	919	\$ 6,438,050
	Mechanical	175	\$ 2,240,584
	Plumbing	55	\$ _____
			\$ 8,678,634
2010	Building	788	\$25,935,474
	Mechanical	244	\$ 767,772
	Plumbing	74	\$ 69,300
		1106	\$26,772,546

- Special permits are fixed fee permits for residential reshingle, resides, window replacements, and excavations, signs, manufactured homes, fences, moving, demolitions, decks, residential sheds, and fire sprinkler permits.

New Residential Construction

YEAR	HOUSING TYPE	BUILDINGS	UNITS	CONSTRUCTION COST
2020	Single Family Dwelling	36	36	\$ 7,582,886
2019	Single Family Dwelling	23	23	\$ 5,027,559
2018	Single family Dwelling	34	34	\$ 6,486,684
2017	Single Family Dwelling	25	25	\$ 4,972,795
	Twinhomes	1	2	<u>373,104</u>
				\$ 5,234,899
2016	Single Family Dwelling	24	24	\$ 4,722,278
	Twinhomes	3	6	<u>895,100</u>
				\$ 5,617,378
2015	Single Family Dwellings	20	20	\$ 3,623,304
2014	Single Family Dwellings	23	23	\$ 4,770,652
2013	Single Family Dwellings	12	12	\$ 2,378,254
2012	Single Family Dwellings	5	5	\$ 935,140
2011	Single Family Dwellings	4	4	\$ 852,053
2010	Single Family Dwellings	7	7	\$ 1,156,000

2020 Construction Activity

NEW CONSTRUCTION STARTS

Valuation

New Homes	\$ 7,582,886
Rite Way Conveyors	3,670,920
HHS Bleachers/Scoreboards	1,375,700
Lighthouse Counseling Center	477,556
Century Court West (bldg. 4)	1,720,666
Dollar General	775,684

Detached Garages

115 4 th Ave NW	25,548
911 Neal Ave SW	9,210
415 Erie St SE	22,900
831 Main St N	18,000
907 Lewis Ave SW	27,060
115 Erie St SE	15,500
440 Grove St SW	24,830
905 Carolina Pkwy NW	12,376
628 Main St S	27,933
820 Dale St SW	18,622

Total New Construction

\$15,805,391

COMMERCIAL AND INDUSTRIAL ADDITION AND REMODELS

West Elementary Addition	12,331,207
Prince of Peace Addition	2,306,495
Marshall's Remodel	1,500,000
3M (reroof)	1,089,595
Rec Center	879,000
Dale Street Apartments	613,490
Main Street Sports Bar Addition	250,000
MN Specialty Yeast (misc)	246,500
Goebel Fixture (office remodel)	200,000
Armory (misc)	170,000
Cornerstone Commons (tenant remodel)	153,000
Pizza Ranch (remodel)	150,000

Total Addition and Remodel Work

\$19,889,287

All Other Commercial/Industrial Work

1,564,060

All Other Residential Work

985,821

Mechanical 2,495,764

Plumbing 0

Fire Sprinkler 692,549

Total Construction Valuation **\$ 41,432,872**

City of Hutchinson
New Housing Starts
2020

<i>Site Address</i>	<i>Sub Type</i>	<i>Owner Name</i>	<i>Valuation</i>	<i>Contractor</i>	<i>Issued Date</i>
1332 Southfork Dr SE	Single Family	Castle Gate Construction Inc	\$218,301	Castle Gate Construction	01/02/2020
1311 Southfork Dr SE	Single Family	Castle Gate Construction Inc	\$221,990	Castle Gate Construction	01/08/2020
1260 Denver Ave SE	Single Family	Betker Builders	\$183,234	Betker Builders	01/16/2020
126 Detroit Ave SE	Single Family	Betker Homes Construction	\$212,488	Betker Homes Construction	01/21/2020
1305 Southfork Dr SE	Single Family	Castle Gate Construction Inc	\$227,863	Castle Gate Construction	01/30/2020
177 Detroit Ave SE	Single Family	Betker Builders, LLC	\$205,292	Betker Builders, LLC	03/02/2020
1365 Southfork Dr SE	Single Family	Castle Gate Construction Inc	\$229,529	Castle Gate Construction	03/02/2020
193 Detroit Ave SW	Single Family	Utecht Construction	\$229,335	Utecht Construction	03/16/2020
1353 Southfork Dr SE	Single Family	Bruce Naustdal	\$290,163	Bruce Naustdal	03/20/2020
975 Texas Cir NW	Single Family	Bruce Naustdal	\$175,555	Bruce Naustdal	03/27/2020
134 Detroit Ave SE	Single Family	Bruce Naustdal	\$185,000	Bruce Naustdal	04/28/2020
1368 Bradford St SE	Single Family	Betker Builders, LLC	\$214,013	Betker Builders, LLC	05/11/2020
182 Detroit Ave SE	Single Family	Tim & Julie Johnson	\$213,033	Betker Homes Construction	05/21/2020
55 North High Dr NE	Single Family	Mark & Connie Runke	\$195,843	Tony Fratzke Construction	05/21/2020
404 Grant Ave SE	Single Family	Castle Gate Construction Inc	\$231,700	Castle Gate Construction	05/27/2020
545 3 rd Ave SW	Single Family	Bonnie Jensen	\$192,249	First Class Builders	05/27/2020
198 Detroit Ave SE	Single Family	Betker Homes Construction, LLC	\$252,793	Betker Homes Construcion, LLC	07/24/2020
1028 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattle	07/10/2020
1036 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattle	07/10/2020
1044 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattle	07/10/2020
1052 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattle	07/20/2020
1060 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattel	07/20/2020
1068 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattle	07/20/2020
1076 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattle	07/20/2020
1084 Whiteowl Trl SW	Single Family	Bonneville Land & Cattle	\$189,545	Bonneville Land & Cattle	07/20/2020
157 Eau Claire Ave SE	Single Family	Tom Kloss	\$223,178	First Class Builders	08/18/2020
108 Denver Ave SE	Single Family	Betker Builders, LLC	\$203,820	Betker Builders, LLC	08/24/2020
915 Texas Cir NW	Single Family	Bruce Naustdal	\$173,921	Bruce Naustdal	08/27/2020
118 Eau Claire Ave SE	Single Family	First Class Builders	\$174,953	First Class Builders	09/02/2020
110 Detroit Ave SE	Single Family	Janet Betker	\$229,487	Janet Betker	09/28/2020
1329 Southfork Dr SE	Single Family	Castle Gate Construction Inc	\$227,011	Castle Gate Construction	09/30/2020
188 Denver Ave SE	Single Family	Betker Builders, LLC	\$214,448	Betker Builders, LLC	10/16/2020
1145 Cheyenne St SW	Single Family	Bernie McRaith	\$197,663	Dennis Kahl Contracting	10/27/2020
340 Ottawa Ave SE	Single Family	Ronny & Ann Wendorff	\$282,281	Betker Builders, LLC	10/29/2020
134 Eau Claire Ave SE	Single Family	Beterk Homes Construction, LLC	\$237,061	Betker Homes Construction, LLC	11/02/2020
1317 Southfork Dr SE	Single Family	Castle Gate Construction Inc	\$224,322	Castle Gate Construction Inc	12/04/2020

New Construction Count 36

Total Valuation

\$7,582,886

Vacant Lots - January, 2021

Addition	Zoning	Year	Availability
Fairway Estates Addition	R - 1 - PD	1999	5 Lots
Park Meadows Addition	R - 3	2005	2 Lots
Bridgewater Estates Addition	R - 1	2000	15 Lots
Island View Heights Addition	R - 2 - PD	2004	10 Lots
Ravenwood West Addition	R - 2	2005	3 Lots
Summerset Addition	R - 2, R - 3	2005	50 Lots
Southwind Addition	R - 2	2003	0 Lots
Southfork Addition	R - 3 - PD	2004	22 Lots
Kottke Court Replat to RiverPointe Villas	R - 2 - PD	2008	10 Lots
Santelman's Addition	R - 3 - PD	1993	4 Lots
Stearnwood Addition	R - 1	2004	3 Lots
Ravenwood	R - 3	1999	0 Lot
Hunter's Ridge Addition	R - 2	2004	0 Lot
Fraser Subdivision Addition	R - 2	2005	1 Lot
Excelsior Addition	R - 2	2007	3 Lots
Hellands Sixth Addition	R - 2	1984	5 Lots
White Hawk Village	R - 3	2014	0 Lots
		Total	133 Lots

Police Department

About the Department

Department Staff – As of December 31, 2020

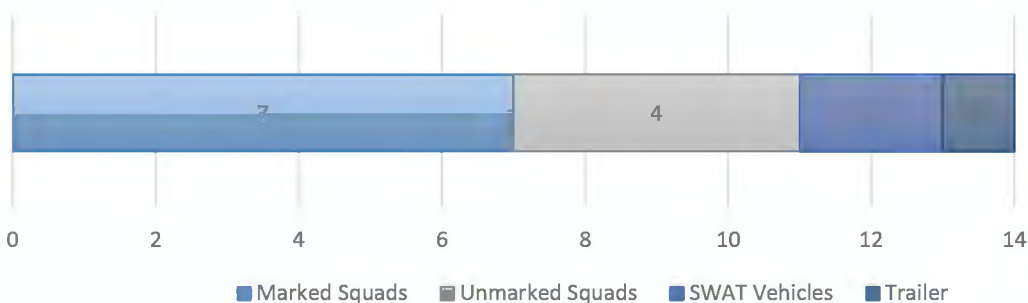
24 Sworn Officers

- 1 Police Chief
- 1 Lieutenant
- 4 Patrol Sergeants
- 1 Investigative Sergeant
- 12 Patrol Officers
- 1 General Investigator

20 Civilian Staff

- 1 Child Protection Officer
- 1 School Liaison Officer
- 1 Drug Task Force Agent
- 3 Full-time Dispatchers
- 4 Part-time Dispatchers
- 3 Full-time Hospital Security
- 5 Part-time Hospital Security
- 1 Community Service Officer
- 2 Police Administrative Specialists
- 1 Evidence Technician
- 1 Part-time Patrol Officer
- 1 Police Chaplain

Fleet – As of December 31st, 2020

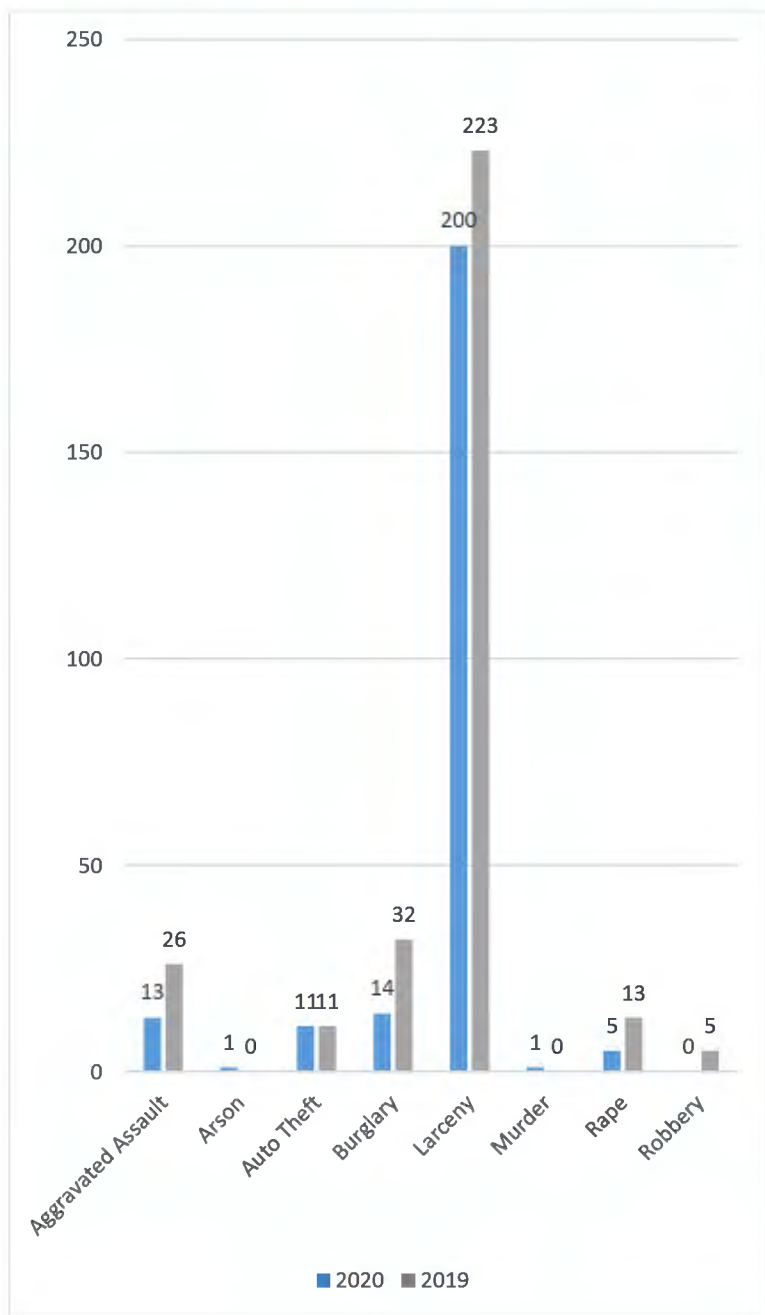


2020 Crime Statistics

Part I Crime

The FBI classifies Part 1 crimes as aggravated assault, arson, auto theft, burglary, larceny, murder, rape and robbery. The Hutchinson Police Department's 2020 Part I crimes are all down or stayed the same compared to 2019, with the exception of murder. In 2020, there was an overdose in a local convenience store bathroom and charges were requested for 3rd degree homicide on the individual who sold the deceased person the drugs.

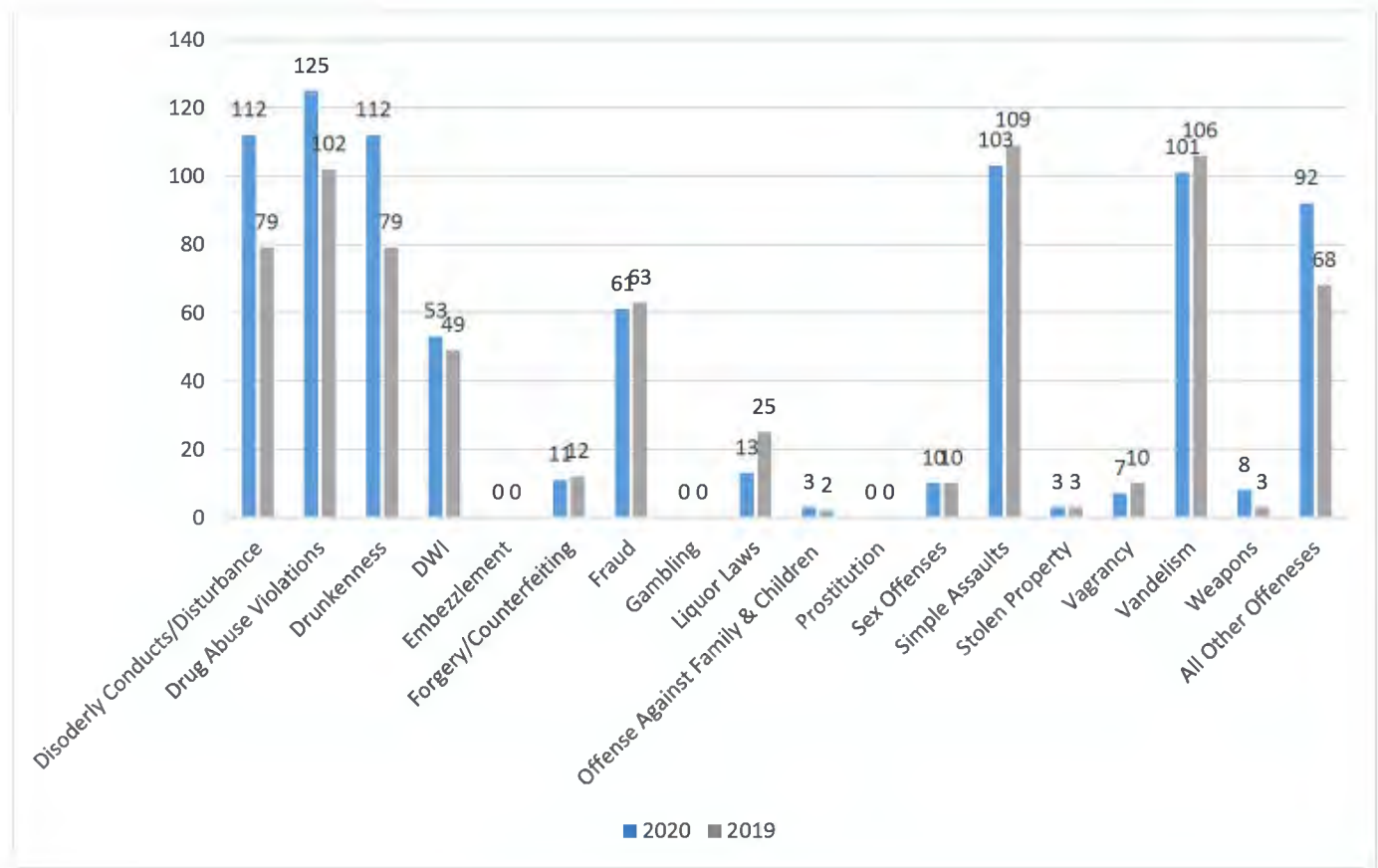
The calls for service were down by almost 2500 for 2020 compared to 2019. Arrests were significantly down compared 2019 which is consistent with most of the 2020 Part I crimes.



2020 vs 2019 Comparison		
	2020	2019
Calls for Service	17,549	20,042
Arrests	360	458

Part II Crimes

Part II Crimes are “less serious” offenses and include: Simple Assaults, Forgery/Counterfeiting, Embezzlement/Fraud, Receiving Stolen Property, Weapon Violations, Prostitution, Sex Crimes, Crimes Against Family/Child, Narcotic Drug Laws, Liquor Laws, Drunkenness, Disturbing the Peace, Disorderly Conduct, Gambling, DUI and Moving Traffic Violations. The Hutchinson Police Department’s Part II crimes were similar to 2019, with Drunkenness, Drug Abuse Violations, and Disorderly Conducts/Disturbances being higher than the previous year.



Patrol

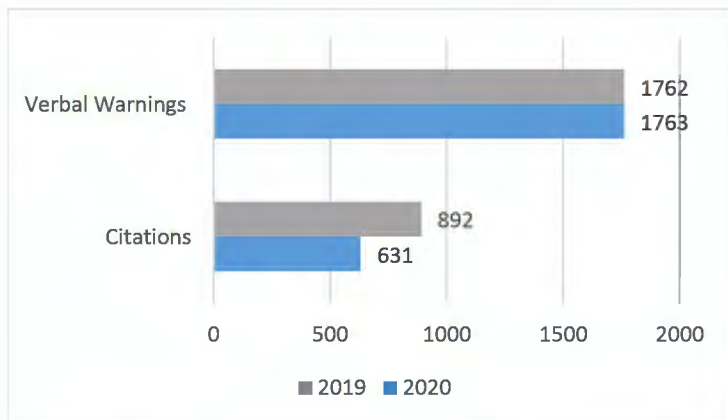
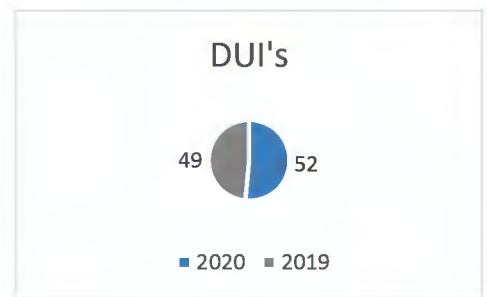
The patrol division of the Hutchinson Police Department is the backbone of the department. Many community members only ever have contact with a patrol officer. The patrol officer is the face of the entire department.

Our patrol officers interact with community members when they respond to calls for service, take reports on incidents that have occurred, patrol neighborhoods, enforce traffic laws and engage at community events. Our patrol officers also conduct criminal investigations by interviewing victims and suspects, reviewing video surveillance and collecting evidence.

Our patrol officers are very well trained in many areas, including DWI detection and enforcement, mental health crisis, first aid and CPR. They work closely with businesses on shoplifting and fraud incidents.

The department has 12 full-time officers and 1 part-time officer assigned to the patrol division. This area is led by 4 patrol sergeants. This year was a very unique year due to the changing city dynamics caused by the Covid-19 pandemic and the subsequent Stay-at-Home order. Officers adapted to these changes and still provided service to the community they were sworn to protect.

During the 2020 year, officers arrested 52 people for DUI's. This was up slightly from 49 DUI arrests in 2019. These DUI's are not all alcohol DUI's, some of the DUI's are a result of drugs. As a result of these DUI's, The Hutchinson Police Department forfeited 13 vehicles and 1 motorcycle.



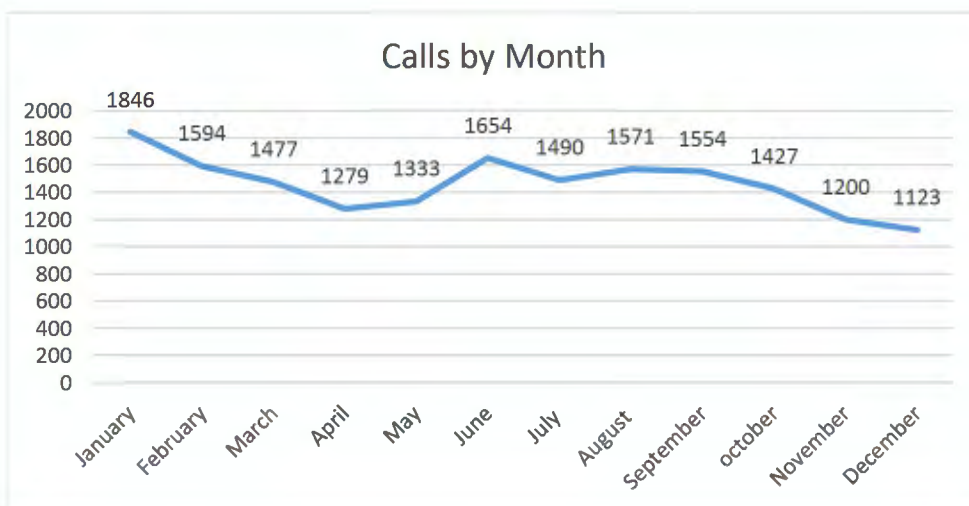
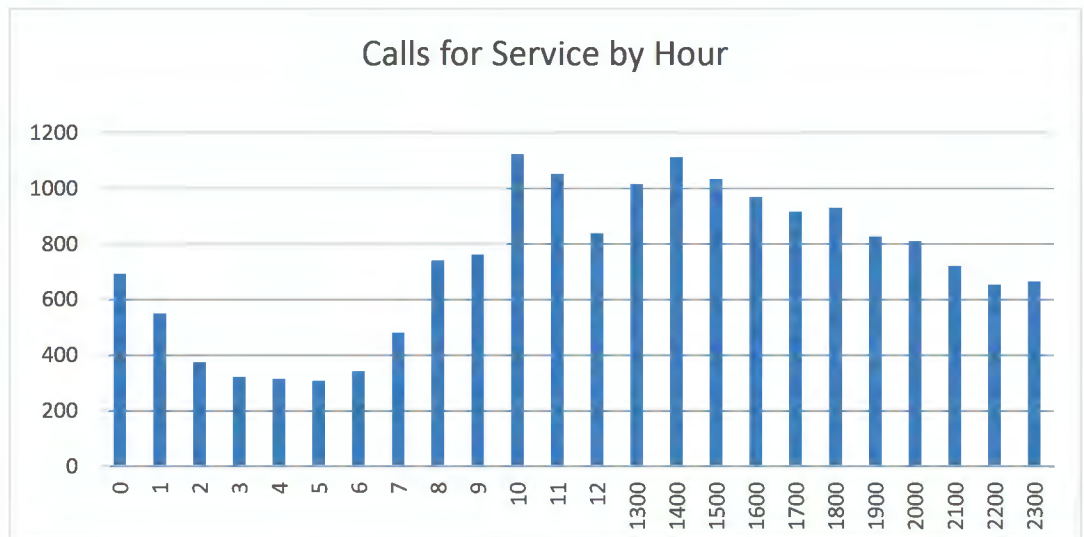
The officers initiated 2394 traffic stops during 2020. Of those traffic stops, 1763 were verbal warnings and 631 resulted in citations. Verbal warnings issued in 2019 and 2020 were almost the exact same. Citations were down by 261 for 2020.

In 2020, officers responded to 297 accidents. Of those 297, officers completed 190 state crash reports. There were 32 personal injury crashes, 22 hit and run crashes, and 158 property damage crashes. Of the 297 crashes, 107 required no officer assistance or minor damage and a state crash report wasn't required.

2020 CRASHES	
Property Damage Crashes	136
Personal Injury Crashes	32
Hit and Run Crashes	22
No Report	107

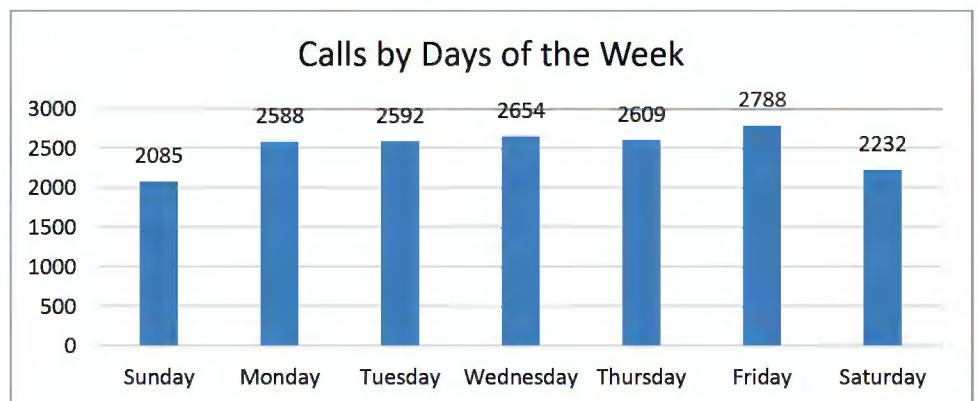
Statistical Information

The Hutchinson Police Department responds to calls for service twenty-four hours a day and seven days a week. The busiest time frame for the officers in 2020 starts at approximately 10am with a decrease at noon, then picks up around 1pm and 2pm then slowly tapers back down.



January started out busy for the Hutchinson Police department with our highest calls for service that month. Then the calls for service slowly decreased. The calls for service increased again in June then slowly decreased again for the remainder of the year.

Friday was the busiest day of the week for calls of service for The Hutchinson Police Department. Wednesday was close behind Fridays and Sundays were the slowest day for calls of service.



Training

Each year the staff of the Hutchinson Police Department participate in various trainings. These trainings allow for staff to stay updated on all current policies, information and technology within law enforcement. The Minnesota Board of Peace Officers Standards and Training (POST) requires officers to complete 48 hours of continuing education every three years in order to renew their POST license.

Emergency Vehicle Operations and Police Pursuits (EVOC)

Officers shall demonstrate the knowledge and skill needed to reduce criminal and civil liability when involved in emergency and non-emergency vehicle operations mode. This training must be designed to give officers both skill and decision-making ability so that emergency vehicle operations can be resolved safely and successfully. This will be accomplished with a minimum of eight hours of training, which will include a minimum of four hours of in-vehicle operation. Simulators may be used in addition to in-vehicle and classroom training but will not be used to replace the minimum four hours of in-vehicle training. It is recommended that simulator training be used for decision making training.

Field Training

The field training process is a 16-week, 640-hour requirement for all new Hutchinson Police Department Officer hires. New officers must show progression in job performance and complete all four phases to pass the field training process and become an independent officer.

Patrol Online (PATROL)

To help cities reduce losses related to police liability, LMCIT has developed PATROL—Peace officer Accredited Training Online. While PATROL delivers 12 new POST-accredited courses per year, subscribers can earn more than 40 POST credits per year when they also take PATROL training on POST mandates for **Use of Force and Crisis Intervention** and **Mental Illness Crisis; Conflict Management and Mediation; and Implicit Bias, Community Diversity and Cultural Differences**. PATROL helps officers stay current on Minnesota legal issues and is based on Minnesota case law. Content is developed with input from police liability experts, insurance defense attorneys, and local law enforcement agencies. Each month, a new course is available for one POST credit.

Additional Training for 2020:

- Handgun and Rifle Qualifications
- First Responder Certification
- Taser Recertification
- BCA Interview and Interrogation
- BCA Search Warrants
- DMT Training and Recertification
- DMT-G Recertifications
- Virtual Basic Forensic Interview Training (CornerHouse)

Investigations

The Hutchinson Police Department Investigations units is comprised of 5 licensed officers and 1 evidence technician. This unit is supervised by a Sergeant. The four officer positions within the investigations unit are; School Resource Officer, Drug Task Force Officer, Juvenile/Child Protection Officer and General Investigator. All of these positions with the exception of the general investigator are rotating assignments which allows all officers to gain valuable investigative experience.



The investigations unit offers valuable support to the patrol officers by following up on investigations that require more time than the patrol officers can give to an incident. The investigations unit is able to spend more time gathering information from witnesses, suspects and the courts to help solve the crime.

The General Investigator position assists the patrol staff with more complex investigations. The general investigator also works with social services and specializes in working with vulnerable adult cases.

The Drug Task Force position is with the Southwest Metro Drug Task Force. This position works with other counties and cities in drug related incidents to get as many drugs and guns off the street as possible.



The evidence technician position maintains the collection of all the evidence and property logged into evidence by all officers. This position also

sends evidence to the MN BCA for lab testing for DUI's, drugs, and fingerprinting. The evidence technician also properly stores and preserves all evidence for future investigations and past investigations.

School Resource Officer

The Hutchinson Police Department is contracted with the Hutchinson School District for the School Resource Officer. The school resource officer position is a 4-year rotating position within the police department. The school resource officer works closely with the Hutchinson High School and Hutchinson Middle School staff and students.



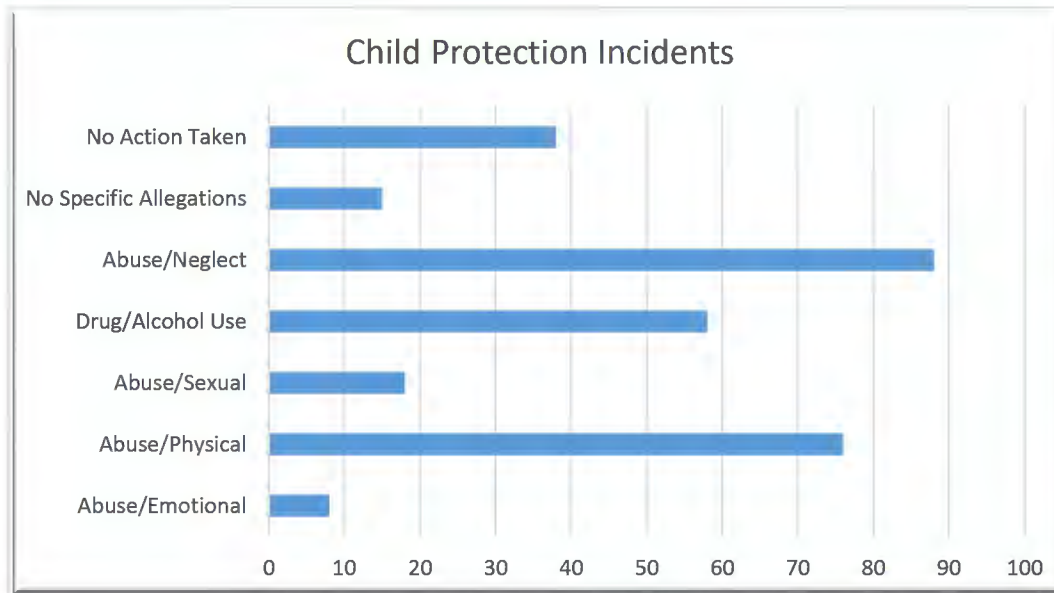
The school resource officer has an office within the Hutchinson High School and is in the school buildings daily from 7am to 3pm. The relationship the school resource officer builds with the staff and students is a great asset for the Hutchinson School District and the Hutchinson Police Department.

There was a total of 137 calls for service at all the schools in the district in 2020. There were 76 incidents at the High School, 22 at the Middle School, 27 at Park Elementary, and 12 at West Elementary.



Child Protection Officer

The Child Protection Officer is a position that works closely with McLeod County Social Services on a daily basis. This is a close relationship that we have determined works best to help children and families in the City of Hutchinson. The child protection officer is a 5-year position in the investigative unit.



The child protection officer also works closely with the BCA and the predatory offender compliance program. This position assures that all the predatory offenders within the City of Hutchinson remain compliant with the BCA.



SWAT

The Hutchinson Police Department Special Response Team (SRT) partners with the McLeod County Sheriff's Department Emergency Response Unit (ERU) to provide officers for tactical response services. Officers selected to the team receive advanced training to respond to situations needing high-risk warrant services, hostage, crowd control, hostage negotiation, snipers, and critical incidents.

The Hutchinson Police Department's Special Response Team includes highly trained officers who use specialized weapons and tactics to handle high-risk situations beyond the scope of the patrol and investigative divisions. Examples of situations for which a SWAT team would be used include high-risk arrests and warrants, barricaded and armed suspects, hostage rescue, crowd control, dignitary protection and disaster response. The team's primary goal is to resolve situations as safely as possible for everyone involved.



The joint tactical team operates under the team name, Crow River SWAT. There are approximately 10 officers from each department on the team. The team also includes a separate crisis negotiation team that works with the tactical team to safely resolve these critical incidents. Officers selected and assigned to the team train one day per month on skills and equipment special to the tactical team's mission. In order to be selected officers need to have been an officer for a minimum of 2 years, pass the physical fitness assessment, show proficiency with firearms and defensive tactics skills and have exhibited sound emergency response skills as a patrol officer.

High Risk Calls

January 5, 2020 - 500 block Hassan St (HPD)

Officers were dispatched to a fight in progress. The caller stated people were fighting and one person may have a rifle. Officers responded and established a perimeter. They noticed somebody exit the residence. They were detained, searched for weapons and questioned. They entered the residence and secured it. A couple people were questioned. They determined a fight had occurred between 2 males, but one of them left prior to officers' arrival. An individual did grab a rifle, but it wasn't used in the altercation. The individual that left did not cooperate with the investigation. Officers cleared with no charges.

January 8, 2020 - 900 block School Rd SW (HPD)

Officers were dispatched to New Century Academy on a threat's complaint. School Administration reported a student copied a threat to the school and students over social media. A suspect was identified and the threat was deemed credible. The schools in the area were put on lockdown. Officers were assigned security details while the suspect was being searched for. The suspect was eventually located and turned himself in. He was later charged with terroristic threats.

January 12, 2020 - Hwy 7/Major Ave (MCSO)

Deputies initiated a traffic stop on a vehicle. A pursuit ensued and the suspect was seen throwing drugs out the window. The suspect fled to a rural address near Silver Lake. The suspect then fled on foot into the residence. The residence has a history of drug/weapons calls. The suspect was identified by deputies as he fled into the house. They set up a perimeter. They consulted with supervisors and it was determined it was safer to apply for arrest warrant and arrest suspect later rather than risk a deadly force encounter in the residence by making a dynamic entry. The suspect was arrested a few days later without incident and charged accordingly.

January 14, 2020 - 1000 block Neal Ave SW (HPD)

Officers were dispatched to a call of a disturbance stating there was a person in the hallway of the apartment complex with a gun. The caller did not identify themselves and hung up. Upon officer's arrival they were met by a female who stated she was involved in a verbal domestic. The female's husband was in the apartment and matched the suspect description given by caller. Entry was made to apartment. The suspect was uncooperative, but no firearm was located. The domestic was verbal only and no arrests made.

January 15, 2020 - 200 N. High Dr NW (HPD)

An individual came into the police station to report threats. The person stated his girlfriend just sent him a text that she was going to kill her child then herself. Officers were sent to the location and made an emergency entry to the residence. The child and suspect were located safe. The suspect was ultimately taken to the ER for a mental health evaluation. The child was placed with Social Services.

January 15, 2020 - 20000 block Hwy 7 (MCSO)

A threats report was made to the MCSO. The victim stated they were at church with her children. When they went to leave the victim noticed someone wrote "DIE" on her car window. The victim was involved in a domestic situation and currently had an order for protection on the suspect. The suspect had also possibly threatened the victim through social media and may have been seen inside the church by another parishioner. The suspect was not located and investigation continued.

March 1, 2020 - 6000 block 207th St (MCSO)

Deputies were dispatched to a residence on shots fired call. The victim called 911 and reported he was just shot in the head by his wife. The caller stated he was able to get the gun away from his wife, but he was injured. Several deputies and officers (under mutual aid) responded. The Crow River SWAT team was activated. Responding officers were able to talk to the victim and he and another male exited the residence. The victim

was transported to the hospital. They stated the suspect barricaded herself in a bathroom. They had a brief conversation with the suspect. The suspect stated she had cut herself, but "not good enough". The suspect refused to come out.

A reaction team was established and set up in the armor rescue vehicle near the residence. Several attempts and negotiations were made to the suspect with negative results. Ultimately the tactical team breached a bathroom window and threw in a robot to see if the suspect was in there. The robot failed to transmit an image. The team approached again and used a pole camera. They were able to see the suspect in the bathtub not moving. Several commands were given, but no movement was detected. The team made entry into the bathroom and located the suspect deceased.

April 28, 2020 - 10th St/ Hennepin Ave (Glencoe)

Officers/Deputies assisted St. Paul PD in arresting a homicide suspect on a traffic stop. St. Paul Investigators located the suspect in a vehicle driving towards Glencoe. Once enough officers/deputies arrived in the area, a felony(high risk) traffic stop was conducted. The suspect exited the vehicle and was taken into custody without further incident. They also assisted with a subsequent search warrant of an apartment. The suspect was ultimately transported back to St. Paul.

May 30, 2020 - BCA (St. Paul)

Crow River SWAT was contacted by a supervisor from the BCA requesting assistance from our team. Specifically, they needed tactical/riot chemical supplies to deal with potential uprisings stemming from the aftermath of a controversial in custody death in Minneapolis. We were able to gather a supply of chemical and less lethal munitions and it was delivered to the BCA.

May 31, 2020 - Anoka County Sheriff's Office

The Anoka County Sheriff's Department also requested tactical/riot chemical supplies to assist with operations in their county and Minneapolis. Deputy Rolf was able to locate some more supplies for them to assist.

May 31, 2020 - State Capitol (St. Paul/Ramsey County)

Crow River SWAT responded to the State Capitol to assist St. Paul PD and the Ramsey County Sheriff's Department in securing the facility. Those agencies needed relief as their personnel had duties elsewhere and were also requiring a break. Our team provided overwatch for the National Guard soldiers that were deployed on the perimeter for the overnight shift. (2100-0600 hours)

June 2, 2020 - McLeod Courthouse (Glencoe)

Several officers and SWAT team members were called to Glencoe to provide security for a planned demonstration at the courthouse. There was some intelligence there could be violence and destruction by some protesters. There was also concern about potential confrontations from "counter-protesters". A response plan and briefing were conducted by the McLeod County Sheriff's Department and Glencoe PD. Hutchinson PD also arrived to assist. The demonstration went on as planned and remained peaceful. No damage or arrests were made.

September 3, 2020 - 500 block Monroe St SE (Hutchinson)

Officers responded to a report of a suicidal female armed with a handgun. The caller stated there were children in the home with the female. The female sent a video holding the gun and "dry firing" the pistol while stating she was going to kill herself. Upon officer's arrival they contacted the female. She had the loaded pistol in the kitchen and the children were asleep in their bedrooms. She was signed on an emergency hold and taken to the hospital for treatment.

September 23, 2020 - 300 block Lake Ave S (Silver Lake)

Officers and deputies responded to a disturbance/domestic complaint. Officers had prior knowledge of this residence and situation. Deputy located a victim with blood on their face and stated their spouse assaulted them

and fled. The suspect had access to pistols and has been armed in the past. Suspect was ultimately located at a friend's residence and was hiding in the basement. Officer gave commands to come up the stairs, but suspect did not answer. Officers/deputies came up with a search plan and utilized a ballistic bunker. Suspect was ultimately located hiding behind a roll of carpet in the basement. Suspect was taken to jail.

October 1, 2020 - 14000 Hwy 7 (MCSO)

Deputies responded to a business on a call of a suspicious person armed with a knife. Upon their arrival, they located a person armed with several knives that appeared to be suffering from mental crisis. The suspect barricaded themselves in an office. The business was evacuated and negotiations established. The suspect wasn't making any sense and refused to put down the knives. The suspect started to cut himself. The SWAT team was placed on stand by and negotiators and Mental Health Crisis Team also responded. The Crisis Team was unable to talk the person down and advised they were too psychotic to negotiate with. Negotiators continued to attempt to speak with the suspect. A reaction team was created outside the office and less lethal plan developed. After several hours the suspect eventually got tired and surrendered to law enforcement. He was transported to the hospital.

October 14, 2020 - Arlington, MN (Tri-City SWAT)

Carver County SO executed a search warrant at a residence near Arlington, MN. Upon their arrival and announcement, the suspect barricaded themselves in the interior of the house. They had prior dealings with the suspect and knew he had weapons and held anti-government ideals. (Sovereign Citizen) The Tri-City SWAT team responded and took over the situation. They called our team to be on stand-by since they believed it may be a long-term deployment and may need to relieve their officers at some point. After a couple hours, Tri-City SWAT advised we were no longer needed to assist.

Records Units

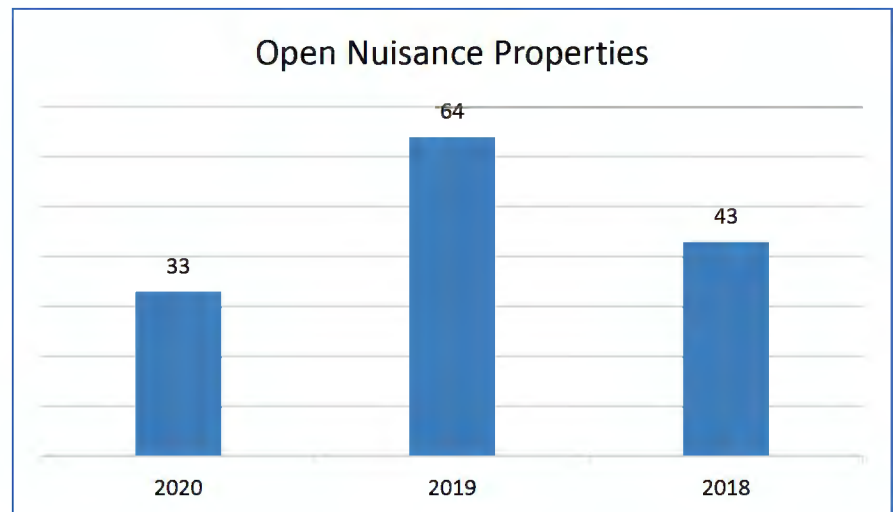
The records units for the Hutchinson Police Department consists of two full-time employees. The records unit have a variety of tasks and assists the Chief, Lieutenant, investigations, communications, and patrol officers with daily duties.

The records unit is an intricate part of the police department. They ensure reports are sent to the City of Hutchinson and McLeod County Attorneys for charges on offenders, dissemination of officer's reports to social services, probation, and citizens who request data. The records department also complete public data requests, permit to purchase handgun applications, monthly statistical data reports to the State of MN, billing for the police department, annual police report and make sure everyone in the police department is current on their required training through the BCA.

Public Records Request	308
Permit to Purchase/Conceal Carry Background Requests from Other Agencies	389
Other Agency Background Requests (Social Services, Probation, Housing and Redevelopment Authority)	199
Permit to Purchase Handgun Applications Processed	315

Code Enforcement – Nuisance Property

The Hutchinson Police Department has a Code Enforcement Officer who is assigned all the nuisance properties in the City of Hutchinson. The Code Enforcement Officer is a three-year rotating position. This position maintains the files and speaks to the owners of the properties to try and get the properties in



compliance with City of Hutchinson Ordinances. The Code Enforcement Officer also does random checks on these properties to try and determine if work is being performed to get these properties in compliance. If the properties are brought into compliance, the officer will close out the report. If the properties are not brought into compliance within the agreed amount of time, the Code Enforcement Officer then issues a citation or sends a report to the City of Hutchinson Attorney requesting charges against the owner.

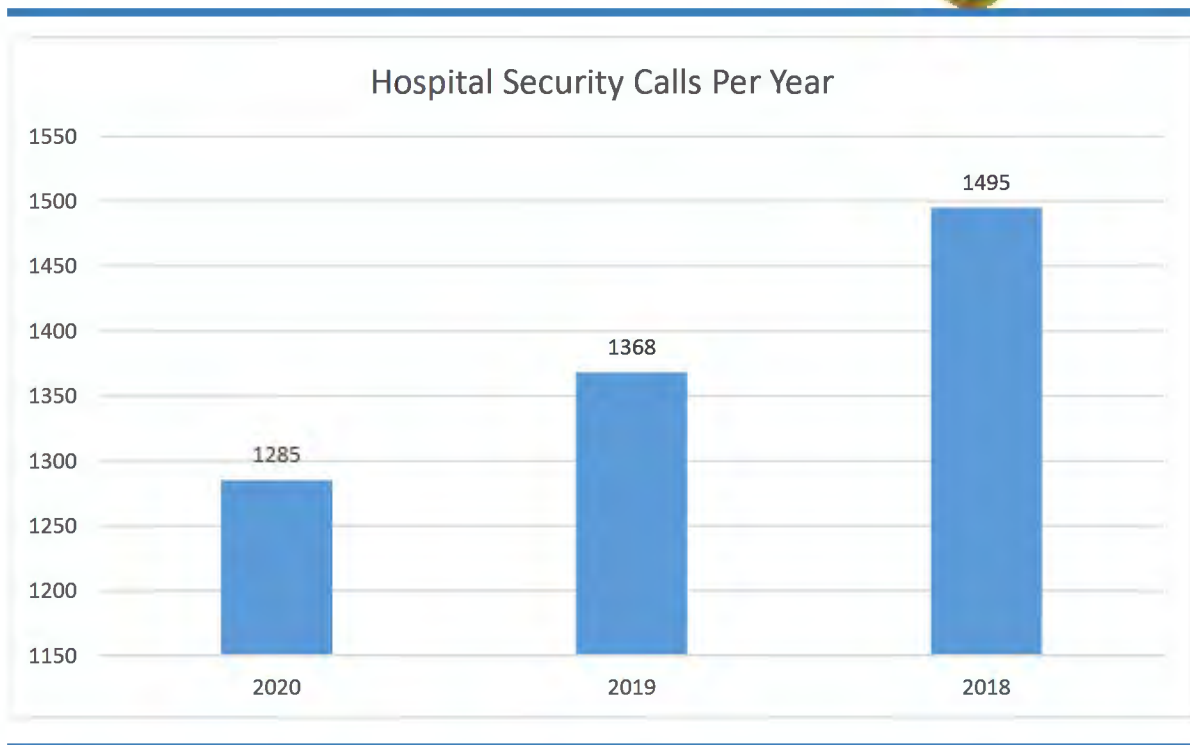
Hospital Security

The Hutchinson Police Department has 3 full-time hospital security officers and 5 part-time hospital security officers. The contract between the Hutchinson Police Department and Hutchinson Health went into effect in 2013. This contract provides for a security officer to be on hospital grounds 24/7. The security officer has a variety of job duties while out at the hospital and is a great liaison between the Hutchinson Police Department and Hutchinson Health Employees when assistance is needed.



HealthPartners®

Hutchinson Health



Axon Body Cameras/Fleet

The Hutchinson Police Department implemented Axon body cameras in 2016 with a donation from a local area business. This was a great push in getting AXON body cameras for every officer in the department. Hutchinson Police Department policy states that officers must have their body cameras recording during any call they are dispatched to or come upon.



Total Uploads	
Number of Videos	20389
Hours of Videos	4259.75
GB of Videos	7368.21
Active AXON Evidence	
Number of Active Videos	11408
Hours of Active Videos	2842.59
GB of Active Videos	4902.48
Average Per Month	
Number of Videos Uploaded	1699.08
Hours of Video Uploaded	354.98
GB of Video Uploaded	614.02

Public Works (Engineering, Operations & Maintenance, Water, Wastewater)

Core Services

Essential Services

(Programs, services and infrastructure without which the city would not survive)

- Snow removal & ice control
- Street maintenance
- Emergency management
- Sanitary sewer collection
- Storm water/flood management
- Wastewater treatment
- Water treatment & distribution

Critical Services

(Programs, services, and infrastructure critical to maintaining essential services or necessary to support essential services)

- Bridge maintenance
- Engineering services
- Forestry operations
- Environmental services
- Equipment maintenance/Fleet management
- Facility maintenance/management
- Planning & Development services
- Right-of-Way management
- Risk management/legal review
- Biosolids management
- Dam maintenance
- Lift stations/wastewater systems maintenance
- Meter reading
- NPDES regulations
- Street sweeping & cleaning
- Utility coordination
- Utility locating

The majority of Public Works services are classified as Essential or Critical services.

Many of the services classified as Basic Services and Targeted services either support higher level services or improve the quality of life within the City.

Basic Services

(Programs, services and infrastructure that significantly improve the quality of life or meet basic needs of the majority of citizens)

- Cemetery
- Mosquito control
- Traffic operations
- Trail/sidewalk maintenance
- Assessment administration
- Infrastructure planning
- GIS mapping
- Property data management
- Transportation planning
- Residential leaf vacuum service
- Sump pump/drainage

Targeted Services

(Programs, services and infrastructure that significantly improve the quality of life or meets special needs of a specific subgroup of citizens)

- Airport
- Alley maintenance
- Parking Lots
- Public Event support
- General customer service

Special Services

(Programs, services and infrastructure that, if removed, would not significantly reduce the quality of life of citizens)

- Crow River fountain (not in service)

2020 Public Works
Budgeted Expenditures
(all departments, CIP)

\$19,339,240

Engineering

Primary services

Under the leadership of the Public Works Director/City Engineer, the engineering division provides the following primary services:

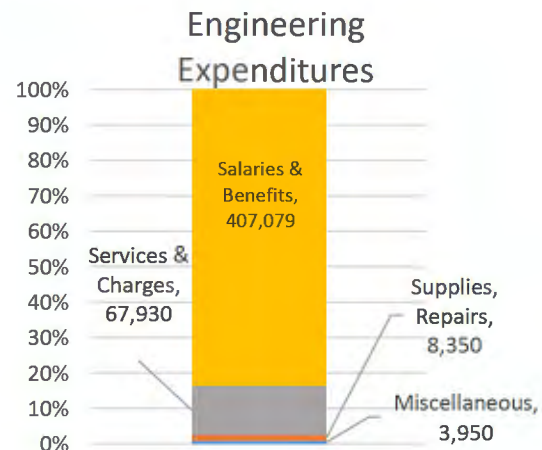
- Develop, design and deliver public infrastructure projects.
- Prepare and administer the Capital Improvement Plan (CIP) and associated financing.
- Oversee public improvement construction contracts and funding from outside sources.
- Calculate special assessments associated with improvements, assists with administration of assessment records and searches.
- Correspond and coordinate with other agencies regarding infrastructure improvements that affect the City.
- Review and provide support to development proposals relating to private entities and the City's EDA.
- Oversee and ensure compliance with water, wastewater and storm water environmental and regulatory requirements.

Workforce:

- Kent Exner DPW/City Engr
- John Paulson Proj/Env/Reg
- Keith Messner Sr Engr Tech
- Chad Muchow Sr Engr Tech
- **Patrice VanderVeen** Engr Secretary
(1/1/20 to 10/12/20)
- **Jocelyn Jacobson** Engr Secretary
(10/13/20 to present)

2020 Engineering Budget

Engineering:	\$ 487,309
Capital Improvements:	<u>\$4,592,518</u>
All Funds:	\$5,079,827



Special thanks goes out to Patrice VanderVeen for her dedication to the City of Hutchinson throughout her career. We wish Pat the best in her retirement. We welcome Jocelyn Jacobson and look forward to working with her for years to come.

Engineering, under the guidance of the Director of Public Works/City Engineer and in cooperation with other departments, facilitates cost-effective management of the City's physical infrastructure to meet the City's visioning, goals, policies, ordinances and standards. Specifically, this department works to plan and implement improvements that provide a multi-use transportation system and quality utility services (water, sanitary sewer, storm water), while striving to create a functional, connected, clean and healthy environment.

Operations & Maintenance: Streets & Roadways, Cemetery, Airport, Storm Water and HATS Facility

Primary services

Under the leadership of the Public Works Manager, the Operations & Maintenance division provides the following services:

- Roadway maintenance
- Snow removal & ice control
- Distribution system maintenance
- Collection system maintenance
- Vehicle & equipment maintenance
- Forestry operations
- Facility maintenance
- Cemetery operations
- Traffic operations
- Street sweeping & cleaning
- General services
- Administration & training

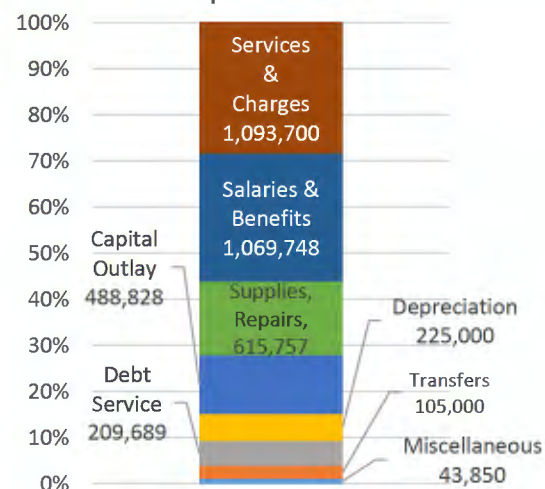
Workforce:

- John Olson Public Works Manager
- Donovan Schuette Arborist
- Bruce Fenske Maint. Lead Operator
- Tim Read Equipment Mechanic
- Jerome Burmeister Sr Pub Wks Maint Operator
- Pete Dehn Sr Pub Wks Maint Operator
- Josh Schulte Sr Pub Wks Maint Operator
- DeNeil Thompson Sr Pub Wks Maint Operator
- Mitchell Thompson Pub Wks Maint Operator
- James Trnka Pub Wks Maint Operator
- Geoffrey Hansen Pub Wks Maint Operator
- **Jared Merger** Pub Wks Maint Operator
- Sonja Muellerleile PW Secretary

2020 O & M Budgets

Streets & Roadways:	\$1,565,147
Storm Water:	\$1,394,763
HATS Facility:	\$ 634,500
Misc. Infrastructure:	\$ 400,000
Cemetery:	\$ 132,284
Airport:	\$ 124,878
All funds:	\$4,251,572

Operations & Maint. Expenditures



Eric Inselmann	Equip Mechanic	1/1/20 – 9/25/20
Tim Read	Equip Mechanic	11/30/20 –
Matt Maiers	Sr Pub Wks Operator	1/1/20 – 9/25/20
Josh Schulte	Sr Pub Wks Operator	9/26/20 –
Josh Schulte	Pub Wks Maint Operator	1/1/20 – 9/25/20
Geoffrey Hansen	Pub Wks Maint Operator	9/26/20 –
Geoffrey Hansen	Pub Wks Maint Operator	1/1/20 – 9/25/20
Jared Merger	Pub Wks Maint Operator	01/04/21 –

Public Works operations & maintenance is interdisciplinary. Employees regularly work across all divisions on a regular basis. The Director of Public Works/City Engineer and the Public Works Manager are the two senior management positions. The Management Team consists of them, along with the Water Supervisor, Wastewater Supervisor, and Project/Environ/Regulatory Manager.

The Public Works Manager oversees operators, mechanics and technicians involved in day-to-day service provision, operations and maintenance of infrastructure, equipment maintenance and facility maintenance.

Water

Primary services

Under the leadership of the Water Supervisor, the Water division provides operations and maintenance services in the following areas:

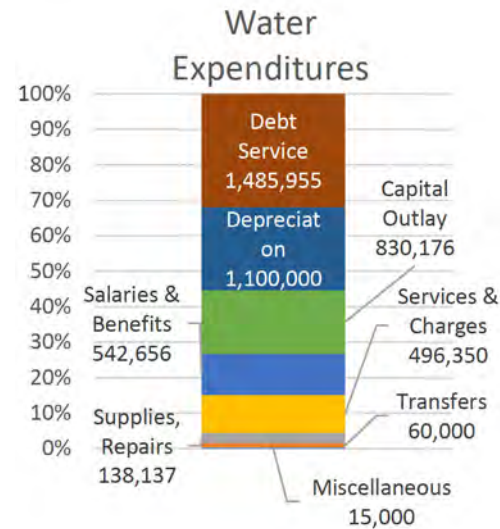
- Water treatment plant operations
- Water towers and storage
- Water meters
- Distribution system maintenance
- Response to service interruptions
- Coordination with improvement projects
- Utility locates
- Facility maintenance

Workforce:

- Eric Levine Water Supervisor
- Mike Lien Sr Water Plant Operator
- Jim Navratil Water Maint Operator

2020 Water Budget

Water: \$4,668,274



A half-cent sales tax generates revenue of approximately \$715,000 per year. This revenue helps to pay outstanding treatment plant debt.

The Water Supervisor oversees and coordinates staff involved in day-to-day operations and maintenance of the wells, water treatment plant, water storage and process infrastructure, water meters, related equipment and facilities. The Water and Wastewater divisions work together on a daily basis, assisting one another to ensure both plants are functioning as designed.

Wastewater

Primary services

Under the leadership of the Wastewater Supervisor, the Wastewater division provides operations and maintenance services in the following areas:

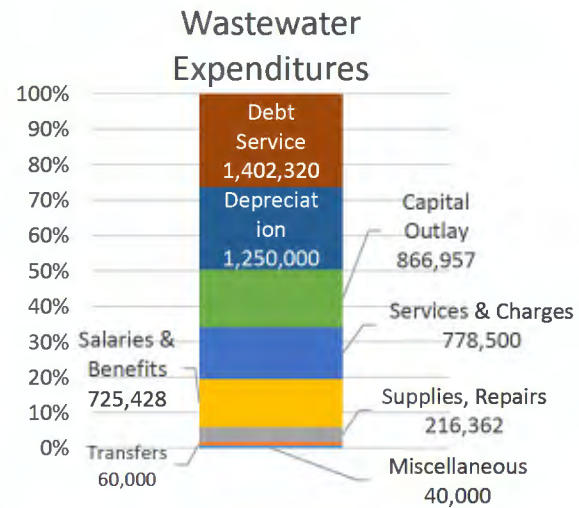
- Wastewater treatment facility operations
- Collection system maintenance
- Response to service interruptions
- Coordination with improvement projects
- Utility locates
- Facility maintenance

Workforce:

- Tim Gratke Wastewater Supervisor
- Randy Czech Sr Wastewater Operator
- Eric Moore Sr WW Maint Operator
- Deb Paulson Lab Tech/WW Operator
- John Kent Wastewater Maint Operator
- Matt Keller W/WW Technician

2020 Wastewater Budget

Wastewater: \$5,339,567



A half-cent sales tax generates revenue of approximately \$715,000 per year. This revenue helps to pay outstanding treatment plant debt.

The Wastewater Supervisor oversees and coordinates the staff involved in day-to-day operations and maintenance of the wastewater treatment facility, lift stations, process infrastructure, related equipment and facilities. The Water and Wastewater divisions work together on a daily basis, assisting one another to ensure both plants are functioning as designed.

2020 Significant Accomplishments

Major Improvements

TH15/Main (5th Ave S to 2nd Ave N)

- Reconstruct street, utilities, sidewalk

TH15/Main (Airport Rd to 5th Ave S)

- Pedestrian safety, overlay

Alley #57 Construction

- Bituminous surfacing

Airport CAP Site Utility Extensions

- Water, sanitary sewer

Century Ave SE Water Main

- Reconfigure existing mains

Treatment Plant Projects

Water

- Wells 5 & 8 increased specific capacity
- Surge pipe debris removal, pipe restoration

Wastewater

- Overhaul & upsize MBR scour air blower
- Remove/dispose of grit/debris (W ditch)
- Replace HVAC RTU (admin bldg)
- Lift station fence, UV Gate replacement
- Completed facility assessment

Distribution/Collection

- Emergency response trailer

Infrastructure Maintenance

- Street repairs, patching & maintenance overlays
- Trail repairs (Denver/School Rd)
- Replay pavement preservation
- Alleys & Parking Lots
- Storm water pond, pipe repair
- Sanitary sewer repair (School Rd, Shady Ridge)
- Gate valves (support Main St project)
- Misc. distribution/collection maintenance

Facility Projects

Airport

Cemetery

HATS Facility

Concrete repairs

Perimeter fencing

Consolidate IT equip

Vehicles & Equipment

Tractor/loader/backhoe

Mower

SUV/Crossover

Wheel loader

Pneumatic roller

¾ ton work truck

½ ton work truck

Mower/garden tractor

Utility vehicle

Emergency Response trailer

Cemetery

Cemetery

Engineering

Operations

Operations

Wastewater

Wastewater

Wastewater

Wastewater

Wastewater

The Main St/Hwy 15 South project started in April and was finished in October. This was the largest project undertaken in Hutchinson since reconstruction of Hwy 7/22 in 2006 & 2007. The municipal project included utility infrastructure, built along with MnDOT's reconstruction of the roadway. Alley #57 and other utility projects were done concurrently.

Significant effort was put into planning improvements to the Wastewater Treatment Facility's preliminary treatment/headworks.

Infrastructure maintenance consisted primarily of overlays adjacent to the South Central Trunk Storm Sewer project. Public Works operators focused on localized street repairs and were able to place over 300 tons of bituminous material.

2021 Major Goals & Objectives

Major Improvements

River & Lakes sediment (forebay, stream bank restoration & shoreline restoration)

- State bonding

Clinton Ave SW (Harrington-Merrill)
Harrington & Merrill St SW (South Grade-Linden)

- Partial reconstruction

Church St SW (South Grade-Linden)
Clinton & Lyndale Ave SW (Merrill-Lynn)

- Reclaim

Hwy 7 W/Montana St NW

- Ped crossing signal

South Central Drainage improvements

- West side of Rec Center/Civic Arena

Southfork storm water pond

- Reconfigure river outlet

Utilities Projects

Water

- SCADA upgrade
- Concentrate vent tee removal
- Biofilter piping rehab
- Ammonia analyzer replacement

Wastewater

- Preliminary treatment/EQ system
- EQ lift station repairs, upgrades
- WW receiving/bulk water station
- Lift Station upgrade (Our Saviors)
- SCADA & security upgrades

Distribution/Collection

- Complete emergency response trailer
- Storm sewer (Harmony Ln SW)
- Manhole lining – Shady Ridge

Infrastructure Maintenance

- Street repairs, patching & maintenance overlays
- Trail repairs
- Replay pavement preservation
- Alleys & parking lots
- Storm water pond & pipe repair
- Streetlights

Facility Projects

Airport	Seal coat & crack fill runway
Cemetery	Perimeter fencing
HATS Facility	Interior painting
Wastewater	Roof – Bldg #100

Vehicles & Equipment

Leaf Vacuum	Storm Water
1-ton dump truck	Streets
Wheel loader w/ snow eqp	Streets
Misc. tools trailer	Streets
Aerial bucket truck (used)	Streets
Work truck (service truck)	Wastewater

A \$4.5 million project to improve Otter & Campbell lakes and the South Fork Crow River received approval in this biennium's State Bonding bill. The project includes a forebay to trap upstream sediments and stream bank & shoreline restoration. There will be significant street work east of the Recreation Center/Civic Arena. Utility work for this area was done in late 2020, so this project will be for new street surfacing. If feasible, utility work may begin on the west side.

The wastewater plant head works project will be one of the largest projects at the plant since 2007, when a portion of the plant was constructed. This project will make improvements to the preliminary treatment system, with the goal of capturing more solids earlier in the treatment process.

2021 Major Goals & Objectives

Funding, Studies, Planning & Initiatives

Street Corridor Project Initiatives

- Complete ADA transition plan
- Future intersection improvements studies
- Construction costs analysis
- Assessment policy review

HATS Facility

- Bonding request for addition of 18,000 SF vehicle & equipment storage, fueling site construction and equipment maintenance shop improvements.

Lakes and River Basin Improvements

- Forebay construction, stream bank restoration and shoreline restoration.
- Pursue additional funding sources.
- Coordinate improvements with Mn Dept. of Natural Resources and the Soil & Water Conservation District.

Northeast Ring Road

- Participate with McLeod County in planning an alternative route from TH15 N to TH 7/22

North High Dr NE

- Coordinate potential utility improvements with McLeod County

Water Distribution System

- Water Supply Plan finalization with MnDNR
- Mains, service lines, curb stop specifications/installation
- Cross-connection/backflow program
- Water & sewer rate study

Water/Wastewater Treatment Systems

- Finalize utility rate study

Water, Wastewater & Stormwater Collection/Treatment Systems

- Wastewater NPDES permit reissuance (pending Class 3 & 4 waters rulemaking)
- MS4 stormwater permit reissuance.

City Sustainability Committee

- Kickoff of Sustainability Committee meetings.

On an ongoing basis, Public Works staff works closely with McLeod County Public Works, MnDOT, MnDNR, MPCA, and other government agencies to identify, develop and/or coordinate improvements and initiatives.

Community Survey

Periodically the City conducts the National Community Survey. In the last survey, citizens identified Safety and the Economy as their two most important issues. Several categories in the last survey (2019) relate to Public Works, including:

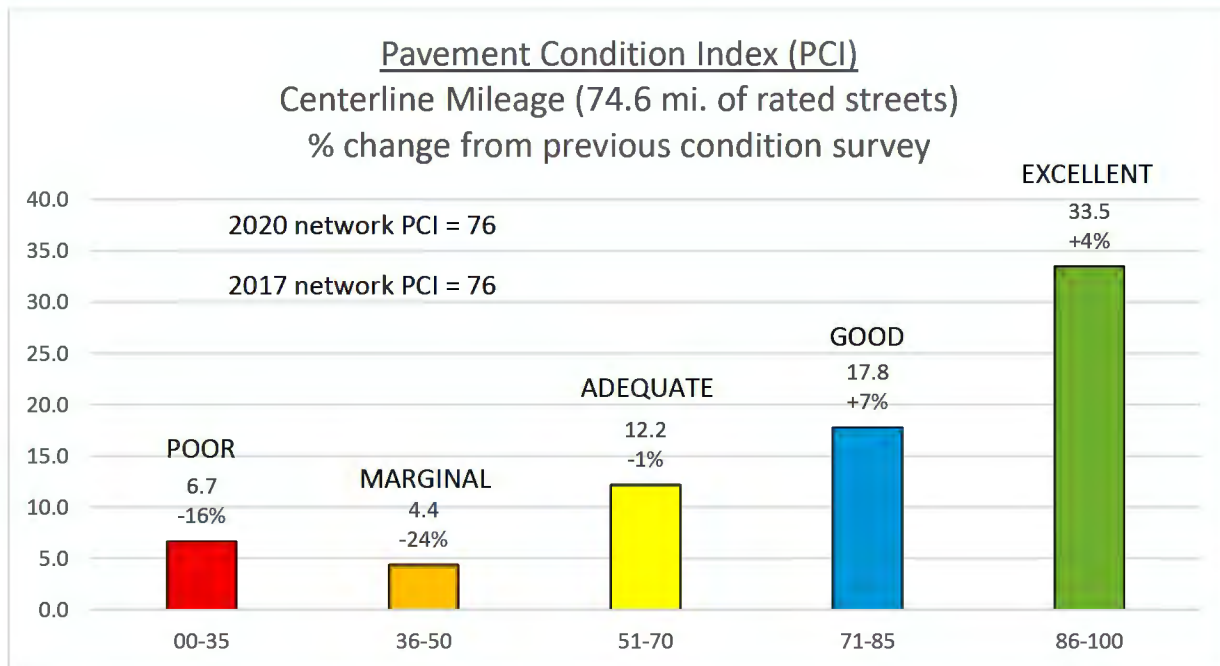
<u>Category</u>	<u>Score</u>	<u>Comparison to national benchmark</u>	
Overall ease of travel	83%	Similar	
Paths & walking trails	84%	Higher	
Ease of walking	85%	Higher	
Travel by bicycle	75%	Higher	
Travel by public transportation	41%	Similar	
Travel by car	78%	Similar	
Public parking	68%	Similar	increase from 2015
Traffic flow	52%	Similar	
Street repair	26%	Lower	decrease from 2015
Street cleaning	58%	Similar	
Street lighting	78%	Higher	increase from 2015
Snow removal	76%	Similar	increase from 2015
Sidewalk maintenance	66%	Similar	increase from 2015
Traffic signal timing	57%	Similar	increase from 2015
Drinking water	78%	Similar	
Sewer services	89%	Similar	
Storm drainage	78%	Similar	

These surveys help to identify strengths and weaknesses in services provided by the department.

About 8 in 10 residents positively assessed the overall ease of travel in Hutchinson. Several categories were rated higher than national benchmarks, including ease of travel by bicycle and by walking, the availability of paths and walking trails and street lighting. At least $\frac{3}{4}$ of respondents gave those categories high ratings. In 2019, residents gave higher ratings to public parking, street lighting, snow removal, sidewalk maintenance and traffic signal timing when compared to 2015 ratings.

Street repair scored lower when compared to communities nationwide. Positive assessments of street repair declined between 2015 and 2019. About 8 in 10 residents felt it was essential or very important for the City to put additional funding toward street repair and maintenance. About 75% of residents supported a \$250,000 property tax increase dedicated to fixing, repairing and upgrading city streets and related infrastructure. 60% of respondents supported a \$500,000 tax increase. For 2020, the City Council approved additional funding of \$25,000 for Infrastructure Maintenance.

Public Works believes that citizens' concerns related to street repair may have been influenced by the condition of a number of private roadways and parking lots, coupled with an unusual amount of frost damage in 2019. The City does not maintain private roadways and parking lots. Frost damage repairs were not completed until late in the year. In 2020, several private roadways and parking lots were repaired. These repairs may likely have a positive effect on future survey ratings.



Since 1996, the City has used a pavement management system to help manage its significant investment in pavements, worth well over \$100 million in replacement cost.

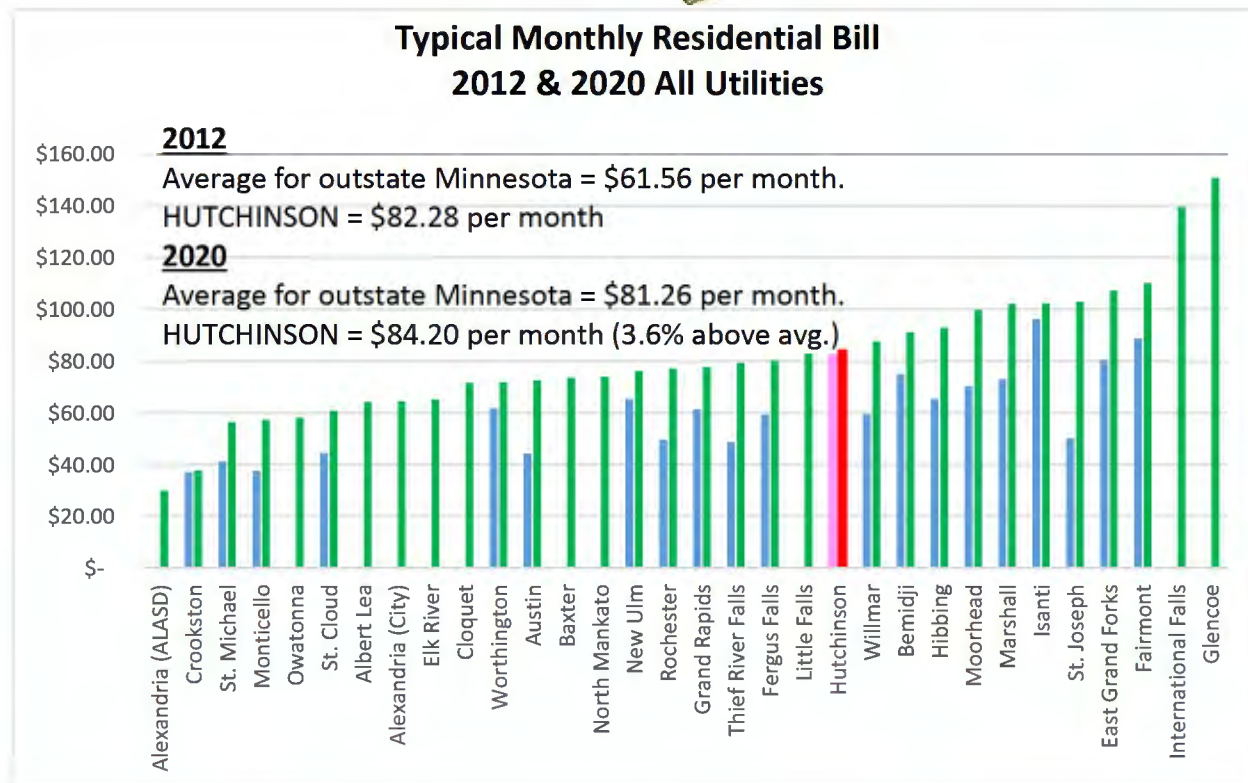
Pavement condition index (PCI) is determined by periodically conducting physical surveys of each pavement section, usually every three years (next survey – 2023). Surveyors catalog pavement distresses and assign deduction values. PCI is based on a 100-point scale (100 = no distress; 0 = fully deteriorated street). Further categories are: Excellent, Good, Adequate, Marginal and Poor.

The City's stated goal is to maintain network PCI of 65–75. In 2020, the last physical survey, network PCI was 76, the same as it was at the previous physical survey in 2017. Between physical surveys, pavement sections are assigned predetermined deterioration curves to calculate PCI.

Using average costs of various maintenance options, a budget is calculated. The budget considers increasing PCI, decreasing PCI or keeping PCI scores the same. Projects identified in all three scenarios represent a high value, so they typically end up in the Capital Improvement Plan. Other considerations, such as traffic safety, condition of other infrastructure, provision for pedestrian and bicycle facilities, etc., also affect proposed capital improvements.

In 2017 and again in 2020, the system indicates a need for more maintenance overlays and less seal coating. This is likely because the City did seal coating projects every other year for many years, so many remaining untreated streets are in poorer condition than streets typically seal coated.

Utility Rates



Source: AE2S 2020 Annual Utility Rate Study

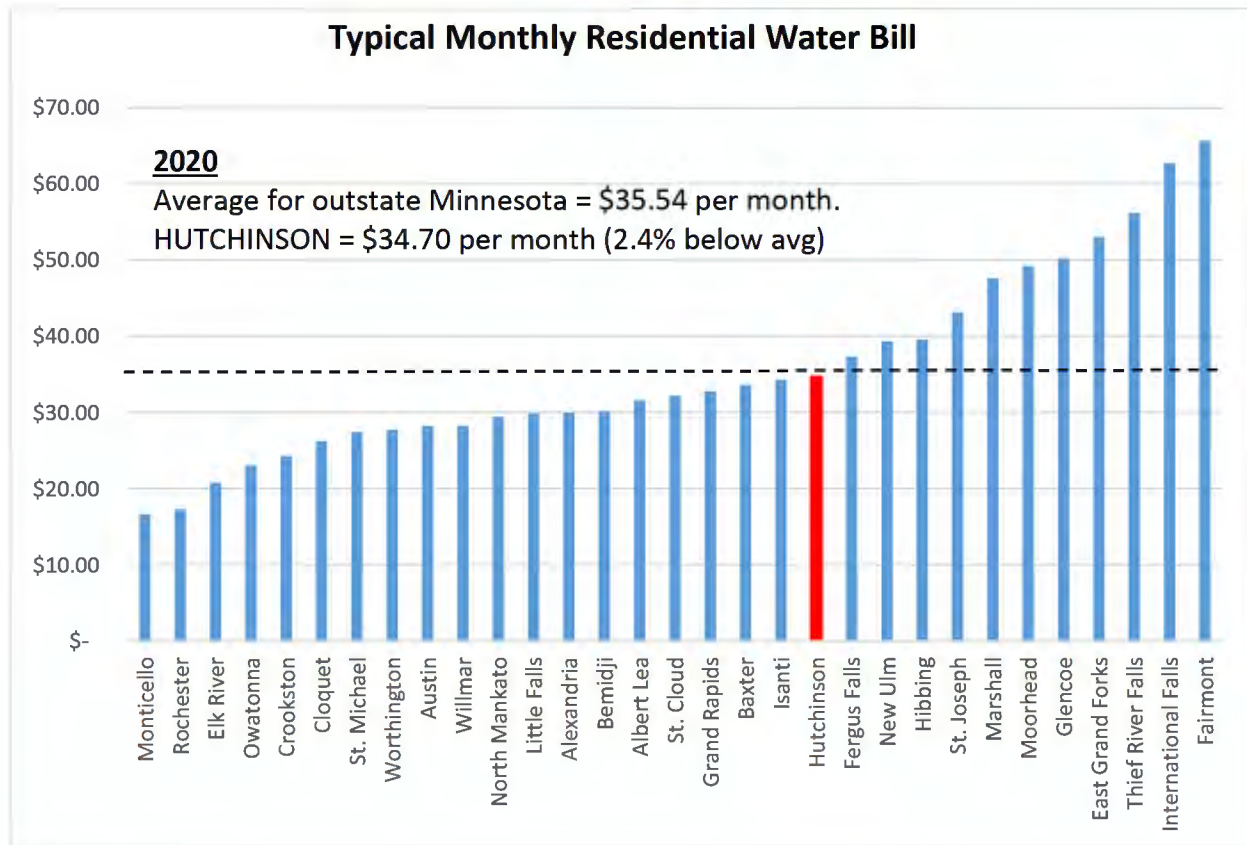
Between 2012 and 2020, a typical utility bill in outstate Minnesota went from \$61.56 to \$81.26 per month (a 32.0% increase). In the same period, a typical Hutchinson ratepayer saw increases from \$82.28 to \$84.20 per month (2.3%). Hutchinson's increase is attributable to Storm Water rates.

In the period from 2008 (when the plants were upgraded) to 2012 (when the sales tax was implemented) Hutchinson's utility rates were among the highest in outstate Minnesota. Servicing debt related to plant upgrades resulted in high utility rates. Water and wastewater revenues also dropped during the 2008 recession, creating additional financial pressure.

In 2012, voters approved a 0.5% local option sales tax. In 2020, sales tax revenue was budgeted at \$1,474,000. This revenue helps to pay off debt incurred to improve the two plants. The sales tax, along with a long, slow stabilization in water and wastewater revenue over the years, has made it possible to keep water and sewer rates at the same level since 2011.

Work continues on a rate study to understand future needs at the plants, regulatory issues, and debt service needs. Understanding these issues will help guide future changes to water and sewer rates.

Utility Rates

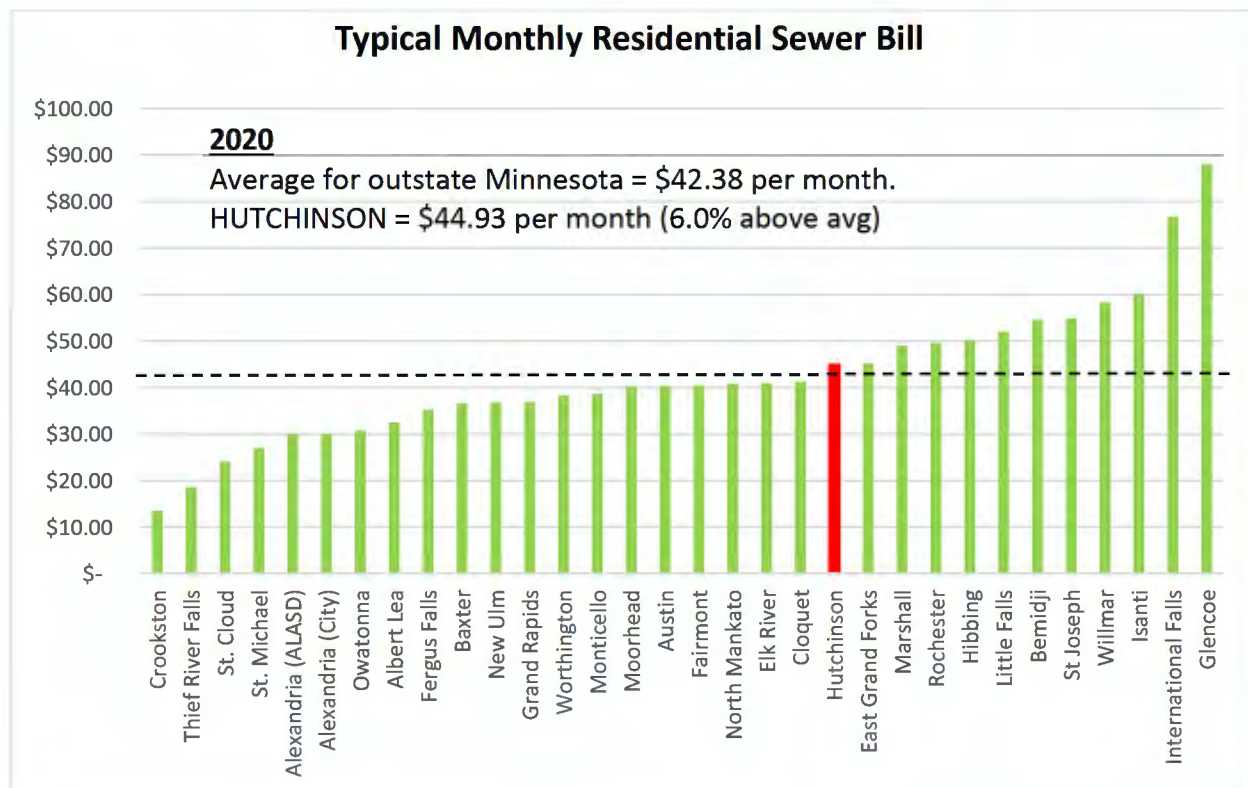


Source: AE2S 2020 Annual Utility Rate Study

Hutchinson's water rates are slightly below average (-2.4%), when compared to other outstate Minnesota cities.

The rate study currently underway will address the City's current rate structure. The City's current rate structure does not include conservation rate structures, as defined by the State. Complying with the State's conservation rate requirement will be addressed in the water & sewer rate study. The study will identify options for changes to the City's current water rate structure.

Utility Rates



Source: AE2S 2020 Annual Utility Rate Study

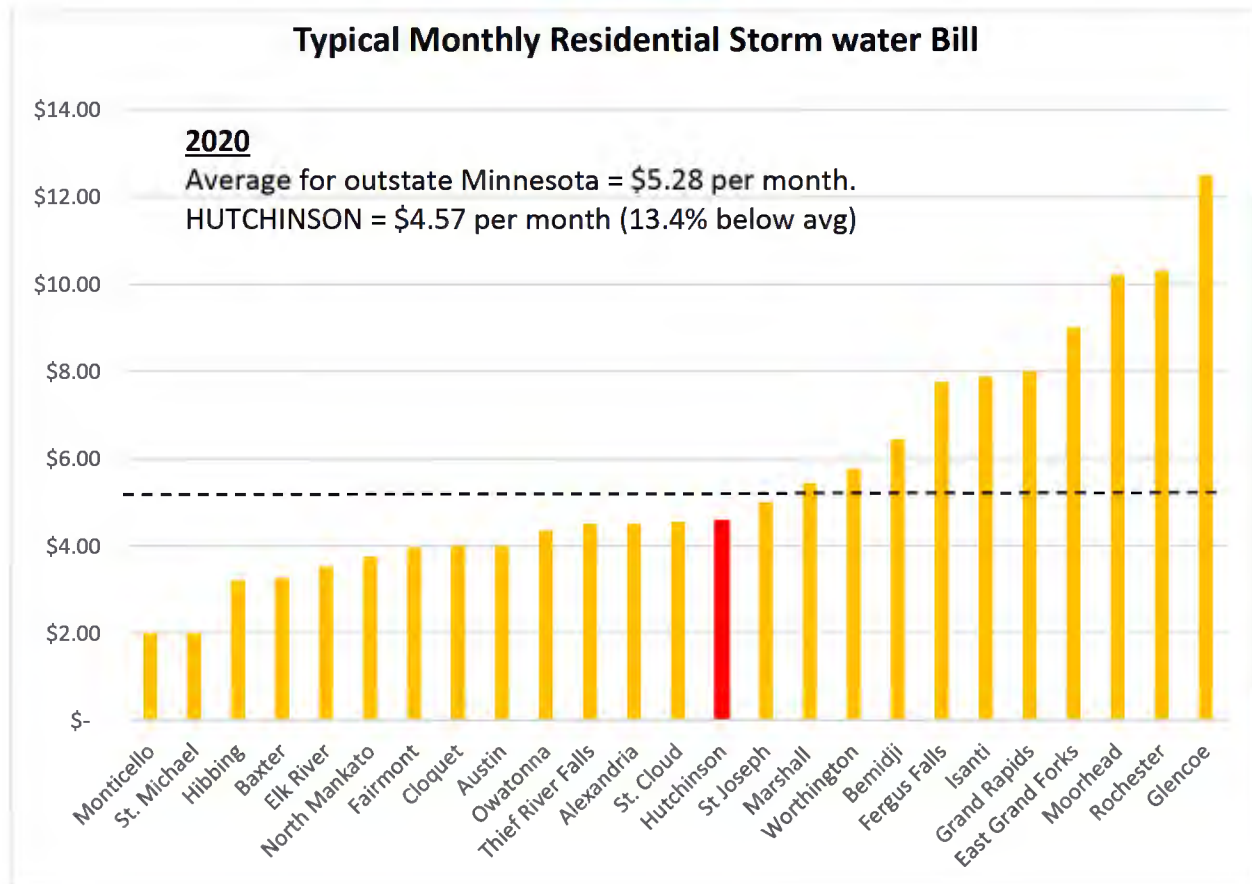
Hutchinson's sewer rates are 6% higher than average rates in outstate Minnesota cities.

There are significant capital needs at the wastewater treatment facility. Much of the facility is over 30 years old. This aging infrastructure will require upgrades and capital investment to ensure ongoing capability to treat wastewater.

The rate study currently underway will help to identify any needed changes in rates to account for both operating expenses and capital improvements.

Public Works staff continues to work with consultants and the MnPCA to consider what potential changes to future permit requirements will mean for future operating costs, infrastructure costs and/or required plant improvements.

Utility Rates



Source: AE2S 2020 Annual Utility Rate Study

Hutchinson's Storm Water rates are 13% lower than the outstate average. The goal since inception of the Storm Water Utility has been to keep Hutchinson's rates near average when compared to other outstate Minnesota cities.

Regular reviews of Storm Water Utility finances address ongoing operational needs and capital improvement needs identified in the City's most recent surface-water management study, completed in 2015. These reviews are the basis for proposed rate increases.