

# 2021 ANNUAL CITY REPORT

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**JUNE 2022**

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**Annual City Report for Year Ending 2021**  
**City of Hutchinson**



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# 2021 Annual Report

## 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, 2021 through December 31, 2021. 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 centers<sup>1</sup> 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.

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

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# 2021 Annual Report

## Executive Summary

I'm pleased to present to you the second annual 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 continue to build upon this report and have a goal of showing more "performance-related" measures in the future. This report still doesn't necessarily tie performances into the City's core values (end statements) with a goal to build upon that in future reports.

It continues to be an interesting time in local government. While 2020 was a year of survival and perseverance as we worked our way through COVID-19, 2021 was a year of hope with building towards the future. While it appears that we are seeing the "light at the end of tunnel" when it comes to COVID-19, I have a lot of hope for the future and I continue to remain excited for what is in store for Hutchinson.

The City's average monthly unemployment rates continue to remain low with an average monthly rate of 3.7% in 2021. These rates continue to remain lower than the State (3.9%) and Federal (5.4%) 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 \$186,000 last year to \$235,000 <sup>2</sup>in 2021, the ninth 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. We issued 35 building permits for new homes in 2021, representing the eighth straight year where we have issued 20 or more new home permits.

2021 also brought the conclusion of phase four and five of the Highfield Apartments and the next phase at Century Court West Townhomes. Along with the new homes being built, work also finished up on Tiger Elementary and work began on a new Police Station. We have had 256 new rental units open up over the past five years with an additional 36 units currently under construction. Along with the rental units, we have built over 155 new homes over the past five years and the 2020 census showed our population increased by 419 people to 14,599 (3% from 2010). The City has added over \$235 million in new value to the community over the past 5 years as well, and we are anticipating continued growth next year.

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<sup>2</sup> Source: Minneapolis Area Realtors

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2022 looks to be just as exciting as 2021 and should continue the recent trend of investments within the community. 2022 should see the completion of the Century Avenue townhome development along with a new business opening up in the old Best Buy location (Harbor Freight Tools). Along with the new police station, there are currently five other redevelopment projects taking place in downtown Hutchinson that could be completed in 2022. Those projects include the remodeling of 101 Park Place, the Riverhouse Kitchen (old Hutch Café), the Jorgensen Hotel, the Gold Coin Restaurant, along with MITGI expanding into the old Shopko building.

The City is also expecting work to continue and hopefully finish on the new police station and the remodeling of West Elementary in 2022. The City is also expecting work to begin on a remodeled Burich Arena that will be similar to the work done on the rec center last year. On top of this, work may begin on a Civil Air Patrol building and a seventh downtown project which will be a new housing development at the old medical clinic site. The City will continue to market the Industrial Park and we are hoping that some of the work that is taking place with our growth area study will spark interest in additional commercial/industrial or residential growth. We anticipate continued growth in new home construction as well with a hot housing market.

One of the goals I have for this City is for it 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 2021 in providing quality services hopefully at a cost of government similar to, or less than, comparable outstate regional centers. As we look to the year ahead of us, I know this community will continue to be resilient and I strongly believe that the year ahead of us will be better than the previous. There is a lot to be excited about and I look forward to what the future holds!

Matt Jaunich  
City Administrator

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# 2021 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. 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,

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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

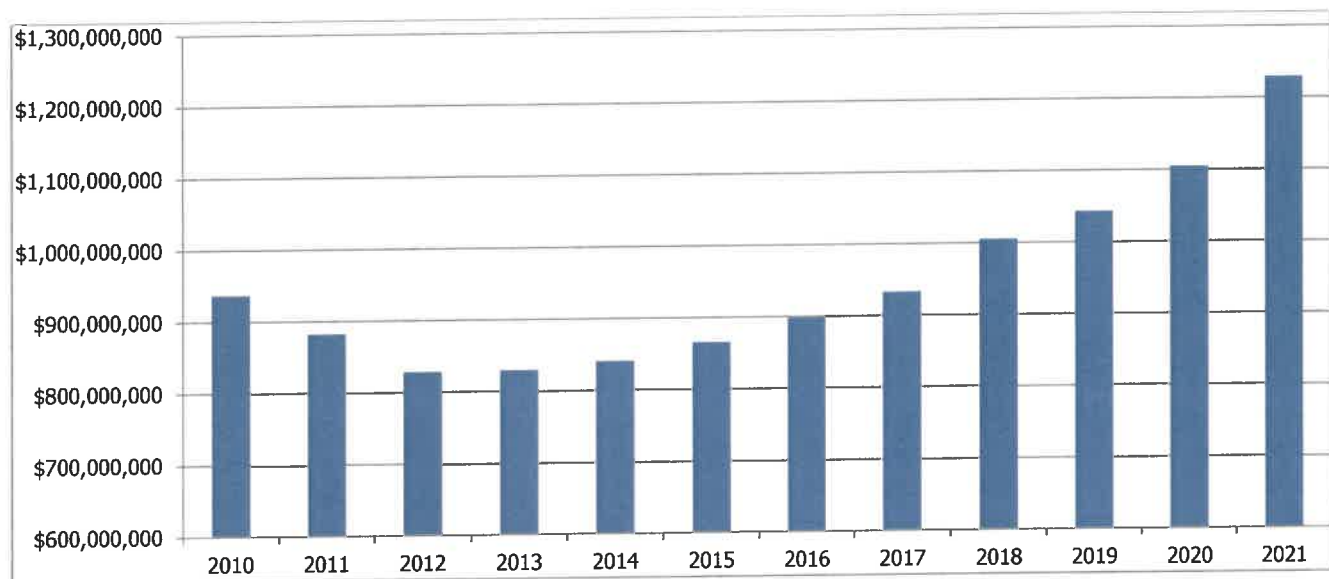
*Our vision for the City of Hutchinson is that we will continue to be an involved, progressive and innovative community that promotes our regional prominence while preserving our hometown character and delivering quality, cost-effective services*

# 2021 Annual Report

## 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 11.2% in 2021. Residential values increased 11.1%, commercial/industrial values increased 1.8%, agricultural values decreased 2.1%, and apartments saw the largest value increase at 40.6%. 2021 was the ninth straight year that the assessed market value of the City increased.

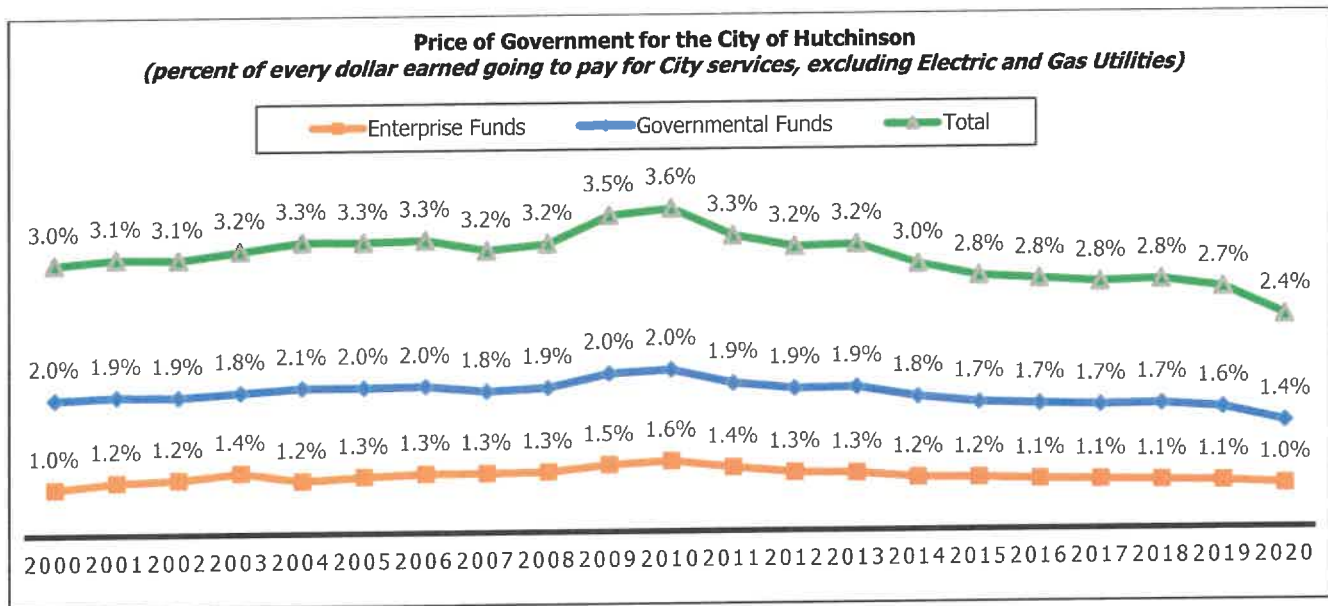
The bottom years of 2012 and 2013 reflect the "great recession" and values have increased 48% since 2013; an average of 4.5% each year. Current values are at all-time high for the City. The market value for each year is determined as of January 1 based on prior year sales. It is anticipated that the 2022 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 2020, Hutchinson Citizens spent 1.4% of each dollar earned on the day to day operations of the City and 1.0% on the City's enterprise funds. In total, approximately 2.4% of each dollar earned by Hutchinson citizens was spent on City services.



## Bond Rating

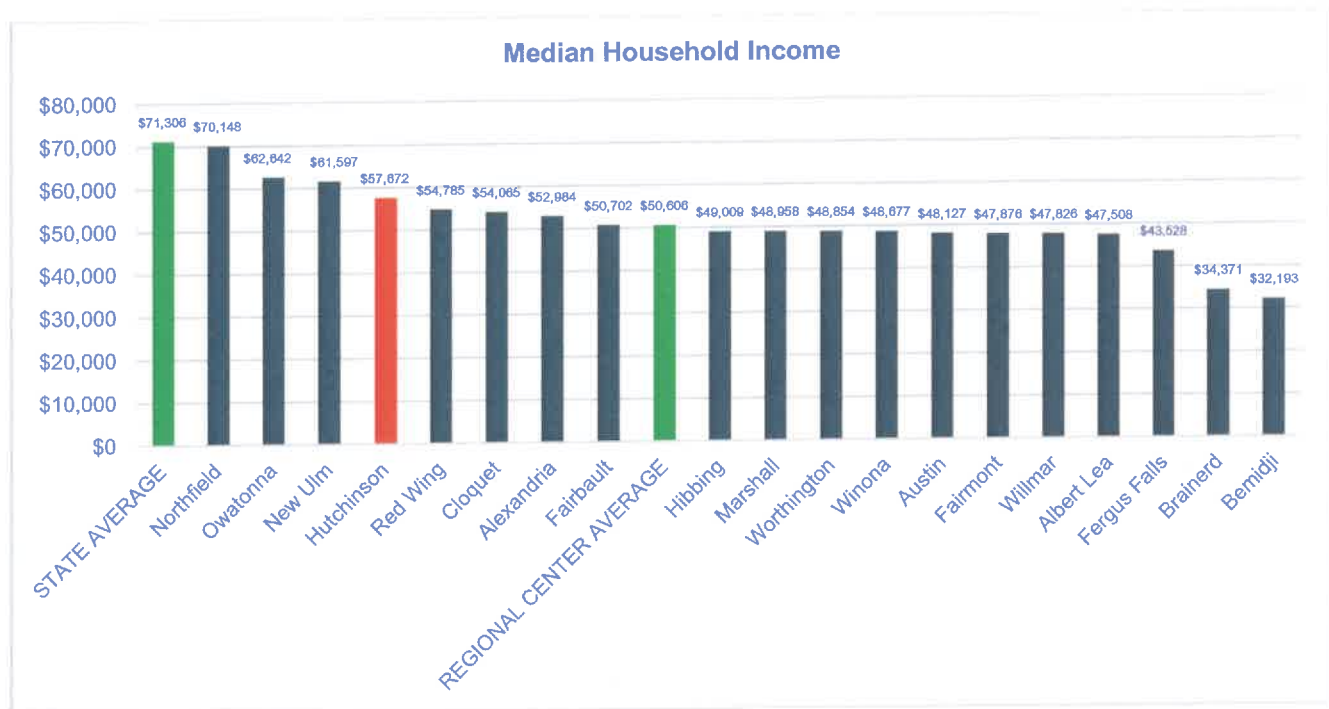
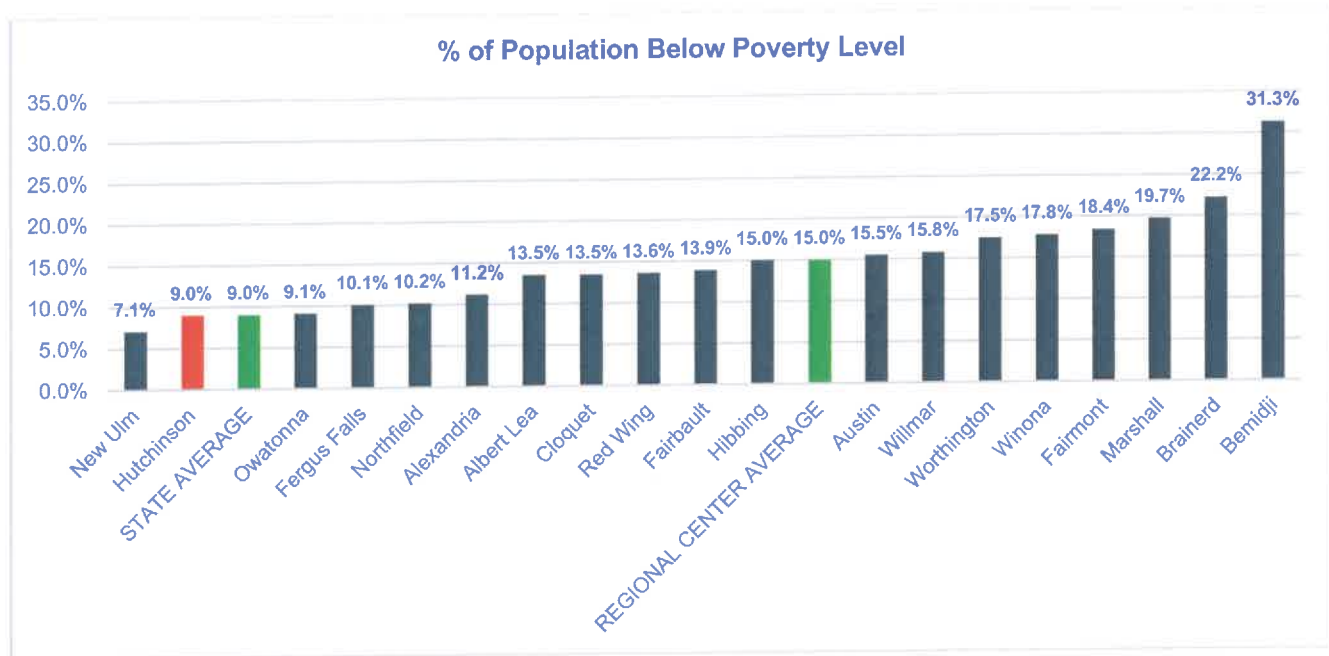
An important indicate of financial stability is the credit rating assigned by independent rating agencies.

In 2021, Standard & Poor's (S&P) Rating Services reaffirmed its AA- rating for the City of Hutchinson. This rating is 4<sup>th</sup> 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 Incomes<sup>3</sup>

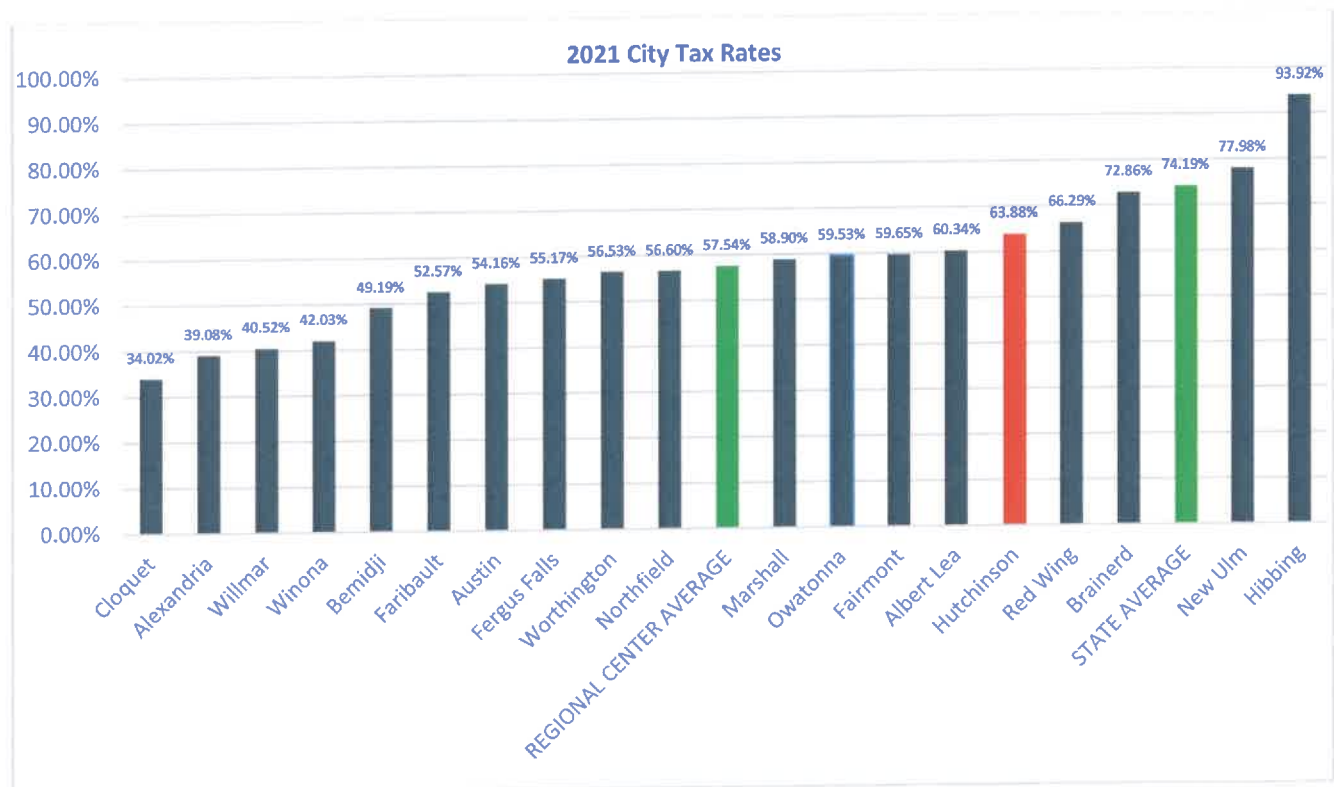
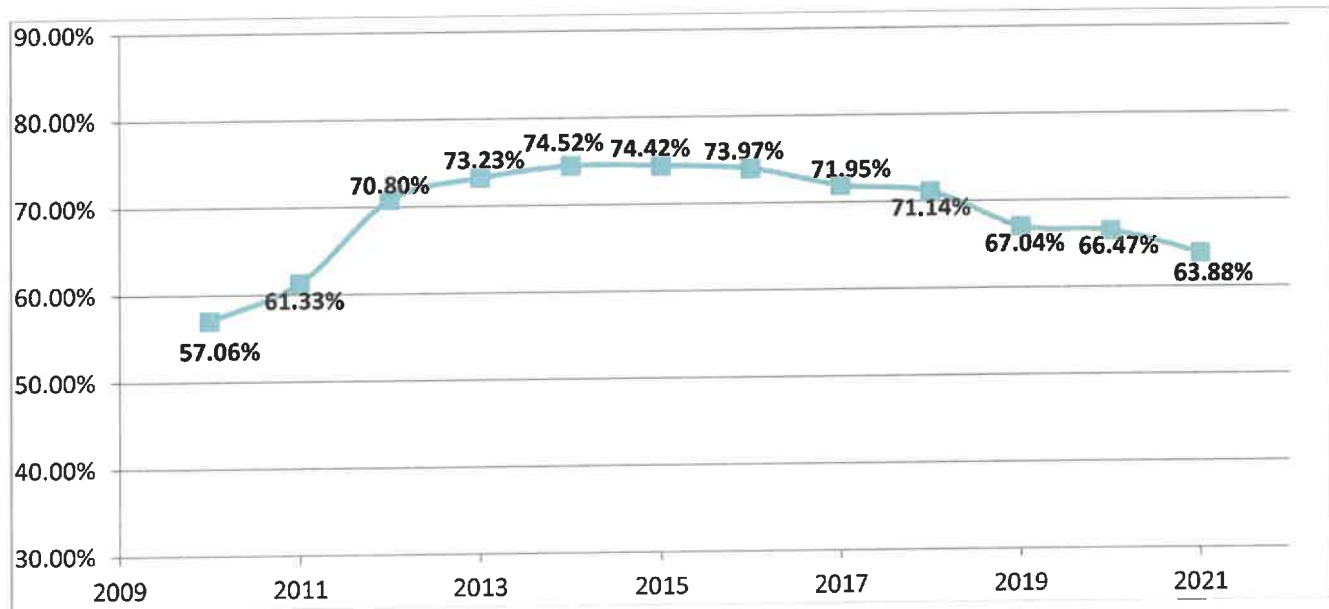
<sup>3</sup> Poverty and household income data was for 2019 and was obtained from the American Community Survey, available from the U.S. Census Bureau. 2020 Census information on poverty levels and household incomes are not yet available.

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 2010. The second is a comparison of the 2021 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 2021 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.

|           | <b><u>19 Regional Centers</u></b> | <b><u>2021 Tax Rate</u></b> | <b><u>2020 Tax Rate</u></b> |
|-----------|-----------------------------------|-----------------------------|-----------------------------|
| 1         | Cloquet                           | 34.02%                      | 33.84%                      |
| 2         | Alexandria                        | 39.08%                      | 40.41%                      |
| 3         | Willmar                           | 40.52%                      | 39.49%                      |
| 4         | Winona                            | 42.03%                      | 41.85%                      |
| 5         | Bemidji                           | 49.19%                      | 50.14%                      |
| 6         | Faribault                         | 52.57%                      | 53.14%                      |
| 7         | Austin                            | 54.16%                      | 55.72%                      |
| 8         | Fergus Falls                      | 55.17%                      | 57.76%                      |
| 9         | Worthington                       | 56.53%                      | 55.55%                      |
| 10        | Northfield                        | 56.60%                      | 58.17%                      |
| 11        | Marshall                          | 58.90%                      | 58.31%                      |
| 12        | Fairmont                          | 59.65%                      | 59.64%                      |
| 13        | Owatonna                          | 59.53%                      | 62.48%                      |
| 14        | Albert Lea                        | 60.34%                      | 60.06%                      |
| <b>15</b> | <b>Hutchinson</b>                 | <b>63.88%</b>               | <b>66.47%</b>               |
| 16        | Red Wing                          | 66.29%                      | 71.51%                      |
| 17        | Brainerd                          | 72.86%                      | 78.78%                      |
| 18        | New Ulm                           | 77.97%                      | 78.82%                      |
| 19        | Hibbing                           | 93.92%                      | 91.19%                      |
|           | Average of 19 Regional Centers    | 57.54%                      | 58.60%                      |

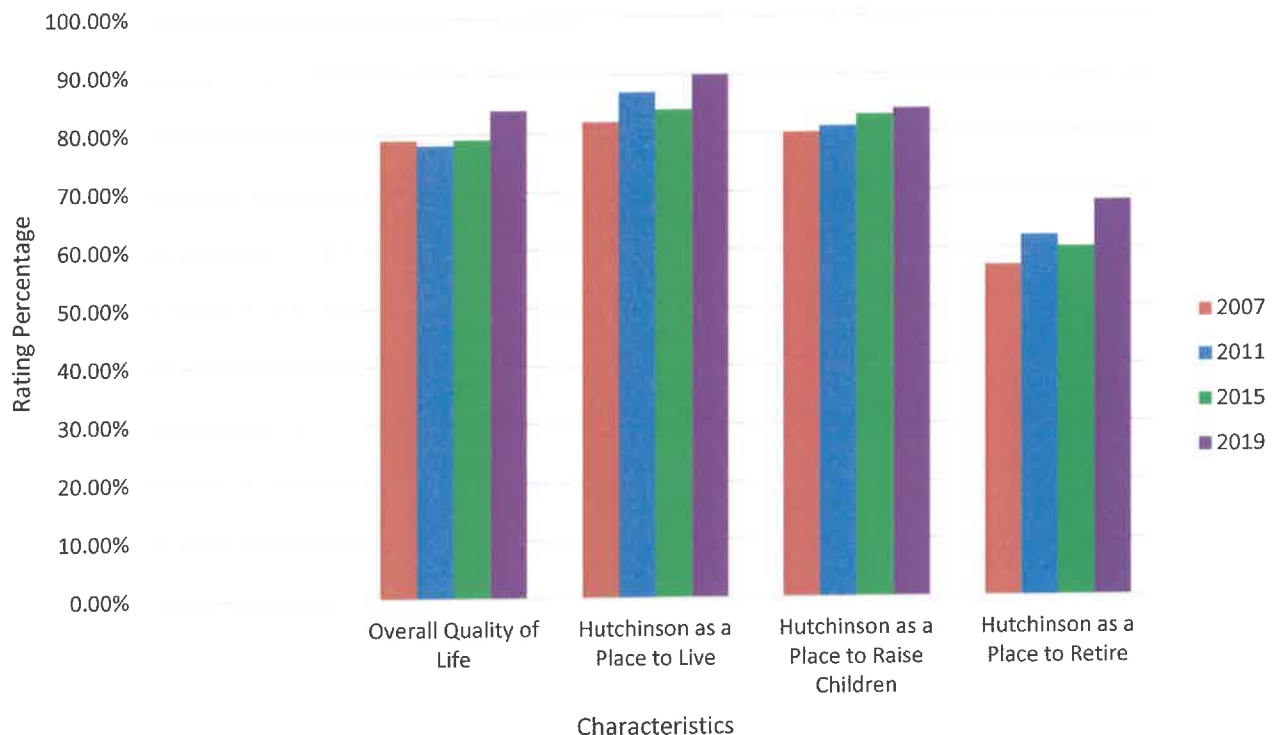
# 2021 Annual Report

## Community Surveys

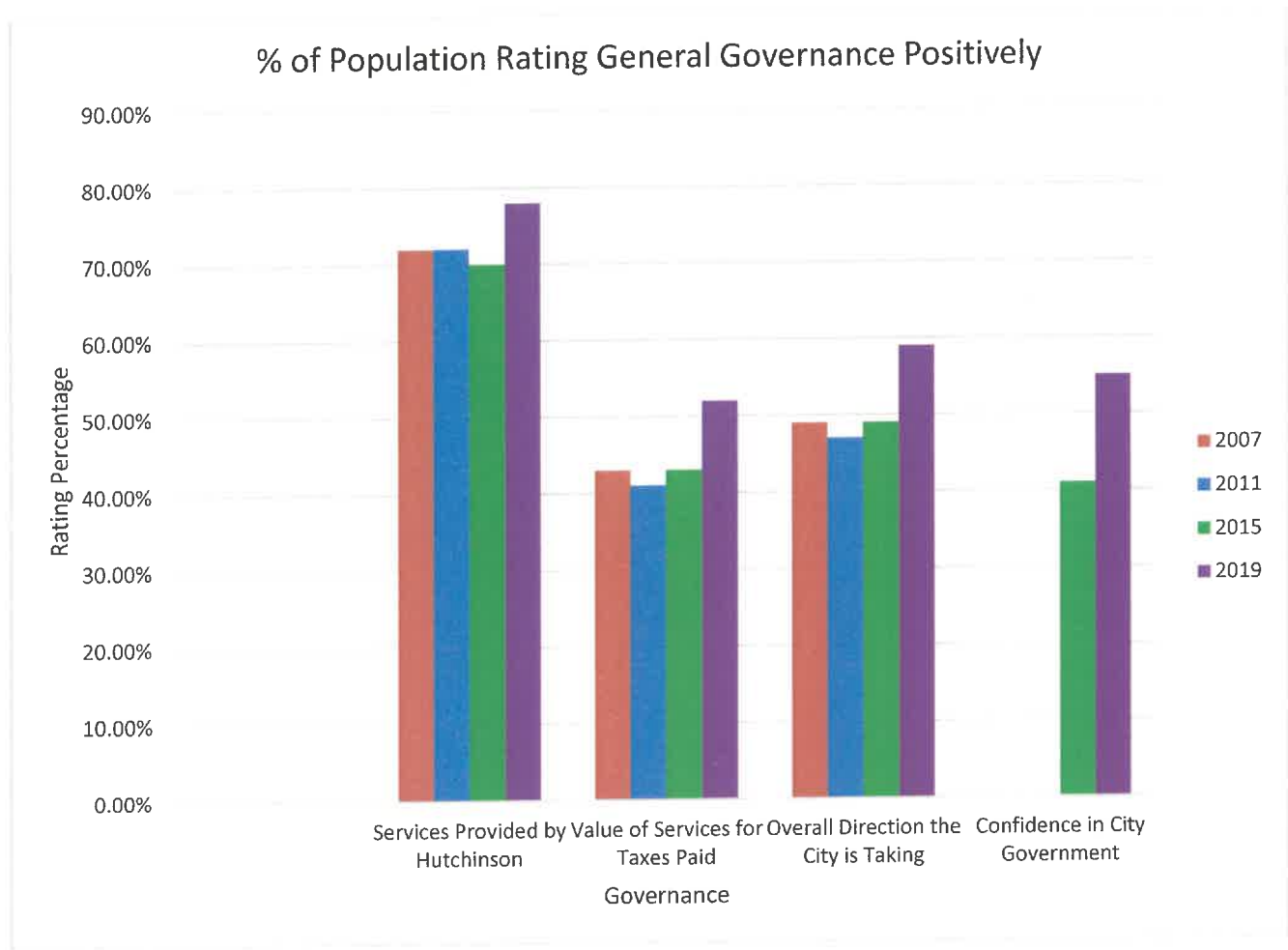
Feedback from the community is also an important measuring tool for the City. The City of Hutchinson conducts statistically valid community surveys every four years through the National Community Survey (NCS). The community survey assesses aspects of community life, local government service quality, 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 lights 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.

% of Population Rating Community Characteristics Positively

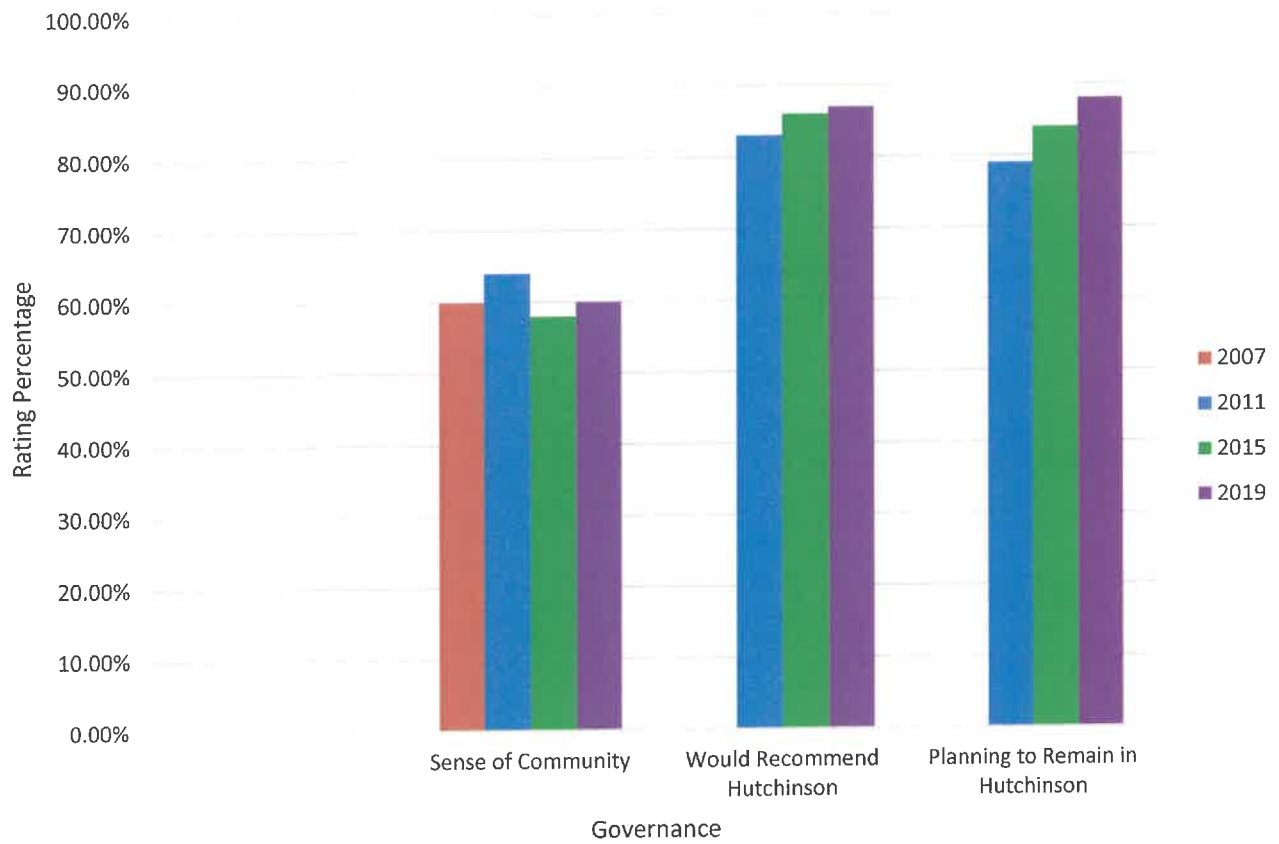


When it comes to how well the government of Hutchinson meets the needs and expectations of its residents, the latest survey showed that the percentage of residents responding “excellent” or “good” improved from previous years. The majority of our residents (78%) rated the overall quality of services 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. The 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.

### % of Population Rating Community Participation Positively

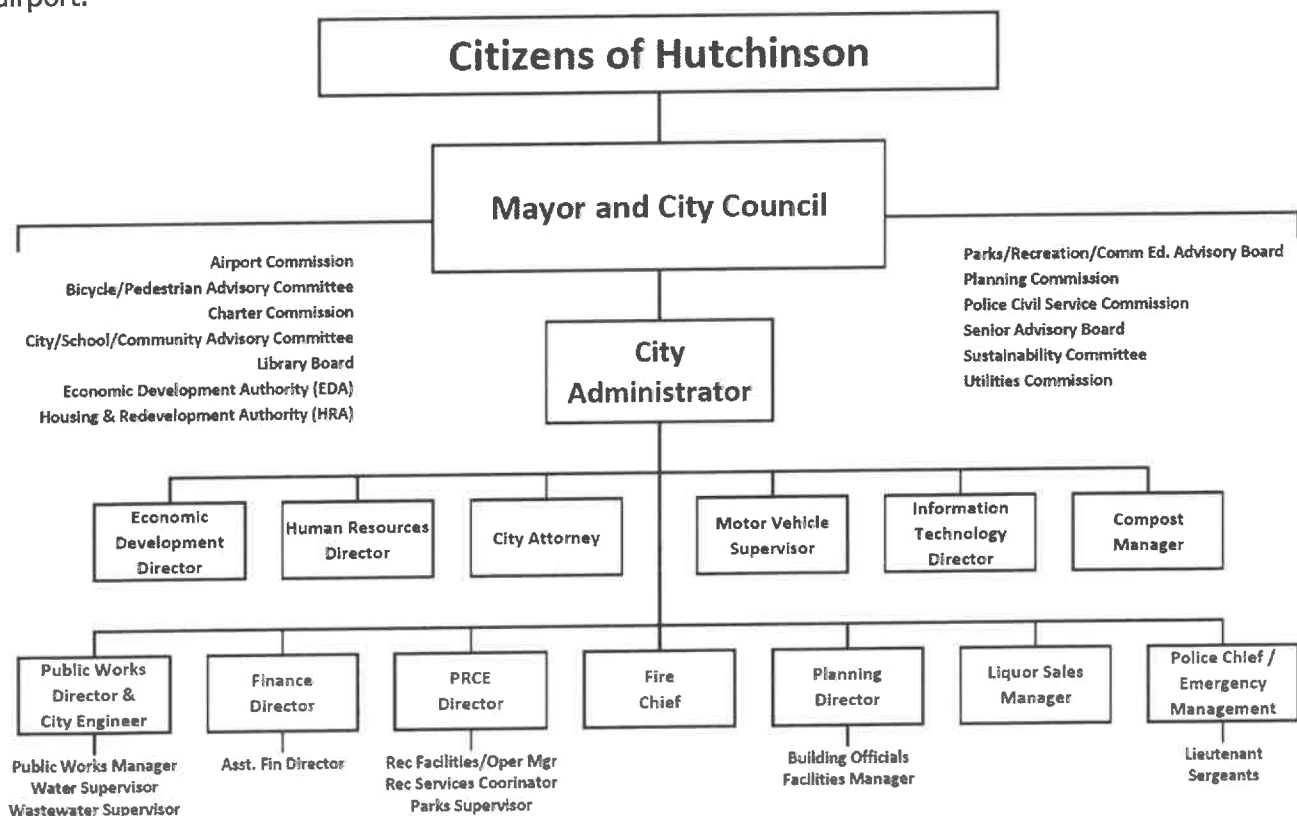


# 2021 Annual Report

## 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 consist 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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# 2021 Annual Report

## 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 – \$5,865.68
- Minnesota DNR Tree Grant – \$296.70

### Housing

- HRA Federal Funding for Southdale Apartment Improvements – \$275,322.95

### Parks & Art

- JC Women's Park Donations for Upgrades – \$5,660
- Rotary Park Donations for Future Equipment – \$7,500
- Lions Club Annual Donation for Updates to Lions Park – \$1,620
- Hutch Huskies Donation for New Fence at VMF – \$3,000
- Girls Scout Park Donations for Pier Project – \$10,000
- Police Memorial Park Donations – \$915
- Senior Center Donations for New Flag Pole – \$6,100
- Private Donations for Public Arts – \$1,500

### Public Safety

- Federal ARPA Money for COVID Pandemic – \$764,046.77
- Dept. of Justice Grant (Police Body Armor) – \$927.24
- State Grant for Police Vests – \$6,346.93
- State Grant to Police Department Toward "Zero Deaths" – \$3,806.69
- State Reimbursement of Police Training Expenses – \$23,698.49
- State Aid to Operate the Police 911 Operations – \$29,794.32
- Donation Toward New Radar in Squad Cars – \$2,000
- General Donations to the Police Department – \$1,300
- State Fire Training and Education Reimbursement – \$13,786.03
- Donations to Fire Dept. for Ballistic Helmets & Armor Project – \$6,016.32
- General Donations to the Fire Dept. – \$3,277.06

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#### Recreational Program Sponsorships/Contributions

- Youth Sports – \$7,420
- Senior Center Activities – \$2,974.60
- Recreation Center Activities – \$4,900
- Various Miscellaneous Contributions – \$4,875

#### State Pension Aid

- Police Pension Aid – \$202,236.52
- Fire Pension Aid – \$121,902.96

#### Transportation

- Municipal State Aid (General Maintenance) – \$29,280
- Municipal State Aid (South Grade Road) – \$600,000
- CARES Act Money for General Road Improvements – \$30,457
- CARES Act Money for Airport Operations – \$6,371
- State Grant for Annual Airport Maintenance – \$31,128.92
- State Grant for Airport Runway Seal Coating – \$74,131.57
- FEMA Money for Frost Boil Expenditures – \$178,425.69

#### Other

- County Grant for Refuse Receiving Scale at Creekside – \$9,717.75

In total, the City received **\$2,476,601.19** in grants, donations, and state and federal aid in 2021.

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# 2021 Annual Report

## 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 Savor (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 have 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, Brownston, 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

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- 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 Pose 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

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## 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 2<sup>nd</sup> 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 as 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,

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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 – The 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 MNWARD (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 with a 25-mile radius of Hutchinson are part of this network.

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# 2021 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
- 42<sup>nd</sup> year as a Tree City USA Community

### Finance

- 25<sup>th</sup> Straight year being recognized by GFOA for Excellence in Financial Reporting

# City Administration

## Primary Services

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

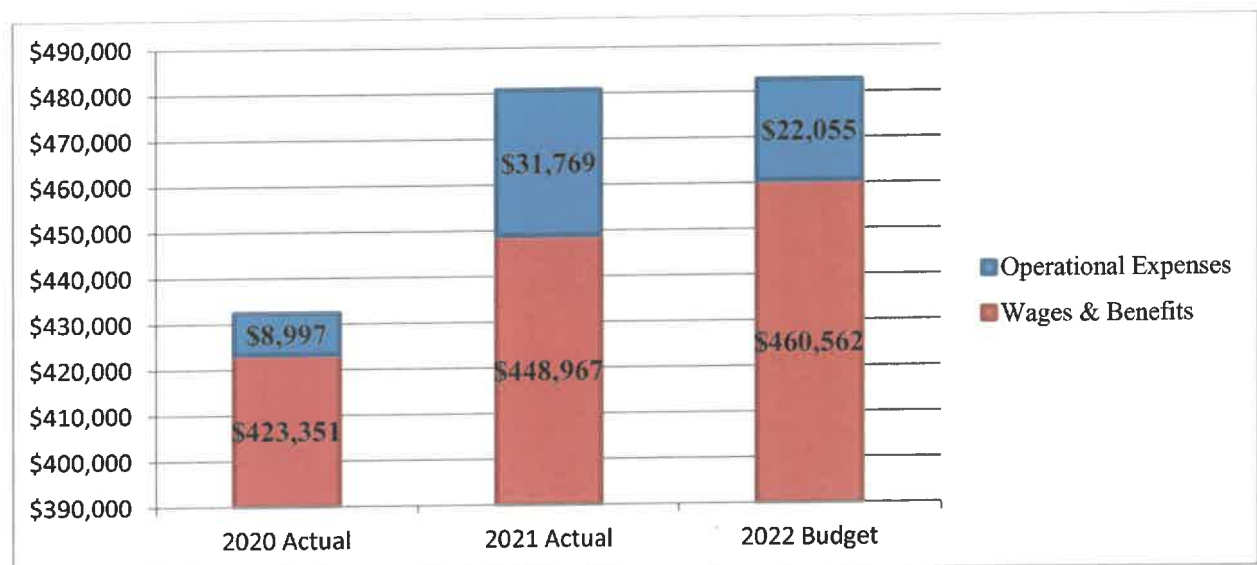
- Directs the general operation of city government and oversees the day-to-day operations of the City
- Provides overall organizational leadership and direction
- Provides direct supervision to all department directors
- Provides staff assistance to the mayor and city council in research, investigation, 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
- Oversee the City's permitting processes (except for building & planning/zoning)

## 2021 Staffing Levels

3.40 Full-time Equivalent Staff

## Budget

General operations of this department total \$480,736 in 2021



## 2021: The Year in Review

### 2021 Accomplishments

- Assisted staff in dealing with the impacts of COVID-19 in the workplace and the community.
- Worked with the City Council on putting together the City's "Legislative Priorities"
- Successfully completed negotiations on a new Police Sergeant's Union contract
- Hired Lynn Neumann as the new PRCE Director
- Welcomed two new city council members to the council and provided the necessary training to get them up to speed on everything that was going on
- Successfully bid out the farm rent on the land we own in the NE section of town (Bernhagen property)
- Worked with Brenda Ewing on a compensation study that included an updated pay scale and a new seasonal/PT pay plan
- Successfully negotiated a new garbage contract West Central Sanitation
- Oversaw the Creation of our first-ever Annual City-Wide (Monitoring) Report
- Assisted the HRA in filling the vacancy left by the retirement of Jean Ward
- Assisted the Council in an effort to fill their vacant council seat
- In conjunction with the finance department, continued the City's strong financial presence which was reaffirmed with an AA- Bond Rating with S&P
- Negotiated a purchase agreement (sale) with Shad Ketcher on the parking lot that is adjacent to his property
- Put on a presentation and an annual "State of the City Report" for the fall recognition event
- Oversaw the 2022 budget preparation process and delivery of a balanced budget with a tax levy increase at 4.3%
- Put together the Truth-in-Taxation presentation and budget message for the 2022 budget
- Produced several reports as requested by the Council on various issues relating to the city and the budget process

## 2022: A Look Forward

The 2022 goals for the Administration Department are as follows:

- Assist in overseeing the constructions of a new police facility and look at options to sell f the old police station/EOC
- Assist in finalizing plans for the future construction of a Splash Pad
- Review and update of the 2018 Strategic Plan
- Finalize plans for the future of the Event Center
- 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
- 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
- Update of the City's End Statements (Core Values)

# Economic Development Authority

## EXECUTIVE SUMMARY

The ongoing COVID pandemic continued to affect the economy in a variety of ways with both supply chain disruptions and reduced labor availability being major issues for area businesses. Retailers in general had little choice but to increase their wages, with \$15 per hour becoming the de facto new minimum wage. Hutchinson's manufacturers continued to have difficulty finding employees, with at least 155 job openings at the end of 2021.

The Hutchinson Economic Development Authority enjoyed a busy year. Highlights included:

- Launched JumpStart Downtown Business Plan contest, producing three winners
- A developer was identified for the Jorgenson Hotel
- The EDA provided over \$40,000 in grants for downtown businesses
- Rite-Way Conveyors added 19,000 square feet onto its new building
- A 766 KW solar array was commissioned in the industrial park, providing annual revenue for the Enterprise Center
- The U.S. Small Business Administration agreed to locate Minnesota's first physical Veteran's Business Outreach Center (VBOC) in the Hutchinson Enterprise Center.
- The EDA significantly enhanced its marketing efforts, particularly with corporate site selectors

## ACTIVITY REPORT

The Hutchinson Economic Development Authority utilizes five core strategies to grow the local economy. These are:

1. Downtown Redevelopment
2. Business Retention & Expansion
3. Skilled Workforce Development
4. Business Incubation
5. Business Attraction

Throughout the year, pretty much all EDA activity can be tied back to advancing one or more of these five strategies.

## Downtown Grants & Loans

The Hutchinson EDA continued its support for downtown by providing \$40,422.72 in grants to Main Street businesses throughout 2021. In addition, the EDA provided \$78,310 in low interest project financing, typically complimenting private sector financing packages.

## Sign & Awning Grant Program

The Sign & Awning grant program provides up to \$2,000 to applicants wanting to upgrade, repair, or replace their signage or awnings. In 2021, nine grants were awarded totaling \$22,547.72. Table 1, below, provides details.

**Table 1 – Sign & Awning Grant Program, 2021**

| Approved  | Recipient                               | Amount             |
|-----------|---|--------------------|
| 1/27/2021 | Ryan Alsleben                           | \$2,000            |
| 2/24/2021 | Olita Gifts & Goods                     | \$2,000            |
| 4/28/2021 | Flank Steakhouse                        | \$2,000            |
| 6/23/2021 | Sheila Thompson                         | \$1,365            |
| 6/23/2021 | Crow River Floral                       | \$1,182.72         |
| 7/28/2021 | Wendling Financial & Insurance Services | \$2,000            |
| 8/25/2021 | Amazing Grace Boutique                  | \$2,000            |
| 9/22/2021 | 235 Hassan LLC                          | \$8,000            |
| 1/05/2022 | River House Kitchen + Drinks            | \$2,000            |
|           | <b>TOTAL:</b>                           | <b>\$22,547.72</b> |

## Façade Improvement Program

This program requires a dollar-for-dollar match from applicants and provides up to \$7,500 for applicants wishing to upgrade their “curb appeal” of their downtown properties. In 2021, there were four Façade Improvement grants awarded totaling \$17,875. Table 2, below, provides details.

**Table 2 – Façade Improvement Grant Program, 2021**

| Approved  | Recipient                    | Amount          |
|-----------|------------------------------|-----------------|
| 4/28/2021 | Olita Gifts & Goods          | \$2,075         |
| 6/23/2021 | By Mae                       | \$800           |
| 9/22/2021 | 235 Hassan LLC               | \$7,500         |
| 1/05/2022 | River House Kitchen + Drinks | \$7,500         |
|           | <b>TOTAL:</b>                | <b>\$17,875</b> |

## Commercial Rehabilitation Loan Program

The Commercial Rehabilitation Loan Program provides low interest loans to property owners who desire to make more substantial improvements to their downtown buildings. Loan terms can be for up to 10 years at 1% below the Prime Interest Rate. For 2021 this was 2.25%.

In 2021, three Commercial Rehabilitation loans were awarded totaling \$78,310. Table 3 below provides a breakdown.

**Table 3 – Commercial Rehabilitation Loan Program, 2021**

| Approved  | Recipient            | Amount          |
|-----------|----------------------|-----------------|
| 6/23/2021 | Crow River Floral    | \$8,310         |
| 7/28/2021 | Main Street Antiques | \$10,000        |
| 9/22/2021 | 235 Hassan LLC       | \$60,000        |
|           | <b>TOTAL:</b>        | <b>\$78,310</b> |

## Downtown Redevelopment

### Jorgensen Hotel

After several decades of inactivity, the redevelopment of the Jorgensen Hotel appears to be imminent.

Brian Forcier and Titanium Partners of Duluth proposed to redevelop the 1916 building as a high-end 24 room hotel. There would be 10 rooms on each of the second and third floors, with an additional four rooms on the ground floor. Rooms would be approximately \$200 per night and be offered to the luxury end of the hotel room market.

Plans call for the building to get a new roof, exterior tuck-pointing, new elevator and a complete build-out of the second and third floors (along with a portion of the ground floor) as new hotel rooms. The existing Chamber offices would be retained.

To make the project feasible the EDA is proposing a redevelopment TIF District, a downtown loan of approximately \$150,000, a Façade improvement grant of \$7,500 and a Sign & Awning grant of \$2,000.



**Jorgensen Hotel**

If all goes according to plan, construction could begin in mid-2022.

## **Nystrom & Associates to Cornerstone Commons**

Nystrom & Associates, a mental health care provider, contacted the EDA in search of appropriate office facilities. EDA staff was able to connect them with the management of Cornerstone Commons and they signed a lease for 4,000 square feet on the top floor of the building. This addition to Cornerstone Commons brings the building to near 100% occupancy.



## **Franklin House**

In 2021 the Historic Hutchinson organization confirmed that the Franklin House, purchased by the City in 2020 and located at 135 Franklin Street NW, was in fact the old barn from the Harrington-Merrill property. Historic Hutchinson then approached the City Council with a plan to preserve the historic structure and return it to its original location. The City Council agreed with the plan and Historic Hutchinson was able to raise private funding to relocate the building. Plans call for the Franklin House to be returned to its original location on the Harrington-Merrill property in early 2022. The EDA will then demolish any remaining building elements, remove the basement and prepare the lot for redevelopment. Funding for the remaining demolition work will come from the SHOPKO Development District and be reimbursed by tax increment generated by new development within TIF District 4-16.

## **Franklin Redevelopment Site (Old Clinic Site)**

For the most part the Franklin Street redevelopment project remained in a holding pattern in 2021.

The hold up is attributed to the delay in obtaining a grant from the Federal Emergency Management Agency (FEMA) in the amount of \$513,676 to assist in the acquisition of three properties and demolition of the buildings located there. At issue was a requirement that a current FEMA approved Hazard Mitigation Plan be in place for McLeod County. The plan that had been in effect expired and a new plan had to be developed, a process that took more than 18 months. The new plan was finally completed and approved by FEMA at the close of 2021. At year end, FEMA was indicating that Hutchinson would be awarded the grant once the new McLeod County Hazard Mitigation Plan was formally adopted by all McLeod County cities. It was hoped this process would be completed by the end of February 2022.

Once the FEMA grant is formally awarded, the EDA will secure updated appraisals on five properties in the Franklin development area and begin negotiations with the owners for their purchase. If the EDA is successful in acquiring the properties the buildings will be removed and a stormwater feature constructed in their place. The entire city block would then be conveyed to the developer for construction of multi-family housing.



Proposed redevelopment area. FEMA grant dollars would provide \$513,676 towards the acquisition and removal of the three properties on the upper left of the site. The EDA will have to utilize another funding source to acquire the two properties fronting on 1<sup>st</sup> Avenue.

Due to rapidly increasing construction costs brought about by the COVID pandemic, the developer, Ward Rentals, had to abandon their initial concept of basement + two story townhomes for the site. At year end the developer was proposing a more conventional apartment building, albeit one that would have a very high-end appearance and offer luxury apartments.

It is hoped that new construction on the site will be underway by the third quarter of 2022.

### **3<sup>rd</sup> Avenue NW Redevelopment Site (former CENEX)**

In partnership with the City, the EDA acquired the former CENEX fertilizer plant site on 3<sup>rd</sup> Avenue NW in 2007. For its part, the EDA invested \$201,329 from the Downtown Revolving Loan Fund to help purchase, clear and clean up the three-acre site for redevelopment.

In 2021 the City expressed a desire to utilize the 3<sup>rd</sup> Avenue NW redevelopment site for its planned community splash pad. Initial plans called for construction of the community splash pad in 2022, but this was later revised to 2023. Still to be determined was how the City would compensate the EDA for its investment in the site.

## Jump-Start Downtown

In response to the growing number of storefront vacancies on Main Street, the EDA decided to launch the JumpStart Downtown business plan contest again in January 2021.

Community partners once again stepped up to provide a very attractive prize package valued at \$30,000. Contributors included Vivid Image, KDUZ/KARP, the Hutchinson Leader, the Chamber of Commerce and Crow River Signs.

For its part the EDA offered a top prize of \$15,000 for working capital along with a \$2,000 Sign & Awning grant. In addition, it was decided that more than one winner would be funded if they merited it.

After a two-month advertising campaign the EDA received 13 entries for the contest.

The JumpStart Downtown selection committee received 13 business proposals. From that group, six were chosen to submit full-fledged business plans. One of the six opted to drop out, so in May the selection committee had five business plans to review. Four were selected to make presentations in the first week of June.

The field of contestants was very strong and ultimately three winners were chosen:

**Flank Steakhouse** opened a fine dining steak restaurant in the former location of Zella's Restaurant in mid-summer.



Vince and Amanda Maertz, Proprietors of Flank Steakhouse

**Gold Coin** plans to refurbish and modernize the Gold Coin restaurant on Main Street and serve authentic Thai food. Choua Kue, the new owner (along with Simon Leung), had recently moved to Minnesota from Grand Rapids, Michigan where she operated the **Bangkok Taste Cuisine** restaurant and was winner of the "Best Thai Foods" in Western Michigan award from ReVue Magazine in 2016, 2017, 2018 and 2019. Plans call for the Gold Coin to open in mid-2022.



**Simon Leung and Choua Kue will bring new life to Hutchinson's Gold Coin Restaurant**

**Sweet Rolls & Boba** won a half prize (\$7,500) and will open a business selling made-to-order rolled ice cream and Boba tea. Sweet Rolls & Boba will operate as a separate business from inside the Gold Coin restaurant and will be owned by Mai Thao.



**Made to order sweet rolled ice cream**



**Mai Thao**

## Revision of Job Creation Goal for Cobblestone Inn

In December the Hutchinson City Council approved a revision of the job creation goal for the Cobblestone Inn Hotel from 11.5 full-time equivalents (FTE's) to 7.5.

The ownership group of the hotel requested the change when it was determined that the original goal of 11.5 FTE's was simply unattainable. Changes in the hospitality industry have led to smaller, more efficient hotel staffing models. For its part, the City of Hutchinson considered redevelopment of the site as its primary goal, with job creation being of substantially less importance.

## Industrial Park

### Rite Way Conveyors Expansion

Less than one year after opening its new 40,500 sf facility, Rite Way Conveyors found itself needing to expand. In 2021 the company added 19,000 square feet as a warehouse and shipping/receiving area.

Employment at Rite Way was 35 at the start of the year and had expanded to 40 by the close of the 2021, a 14% increase.



## Solar Array

2021 saw the completion of a 766-kWh solar array on a 3-acre parcel in the city's industrial park. Because the lot was bisected by a high-pressure gas line owned by the Hutchinson Utilities Commission (HUC), the site was difficult to develop in a conventional way, i.e. with a building.

The new solar array will provide a renewable energy option for Hutchinson home owners and companies, several of whom expressed a desire for a renewable source of energy.

HUC leases the site from the City of Hutchinson at a flat rate of \$40,000 per year, with \$4,000 of that allocated to the Enterprise Center.

Sufficient space remains on the site to expand the solar array to 1 MegaWatt.



## Hay Land Improvements

The EDA partnered with a local farmer to till and reseed two lots in the industrial park as hay land.

The EDA's 15.7-acre site north of Benjamin Avenue was left in a very rough condition when the industrial park was first constructed, making it quite undesirable from a hay production standpoint. The arrangement was that the EDA would provide the seed while the farmer would take care of the tillage and seeding work, in exchange for being able to harvest the 2021 crop. Unfortunately, 2021 was a very dry year and the new hay didn't come in very well at all and no crop was produced. Further work may be needed in 2022.

The EDA's 6.5-acre lot on 5<sup>th</sup> Avenue SE was seeded down as hay land and will be added to the EDA's inventory of rentable hay acres.

## **Enterprise Center**

### **Fire!**

2021 got off to a rocky start with a January fire at the Enterprise Center.

In early 2021, Rite-Way Conveyor's new building in the industrial park was still unfinished and their paint booth not yet operational. With conveyor orders coming due the company had to find a way to get products painted and shipped out. Fortunately, Innovative Foam had an operational paint booth that met most of their needs, and a deal was made whereby Rite-Way staff would come down to the Enterprise Center to use Innovative Foam equipment to paint their conveyors.

Unfortunately, after completing a paint job Rite Way staff apparently left a pile of chemical soaked rags on top of a small push cart. These later spontaneously combusted, resulting in a pillar of flame on top of the plastic cart. Fortunately, the fire was directly under a sprinkler head and the fire suppression system worked as designed.

Damage from the flames was fairly limited, but smoke and water damage to the Innovative Foam space was extensive. Rite-Way Conveyors insurance covered repair and restoration costs and over the course of several months everything was fully restored.

The City initially had to cover some costs, but these were later reimbursed 100% by insurance.

Fire Department staff later remarked that the entire building would probably have been lost if it were not for the fire alarm / fire suppression system.

### **Maintenance & Building Improvements**

A number of small Enterprise Center improvement projects were completed in 2021:

- Rear door locks for each of the five bays were rekeyed to match the front doors of each respective space. Having one key that opens both the front and rear doors of each incubator space cuts down on the number of keys to be maintained and makes it easier to fire department staff to access each space in an emergency.
- The west parking lot was crack sealed to prevent water from infiltrating beneath the bituminous pavement.
- An area west of the employee parking lot was leveled and converted to lawn to help control weeds that had grown up in that area.

### **Tenant Lease Extension: RD Machine**

With their three-year lease coming up, RD Machine requested a month-to-month extension for up to one year while they explored options for expanding their own building. The EDA Board approved the proposed extension in July.

RD Machine originally leased 2,000 square feet in the Enterprise Center so they could explore the addition of waterjet cutting services to their business. If the new service was successful it would trigger a company expansion.

After 2 ½ years the experiment proved to be a big success, with the company not only internalizing its own waterjet cutting needs but also attracting a sizable amount of new business. At the close of 2021 RD Machine was considering a major expansion of their existing building in 2022. Waterjet operations would be moved into the newly expanded facility once its ready.

### **Tenant Lease Extensions: Innovative Foam / Laser Dynamics**

In recognition of the fact that the COVID pandemic hit both Innovative Foam and Laser Dynamics very hard – and that the last two years were essentially “lost years” for them – the EDA elected to provide lease extensions to both companies through the end of 2023.

The EDA Board stipulated that this would be the last lease extension granted and that it was essential that the Enterprise Center remain true to its mission of being a small business incubator. With the extension, both companies will have had six years of residency in the Enterprise Center.

### **Escalator Rents**

With an eye towards the future, the EDA decided upon an addition to the Enterprise Center template lease by adding a \$1 per square foot “escalator” for each year after the initial one. Escalator rents, plus interest, will be maintained in an escrow account at the city and returned to the company when they move out, provided the company stays in Hutchinson. The idea is to move lease rates closer to a market level each year tenants are in the incubator and create a savings program that will provide a nice financial boost to the company when it moves out.

### **Veterans Business Outreach Center (VBOC)**

In 2021 the Hutchinson EDA agreed to partner with the Small Business Administration to establish a Veterans Business Outreach Center (VBOC) at the Enterprise Center. The EDA will provide office space and use of incubator facilities free of charge to the VBOC.

The **VBOC** program is designed to provide entrepreneurial development services such as business training, counseling, and resource partner referrals to transitioning service members, veterans, National Guard & Reserve members, and military spouses interested in starting or growing a small business.



The VBOC will begin operations in 2022 and will share office space with the Small Business Development Center. Hutchinson will be home to the only physical VBOC office in the State of Minnesota.

## SCSU MBA Connection

To enhance the range of services provided to Enterprise Center clients, the EDA developed a connection with the Master's of Business Administration (MBA) program at St. Cloud State University. MBA classes frequently work on various projects as part of their educational program. The connection with the Enterprise Center gives them an opportunity to study and work on real-world companies. In 2021 an SCSU MBA class worked with Laser Dynamics to develop a marketing plan for the company and identify potential customers.



It is the EDA's goal to grow this relationship with the SCSU MBA program and have them working on projects for Enterprise Center clients on a regular basis.

## Skilled Workforce Development

Shortage of skilled workforce continues to be the top economic development challenge locally, statewide and nationally.

In early 2021 the EDA conducted an employment census of local manufacturers and discovered there were at least 144 job openings locally that companies could not get filled. While COVID was a contributing factor, the two main causes of the shortage are (A) demographic changes affecting the county and, (B) lack of people possessing the skills needed for the jobs available.

The EDA therefore continued its strong support for TigerPath as a workforce development strategy in 2021, although this was complicated by the ongoing COVID pandemic.

## Human Resources Workshop: 12 Ways to Leverage TigerPath

In July the EDA, in partnership with the Chamber of Commerce, hosted a workshop for company human resources personnel, owners and managers on how to leverage TigerPath to benefit their business. Representatives from 13 companies learned how TigerPath works, along with 12 concrete ways they can connect with Hutchinson High School and, by extension, potential future employees.

## Marketing TigerPath

TigerPath continued to garner interest from economic development groups statewide and beyond.

DEED Commissioner Steve Grove and 7<sup>th</sup> District Congresswoman Michelle Fischbach each paid a visit to Hutchinson to learn more about the initiative. In addition, EDA staff made presentations about TigerPath to groups from Lake City and Duluth as well as (via ZOOM) the Valley Economic Alliance in Los Angeles, California.

**UPPER RIGHT: Congresswoman Michelle Fischbach**

**RIGHT: DEED Commissioner Steve Grove**

**BOTTOM: The Valley Economic Alliance**



## County Economic Development

The Hutchinson EDA has been promoting the implementation of a McLeod County economic development effort for nearly 20 years.

In 2021 those efforts finally appeared to bear fruit.

At the recommendation of Hutchinson EDA staff, McLeod County hired Janet Ady (Ady & Associates) to lead an economic development strategic planning effort. Janet Ady is a corporate site selector by trade and also does extensive consulting work helping communities develop strategic plans for economic development.



**Janet Ady**

Ady & Associates did extensive research on the strengths and weaknesses of McLeod County from an economic development perspective, organized several focus groups to obtain input, hosted a goal-setting workshop for county leaders and drafted a strategic plan that was later adopted by McLeod County.

With the plan in place the County then launched a search for full time economic development staff. At the close of the year that process was ongoing, but it is anticipated that the position will be filled during the first quarter of 2022.

## Business Retention & Expansion (BR&E)

It is well established that a community's number one source of economic growth is its existing companies. With that in mind the Hutchinson EDA prioritizes taking care of its existing business community, doing everything possible to help them grow and expand. Typically visits to local companies are scheduled on an 18 to 24-month rotation, but this was complicated a bit by the ongoing COVID pandemic. Completed BR&E visits are summarized in Table 4, on the following page.



Retention and expansion of existing businesses is “bread & butter” economic development, being the number one source of new job creation in the community. From an initial employment of 15, Warrior Mfg. has grown to employ 84 and shows no signs of slowing down.

**Table 4 – BR & E Visits,  
2021**

|    | Date       | Company              | Contact          | Notes                             |
|----|------------|----------------------|------------------|-----------------------------------|
| 1  | 5/25/2021  | Rite-Way Conveyor    | Denise Johnson   | Busy / adding 19,000 sf           |
| 2  | 6/1/2021   | Warrior Mfg.         | Paul Soukup      | Busy                              |
| 3  | 6/28/2021  | Redline Systems      | Matt Cheney      | Busy / steel prices up 150%       |
| 4  | 6/30/2021  | Fire Lake Mfg.       | Kent Wischman    | Busy / sales up                   |
| 5  | 7/6/2021   | UPONOR               | Kevin Lechner    | Busy / needs 12-16 emp ASAP       |
| 6  | 7/9/2021   | Impressions, Inc.    | Paul Nordin      | Slow currently / needs 9 emp      |
| 7  | 7/14/2021  | RD Machine           | Jeff Leway       | Busy / needs 15,000 sf            |
| 8  | 7/14/2021  | Stamp-N-Storage      | Brett Haugen     | Steady / shipping costs way up    |
| 9  | 7/19/2021  | 3D CNC               | Tyler Stilson    | Busy / possible addition          |
| 10 | 7/21/2021  | 3M                   | Dr. Scott Lemke  | Busy / staffing biggest challenge |
| 11 | 8/5/2021   | Stearnswood          | Mark Stearns     | Busy / sales up                   |
| 12 | 8/27/2021  | Pride Solutions      | Jack Daggett     | Busy / needs 3-5 emp.             |
| 13 | 9/27/2021  | Innovative Foam      | Dean Bertram     | Slow currently                    |
| 14 | 9/30/2021  | Laser Dynamics       | Troy Oberg       | Slow, but improving               |
| 15 | 10/1/2021  | MITGI                | Eric Lipke       | Busy / childcare a growing issue  |
| 16 | 10/6/2021  | Lynn Card Company    | Eric Knudson     | Steady / more automated now       |
| 17 | 10/13/2021 | Zephyr Wind Services | Trevor Armstrong | Busy / needs 3 people             |
| 18 | 10/20/2021 | Hutch CO-OP          | Mike Conner      | Need truck drivers                |
| 19 | 11/16/2021 | Customer Elation     | Pete Hainey      | Call industry is changing         |

## Marketing

Hutchinson's marketing strategy is to leverage the internet to the greatest degree possible. In the 21st century it is by far the #1 tool used by corporate site selectors, commercial real estate professionals and company managers when looking for expansion opportunities.



To that end, the EDA puts great emphasis on maintaining a state-of-the-art economic development website and continues to build its brand as "Minnesota's Manufacturing City." The EDA website is optimized to provide key information to corporate site selectors and company managers conducting their own site research, while our brand communicates both our identity and our value proposition.

To boost the website in Google searches, the EDA is also active on Facebook and Twitter; the goal being to reference key words and phrases – such as "Hutchinson" and "Minnesota's Manufacturing City" – as frequently as possible so Hutchinson appears higher in Google in search results.

For the year Facebook "likes" went from 542 to 618, a 14% increase. Twitter followers remained constant at 99.

| Platform    | Activity / Postings |
|-------------|---------------------|
| EDA website | 20 updates          |
| Facebook    | 145                 |
| Twitter     | 145                 |

## Minnesota Marketing Partnership

Hutchinson continued its membership in the Minnesota Marketing Partnership (MMP) in 2021.

Sponsored by the Minnesota Department of Employment & Economic Development (DEED) MMP is a joint public-private marketing effort to promote the state to corporate site selectors at state, regional and national levels. Membership increases Hutchinson's visibility at regional and national levels and gives EDA staff direct access to corporate site selectors.

## Site Selector Outreach / Quarterly Newsletter

The EDA launched an initiative in 2021 to connect personally with corporate site selectors operating in the upper Midwest and specializing in manufacturing expansions. The goal is to have at least 10 “first-name-basis” connections. To compliment this effort, an on-line quarterly newsletter was developed to provide timely, relevant information about Hutchinson to this select group of site selectors. Designed to be read in just a few seconds, the newsletter provides only that information site selectors find most critical: information about sites, buildings and company expansions. The goal is to partner directly with site selectors to bring manufacturing expansion projects to Minnesota’s Manufacturing City.



## Greenseam / Launch Minnesota / Tech.mn / Ideagist.com

To further Hutchinson’s marketing reach, the EDA established connections with Greenseam, Launch Minnesota, Tech.mn and Ideagist.com.



Greenseam is a Southern Minnesota collaborative that has the mission of “elevating our region as the world-class food and agribusiness epicenter.” Hutchinson is listed in Greenseam’s Community Directory with a link back to our economic development website.



In 2021 the Hutchinson EDA became an active partner with Launch Minnesota, which is a statewide collaborative effort to accelerate the growth of startup businesses. In addition, the EDA had the Enterprise Center listed on both the [Tech.mn](#) and [Ideagist](#) websites, which catalog business incubation resources in the State.

## EDA BUDGET & FUND REPORT

Overall, the various budgets and funds the EDA is responsible for were healthy and showed general improvement over results from last year. At the close of the year, the City Council authorized a 9% increase in the EDA’s operating levy, to \$218,354 for 2022. Primarily this will be used to expand the EDA’s marketing efforts.

## Operating Budget

The EDA closed the year with a very healthy \$154,135 cash available in its operations budget, which is just shy of 71% of next year's operating expenses. For the year the EDA finished with revenues of \$201,120 and expenditures of \$197,986, resulting in net operating revenue of \$3,133 at year end.

## Economic Development Loan Fund

The Economic Development Loan Fund finished the year with \$152,438 in cash on hand. Ashwill Industries paid off their loan and Zephyr Wind Services paid their loan down by \$13,103 leaving an end of year loan balance of \$75,336.

The Enterprise Center was able to pay down its loan as scheduled by \$18,743, leaving a year-end loan balance of \$246,052.

## Downtown Revolving Loan Fund

The Downtown Revolving Loan Fund finished the year with \$414,801 cash on hand and loans receivable of \$338,431. With minor exceptions (approved by the EDA Board) the 21 downtown loans were performing as expected. Two of the larger loans, one with a balance of \$56,712 and another with a balance of \$25,052 were paid off, providing a substantial financial boost to the fund's cash position.

The fund continues to hold a \$201,329 investment in the former Cenex site on 3<sup>rd</sup> Avenue NW. Total assets in the Downtown Loan Fund were \$1,091,473.

## Minnesota Investment Loan Fund

The Minnesota Investment Loan fund ended the year with a cash balance of \$6,395 and one loan outstanding with a balance of \$10,956. For 2021 the loan performed as required.

## Hutchinson Enterprise Center

The Hutchinson Enterprise Center fund finished the year with a healthy cash balance of \$26,565. For the year the Enterprise Center had revenues of \$68,404 and expenses totaling \$41,415 – leaving an operating revenue balance of \$26,989. After making payments of \$18,743 to the Economic Development Loan Fund and receiving revenue of \$2,846 from its share of the new industrial park solar array, the Enterprise finished the year with a net positive cash flow of \$5,400. This was allocated to the building maintenance fund.

The January fire at the Enterprise Center made it necessary to initially fund the insurance deductible expenses through the Enterprise Center budget, but this was made whole at year end by insurance proceeds.

## SHOPKO Development District

The SHOPKO Development District finished 2021 with \$206,079 in cash available and Interfund Loans receivable from other TIF Districts totaling \$482,422. Table 5, below, summarizes the loans receivable.

**Table 5 – SHOPKO Development District Interfund Loans**

| TIF  | Project                      | Receivable       | Notes                                   |
|------|------------------------------|------------------|---|
| 4-16 | Franklin Redevelopment       | \$345,065        | Purchase & demo of old medical building |
| 4-17 | Enterprise Center            | \$124,273        | Site work                               |
| 4-20 | Warrior Expansion            | \$0              | TIF Plan, \$9,389 paid off              |
| 4-21 | Rite-Way Conveyor Lot Reimb. | \$13,084         | TIF plan & legal work                   |
|      | <b>TOTAL</b>                 | <b>\$482,422</b> |   |

It is planned that the receivable from TIF 4-16 will be paid off from tax increment generated by new development on the Franklin redevelopment site.

Similarly, tax increment from the Enterprise Center TIF District (TIF 4-17) is scheduled to go back to the SHOPKO TIF District to satisfy that obligation.

Tax increment revenue from the Rite Way Conveyors project (TIF 4-21) will flow back to the City's Community Investment Fund as reimbursement for the cost of initial development of that industrial park lot.

Of the \$206,029 cash available in the SHOPKO Development District \$171,225 is obligated as the required 25% local match for the anticipated FEMA Grant.

## 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.

After 12 years of service to the EDA, ISD 423 Superintendent Daron Vanderheiden announced his retirement from the Board. At year end the EDA was still considering how to fill the vacancy, with some discussion around the possibility of waiting to see who the new school district superintendent would be, reflecting the importance of the connection to the school district. Mike Cannon, whose initial term was up at the end of the year, was appointed to second 6-year term in January.



**Daron Vanderheiden**

Table 6, below, provides additional detail on the composition of the EDA Board of Directors in 2021.

**Table 6 – Economic Development Authority Board of Directors, 2021**

| <b>Member</b>             | <b>Position</b>      | <b>Years Service</b> | <b>Affiliation</b>          |
|---------------------------|----------------------|----------------------|-----------------------------|
| <b>Mike McGraw</b>        | President            | 17                   | State Farm Insurance        |
| <b>Jonny Block</b>        | Vice-president       | 9                    | Hillyard                    |
| <b>Chad Czmowski</b>      | City Council liaison | 13                   | City Council/Outdoor Motion |
| <b>Daron Vanderheiden</b> | Commissioner         | 12                   | ISD 423                     |
| <b>Mary Christensen</b>   | City Council liaison | 11                   | City Council                |
| <b>Corey Stearns</b>      | Commissioner         | 7                    | Stearnswood                 |
| <b>Mike Cannon</b>        | Commissioner         | 6                    | Citizens Bank               |
| <b>Jeremy Carter</b>      | Ex-officio           |                      | Hutchinson Utilities Comm.  |

#### Finance Team

Overseeing the financial aspects of the Hutchinson 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. Finance Team membership for 2021 is detailed in Table 7, on the following page.

**Table 7 – EDA Finance Team, 2021**

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

## SUMMARY

In keeping with its mission, the EDA made significant progress in promoting the redevelopment and continued prosperity of Hutchinson's downtown. With the EDA's grant and loan programs as an important catalyst, private investment in downtown remains strong and the building stock on Main Street and surrounding areas continues to be well maintained. Additionally, the number of blighted properties / buildings in and around Main Street is steadily declining. The JumpStart Downtown Business Plan contest, the redevelopment of the Jorgensen Hotel and the Franklin redevelopment will add considerable vitality to Main Street for many years to come.

Hutchinson's manufacturers continue to show considerable strength, with the majority of companies enjoying strong sales and employment growth, even in the face of the ongoing shortage of skilled workforce. At last count at least eight local manufacturers were either expanding now, planning to expand, or considering it in the near future.

Looking ahead, the shortage of skilled workforce remains the biggest impediment to continued economic growth. In addition, a tight housing market poses a growing challenge and a shortage of affordable child care options looms on the horizon.

# 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
- Administer the Assessment Search process for title companies
- 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 and insurance coverage
- Budgetary and policy support for other city departments

## Finance Budget

Other than labor, auditor fees (\$48,500) and software costs (\$14,350) represent the largest expenditures for the Finance budget.

|                        | <u>2020 Actual</u> | <u>2021 Actual</u> | <u>2022 Budget</u> |
|------------------------|--------------------|--------------------|--------------------|
| Wages & Benefits       | \$280,741          | \$299,265          | \$324,820          |
| Supplies               | 5,215              | 1,423              | 500                |
| Services & Charges     | 69,824             | 72,481             | 77,500             |
| Miscellaneous Expenses | 1,034              | 1,055              | 1,350              |
| Total Expense Budget   | <u>\$356,814</u>   | <u>\$374,224</u>   | <u>\$404,170</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             |

## 2021 Accomplishments

- Received the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the City's 2020 Comprehensive Audited Financial Report. This is the 25<sup>th</sup> consecutive year of earning this award, since 1996.
- Received an unmodified (clean) opinion from the City's independent auditors that the 2020 financial statements were fairly presented in conformity with Generally Accepted Accounting Principles
  - A federal single audit was performed on the CARES Act monies received and spent by the city, which determined the monies were spent in conformity with Federal guidelines
- Standard & Poors reaffirmed the City's AA- bond rating for the 2021 bond issue.
- Formulated our debt needs and issued several types of bonds in a complex year with several moving pieces
  - 429 Special Assessment Improvement Bonds – par value of \$1,825,000
  - Tax Abatement Bonds – par value of \$475,000
  - CIP Bonds – par value of \$7,320,000 (new police facility)
  - Wastewater Revenue Bonds – par value of \$3,460,000
- Procured flood and builder's risk coverage for the police facility construction project
- Effectively transitioned the city's banking from Wells Fargo to Citizens Bank
- Completed all required financial reporting to the State and the County for the city's annual budget, tax levies, outstanding debt, annual audit report and TIF districts
- Guided city departments through the process for the following annual documents, creating several iterations prior to being approved by council
  - General and Enterprise fund budgets
  - 5-Year CIP
  - Fee Schedule
- Effectively transitioned back to processing late fees and water shutoffs for delinquent Utility Billing customers after an 18-month moratorium during the pandemic
- Increased electronic payment customers for Utility Billing by 159, or 4.8%, in 2021

## 2021 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 97 electronic purchase orders totaling \$3,260,854, compared to 124 totaling \$3,703,610 in 2020
- Use of departmental procurement cards decreased 9.6% in 2021
- Issued 4,378 disbursement checks totaling \$28,015,816 in 2021 compared to 4,691 checks totaling \$26,664,990 in 2020

### Utility Billing

- Billed an average of 5,109 accounts on a monthly basis in 2021 with 43 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 and resumed in October 2021
  - Finance determined this was the most opportune time to reinstate the water shutoffs since the delinquent balances at the end of August were certified to the county for collections with the 2022 property tax statements
- 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
  - This involves in-depth analysis of many accounts for abnormal activity that would adversely skew the sewer charge
    - Leaks or cold weather water trickle can significantly affect a customer's sewer average
- 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 4.8% in 2021
  - 67.3% of our accounts are now paying electronically, up from 64.7%

### Payroll

- Issued 349 W2s in 2021 compared to 260 in 2020
- Hired and terminated 125 summer seasonal employees in 2021, compared to 33 in 2020
  - The drop from 2020 is related to seasonal employees not being hired during the pandemic

### 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, 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. The finance staff processes loss claims, premium payments, deductible payments, and coordinates the insurance renewal process each year. Human resource staff processes workers' compensation claims. LMCIT requires that cities retain 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/risk. 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. In 2021, the Finance department coordinated a separate builder's risk policy for the new police facility construction project. Flood coverage was also procured since the site is within the floodplain. An additional builder's risk policy was issued for the headworks project at the City's Wastewater Treatment Facility.

The City has two other insurance policies for specialized facilities not normally covered by LMCIT. The solar array located at the Wastewater Treatment 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 transitioned the City's operating account from Wells Fargo to Citizen's Bank in 2021. This account handles all of the day-to-day operations of the City, including most revenues, disbursements to vendors and payroll disbursements. The main reason for the change was to get back to a local banking relationship. Wells Fargo transitioned our relationship away from the local branch in 2017 and to various corporate customer service teams located in Minneapolis, Denver and most recently Florida. Customer service unfortunately suffered due to the corporate structure and constant change in representatives. The transition to a local bank also reduced the city's annual bank fees from approximately \$12,000 to \$250.

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. The pandemic caused investment yield rates to fall to record lows. Consequently, I left more City monies in the local bank where we earn an APR of 0.30% compared to 0.005% in our Oppenheimer money market. The City's existing investments that were purchased over the past five years continued to produce decent earnings, however those will gradually drop out of our portfolio as they mature in the next two to four years. It didn't make sense to purchase new investments in 2020 and throughout most of 2021 due to the low yields and long maturities needed just to get a few basis points. We did see a moderate increase in yields in late 2021 and I took advantage of idle cash to purchase investments in the two to five-year maturities.

### **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 assessing 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. Any one-time budget amounts are removed. 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 annual audited financial report. 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 audit report itself is produced by the auditors in early June, with review performed by the lead auditor, the audit firm's partner and city staff. We are required to submit the audit report to the State Auditor 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.

## 2022 Finance Department Goals

- 1) Financial Management Plan review and revisions
- 2) Special Assessment policy review with revisions approved by City Council
- 3) Transition Special Assessments from LOGIS to BS&A, resulting in a more economical annual software cost
- 4) Plan and spend the ARPA funds in accordance with Federal guidelines
- 5) Analyze and formulate the final bond issuance for the police facility project
  - Includes the effective accounting of construction project costs incurred to date as well as estimating the final costs to be financed by the 2022 bonds
- 6) Financing the 2022 roadway and infrastructure improvements
  - It is likely that our typical 429 bonding process will not be an option due to low assessments so we may need to use another bonding mechanism
- 7) Perform periodic internal audits of departmental revenue billings for compliance with rates and fees approved within the city's fee schedule
- 8) Receive the GFOA's Certification of Achievement for Excellence in Financial Reporting for the 2021 audit report
- 9) Receive an unmodified (clean) opinion from the City's independent auditors for the 2021 financial statements
- 10) Reaffirm the City's AA- bond rating

# Fire Department

## Accomplishments



- Completed all annual requirements to maintain Firefighter licensing and certification. Worked with our medical training partner (Allina) to keep up with all EMS continuing education needs.
- Conducted annual Firefighter physicals, blood tests, SCBA and N95 fit testing along with all other health and safety requirements.
- Completed annual testing, certification and required maintenance on all apparatus, breathing air compressor, SCBA packs, and small/tools equipment.
- Continued annual replacement of PPE/gear to stay ahead of minimum NFPA requirements.
- Continued using hybrid and online training whenever possible to improve our training delivery methods to all of our Firefighters.
- Worked on many small projects at our training facility to improve usage for our Firefighters as well as other Regional Fire Departments that utilize the space.
- Our NEW Tanker-4 truck committee put in countless hours finalizing details for our new truck (see pic above right). They conducted department wide training for all of our Firefighters to quickly and effectively get this truck into service.
- Completed a major refurbish to existing Tanker 6 to fix corrosion issues, lighting issues and pump issues and it now looks and operates better than when it was new (see pic above left).
- Worked closely with the Townships, McLeod County and the MN DNR to develop and change the burn permit process throughout the county. This simplifies the process to a quick phone call to dispatch and eliminates the paper permits all together. The go live date will be early 2022.
- Replaced failing wireless 800MHZ radio headsets in Engine-2, Engine-7 & Ladder-1.
- Pandemic response protocols continued with only minimal adjustments.
- Completed several LED lighting upgrades on multiple apparatus.



-Installed new signage at the fire station honoring ALL Firefighters that dedicated 20 or more years of service to the community that we serve (see pic above left).

-Fireman's Park Committee worked hard on details for adding playground equipment (see pic above right) and making major improvements to the shelter and other aspects of the park. Great progress was made in 2021 and there are hopes to finalize everything in 2022.

-Old Tanker-4 (see pic below left) was decommissioned and sold at auction. This ends a multi-decade existence of yellow trucks serving our community and is the last one to ever make its home in our station. It is continuing its fire service life at a small FD in northern Iowa.

-The committee spent many, many hours working on New Rescue-8 (see pic below right). This truck will be a multi-purpose unit providing EMS, grass fire fighting capabilities and more. The project is partially built now and will be completed and put into service in early 2022.



-Major one-time repairs and maintenance items were required on multiple trucks which was expensive and difficult to incorporate into our annual budget.

-Summer duty crews (from Memorial Day to Labor Day) continued with great success.

-Added several SCBA air bottles to expand our breathing air capacity for training and fires.

## Operational Data

### Emergency Call Breakdown

| Year                         | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021       |
|------------------------------|------|------|------|------|------|------|------|------|------|------|------------|
| <b>FIRE-General</b>          | 28   | 47   | 28   | 20   | 42   | 40   | 41   | 33   | 27   | 47   | <b>57</b>  |
| <b>FIRE-Structure</b>        | 14   | 15   | 12   | 14   | 12   | 16   | 19   | 17   | 7    | 12   | <b>11</b>  |
| <b>Rescues and MVA</b>       | 30   | 21   | 23   | 47   | 46   | 75   | 81   | 69   | 70   | 74   | <b>81</b>  |
| <b>Medicals</b>              | 140  | 117  | 109  | 124  | 125  | 156  | 167  | 170  | 155  | 155  | <b>178</b> |
| <b>Alarms and Sprinklers</b> | 112  | 92   | 97   | 116  | 105  | 92   | 83   | 91   | 70   | 85   | <b>63</b>  |
| <b>Hazardous Condition</b>   | 105  | 96   | 73   | 93   | 87   | 78   | 89   | 64   | 95   | 67   | <b>60</b>  |
| <b>Other</b>                 | 43   | 49   | 47   | 51   | 50   | 48   | 52   | 48   | 39   | 44   | <b>48</b>  |

### Emergency Calls Total

| Year         | 1990       | 2000       | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021       |
|--------------|------------|------------|------|------|------|------|------|------|------|------|------------|
| <b>City</b>  | 156        | 215        | 253  | 317  | 309  | 342  | 348  | 307  | 318  | 332  | <b>318</b> |
| <b>Rural</b> | 76         | 132        | 136  | 148  | 158  | 163  | 184  | 185  | 145  | 152  | <b>180</b> |
| <b>Total</b> | <b>232</b> | <b>347</b> | 389  | 465  | 467  | 505  | 532  | 492  | 463  | 484  | <b>498</b> |

### Structure and General Fires

| Year                 | 2001      | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021      |
|----------------------|-----------|------|------|------|------|------|------|------|------|------|-----------|
| <b>General Fires</b> | <b>50</b> | 61   | 37   | 33   | 52   | 53   | 58   | 44   | 37   | 59   | <b>68</b> |

### Firefighter Injuries (per OSHA)

| Year            | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021     |
|-----------------|------|------|------|------|------|------|------|------|------|------|----------|
| <b>Injuries</b> | 0    | 1    | 4    | 0    | 1    | 0    | 2    | 2    | 1    | 4    | <b>1</b> |

### Fire Event Fatalities

| Year              | 2001      | 2002     | 2003 - 2010 | 2011 | 2012 - 2020 | 2021     |
|-------------------|-----------|----------|-------------|------|-------------|----------|
| <b>Fatalities</b> | <b>*3</b> | <b>1</b> | <b>0</b>    | 1    | <b>0</b>    | <b>2</b> |

### Response Time (Alarm to Truck Out the Door) for the City & Rural Fire District

| Year        | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021        |
|-------------|------|------|------|------|------|------|------|------|------|------|-------------|
| <b>Time</b> | 5:18 | 3:48 | 3:24 | 3:58 | 4:27 | 5:06 | 5:33 | 6:10 | 5:50 | 5:39 | <b>5:17</b> |

### Officer Only Calls for the City & Rural Fire District

| Year                   | 2011     | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021            |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------|
| <b>Number of Calls</b> | 136      | 126      | 106      | 149      | 143      | 156      | 161      | 130      | 130      | 135      | <b>126</b>      |
| <b>Dollars Saved</b>   | \$24,752 | \$22,932 | \$19,292 | \$27,118 | \$26,026 | \$30,576 | \$31,564 | \$25,480 | \$25,480 | \$26,460 | <b>\$22,932</b> |
| <b>Hours Saved</b>     | 2,040    | 1,890    | 1,590    | 2,235    | 2,145    | 2,340    | 2,415    | 1,950    | 1,950    | 2,025    | <b>1,890</b>    |

Estimated Property Value Saved: \$3,761,500  
Lives Saved: 8  
Emergency Call Hours: City - 2,755; Rural - 3,002  
Total Training Hours: 3,066

## Public Relations and Fire Safety Education

Our doors were opened at the station again and we were able to host tours and education events as usual. Education was conducted at the fire station as well as on site at various locations.

We appreciate the relationship we have with the Hutchinson Schools and we were able to deliver our fire safety education at both West Elementary and Park Elementary as normal. Since the New Tiger Elementary School is now up and running and the grades will be shuffled around a little, this was likely our last year working with the tremendous staff and students at Park Elementary.

*35 Public Relations Events/561 hours  
16 Fire Safety Education Events/80 Hours  
1,698 Total Students*



## Inspections and Permits

-Our approach on rental inspections for 2021 remained similar to the previous year and we limited entering 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 only as requested (approx 18) and all new construction was inspected to ensure proper installation and operations of fire alarm and sprinkler systems (approx 51).

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

-New phone in burn permit system has been approved by the McLeod County Commissioners and will be going into effect soon. 102 burn permits were ultimately written to rural residents out of the HFD.

## Goals for 2022

- 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 (helmets, etc.) as needed to ensure NFPA compliance
- Proactively conduct maintenance and upgrades to all apparatus and analyze future CIP needs
- Put into service new rescue truck and decommission older utility pickup
- Continue training on new armor vests and protocols with HPD and MCSO
- Complete the next phase of improvements to Fireman's Park and finalize
- Identify and improve on facility needs
- Regional/state training school options
- Conduct training using alternative delivery models, hybrid and staggered start models
- Learn something, Teach something
- Resume and expand inspection program ramping up to pre-pandemic numbers
- Work closely with MCSO on the Dispatch Center transition and proficiencies
- Plan for future replacement of aging 800mhz radio equipment MCFCA and MCSO
- Continue to review and update SOG/policies
- Expand on technology upgrades were possible for apparatus and tools
- Conduct a hiring of new firefighters
- Conduct advanced, hands on live burn training at an acquired house
- Continue with summer duty crews on weekends from Memorial Day to Labor Day

## 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."

# Hutchinson Housing and Redevelopment Authority



## Primary Services

The Hutchinson HRA (HHRA) is a public body politic formed by the Hutchinson City Council in 1969 according to MN State Statute. The HHRA was created to address a shortage of housing for low to moderate income families and to address substandard areas in Hutchinson. The HHRA owns and manages Park Towers Apartments. In addition, the HHRA administered other housing rehab programs throughout the city to preserve housing stock and improve neighborhoods.

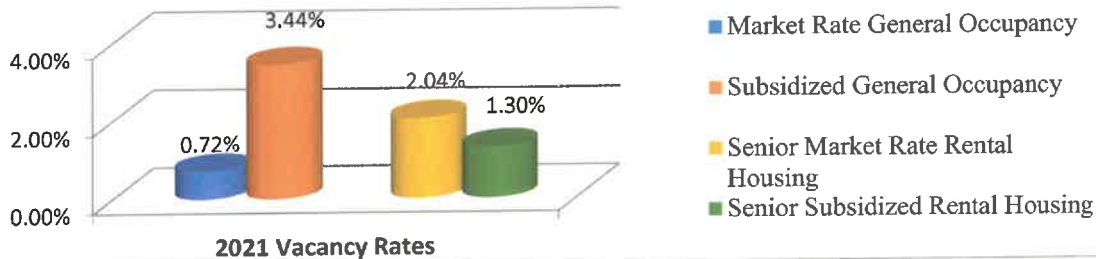
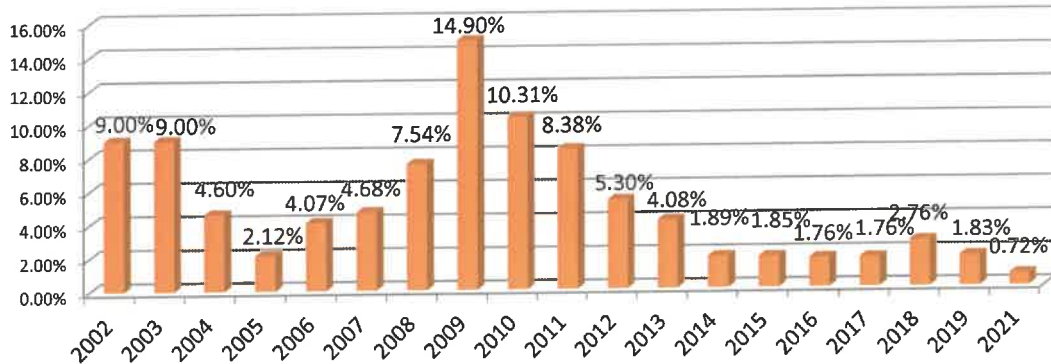
Yearly the HHRA collects housing data to help identify changing community housing needs and then administer/develop housing programs that will provide a positive impact on the community.

The HHRA Board of Commissioners meets at 7:00 a.m. on the third Tuesday of the month at the City Center. The Board consists of five members, four of whom shall be residents of the City and one who shall be a member of the City Council. HRA Board members are eligible to serve two full terms.

## Hutchinson Yearly Comparisons

Rental Data from the October 2021 Apartment Survey:

Market Rate General Occupancy Vacancy Rate



2021 General Occupancy - Market Rate Rents (October 2021)

Page 1

| AptName         | #of Efficiency | Effic. Rents |
|-----------------|----------------|--------------|
| Dawson Property | 2              | \$400        |
| Colonial Apt.   | 1              | \$475        |
| Gateway Central | 1              | \$445        |
| Alexander       | 1              | \$500        |
| South Dale Apt. | 2              | \$500        |

| AptName              | #of 1 BD | 1 BD  |
|----------------------|----------|-------|
| 435 California Apt.  | 1        | \$395 |
| Mansard Apt.         | 1        | \$475 |
| Apollo Apt.          | 3        | \$500 |
| Dawson Property      | 2        | \$500 |
| Twin Apt.            | 14       | \$500 |
| Parkwood             | 8        | \$515 |
| Colonial Apt.        | 3        | \$530 |
| South Dale Apt.      | 7        | \$550 |
| Gateway Central      | 3        | \$575 |
| Valley View Apt.     | 2        | \$592 |
| Golfview Apts.       | 1        | \$590 |
| Olson Apartments     | 2        | \$600 |
| Dale Street Apt.     | 7        | \$600 |
| Fairlane Apt.        | 9        | \$605 |
| 565 Jefferson Apt.   | 1        | \$605 |
| Echo Manor Apt.      | 2        | \$625 |
| Cedar Acres Apts.    | 21       | \$650 |
| Barcoo               | 3        | \$749 |
| Park View Terrace A  | 1        | \$695 |
| Country Club Manor   | 26       | \$695 |
| Ridgedale Square     | 2        | \$705 |
| Townhomes            | 8        | \$750 |
| LLC                  | 2        | \$750 |
| Highfield 1,2&3      | 30       | \$750 |
| Deer Park            | 20       | \$850 |
| Century Court Apt. E | 21       | \$890 |
| Highfield 4&5        | 24       | \$895 |

| AptName                 | #of 2 BD | 2 BD Rents |
|-------------------------|----------|------------|
| 435 California Apt.     | 2        | \$475      |
| Mansard Apt.            | 11       | \$550      |
| Colonial Apt.           | 4        | \$570      |
| Apollo Apt.             | 7        | \$600      |
| Apartments              | 16       | \$610      |
| Valley View Apt.        | 32       | \$655      |
| Golfview Apts.          | 9        | \$670      |
| Gateway Central         | 13       | \$675      |
| Olson Apartments        | 25       | \$700      |
| Alexander               | 10       | \$700      |
| Bradford Apts.          | 2        | \$700      |
| Cedar Acres Apts.       | 15       | \$700      |
| South Dale Apt.         | 30       | \$700      |
| Southview Terrace       | 18       | \$700      |
| Fairlane Apt.           | 15       | \$705      |
| Park View Terrace A     | 17       | \$710      |
| Echo Manor Apt.         | 26       | \$745      |
| 565 Jefferson Apt.      | 11       | \$725      |
| Country Club Manor      | 50       | \$755      |
| Ridgedale Square        | 34       | \$775      |
| Hutchinson Apts         | 34       | \$800      |
| Barcoo                  | 8        | \$825      |
| Highfield 1,2&3         | 51       | \$850      |
| Twin Oak                |          |            |
| Townhomes               | 64       | \$880      |
| Deer Park               | 105      | \$975      |
| Highfield 4&5           | 46       | \$995      |
| Century Court Apt. East | 47       | \$1,060    |
| Century Court Apt. West | 84       | \$1,060    |

| AptName              | #of 3 BD | 3 BD Rents |
|----------------------|----------|------------|
| 435 California Apt.  | 1        | \$600      |
| Valley View Apt.     | 2        | \$713      |
| Olson Apartments     | 6        | \$750      |
| Golfview Apts.       | 2        | \$750      |
| South Dale Apt.      | 1        | \$750      |
| Bradford Apts.       | 2        | \$875      |
| Ridgedale Square     | 12       | \$945      |
| Highfield 1,2&3      | 6        | \$950      |
| Townhomes            | 8        | \$1,100    |
| Deer Park            | 12       | \$1,100    |
| Barcoo               | 3        | \$1,200    |
| Century Court Apt. E | 28       | \$1,280    |

| 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 2013: ACS  
Spr 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.

## Year End Hutchinson Home Resales Data from McLeod County Assessor's Office:

Home Resales  
City of Hutchinson  
2010 through 2021

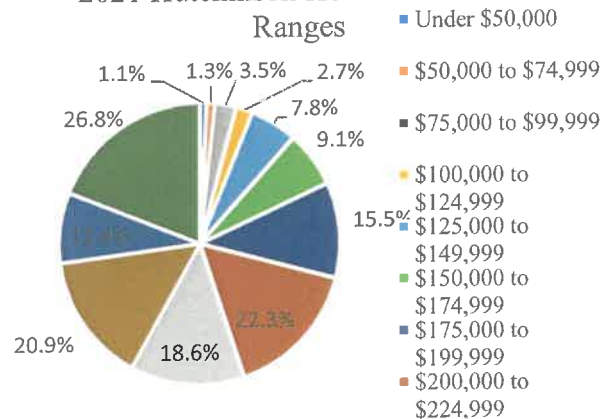
| Year                   | 2021 |        | 2020 |        | 2019 |        | 2018 |        | 2017 |        | 2016 |        | 2015 |        | 2014 |        | 2013 |        | 2012 |        | 2011 |        | 2010 |        |
|------------------------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|
| Price Range            | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   | No.  | Pct.   |
| Under \$50,000         | 4    | 1.1%   | 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   | 5    | 1.3%   | 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   | 13   | 3.5%   | 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 | 10   | 2.7%   | 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 | 29   | 7.8%   | 49   | 14.4%  | 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 | 34   | 9.1%   | 51   | 14.9%  | 64   | 20.3%  | 70   | 19.5%  | 73   | 21.9%  | 55   | 16.7%  | 60   | 16.8%  | 51   | 16.1%  | 29   | 10.2%  | 16   | 5.6%   | 22   | 9.2%   | 23   | 10.6%  |
| \$175,000 to \$199,999 | 58   | 15.5%  | 55   | 16.0%  | 59   | 18.7%  | 55   | 15.3%  | 39   | 11.8%  | 23   | 7.0%   | 27   | 7.6%   | 21   | 6.6%   | 16   | 5.6%   | 13   | 4.5%   | 9    | 3.7%   | 12   | 5.6%   |
| \$200,000 +            | 220  | 59.0%  | 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                  | 373  | 100.0% | 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 | \$215,400 | \$186,000 | \$175,000 | \$161,900 | \$153,500 | \$140,000 | \$138,750 | \$133,500 | \$121,000 | \$101,400 | \$109,950 | \$121,600 |
|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

### Hutchinson Median Sales Price



### 2021 Hutchinson Home Sale Price Ranges



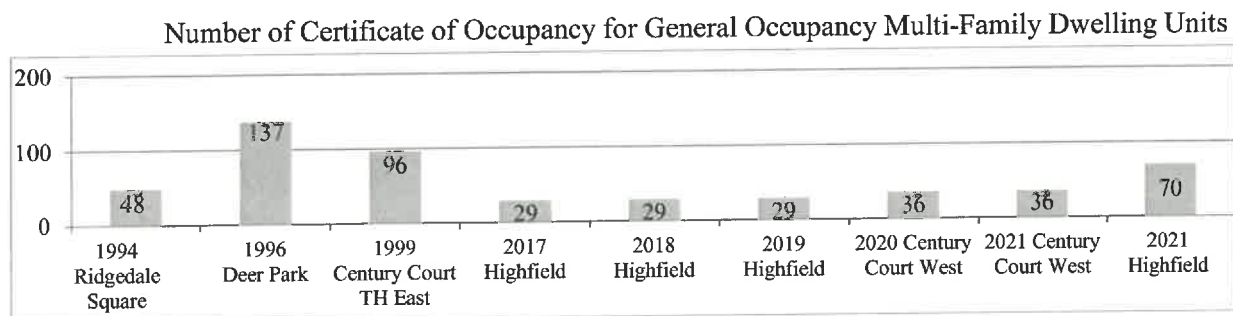
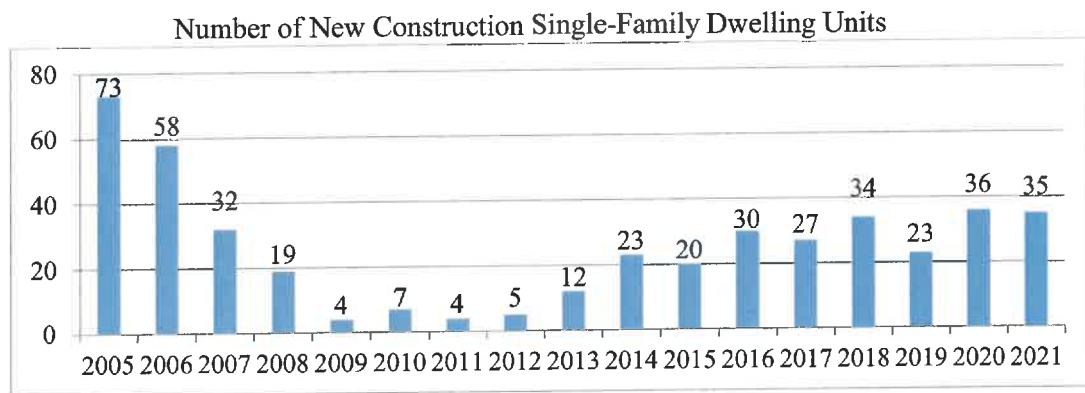
## Year End Hutchinson Home Resales Data from the Minneapolis Area Association of Realtors:

|                           | 2021      | 2020      | 2019      | 2018      | 2017      |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Median Sales Price</b> | \$235,000 | \$200,000 | \$181,000 | \$170,000 | \$161,000 |
| <b># of Sales</b>         | 317       | 324       | 315       | 330       | 318       |

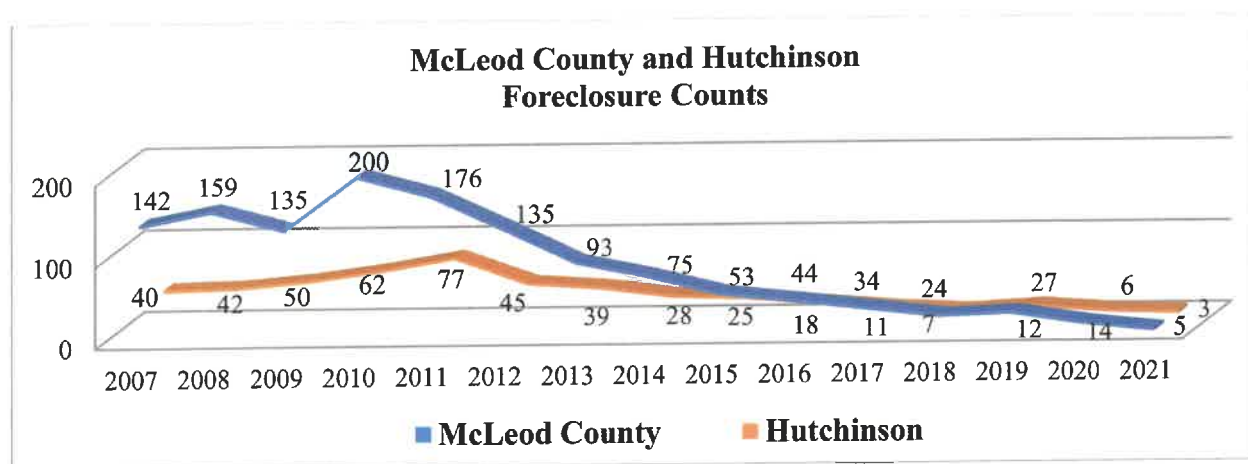
### 2021 Mortgage Rates:

30-year fixed rates at the beginning of 2021 were 2.65% and ended at 3.1% according to Minneapolis Area Association of Realtors.

**New Construction Units** (the following 3 charts are based on information from the Department of Planning, Zoning and Building Department):



**Hutchinson Foreclosures:**



### 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          |
|  | 2021  | 5      | 3          |

\*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)

## Summary of HHRA 2021 Activities:

### **Park Towers Apartments Management:**

RAD Conversion from Public Housing to Multifamily, Section 8 Project Based Rental Assistance Program (PBRA): Park Towers management was in two worlds in 2021. We still received operating funding from the Public Housing Program but all the requirements for the Multifamily, PBRA program had to be followed.

### **Asset Preservation, Property Improvements and Energy Conservation**

- In Units: New vinyl planking was installed in 9 apartment units at turns. Water saver power flush toilets were installed in 11 units to save water and reduce toilet plugs. 5 units had Air Conditioners replaced.
- Replaced the front entry automatic door opener.
- Each of the residents' keyless-entry door systems needed a software update. The building's two, keyless-entry door systems needed the update too.

### Park Towers Property Management

- Both Park Towers staff members earned the HUD Multifamily Housing Specialist Certification. The Housing Specialist earned her boiler license.
- There was one tenant that transferred to a different unit, 13 move-outs, and 17 move-ins in 2021.
- One significant change from the Public Housing Program is that every time a tenant has a change in income of \$200 or more a month, the rent has to be recalculated.

### Tenant Services

- Hosted National Night Out and a Pick-up Christmas Diner.
- 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.

### City Center Operations:

#### **Owner Occupied Rehabilitation**

| City Home Improvement Grant Program (TIF):      |                    |                     | Match Funds:                       |                    |                    |                     |
|---|--------------------|---------------------|------------------------------------|--------------------|--------------------|---------------------|
| Live and Work                                   |                    |                     |                                    | Personal           | Weatherization     | Total Project Cost  |
|   | \$5,000.00         | Washington Ave. W   | Windows/Doors                      |                    |                    | \$5,000.00          |
|   | \$5,000.00         | Boulder Street SW   | A/C & Plumbing                     |                    |                    | \$5,000.00          |
| <b>Total</b>                                    | <b>\$10,000.00</b> |                     |                                    | <b>\$0.00</b>      | <b>\$0.00</b>      | <b>\$10,000.00</b>  |
|   |                    |                     |                                    |                    |                    |                     |
| Home Improvement - Grant                        |                    |                     |                                    | Personal           | MH Fix Up Loan     | Total Project Cost  |
|   | \$10,000.00        | Carlisle            | Bathroom Updates                   |                    | \$25,822.00        | \$35,822.00         |
|   | \$9,848.34         | Washington Ave. W * | Windows/Doors                      | \$9,848.34         |                    | \$19,696.68         |
|   | \$10,000.00        | Harmony Lane        | Decking                            | \$10,000.00        |                    | \$20,000.00         |
|   | \$1,280.00         | Glen Street SW      | Sewer                              | \$1,280.00         |                    | \$2,560.00          |
|   | \$4,537.00         | Jefferson Street SE | Boiler & Electrical                | \$4,537.00         |                    | \$9,074.00          |
|   | \$10,000.00        | McDonald Dr. SW     | Siding                             | \$10,000.00        |                    | \$20,000.00         |
|   | \$4,104.00         | Adams Street SE     | Windows                            |                    | \$4,104.00         | \$8,208.00          |
|   | \$4,272.00         | Madson Avenue SW    | Furnace & A/C                      | \$4,272.00         |                    | \$8,544.00          |
|   | \$10,000.00        | Second Avenue SW    | Windows                            | \$10,000.00        |                    | \$20,000.00         |
| <b>Total</b>                                    | <b>\$64,041.34</b> |                     |                                    | <b>\$49,937.34</b> | <b>\$29,926.00</b> | <b>\$143,904.68</b> |
|   |                    |                     |                                    |                    |                    |                     |
|   |                    |                     | *Project combined with L&W program |                    |                    |                     |
| <b>2021 Total Owner Occupied Rehab Projects</b> |                    |                     | <b>10</b>                          |                    |                    |                     |

#### **Rental Rehabilitation**

Completed the rehabilitation of 907 Dale Street Apartments (South Dale) and closed out the 2019 Minnesota Small Cities Development Program Grant (SCDP).

| Final Budgets    | Former              | Change             | Final               |                         |
|------------------|---------------------|--------------------|---------------------|-------------------------|
| Federal Reverted | \$469,751.00        | -                  | \$469,751.00        | Met small cities goals  |
| Program Income   | \$105,249.00        | -                  | \$105,249.00        |                         |
| Leveraged funds  | \$214,286.00        | \$31,715.00        | \$246,001.00        | Exceeded leverage goals |
| <b>Totals</b>    | <b>\$789,286.00</b> | <b>\$31,715.00</b> | <b>\$821,001.00</b> |                         |

## **2022 Realtor Housing Market Predictions:**

Q. What do you see for the housing market for Hutchinson in 2022?

A. *Buyer demand will continue to put pressure on the already low listing supply. I believe the number of overall sales will be lower than last year due to this (based on 1st quarter numbers).*

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

A. *Supply, affordability, and interest rates.*

Q. There were 35 houses built in 2021. What do you think will happen to new housing construction in 2022?

A. *Similar to 2021. I believe new construction will be limited by the availability of lots, rising construction costs, and limited work force in the trades.*

## **Hutchinson HRA Priorities for 2022:**

### **Park Towers Apartments Management:**

- Continued implementation of RAD Multifamily, Section 8 PBRA program at Park Towers.
- Continue to install vinyl planking and power flush water saver toilets at turns.
- 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), Minnesota Housing Rehab Loan Program and the Fix Up Fund Home Improvement Loan Program.
- Market available programs throughout the community.

### **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 2021 Census Data is available. Develop a subsequent housing plan including potential resources for needed housing development.

### **City Center Operations – After Housing Needs Study Completion**

- Determine best uses of the HRA Island View Heights lots.
- Identify American Reuse Plan Fund potential housing projects.

### December 31, 2021 Housing Fund Balances

|  |                     |
|--|---------------------|
| SCDP City Revolving Local Income Balance           | \$188,393.14        |
| SCDP City Revolving Program Income Balance         | \$51,873.89         |
| TIF Available Balance                              | \$280,000.00        |
| <b>Total Funds Available:</b>                      | <b>\$520,267.03</b> |
|  |                     |
| City SCDP New Construction                         | \$78,450.00         |
| City SCDP Rehab (Owner & Rental)                   | \$523,689.60        |
| City TIF Owner Rehab                               | \$80,430.75         |
| <b>Total Balance of City SCDP Loans Receivable</b> | <b>\$682,570.35</b> |
|  |                     |
| HRA Notes Receivable HHPOP                         | \$9,245.56          |
| HRA Notes Receivable Rehab                         | \$0.00              |
| <b>Total Balance of HRA Loans Receivable</b>       | <b>\$9,245.56</b>   |

# Human Resources

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## 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

## 2021 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.

## 2021 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.
- With the assistance of the City benefits consultants - USI, secured a renewal for the 2022 employee health plan with MEDICA with a 5% premium decrease. No increase for dental, Life or LTD insurance premiums in 2022.
- Drafted for Council consideration and adoption the Pandemic Staffing and Telework policies as precipitated by the COVID-19 pandemic.
- Assisted in updating the City COVID-19 Preparedness Plan, as needed.
- 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 2022 City of Hutchinson Compensation Plan and Seasonal Pay Plan for Council consideration and approval in December 2021.
- 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.

## 2021 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 |        |        |        |        |        |             |
|-------------------------|--------|--------|--------|--------|--------|-------------|
|                         | 2016   | 2017   | 2018   | 2019   | 2020   | 2021        |
| Population              | 14,146 | 14,188 | 14,260 | 14,282 | 14,599 | 14,599(est) |
| Number of Employee FTEs | 118    | 121    | 126    | 125    | 124    | 124         |
| Population per Employee | 120    | 117    | 113    | 114    | 118    | 118         |

\* 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 Demographer.

## Employee Decision-Making

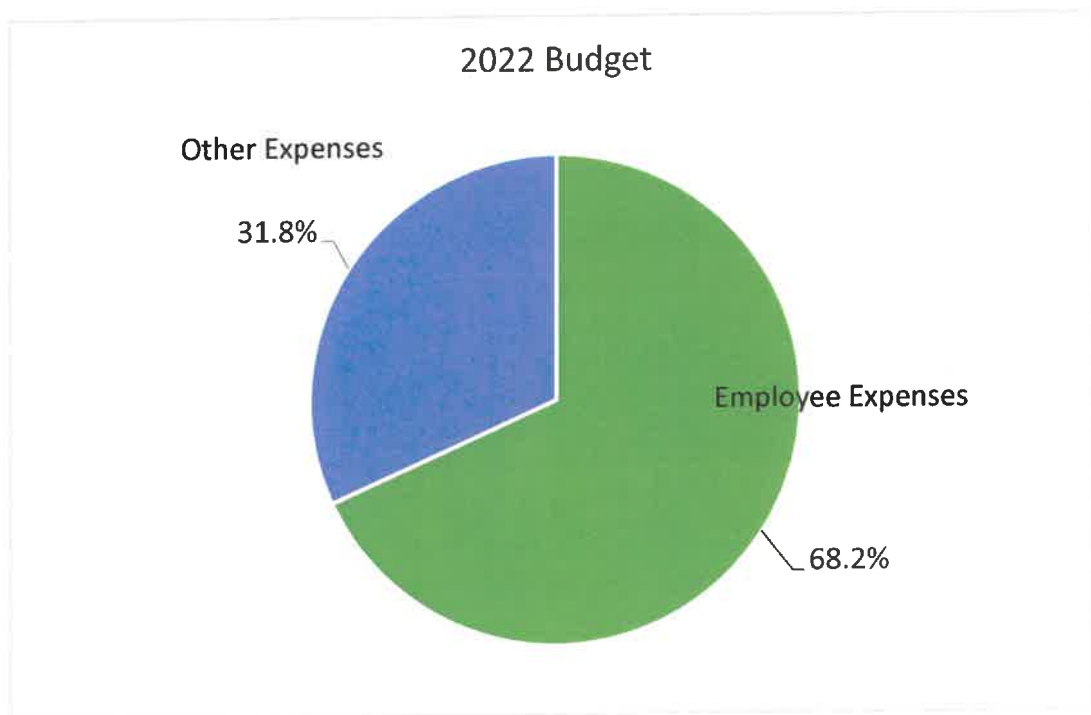
In order to accomplish the City's mission, employee involvement in the decision-making process as well as employee feedback and participation is essential.

### ***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 \$13.9 million for 2022*, including General Operating and Enterprise Funds. When considering the City's General Fund budget, as the following chart indicates, investment in Employee Services is 68.2% percent of the City's 2022 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 6 of our market communities. The City negotiated an agreement with Medica for a 5% premium decrease for 2022.

| 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                         | \$1,808             | \$1,773        | \$1,446            | \$1,402        | \$361         | \$446          | \$2,000                          | \$1,812        |
| \$3k / \$6k                         | \$1,680             | \$1,773        | \$1,344            | \$1,402        | \$336         | \$446          | \$2,000                          | \$1,812        |

| REGULAR EMPLOYEE HEALTH PLAN PARTICIPATION |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
|  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
| Health Plan Participants                   | 85    | 86    | 92    | 94    | 91    | 95    |
| % of Eligible Employees                    | 82.5% | 81.1% | 85.2% | 84.7% | 82.7% | 82.7% |

| REGULAR EMPLOYEE FLEXIBLE SPENDING ACCOUNT PARTICIPATION |      |      |      |      |      |      |
|--|------|------|------|------|------|------|
|  | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Medical FSA Participants                                 | 15   | 14   | 11   | 12   | 16   | 13   |
| Dependent Care FSA Participants                          | 9    | 8    | 8    | 6    | 5    | 4    |

## 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 10 years since the first unit was organized.*

## Labor Measurements

| REGULAR FULL TIME AND REGULAR PART TIME RECRUITMENTS |       |       |      |      |       |       |
|--|-------|-------|------|------|-------|-------|
|  | 2016* | 2017* | 2018 | 2019 | 2020* | 2021* |
| # of Recruitments                                    | 12    | 22    | 11   | 22   | 17    | 25    |
| # of Applications Received                           | 211   | 377   | 145  | 311  | 266   | 206   |

\*Includes Hutchinson Utilities Commission and/or Hutchinson Redevelopment Authority position recruitments.

| REGULAR EMPLOYEE ATTRITION     |      |      |      |       |       |       |
|--------------------------------|------|------|------|-------|-------|-------|
|                                | 2016 | 2017 | 2018 | 2019  | 2020  | 2021  |
| * Attrition %                  | 8.8% | 8.4% | 5.6% | 13.7% | 10.5% | 15.0% |
| Full Time Employee Attrition % | 7.9% | 4.9% | 5.8% | 7.2%  | 10.1% | 8.3%  |

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

## 2020/2021 Employee Retirements:

- Jay Landreville, Fire Department
- Dolf Moon, PRCE
- Lyle Nybakke, Fire Department
- Tim Peterson, Fire Department
- Brent Reiner, Fire Department
- Dan Sargent, Fire Department

**127 years of experience!**

## 2022: A Look Forward

The 2022 human resources department budget allows for continued services including:

- Negotiation of new labor contracts with the Police Sergeant and Police Officer groups
- Administration of new regular and part time/seasonal compensation plans and pay grids.
- Annual employee insurance renewals.
- Employee wellness initiatives.
- Review and updating of the City performance evaluation system.
- Employment policy review and updates.

# Information Technology

## 2021 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

### Budget

General Operating: \$587,90

*Revenue: \$119,852*

Water: \$18,388

Waste Water: \$25,095

Liquor Hutch: \$9,982

EDA: \$7,126

HRA: \$5,564

CreekSide

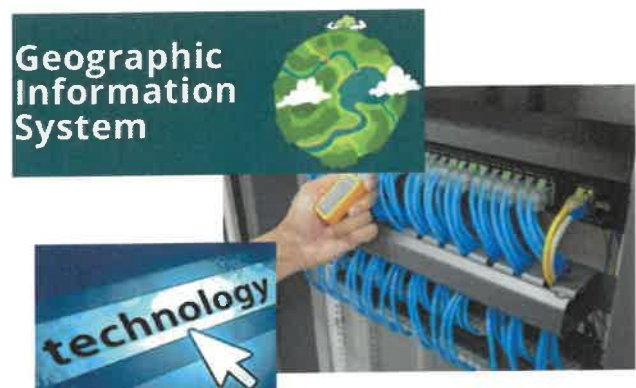
\$9,543 HUC:

\$109,083

**Total Managed Budget \$772,684**

### Staffing

3.5 Full-Time Equivalent Staff including GIS

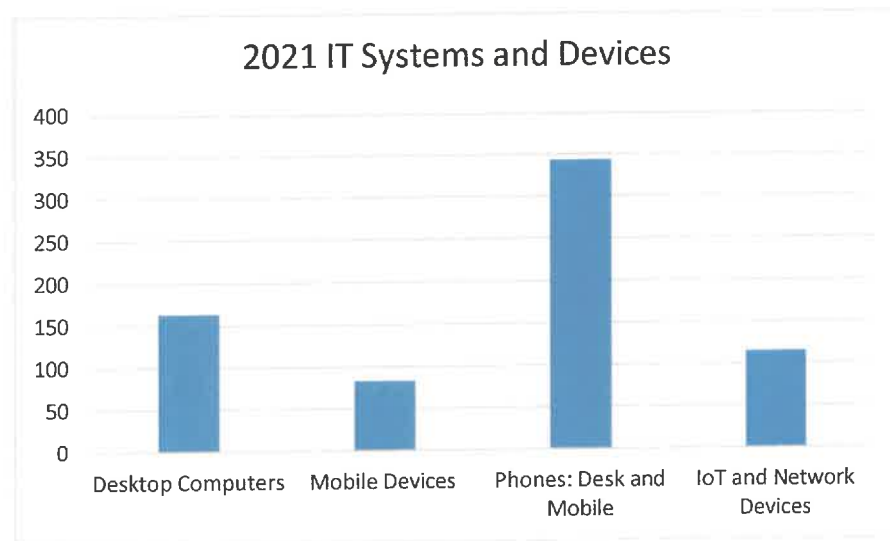


## 2021 Narrative

In 2021, the focus shifted from pandemic related issues to increasing security and network efficiencies. Remote work options are now a normal offering and from the time of initial request to implementation is a matter of hours. Network security issues and ransomware attacks continue to grow. With that in mind, IT efforts concentrated on network security more than ever. Much of our efforts were put towards creating new policies and procedures to deal with those issues. This will continue 2022.

## 2021 Accomplishments

- Year two of a three-year comprehensive Security Review
- Update and/or creation of new network security policies and procedures
- New email server
- Update of Help Desk software for better security and greater efficiency
- Most of our time was spent on network security which will continue in 2022
- Worked with Wold Architects throughout the year updating and modifying network related items for the new Police Station
- Update and re-write of the Litigation Hold Policies



## 2022 Budget

General Operating: \$598,135

Revenue: \$129,437

Water: \$25,801

Waste Water: \$26,265

Liquor Hutch: \$7,830

EDA: \$9,551

HRA: \$8,725

HUC: \$215,611

**Total Managed Budget \$909,308**



## Looking Forward to 2022

We will continue with design aspects of the new PD that started in 2021. Anticipating a busy winter for this project in 2022 as the project will be nearing completion. There is a major upgrade in body and dash cams for the PD as well in 2022. This year will also be another busy year for security as we enter our final year of the FrSecure network review.

Other Items for 2022:

- Year three of a in depth security review
- Upgrades of 38 desktops and Laptops
- Upgrades of 2 network switches
- In-depth network policy review which will include a new set of management and security policies. This is a continuation from 2021
- Continue efforts to leverage the network against Cyber Security attacks
- Based on a potential funding source, we hope to implement a new video surveillance system across many of our public buildings and a few of our parks.
- We will be re-writing the web pages that will including changes to align with the new marketing plan and greater efficiencies for job applications and community information

## 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

### Narrative

Community events, athletic competitions and large gatherings seemed to make a comeback in 2021. There were only a handful of activities and community gatherings that did not take place due to the ongoing state of the pandemic. Going through a pandemic taught us some valuable maintenance procedures that we continued to carry out in our daily operations. We continued to have seasonal staff lock and secure park shelters/restrooms in the evenings. Years prior, cleaning of restrooms was only done in the morning, with Police Department patrol locking them in the evenings. Having hired seasonal Parks staff check, do minor cleaning and secure restrooms in the evening cut down enormously on the amount of time it took a full-time staff person to clean the following morning. Essentially this allows full-time staff to get to projects and other needed maintenance activities faster than we had using the old model. We also only allowed enclosed shelters to be open by reservation only. Porta toilets remained a fixed amenity in many of our parks to allow for expanded hours of usage, but less daily maintenance/vandalism occurrences.

So much of what we do in the parks department relies on the weather. The summer of 2021 was exceptionally dry as compared to previous years. We found it necessary to water trees, shrubs and perennials that had been planted in the last 3-5 years. Usually plants of this age can manage through dry conditions, but noticing leaf drop on mature species is a sign that plants are struggling. The need to water was complicated by a "watering restrictions/ban" in our community. During this time, we could only water before 9:00 am and needed to pay closer attention to our operations and prioritize areas of most need. With the dry conditions, seasonal mowing staff was able to help with other projects consisting mostly of large mulching areas: the entire Utilities Main office and warehouse on Michigan Avenue, Drift Riders Park, various trees in parks along the river.

Again, the Parks Department witnessed turn over with full time Parks Maintenance Operator- Andy Bentz resigning his position to move out of state. The position was posted and interviews were conducted in early December for the new hire to start in January 2022. Fortunately, a seasonal Parks Ridgewater college student was able to fill the void during the process to find a replacement. Summer seasonal Parks staff hired was back up to pre-pandemic numbers. Most of the 2021 seasonal summer crew was new to the Parks Department operations. Only two returned from 2020 summer as others moved onto full time internships/careers. This did create a need for full time staff to allocate more training time than what had been needed in previous years.

## **2021 Parks and Natural Resources Accomplishments**

### **General Site Improvements:**

- Added two memorial park benches with cement pads around Riverside playground o New banner designs ordered and installed for Downtown Main St. and Hwy 7/15 medians
- "Seat of Sound" sculpture donated to the City of Hutchinson was placed at west end of Oddfellows Park along Luce Line Trail
- Tartan Park general site improvements (HLI small group)
- Improvements made to Oddfellows Park (Hutchinson Leadership Institute- HLI) painting of shelter, staining benches/signs, archery frame stained, planting trees, upgraded electrical and stainless serving counter in the shelter, along with new granite trail installed from Luce Line trail to shelter
- Removal of old equipment and installation of new playground at JC Women's Park
- New stainless counter built and added into Fireman's Park shelter
- First time site host for MN Pottery Festival at Masonic/West River Park
- Additional lights added into Library Square for the holidays

### **Athletic Field/Court Maintenance:**

- Temporary/trial windscreens put in place at North Park Elementary tennis courts per pickleball players request
- Work completed on two new softball fields at Hutchinson High school: edging, base anchors, pitching mound, etc.
- St. A's field renovation project
- Provided field maintenance at six summer baseball/softball tournaments, along with site host for Sunday fall softball program
- Irrigation reconfiguration and additions at VMF in late fall

### **Landscaping:**

- Legion Park new connecting paver walkway from sidewalk to shelter with plants added along walkway (Eagle Scout project)
- Eheim Park completion of paver walkway leading to overlook, along with installation of perennial plants and shrubs (HLI- small group)
- Ambassadors planted trees, put in new perennials and mulched various areas at Elks Park.
- Reconfigured paver walkway leading up to restroom at Oddfellows Park o McLeod Veterans Park north paver section reset on main west walkway

### **Forestry/Natural Resources:**

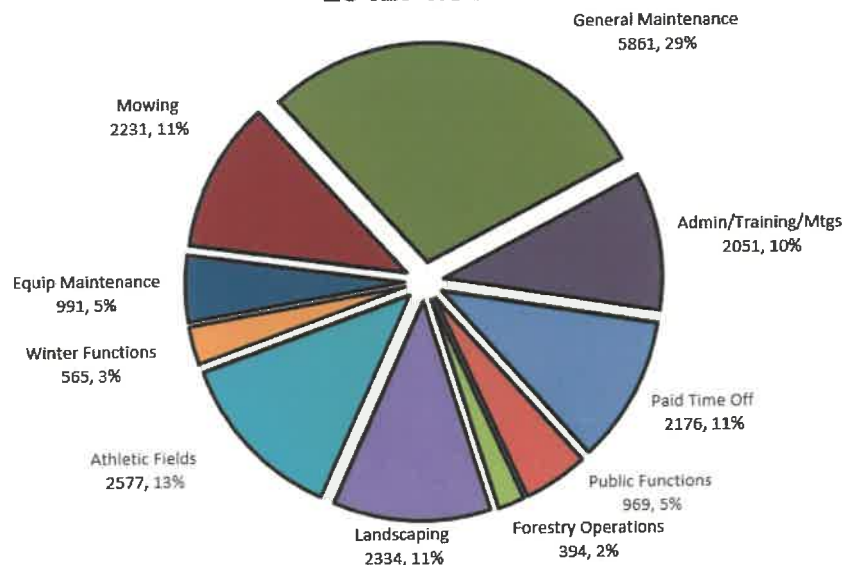
- 79 trees planted in various Parks/School District property with mostly forestry/park staff and one volunteer group
- Tree removals: 51 of mostly ash (DNR EAB diversification grant project) o Continued mowing walk paths in Middle School prairie for increased outdoor learning opportunities for West Elementary and Middle School students
- Invasive removal along riverbank in various parks along Crow River
- Butterfly Garden planted at Girl Scout Park by local Girl Scouts

- Select prairies mowed down for invasive control: Roberts, Riverside, East River Park and Cedar rain garden

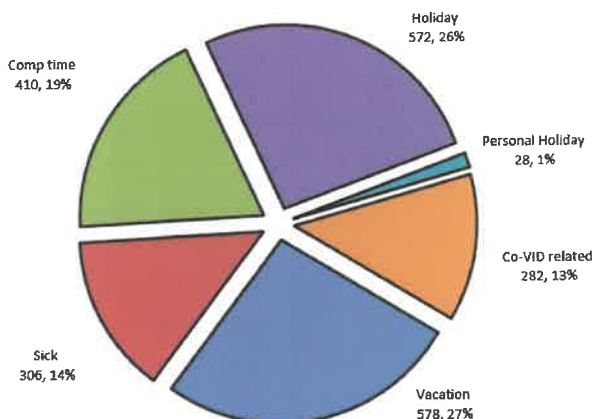
## 2022 Parks and Natural Resources Goals

- Northwoods Park: nature trail established on east side of park using undeveloped parkland (HLI small group) (April)
- Rotary Park improvements: bike rack & basketball hoop installation (April)
- Girl Scout Park: railing and look out platform constructed and installed (May)
- AFS Park: fabrication of information sign, landscaping around limestone bench, invasive clean up along riverbank, tree planting, etc. (HLI large group) (May)
- Fireman's Park: installation of themed playground (June)
- Kiwanis Park: painting of Rocket and installation of new playground equipment (July)
- JC Women's Club: construction of accessible trail from road up to playground (August)
- Fireman's Park memorial walk and shelter improvements (Oct.)
- Bike Fleet Project: purchasing of supplies and community program roll out

**Total Park Hours**  
**20427 hours**



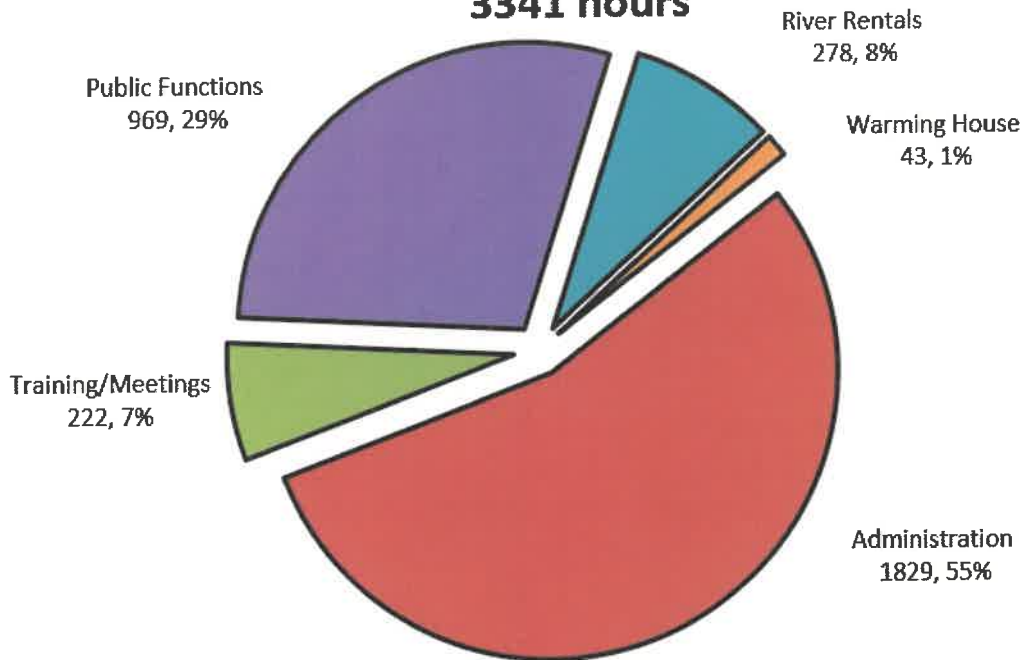
**Paid Time Off**



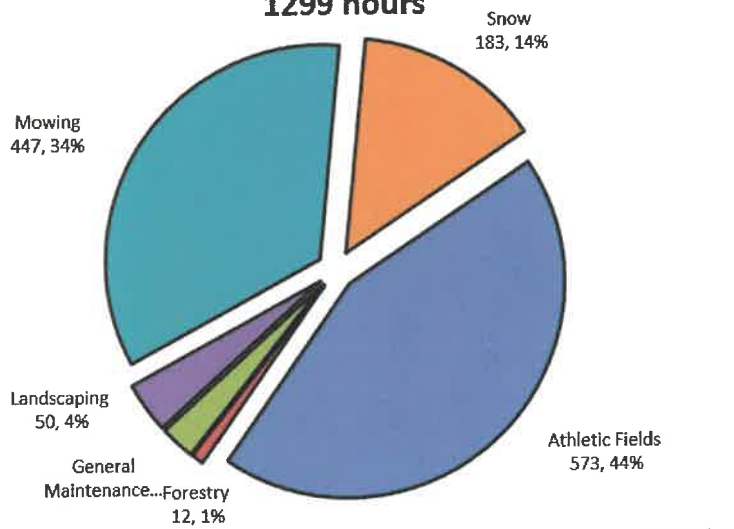
**Mowing & Weedwhipping**  
**2231 hours**



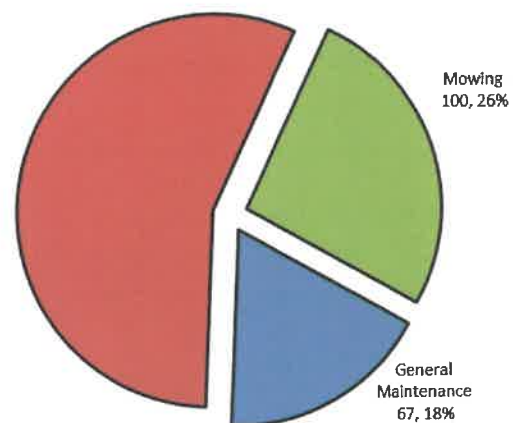
## Non-Park Functions 3341 hours



## ISD 423 Functions 1299 hours



## Hutchinson Utilities 382 hours



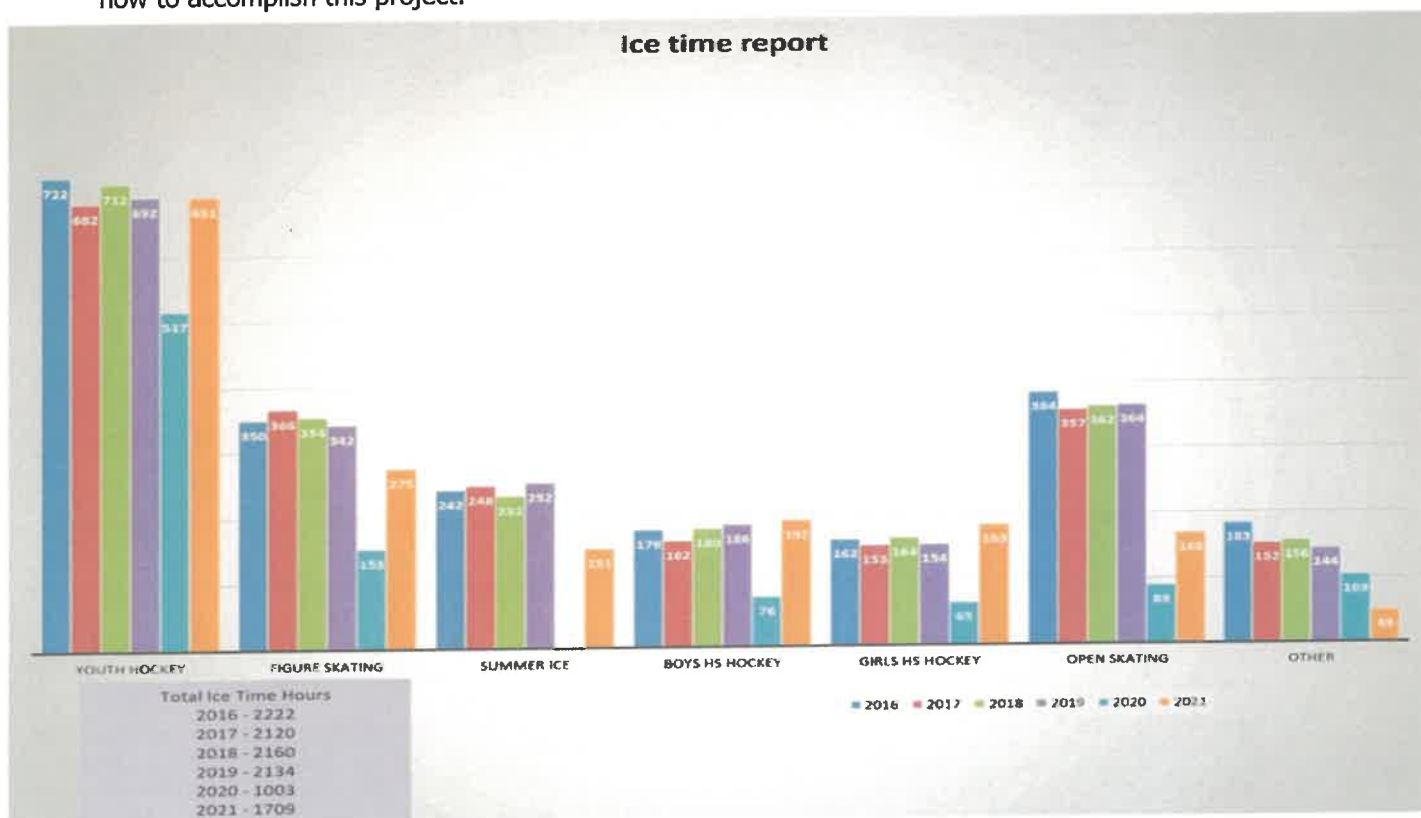
## Burich Arena

### Narrative

Our season 2020-2021 ice season was interrupted in November by the Executive Order requiring facilities to be shut down for a 6 week pause. We were closed from November 19, 2020 until January, 2021. Activities resumed in January, but with many restrictions. We scheduled youth and high school games, allowing a maximum of 150 spectators for each event. We began offering public skating again in February. We did not offer our annual ice show due to restrictions.

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 began to understand that heating and ventilation concerns needed to be addressed at the same time. The parking lot was due to be replaced in 2025. With infrastructure work scheduled for streets around our facilities, the decision was made to include replacing the parking lot at the same time, making it a part of the bigger engineering infrastructure project. This enabled us to take advantage of better pricing. This reallocation of facility funds required us to defer the roofing/sidewall project to 2022. We bid the project in January and awarded contracts to Vos Construction and to Rausch Masonry. The project is scheduled to be complete in late summer 2022, allowing us to begin our ice season in September.

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. 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.



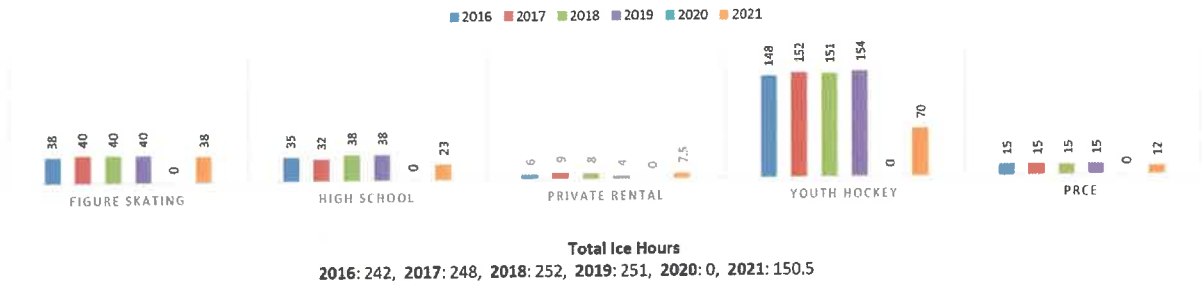
## **2021 Burich Arena Accomplishments**

- Through the engineering department and the facilities fund, Arena/Recreation Center parking lot was replaced. Original lot was constructed in 1987.
- Continued removal of north and south side landscaping at the east rink in preparation for construction project beginning in spring 2022.
- Recruited and advertised for replacement of Facilities Technician. This position has been vacant since August of 2020. Patrick Benson was hired and began working in October 2021.
- Completed bidding process and awarded bid for east rink roof replacement, exterior sidewall improvements. Vos Construction and Rausch Masonry were awarded bids for the project. Construction window of time will be April-August, completing in time for September ice season.
- Hired architectural firm Nelson-Rudie to design plans and specifications for east rink HVAC replacement. This project will continue through the summer with completion scheduled for September.
- Created plan for east rink lighting replacement. We will work with local electrician and Solus Electric to replace 36 fluorescent fixtures with LED's. Additional fixtures located over bleacher/mezzanine area will be replaced as well.
- Completed replacement of exterior light fixtures, from metal halide to LED. We are achieving our goals of energy savings, increased lighting levels and reduced maintenance expenses.
- Worked with user groups on extending our season in spring.

## **2021 Burich Arena Goals**

- Guide and manage the east rink construction project. Work with Contegrity Group (construction managers) Architect/Engineering firm ISG, Vos construction and Rausch Masonry to have a quality project complete by September 1, 2022.
- Work with architects and engineers at Nelson-Rudie to complete design for east rink HVAC replacement. Project will be part of the bigger re-roof and sidewall improvement work. Current HVAC system is outdated; we will improve heating and ventilation systems to bring conditions up to current standards.
- When construction is complete, through the parks and forestry departments, replace landscaping around east rink, working to attain lower maintenance expenses.
- 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 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.

- Work with our user groups as we grow our ice season. We will have longer ice sessions in spring, summer and fall. Work to best manage how we decide to keep ice in and when to remove.
- Through our partnership with Citizen's Bank, we will replace the scoreboard in the west rink.



## Recreation Center/Aquatic Center

Reopened the Recreation Center beginning January 5<sup>th</sup>. The Executive Order required us to keep our buildings closed for a 6 week pause in November and December 2020. Completed the roofing replacement and sidewall improvement project at the Recreation Center. The building now has a new roof, new exterior finish and is a model for future improvements at Burich Arena. We were able to complete the landscaping around the building after contractors were finally finished with their work. Shifting and combining funds through the engineering department and the facilities fund allowed us to complete the parking lot replacement and sidewalk replacement project three years early. This adjustment moved the arena roofing and sidewall project to 2022.

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.

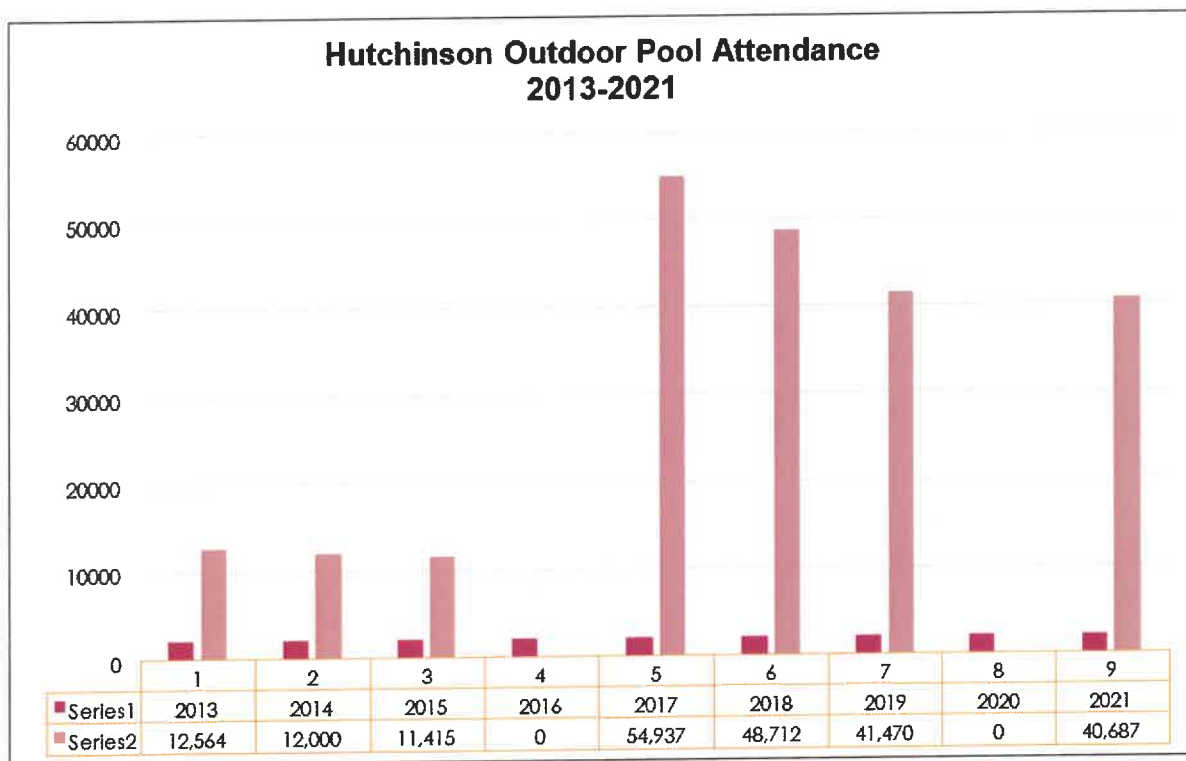
## 2021 Hutchinson Recreation Center/ Aquatic Center Accomplishments

- Worked with Minnesota Department of Health to re-open the aquatic center for summer 2021. We created a plan to open safely, following guidelines from CDC and MDH. Once we reached opening day, rules and protocols changed, making it easier for our patrons to attend the pool
- Through the engineering department and the facilities fund, Arena/Recreation Center parking lot was replaced. Original lot was constructed in 1987.
- Worked with facilities committee and removed and replaced front sidewalks and east driveway. This project was integrated into the parking lot replacement.
- Worked with ISG and the general contractor, APX to complete Recreation Center roofing and side-wall upgrade project. The project is now complete.
- Finished the replacement of sidewalk light fixtures. We replaced current metal halide fixtures with brighter, more energy efficient LED lamps. This will help keep our sidewalk and parking lot areas better lit.

- Completed re-landscaping of the perimeter of the building. Once the contractors finished their work, we were able to plant and sod those areas. We were able to save the trees in front of the building.
- Recruited and advertised for replacement of Facilities Technician. This position has been vacant since August of 2020. Patrick Benson was hired and began working in October 2021.
- 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.
- Recruited hired and trained American Red Cross Swimming staff to serve the outdoor pool, as well as teach our summer American Red Cross learn-to-swim program.
- Worked with pool pump/motor repair company to replace bad bearings in one of the river propulsion pumps. Pool was out of service for an extended period due to COVID.
- Discovered tile in the lazy river was failing. Hired tile contractor and replaced approximately 85 feet of tile along the water line.
- Worked with contractor to improve control/functions of gymnasium HVAC system.

## **2022 Hutchinson Recreation Center/Aquatic Center Goals**

- Inspect and replace additional tiles as needed in lazy river.
- Plan, design and complete re-painting of front and back entrances of the building. We will work to complement and match the newer paint scheme that is used throughout the building.
- 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.
- 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.
- 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.



### 2021 Aquatic Center Attendance

June 17,879

July 11,279

August 11,529

*\*\*attendance does not include private rentals*

### 2021 Sponsored Events

Thrivent Financial/Hutchinson Health: Free Family Night Swim – 3 dates (1,247 swimmers)

Common Cup: Free Family Night Swim – 3 dates (1,116 swimmers)

### Swim Lessons at Carlson Pool

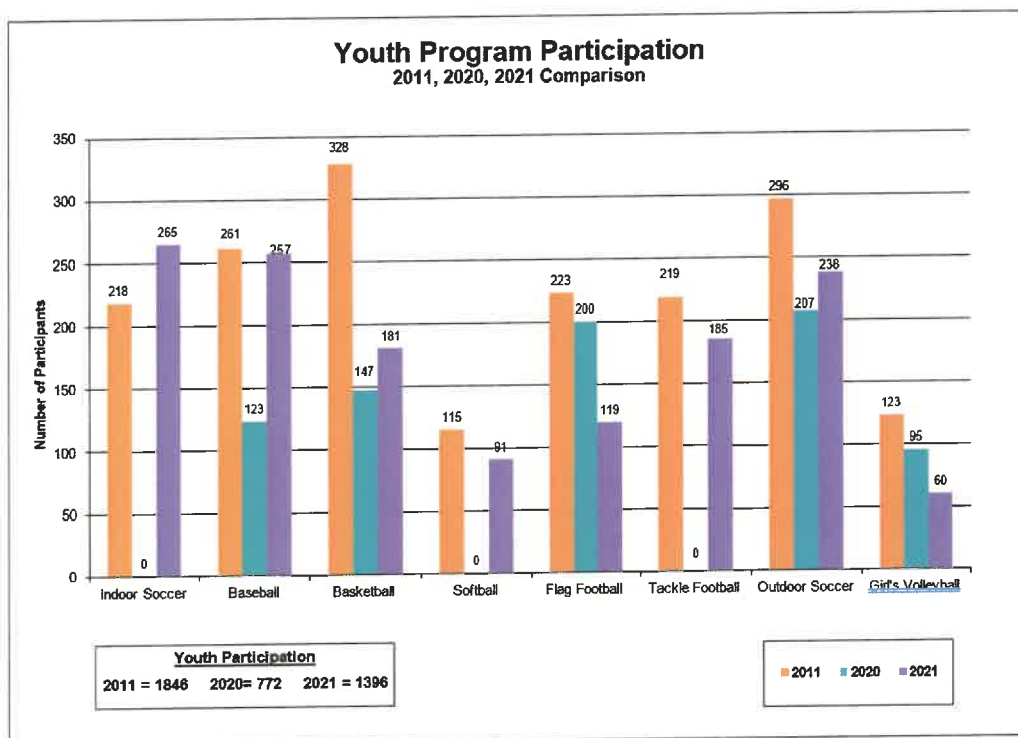
364 participants

## Recreation Programming

### Narrative

2021 was a great improvement over 2020 as far as recreational activities were concerned. We were able to hold all of our programs with very little interruption due to Covid issues. Parents were ready to get their children out of the house and active again. We had some great volunteerism this past year. In addition to the hundred or more parents that got involved, we had the high school varsity football players help out with the flag football program. The high school soccer team coached our fourth through sixth grade soccer program and the boy's and girls' varsity players helped out with our youth basketball programs. This collaboration is a nice

change for the participants as they enjoy the attention of the older kids and they tend to be more open to being coached when it's not their parent telling them what they should be doing.



## 2021 Recreation Programming Accomplishments

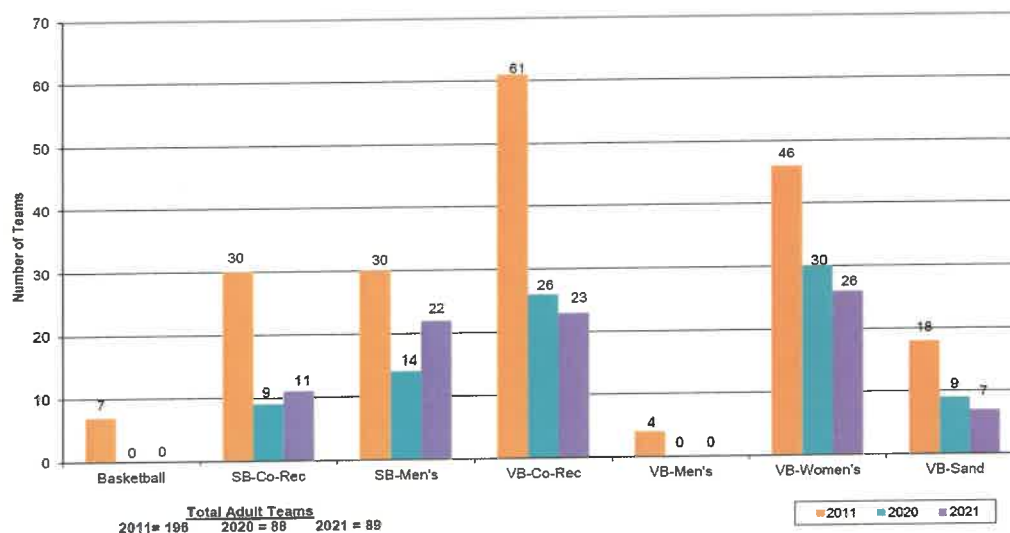
- **New Registration System:** We accomplished our goal of going online with our programming with a new registration system beginning with the fall of 2021. This was a large undertaking as we needed to get up to speed before the old system was taken off line. Staff spent the spring and summer learning different facets of the new software. This will continue to be an ongoing process as we continue to learn different intricacies of how the new system can operate.
- **Fall Softball:** After starting a fall season due to the lack of games during the summer of 2020 due to Covid, we decided to see if there was enough interest to continue it in the fall of 2021. We ended up with seven teams to make a very viable league. Bad weather put a damper on the activity but it looks like a program that has a future in Hutchinson.
- **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 required additional funds (\$25 per coach) to pay for the certifications and required an additional two hours of training for prospective coaches. Most of our coaches were very accepting of the new requirements and we made a good start on getting all our coaches certified.
- **New School Ballfields:** The High School constructed two new softball fields on their campus specifically for girl's fastpitch softball. Our hope was to incorporate them into our summer program for use as a fastpitch field and as a youth baseball field. The school decided to

keep everyone off the turf for a summer to help the grass to get better established. It should be ready for play in 2022.

## 2022 Recreation Programming Goals

- **Registration System:** While the new registration system is up and running, we still have much to learn about all its capabilities and how we can improve our online presence. Each day we come across something unfamiliar that takes some time to work through to get it working properly for our needs. I'm confident, however, that we should have a good system that will take us further into the future than our recent software.
- **Girls Fastpitch:** This past year the Hutchinson Girls' Softball Association decided to disband and turn the program over to PRCE. While we have been working alongside the association in years past, this will be our first shot at guiding the program ourselves. We hope to provide a program that is enjoyable for the participants while keeping the stress levels low for the parents.
- **Burich Arena Construction:** The upcoming construction at Burich Arena will cause some disruptions to our programming. Baseball and softball usually use the facility until the weather gets better in the spring and it has been our sole facility for indoor soccer for the past several years. With 32 teams and 265 participants this past year, we are going to have to do some facility shuffling to keep all the kids playing. We may need to look to the new Tiger Elementary gymnasium as a potential site for some of the matches along with the Recreation Center.
- **High School Participation in Fall Soccer:** We are currently working with the boy's high school coach to determine the possibility of the boy's high school soccer team coaching our pre-school through third grade programs. We need a lot of coaches in a short period of time on Saturday mornings in the fall so this would be a great help to us while getting coaches that have much more experience with the game of soccer.
- **PRCE Concessions:** Our longtime concessions manager has taken other employment so we will be starting over with someone new in the position. Along with new software they will be using this year, we usually have a very young staff so it will be essential to find someone who is capable of managing this area.

**Adult Program Participation**  
2011, 2020, 2021 Comparison



## **Hutchinson Event Center Senior Center Programming/Adaptive Recreation**

### **Narrative**

The Hutchinson Event Center has continued to operate as the Event Center/Senior Center from 2002 to present. During this time, the Hutchinson community has changed drastically in regards to the spaces and venues that are available to rent and host small to large gatherings. The Event Center steadily noticed a decline in the number of bookings and the amount of usage for the Event Center, which in turn, resulted in a decline in revenues. Tax payer dollars have been subsidizing the operations for the Event Center.

Along with a decline in the number of rentals, staff have seen trends in the way people gather. Smaller gatherings (weddings) or transitioning events outdoors (due to COVID) have been noticeable trends of gatherings and events. Individuals who are looking for spaces to rent have specific details which make their decision for renting at a specific space. Some, not all, are looking for the "wow" factor or the uniqueness that comes with some of the other venues available. The Hutchinson Event Center has been maintained and operated extremely well for the past 20 years extremely well by city staff. However, if the City wanted to be competitive in the business, the city would need to invest an additional million dollars to make the Event Center a more marketable event space.

Another thing to consider is the Senior Center space and programming opportunities that are limited within the current senior space. In the community, we continue to see an increase in the number of seniors living in Hutchinson. We know there is a huge need for space and programming opportunities for the Senior population. Along with the growth, we continue to see changes in what the senior population is doing. Seniors are much more active and want to be more active throughout their lifetime. As staff, we want to continue to grow and adapt to meet the ever-changing needs for the senior populations. We look forward to the future and what opportunities the PRCE Department and the City of Hutchinson can offer to all members of the community, including the senior population. As there are still many unknowns at this time, we will continue to be transparent and update the Senior Center with information when it becomes available. We are excited for the future and look forward to continuing to provide excellent Senior Center operations and programs.

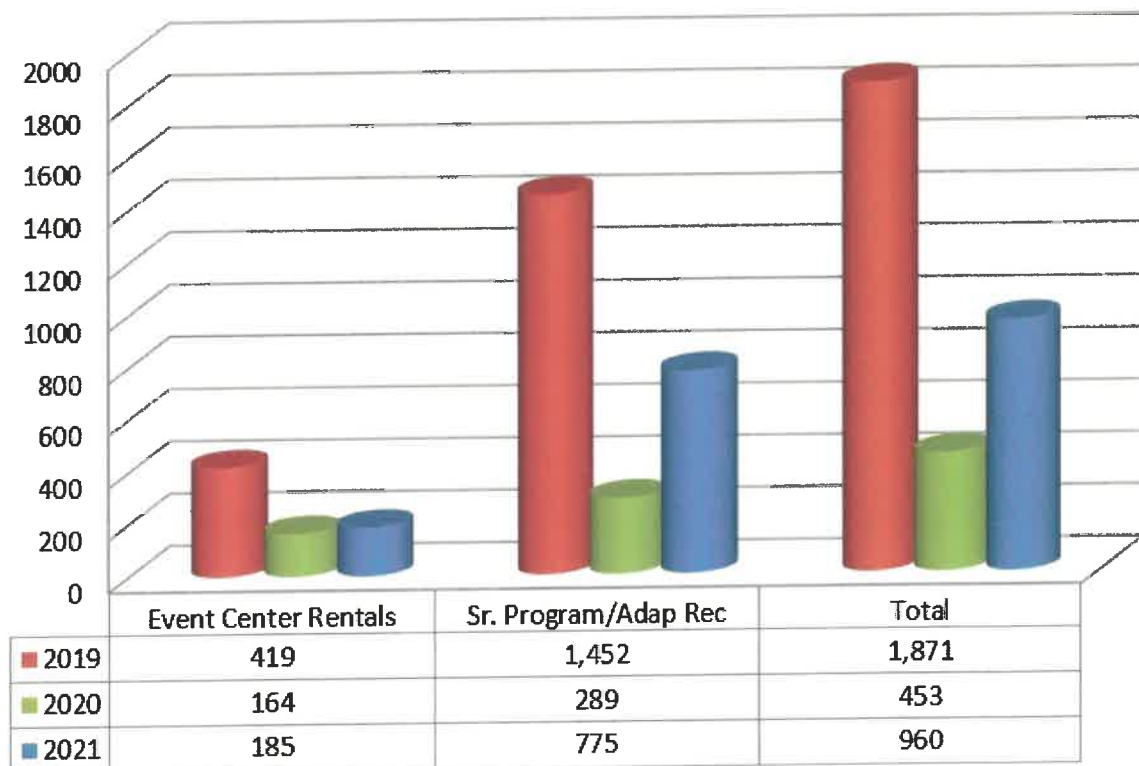
The City of Hutchinson is looking at getting out of the Event Center business. At this time, PRCE will not be taking any additional bookings after December 31, 2022. Please be assured that getting out of the Event Center business does not mean getting out of the Senior Center operations. The Senior Center and senior programming are a vital aspect of our community. We want to assure the community that programming operations and opportunities are a major priority area for the City of Hutchinson.

Hutchinson Event Center Coordinator retired at the end of 2021. In preparing for her retirement, staffing situation was reevaluated for the longevity of the Event Center/Senior Center in its current location. Due to the retirement, Coordinator position was transitioned into a new position. Jennifer Behrendt will start 2022 in a new role as the Hutchinson Event Center Coordinator. PRCE Receptionist will transition into a new FT role as PRCE Office Specialist to help fill the void at the Event Center/Senior Center.

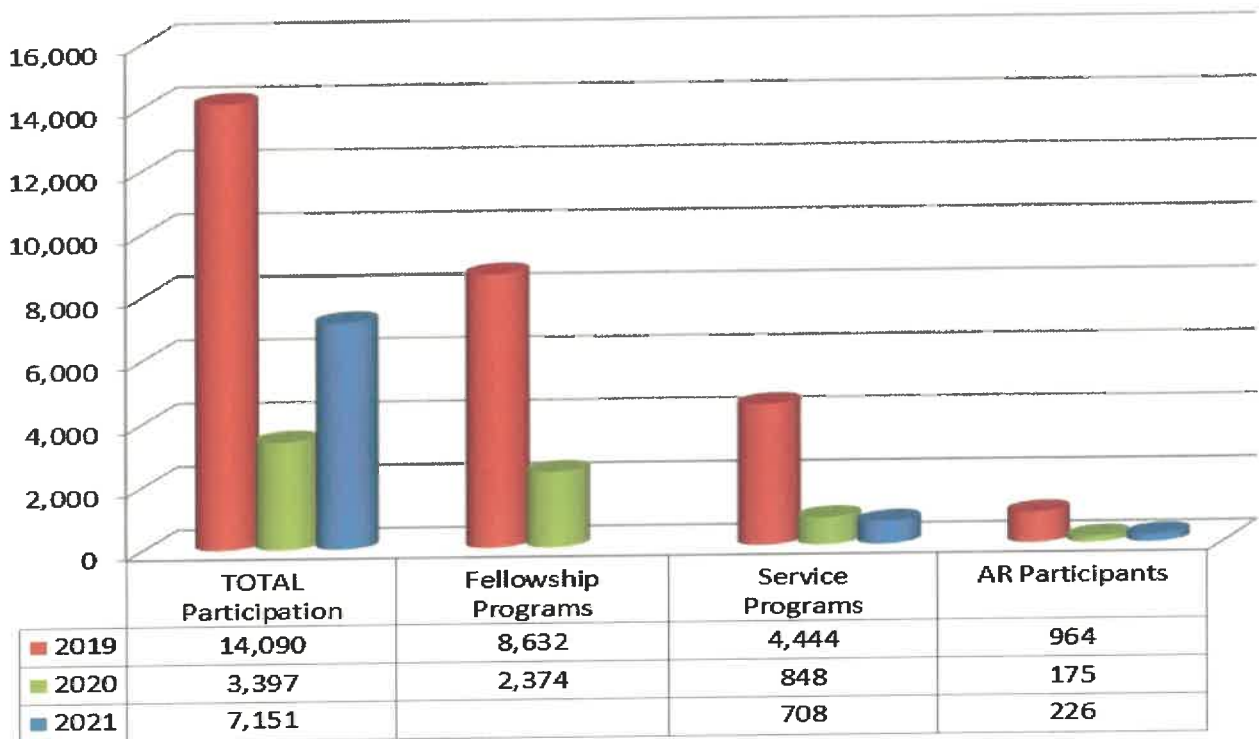
## 2021 Hutchinson Event Center/ Senior Center Accomplishments

- February- Sock Knitting class.
- Seniors raised enough money to install a flag pole. They raised more than their goal and were able to place a "Thank You" plaque alongside the flag pole.
- Book and Puzzle Sale – used to assist with donations for the flag pole installation.
- Drop location for Lion's Club recycling of hearing aids and eyeglasses.
- Host location for 185 events- this includes business, city and private events.
- Continued building maintenance and cleaning.
- Applied for and received a grant from United Way for Adaptive Recreation.
- Continued Senior Programming through safe practices during covid.
- Reviewed and selected candidates for hiring in 2022.
- Modified layouts for various events to assist with quicker turnovers.

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



## Senior Programming & Adaptive Recreation Participation



### 2022 Hutchinson Event Center/Senior Center Goals

- Use social media to promote Senior Programming.
- Develop a plan for Senior Programming if moved to another location in 2023.
- Continue to look into more "active" Senior Programming: walking, river walking, pickle ball, gardening.
- Knitting project to be completed and items are to be donated to the Common Cup and the Food Shelf.
- Continue to keep Seniors updated on the future of the Senior Center via Senior Newsletter.
- Sell Mini-Golf set and other stored items in preparation for sale of the Event Center.
- Continue with rentals as is until the end of 2022.
- Notify past and present renters that no rentals will be taken after December 2022.
- Hired one full time and one part time employee to assist with daily needs.
- Installation of the "Thank You" plaque near the flag pole.

# Hutchinson Public Schools ISD 423 Community Education

## ISD 423 Community Education Accomplishments

- **Summer (2020):** Offer 23 camps and activities July and August after previous spring closures
- **Fall (2020):** Reassigned to coordinate district childcare program, Tiger Cubs, for grades K6 at Hutchinson Event Center for hybrid learning schedule August to September. October organized 14 Community Education activities to take place in November and December. Reassigned full time back into childcare November 16 while continuing to supervise Community Education activities that were set up during the childcare break. Childcare transitioned into Distant Learning after Thanksgiving break.
- **Winter-Spring (2021):** Continue to coordinate district childcare program at Park Elementary until January 15, 2021. Simultaneously supervise Community Education activities and organize more after returning to CE office, ended up with 31 Community Education activities January to May.

Hutchinson Community Education provides lifelong learning experiences for people of all ages, abilities and cultures through programs and services. Classes are creatively designed generated from interests and trends. 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 is located in the Recreation Center and activities are held at Hutchinson Public Schools, Recreation Center, park shelters, and local businesses.



This school year was challenging, dealing with closures and restrictions due to Covid-19. Preparedness plans were put in place following MDH and MDE guidelines and starting July 1, 2020, we were able to offer activities again. We held activities and camps throughout July and August instead of a June and July from previous years. Coaches must complete summer camps by July 31, this year Minnesota State High School League allowed camps to be held in August. Coaches and instructors were eager to offer activities and camps and we were able to offer 23 different activities, all well attended.



Fall season started with the district going to hybrid learning model and I was reassigned to coordinate district child care, Tiger Cubs. With only one week to prep, hire and staff the childcare program, required a lot work and help from administration team. Marijean from ECFE helped write schedules during this week, splitting her time with ECFE and childcare. She was involved in 2020 spring childcare program while I was laid off. Para's were reassigned to

childcare until their regular programs started, which gave us time to hire new staff and figure out which paras could continue at childcare. This was an extremely fast-paced, frequently changing staffed program. Student attendance changed daily too with new additions, A and B hybrid days, every other Friday A or B, families securing or losing childcare elsewhere and illnesses factored into this constant student and staff change. Flexibility was the buzz word. Hybrid Learning model started August 2020 at Hutchinson Event Center and ended September 28.

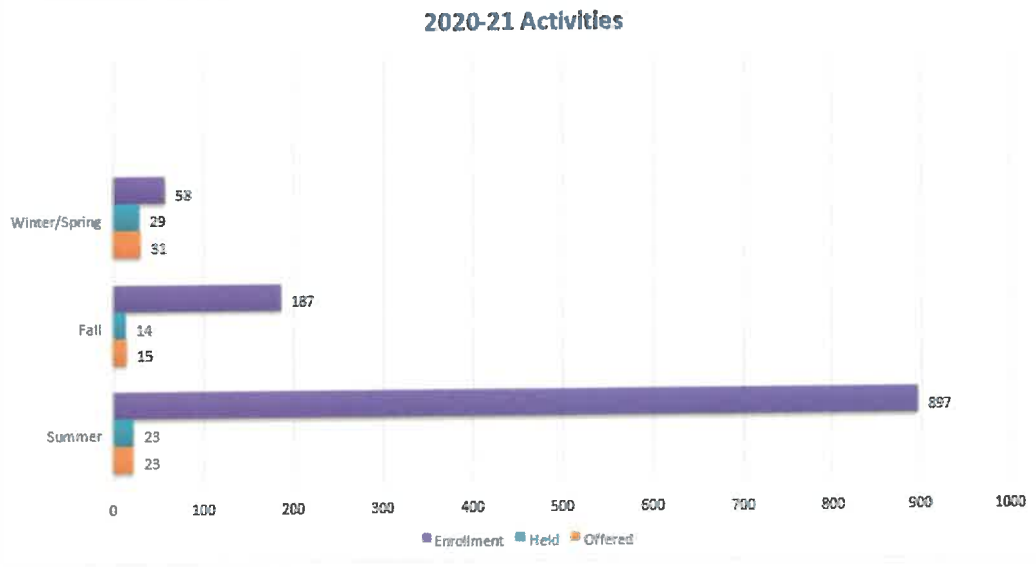
Hybrid Learning restarted November 9 for one week then Hutchinson Public Schools transitioned into Distant Learning to start after Thanksgiving break where we moved to Park Elementary. Families had to reapply for childcare, some staff from fall were able to return and new staff was hired to fill in the gaps. All new student schedules needed to be written. Student schedule challenges we faced was trying to accommodate all the different grade levels, groups, lunch schedules while trying to work in some recess time all factored into creating very difficult schedules. During this time, the Community Education Director retired. Tiger Cubs childcare ended January 15, 2021. Approximately 100 students applied and met criteria to attend childcare program. Highest attendance days reached in the 60's and average attendance was in the 40's. After packing up Tiger Cub, I returned to work at PRCE office.

The remaining winter and spring more Community Education instructors became available and willing to teach and we ended up organizing 31 activities. These activities were advertised via Hutchinson PRCE Facebook and by direct email to past participants. Protocols for contact tracing was established. This included limiting participants, restructuring how some activities are held and creating daily sign-in attendance sheets for some activities.

PRCE staff participated in online training for PRCE's new registration system, ActiveNet January and throughout the upcoming months with going live date scheduled in August.



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. 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 system during non-instructional hours. Each year items for our school district are entered manually according to the School Board approved calendar into the rSchool. Items entered may include non- school dates, holidays, late starts, conferences and work days, July 1 to June 30 of upcoming school year. Staff are asked to enter their reservations by June 30 and rentals for public open around July 15 each year. This year rental reservations were delayed and limited to pool and gyms. Auditoriums were closed until June 2021.

Total rentals and usage show 62 groups submitted 396 permits estimating 172,800 participants. From the total 12 were rental groups who submitted 72 permits estimating 17,691 participants, which is less than previous years. Majority of school use was for school related items. This fiscal year construction of Tiger Elementary school started, which is attached to West Elementary. This school will be home to second and third grade students.

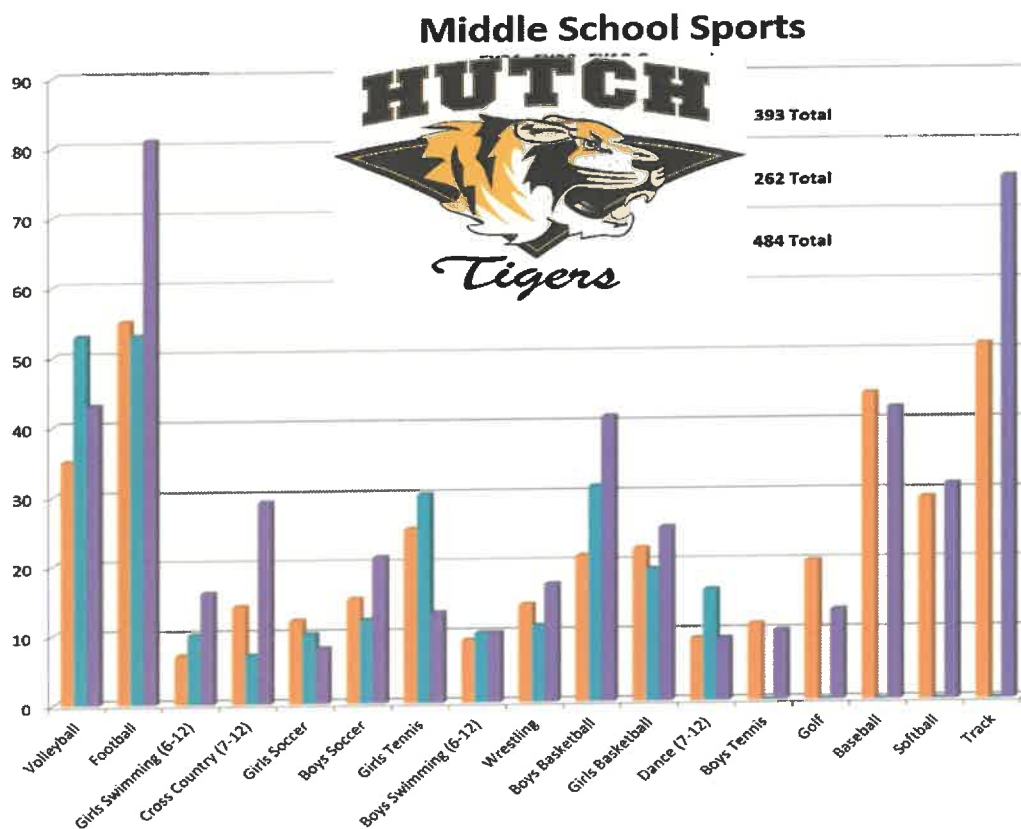
### Facility Use by Building:

| Building        | Groups | Permits | Est. # of Participants |
|-----------------|--------|---------|------------------------|
| High School     | 19     | 193     | 57,294                 |
| Middle School   | 24     | 111     | 83,969                 |
| Park Elementary | 7      | 23      | 7,000                  |
| West Elementary | 4      | 19      | 4,392                  |

|                       |   |    |        |
|-----------------------|---|----|--------|
| Fields-Outdoor Campus | 9 | 50 | 20,418 |
| Parking Lot           | 0 | 0  | 0      |

### **Middle School Activities** Submitted by *William Tschida*

Middle School Activities opportunities are offered to students in grades 6, 7, and 8. They are under the Community Education funding umbrella and managed by the Activities Director in Hutchinson High School. Fall 2020 season, seven different activities were offered with 163 participants. Winter 2021, five different activities offered with 75 participants. Spring 2021, five different activities offered with 155 participants. Throughout the year, two activities ran as 6-12 program and two activities ran as 7-12 program. Supportive information located in the chart section.



### **Hutchinson Adult Basic Education** Submitted by *Shari Brunes*

Hutchinson Adult Education is located at Ridgewater College in room 145. Our mission is to provide adults age 17+ with educational opportunities to acquire and improve literacy skills. A certified teacher is in the room to meet the needs of learners three days a week. Our schedule includes both daytime and evening hours, and provides the



opportunity for a total of 18 in-person instructional hours weekly for students. Additional hours are available for students who want to work remotely. Programming is offered twelve months a year.

The Hutchinson Adult Education site is co-located with Ridgewater College and the Career Force Center. Because of this, we have been able to develop programs to assist learners with educational, employment, certifications, and college goals. We offer free basic computer skill classes. We academically support college students who do not meet Accuplacer Math cut scores.

We continue to build on relationships with groups in the community including the public library, employers, and community organizations. Adult Education 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.

### ***Adult Basic Education 2020-2021***

The COVID pandemic continues to affect our program. In April, the classroom reopened for in person instruction, by appointment, one day per week. In July, we returned to a fairly normal schedule, with open classroom hours three days and one evening per week, with no appointments needed. It is no surprise that our attendance hours are down, but this year is significantly better than last year.

One great outcome of the pandemic is that we had to pivot and offer our services exclusively online for 14 months. Many of these online classes and support services continue to be available for students.

For the 2020-2021 state academic year (May 1, 2020 to April 30, 2021), 177 students attended for a total of 3,313 contact hours. Students who attend 12 or more hours are considered participants. Hutchinson Adult Education had 76 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 Adult Education student attends for 18 hours.

Working with our Regional Transitions Coordinator, Joyce Evenski, we have designed and delivered online career pathway courses regionally with other Adult Education programs in Southwest Minnesota. In the past, individual Adult Education programs have offered these kinds of classes, but it is always a challenge to enroll enough students. We have received Transitions grant funding to offer courses in Paraprofessional Training, Child Development, and Google Computer Skills. We have recruited students from Hutchinson to Mankato and beyond. These courses have been piloted and we are sharing them with other adult educators across the state. It is an exciting undertaking and we are grateful for Joyce's leadership.

Learners participated in a variety of programming including classroom hours, distance (online) learning, basic computer classes, grant sponsored classes, and collaborative classes with the college and Career Force.

Students continue to take and pass GED tests. GED Testing Service launched online proctored testing in 2020, so students may take their official GED tests at home. Of course, there is disparity here as not all students have the proper equipment or adequate internet. Ridgewater College reopened its testing center in September 2021. There were 15 Hutchinson Adult Education students that earned a GED Diploma. The state of Minnesota has a legislative appropriation this year that provides a \$10 discount on each subject area GED test. Our local Free GED Testing Fund, in partnership with the Ridgewater College Foundation, is being used to provide additional financial support to students who study in our program for 12+ hours.

A new high school equivalency test, called HiSET, has been approved for use in Minnesota. This means that students will have the option of taking the GED or the HiSet to earn their high school equivalency diploma. The process of implementing the HiSet has begun and it should be available for students later in 2022.

### ***ABE Staffing***

Shari Brunen manages the Hutchinson Adult Education program. Ann Trochlil serves as the Glacial Lakes Adult Education Consortium Program Manager. The Hutchinson teaching staff currently includes: Joyce Evenski, Barb Haugen, and Mary Horrocks. Alicia Boncquet and Jean Abrahamson were hired in August 2021 and they are wonderful additions to the team.

Since March 2020, all state professional development has been offered remotely. Staff attended Summer Institute, Spring and Fall Regional trainings, the Language & Literacy Conference, and many webinars. Shari and Joyce have presented numerous times to other adult educators across this state in the past year. Shari is currently serving on the implementation team for HiSET, and is a member of the State Distance Learning Advisory Team. Joyce resigned from her position as the Regional Transitions Coordinator for the Southwest Region in June 2020. Participation and involvement in these and other opportunities make Hutchinson Adult Basic Education a leader among small rural programs.

### ***ABE Data Summary Information***

| <b>Hutchinson Adult Basic Education<br/>2020-21 Information</b> |              | <b>Compared to 2019-20</b> |
|---|--------------|----------------------------|
| <b>Total Enrollees</b>  | <b>195</b>   | 262                        |
| <b>Total Hours</b>  | <b>3,313</b> | 3% decrease                |
| <b>Total Participants   Must Attend 12+ hours</b>               | <b>76</b>    | 98                         |
| <b>Total GED Earners</b>  | <b>15</b>    | 19                         |

## Early Childhood Family Education (ECFE) *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.



**EARLY CHILDHOOD  
FAMILY EDUCATION**

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, outdoor classes, 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.



The 2021 school year continued to push our creativity as we tried to regain our pre-covid class participation in ECFE classes. With the continued guidance of our school district, MDE and MDH, we were able to hold classes inside from February - May, 2022, as long as families stayed 6 feet apart, parents masked, and our numbers in our building met the square footage guidelines for number of occupants at any given time. Our class maximums dropped from 15 - 6 per the indoor classroom covid guidelines and we had to

purchase

folding tables, storage tubs and more supplies and equipment so that each family unit had their own area to play at while in the building as well as their own tub of play materials so that materials were not share by more than the one family unit.

Fall of 2021, we were scheduled to move into our new space located at West Elementary. However, because of construction delays, we were not able to begin inside the building until November, 2022. That left us with two options ~ either cancel classes until November or move classes outdoors again.

Thankfully we had prior experience with holding classes outdoors, so it was not hard to gear ourselves up for the challenge ahead. PRCE came to our rescue on two separate occasions when the outdoor weather was not in our favor and we had to either cancel classes or find a place to hold them indoors. Lynn, Sharon, Jody and Leslie were gracious and helpful in allowing us to bring our materials over to the gym and offering to help set up our classes so that we were ready to greet our families on time.



The 2021 year ended with a very special Grandma/Grandpa/ I built a gingerbread house for the holidays - it was a packed event and everyone had a fabulous time.

## **2021-2022 Community Education Goals**

- Manage, organize and develop activities throughout the year for multiple age levels, current trends and interests while following District and state guidance
- Network and collaborate with local businesses for community partnerships
- Organize at least one new activity per brochure targeting community needs
- Team-building skills to maintain amicable relationships with instructors, customers, and staff
- Lifelong learning by participating in Minnesota Community Education Association (MCEA) Conferences, Leadership Days, training and classes in person or Distance Learning
- Network with MCEA groups for collaborations in programming and facilities
- Marketing and awareness of PRCE activities through Facebook, websites, brochures, flyers, and in person
- Organize, revise and maintain rSchool Today, Hutchinson Public Schools online reservation system
- Critical-thinking skills to flag potential reservation/scheduling issues within school buildings
- Schedule activities at the newest school district's facility, Tiger Elementary
- Develop growth mindset to be adaptable in programming, assignments, tasks and responsibilities
- Assess aquatics essential functions, propose a seasonal/temporary aquatics manager
- Gain knowledge in PRCE's new registration system, ActiveNet, by researching the systems functions through tutorials in the help center and customer support
- Explore shifting middle level activities back to high school activities department

## **2021-2022 Adult Basic Education Goals**

- Reach out to learners in the community in need of Adult Education services; ongoing
- Transfer all student logs from paper to digital notes in SID (Student Information Database)
- Develop online delivery strategies for our learners, including incorporating a HyFlex model where some students attend in person and other students attend online
- Participate in the High School Equivalency Test Selection Implementation Working Group

- Pretest and posttest to successfully meet national targets of 44% of students achieving a measurable skill gain
- Collaborate with Southwest Minnesota programs to expand regional classes
- Develop grants with partners to assist students as they explore career pathways; ongoing
- Provide distance learning (online) opportunities using state approved platforms; ongoing
- 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

## **2021-2022 Early Childhood Family Education Goals**

- 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
- Distribution of our Early Childhood Screening postcard to families; restore our Welcome Baby postcard to parents of a newborn; restore 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
- Continue to look for grant opportunities that would allow for us to build a nature-inspired early childhood play space for families with young children.

# 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

## 2021 Accomplishments

- Continued to adjust to pandemic.
- Many more virtual meetings and conference calls.
- Kicked-off Growth Area Planning Study
- Continue to support Hutchinson Area Joint Planning Board
- Worked on a variety of Downtown Redevelopment Projects and Planning
- Assisted with Police Department Project Planning

## 2022 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

## PLANNING



### 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

## **2021 Accomplishments:**

### **Reviewed and Processed:**

- 17 Applications for Planning Commission
- 187 City Land Use Applications
- 97 zoning reviews of building permits.
- 67 sign permits reviewed.
- 60 predevelopment/application meetings.

## **2021 Planning Commission Items**

- Site Plan Review located at 225 Shady Ridge RD NW
- Site Plan Review for a New Police Station Facility located at 205 Washington Ave E
- Site Plan Review and CUP for a Civil Air Patrol Training Facility located at 840 Airport RD SW
- Final Plat for Century Court West
- Preliminary Plat and CUP to Amend the Planned Development District at Southfork Ridge Fourth Addition
- Zoning Ordinance Amendments to Section 154.024 Regarding Easement Areas and Section 154.116 Regarding Parking Lot Requirements
- Final Plat for Southfork Ridge Fourth Addition
- CUP to Remodel/Renovate Park Elementary School located at 100 Glen St SW
- Sketch Plan and Rezone a Property from C-3 to MXD located at 126 & 135 Franklin St NW
- Zoning Ordinance Amendment for the C-3 Downtown Zoning District Regarding Conditionally Permitted Uses.
- CUP for a Senior Care Facility in an R-2 Zoning District located at 710 Park Island Drive SW
- CUP for a Light manufacturing Business in a C-3 Zoning District located at 125 Main St N
- CUP for a Mural in the Main Street Area District located at 22 1<sup>st</sup> Ave NE

## 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.

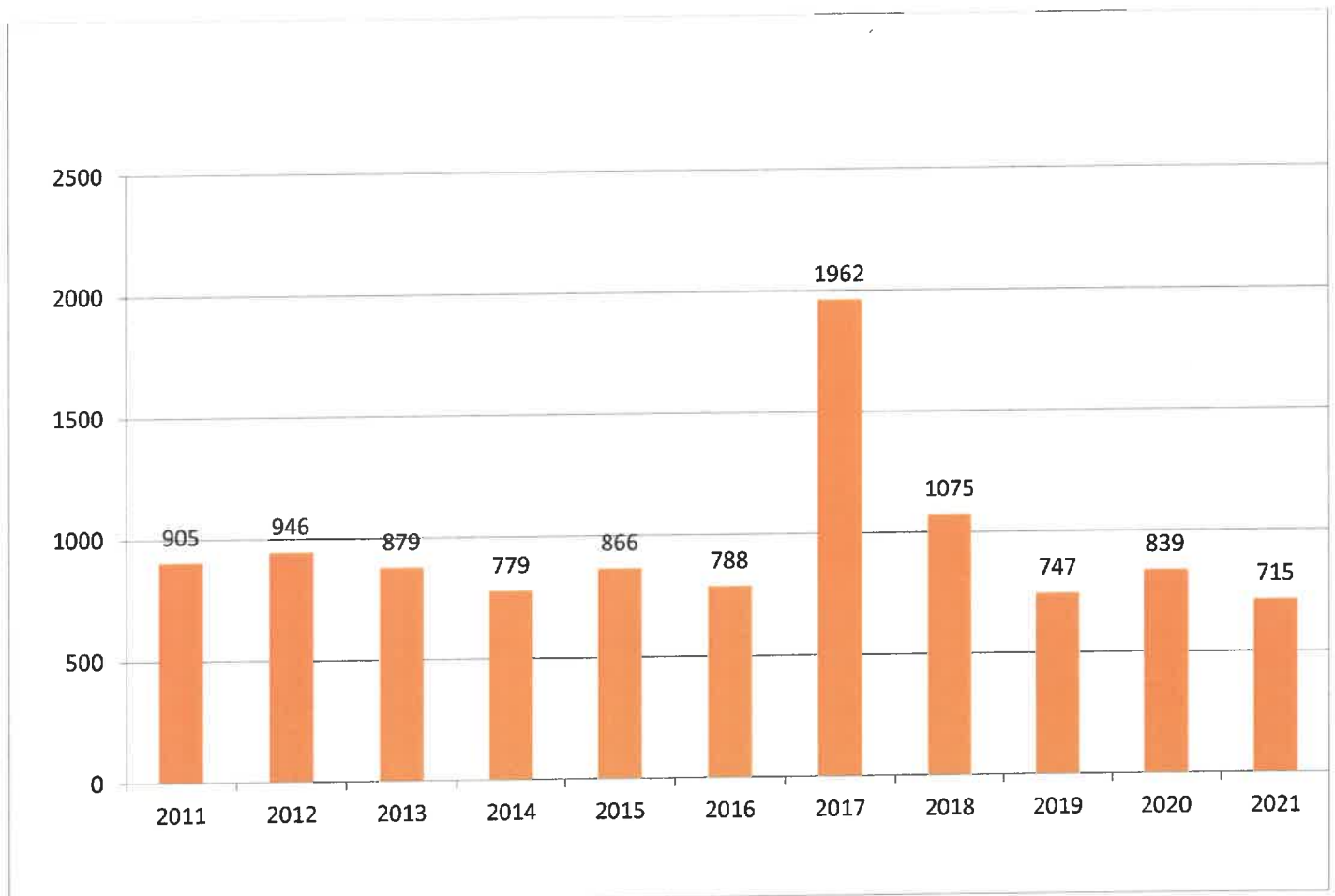
Under the direction of the Planning Director and the Building Official, protective inspections provides the following services:

- 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.

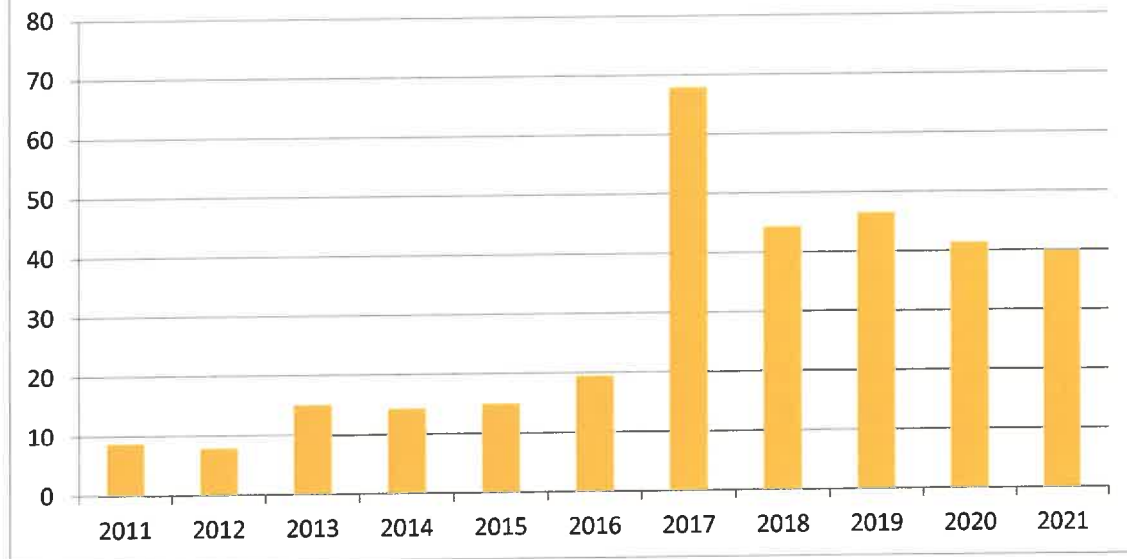
## 2021 Accomplishments

- 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:
  - New Police Facility
  - McDonald's Remodel
  - Buff City Soap
  - River House Food + Drink
  - River Oaks Addition
  - Split Best Buy Space
  - Uponor Phase 2 Renovation
  - St. A's Worship Space Remodel
  - Resonetics Remodel
  - Integrations Wellness Remodel
  - WWTF Headworks Improvement Project
  - Counseling Center Remodel
  - Solar Array System
  - 3 – New Century Court West Buildings
  - Rite Way Addition
  - Goebel Fixture Solar Array

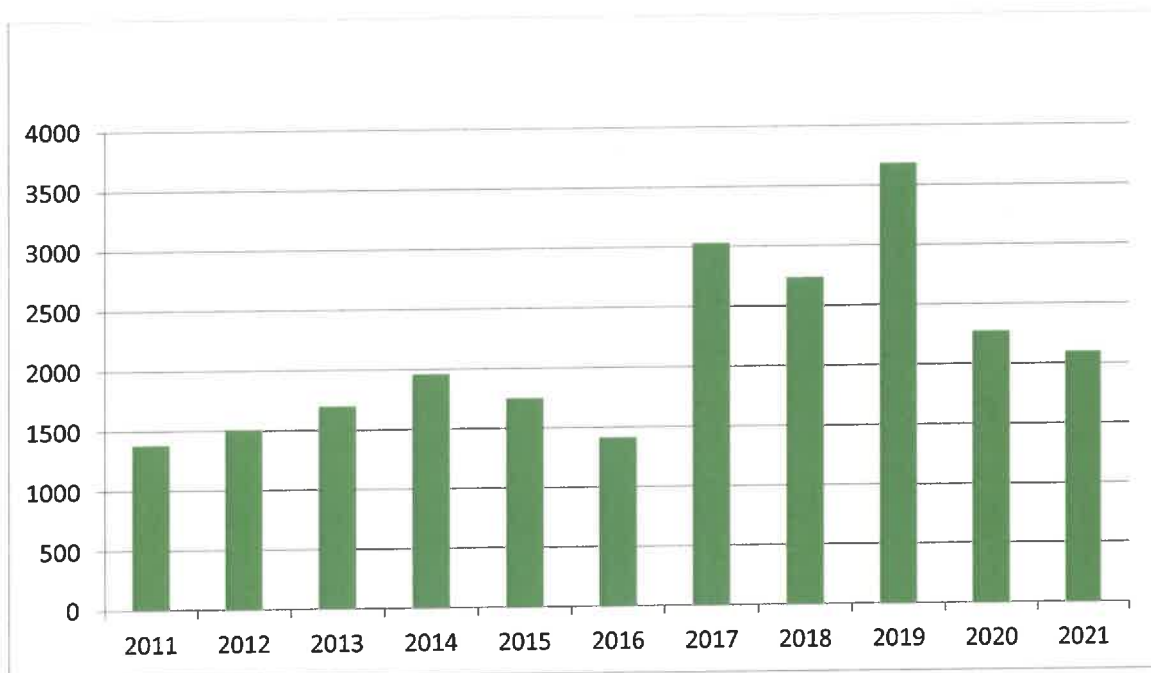
### ***Number of Building Permits Issued 2011 Through 2021***



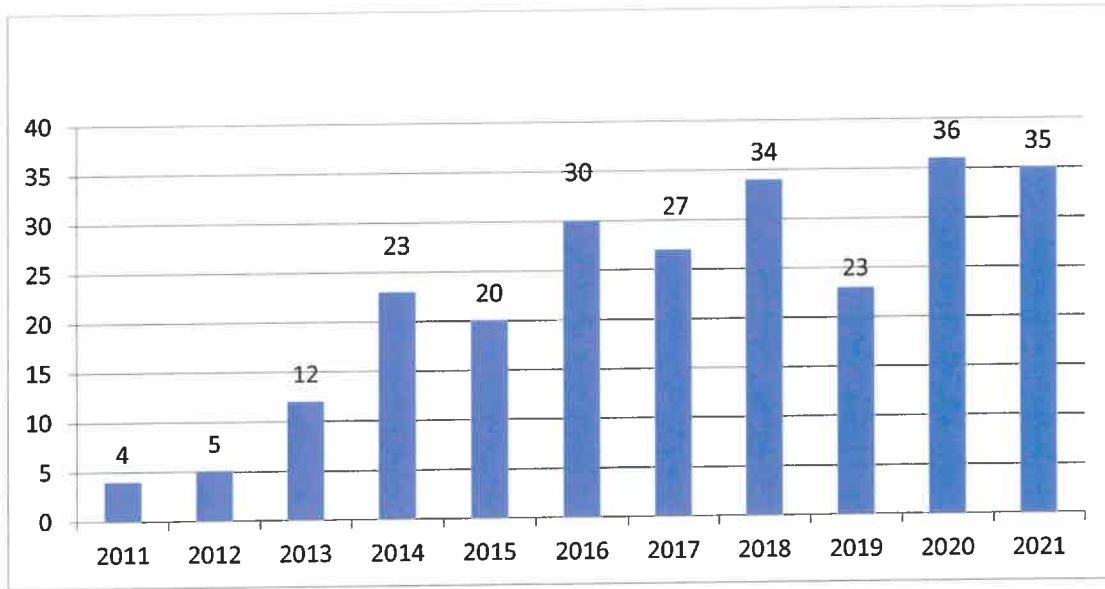
### CONSTRUCTION VALUATION MILLION \$ VALUATION 2011-2021



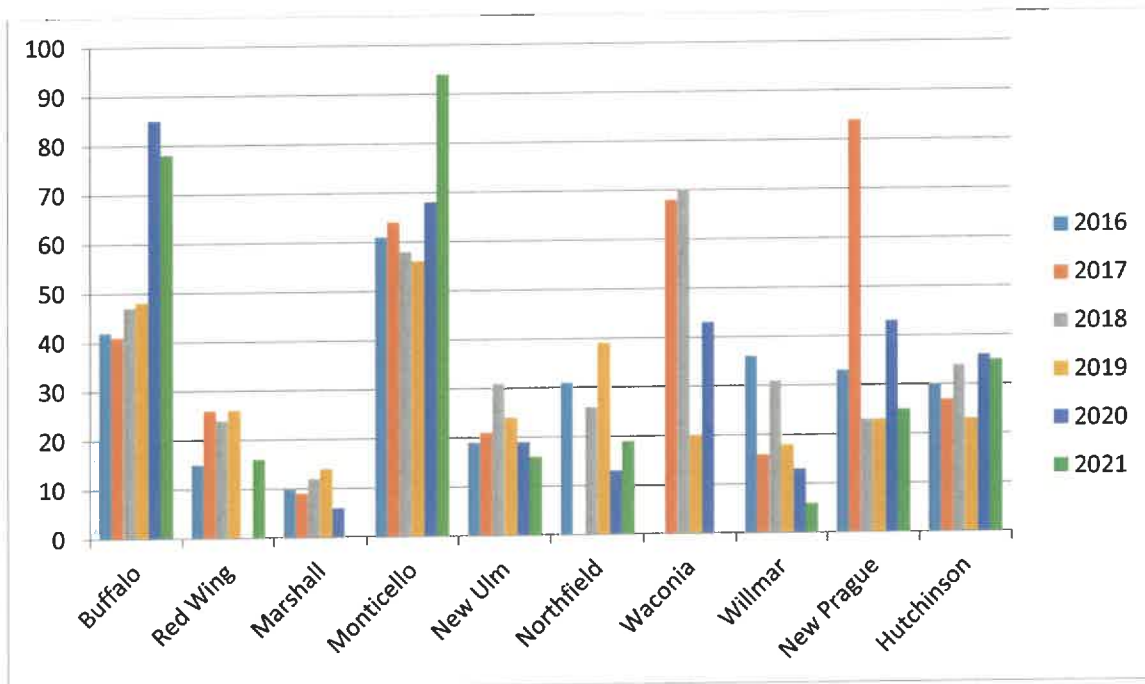
### *2011 – 2021 Total Building Inspections*



## *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 resumed in fall 2021.

### Rental Inspection Report from January 1, 2021 to January 1, 2022:

|                                       |     |
|---------------------------------------|-----|
| • Rental Property Initial Inspections | 46  |
| • Rental Property Re-inspections      | 10  |
| • Number of Units Inspected           | 231 |
| • Number of Units with No Violations  | 191 |

| Type of Rental Unit                         | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------|------|------|------|------|------|------|
| Single Family Home                          | 324  | 290  | 227  | 283  | 265  | 302  | 241  |
| Single Family Homes Split into 2 or 3 Units | 52   | 48   | 48   | 49   | 49   | 49   | 49   |
| Specific Built 4 Unit Buildings             | 29   | 26   | 25   | 27   | 24   | 27   | 27   |
| 5-10 Unit Apartment Buildings               | 24   | 26   | 27   | 27   | 27   | 27   | 28   |
| 10 or More Unit Apartment Buildings         | 49   | 50   | 50   | 51   | 52   | 52   | 56   |

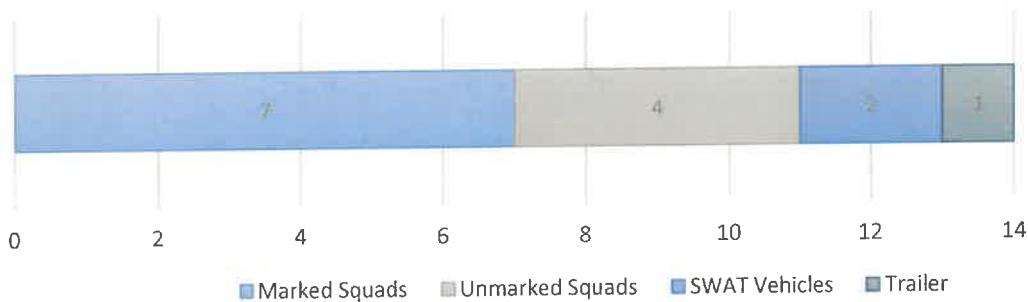
# Police Department

## About the Department

Department Staff – As of December 31, 2021

| 25 Sworn Officers        |                               | 17 Civilian Staff  |
|--------------------------|-------------------------------|--|
| 1 Police Chief           | 1 Child Protection Officer    | 4 Police Administrative Specialists<br>1 Evidence Technician<br>2 Part-time Patrol Officers<br>1 Police Chaplain |
| 1 Lieutenant             | 1 School Liaison Officer      |  |
| 4 Patrol Sergeants       | 1 Drug Task Force Agent       |  |
| 1 Investigative Sergeant | 3 Full-time Hospital Security |  |
| 12 Patrol Officers       | 7 Part-time Hospital Security |  |
| 1 General Investigator   | 1 Community Service Officer   |  |

Fleet – As of December 31, 2021

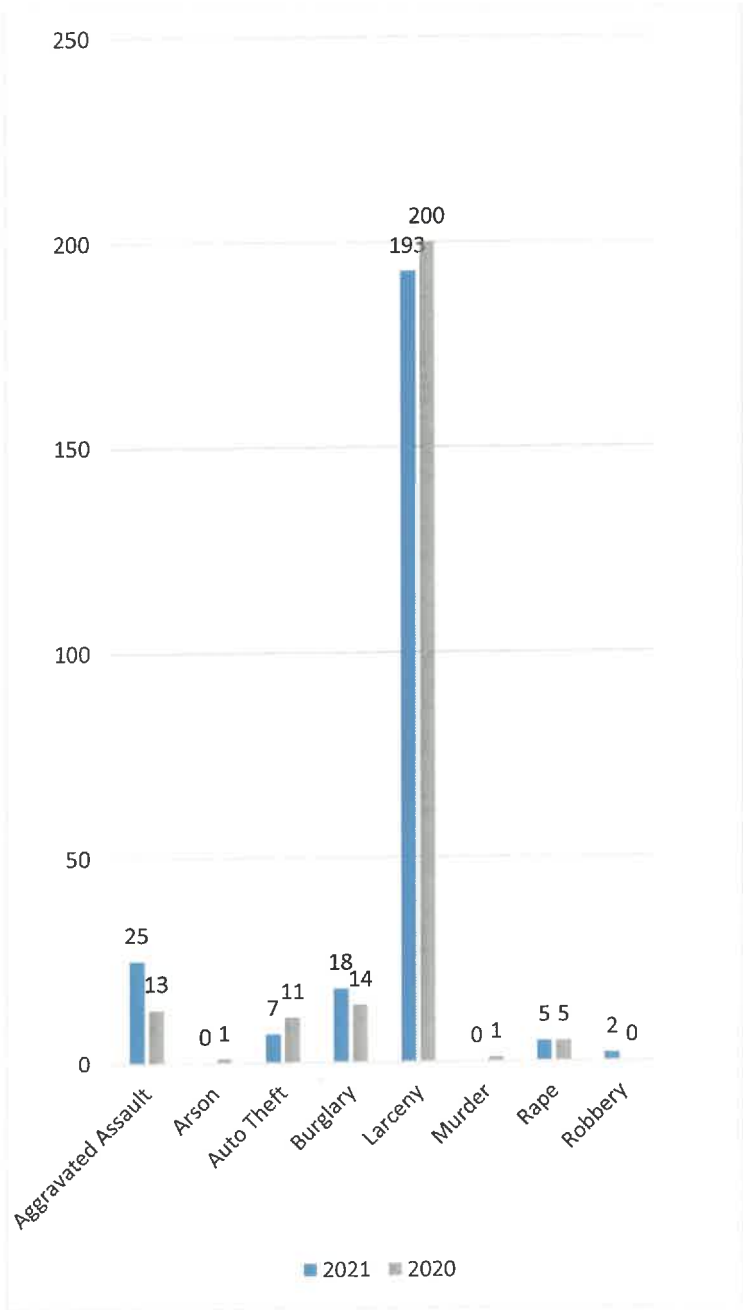


# 2021 Crime Statistics

## 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 2021 Part I crimes are similar in comparison to 2020. No drastic differences between any of the Part 1 crimes. In 2020, there was an overdose in a local convenience store bathroom and charges were requested for 3<sup>rd</sup> degree homicide on the individual who sold the deceased person the drugs.

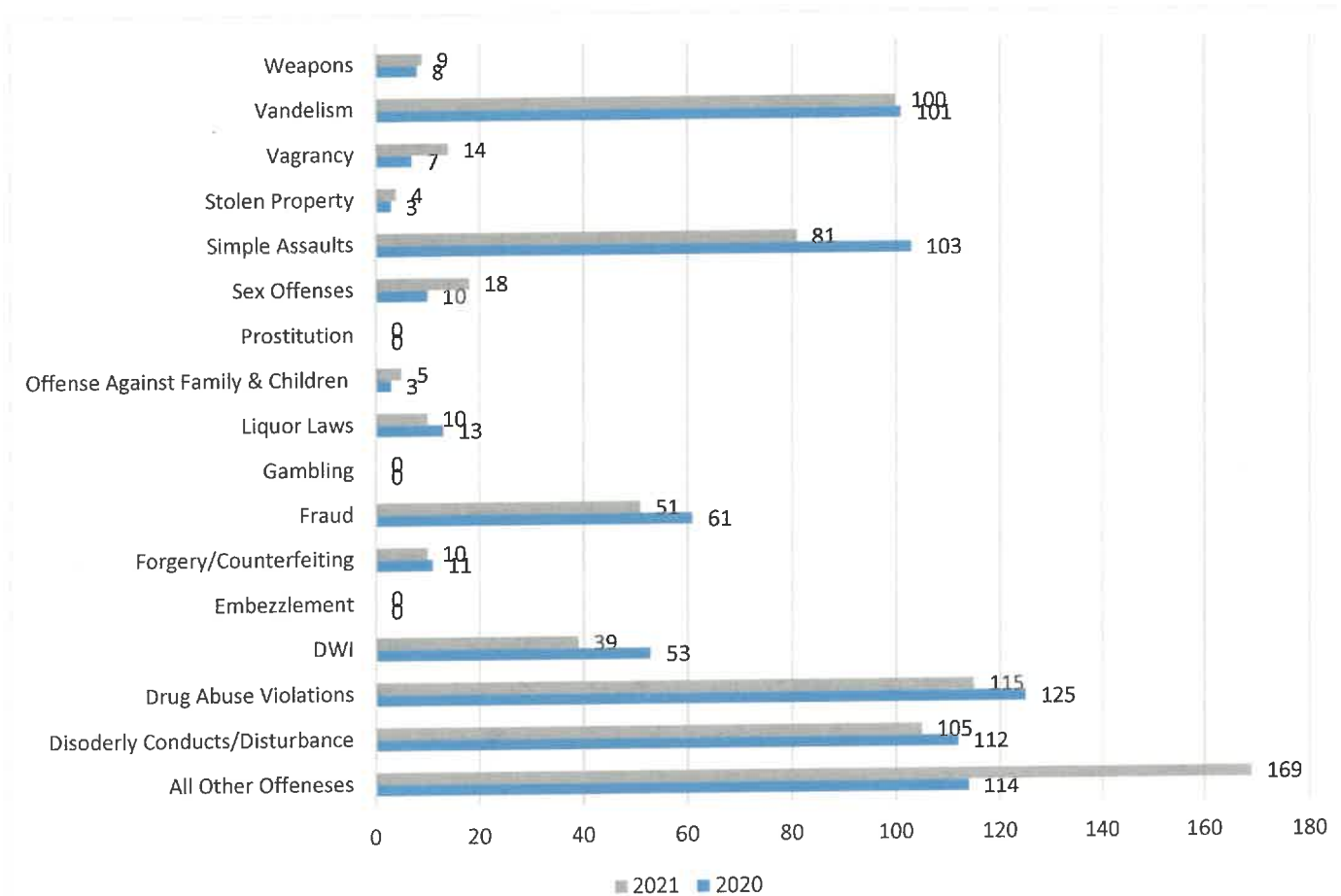
The calls for service were down by about 1200 for 2021 compared to 2020, but the amount of arrests were almost the same.



| 2021 VS 2020 Comparison |        |        |
|-------------------------|--------|--------|
|                         | 2021   | 2020   |
| Calls for Service       | 16,329 | 17,549 |
| Arrests                 | 365    | 360    |

## 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, Disturbing the Peace, Disorderly Conduct, Gambling, DUI, and Moving Traffic Violations. Most 2021 Part II crimes are similar in comparison to 2020 with the exception of simple assaults which dropped by 22 and DWI’s dropped by 14. There was also a large increase in All Other Offenses. In 2021, there were a significant amount of catalytic converter thefts. Along with a theft charge on these incidences, a tamper with motor vehicle charge is also added. A tamper with a motor vehicle charge would fall under, All Other Offenses, under Part II crimes.



## Patrol

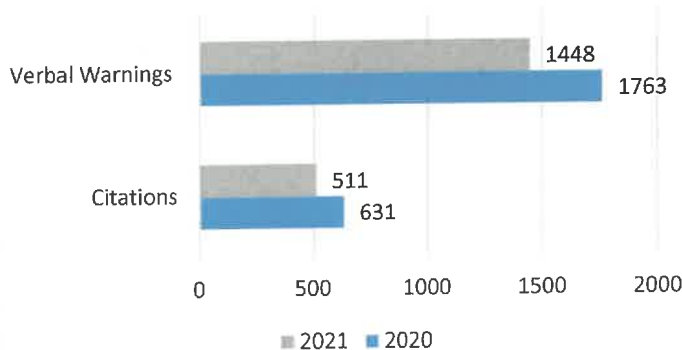
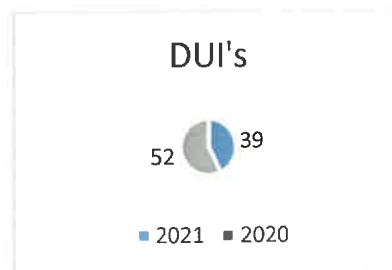
The patrol division of the Hutchinson Police Department is the face of the department. Many community members only ever have contact with a patrol officer, making their impact crucial to the integrity of the department.

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 also work closely with businesses on shoplifting and fraud incidents.

The department has twelve full-time officers and two part-time officers assigned to the patrol division. This area is led by four patrol sergeants.

During the 2021 year, officers arrested 39 people for DUI's. This was less than the previous year by 13. These DUI's are not all alcohol related, some are the result of drugs. The Hutchinson Police Department forfeited 11 vehicles as a result of these DUI's and drivers fleeing from officers in motor vehicles.



In 2021, officers initiated 1971 traffic stops.

There were about 300 less citations and 120 less verbal warnings issued in 2021 than 2020. It is important to note that not all citations and verbal warnings issued are from traffic stops.

In 2021, officers responded to 339 accidents and completed 253 state crash reports. There were 22 personal injury crashes, 35 hit and run crashes, and 196 property damage crashes. Of the 339 crashes, 86 required either no officer assistance or had minor damage that a state crash report wasn't required.

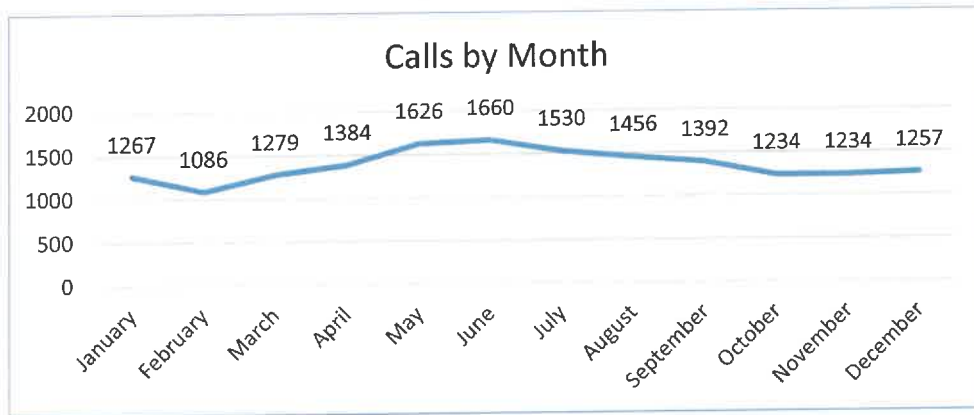
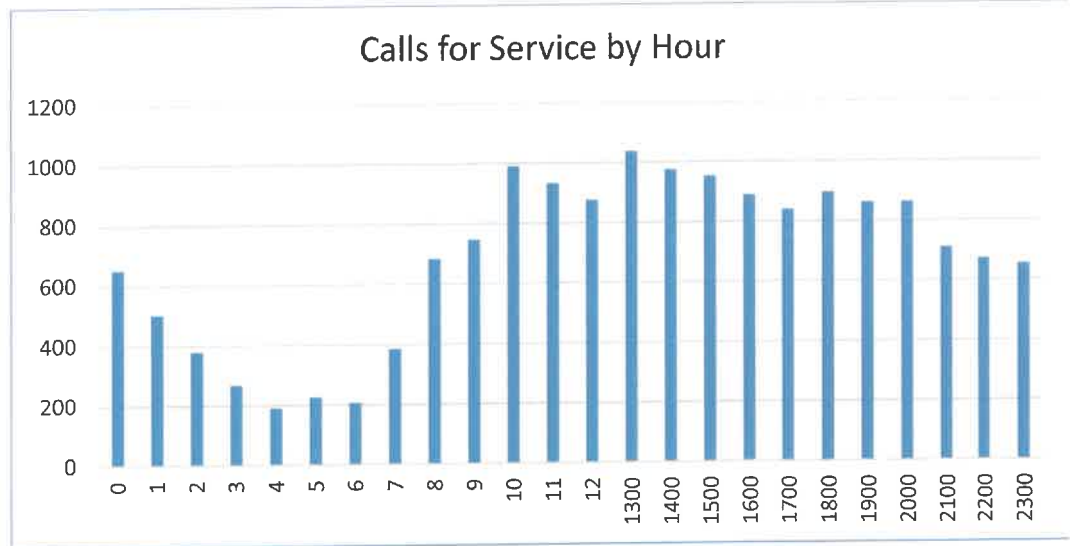
| 2021 CRASHES            |     |
|-------------------------|-----|
| Property Damage Crashes | 196 |
| Personal Injury Crashes | 22  |
| Hit and Run Crashes     | 35  |
| No Report               | 86  |

## Statistical Information

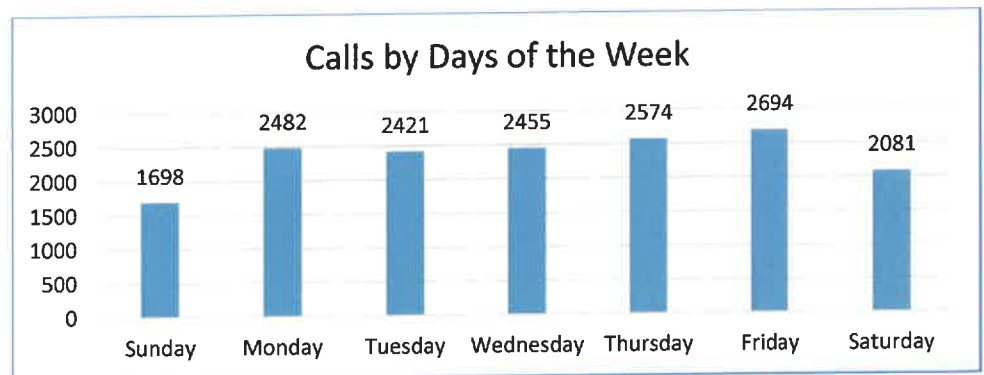
The Hutchinson Police Department responds to calls for service twenty-four hours a day and seven days a week. The busiest time frame for the officers in 2021 starts at approximately 1pm with a gradual decrease until 6pm when it increases slightly and then gradually decreases again.

January started out average compared to all off 2021.

February was the lowest month for calls for service. Calls for service started to trend up after February, reached the highest in June and decreased gradually after that till the end of the year. There was a small increase in December, but nothing significant.



Friday was the busiest day of the week for calls for service for the Hutchinson Police Department. Thursday was close behind Fridays with Mondays, Tuesdays and Wednesdays all very similar as well.



## 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 2021:***

- Handgun and Rifle Qualifications
- First Responder Certification
- SOTA- 2 Officers- Special Operations and Tactics Ass.
- Taser Recertification
- Basic SWAT in St. Cloud – sent 4 Officers
- De-escalation/Intervention Strategies for Persons in a Mental Illness Crisis/Crisis De-escalation Techniques for Community Safety
- Special Response Team (SRT)
- City of Hutchinson Safety Training
- Standardized Field Sobriety Training / ARIDE Training
- MN Criminal Interdiction Training

## Investigations

The Hutchinson Police Department Investigations unit is comprised of five licensed officer and one evidence technician. This unit is supervised by a Sergeant. The four officer positions within the investigation's unit are the School Resource Officer, Drug Task Force Officer, Juvenile/Child Protection Officer, and General Investigator. All of these positions 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 incidences to get as many illicit 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 four-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.



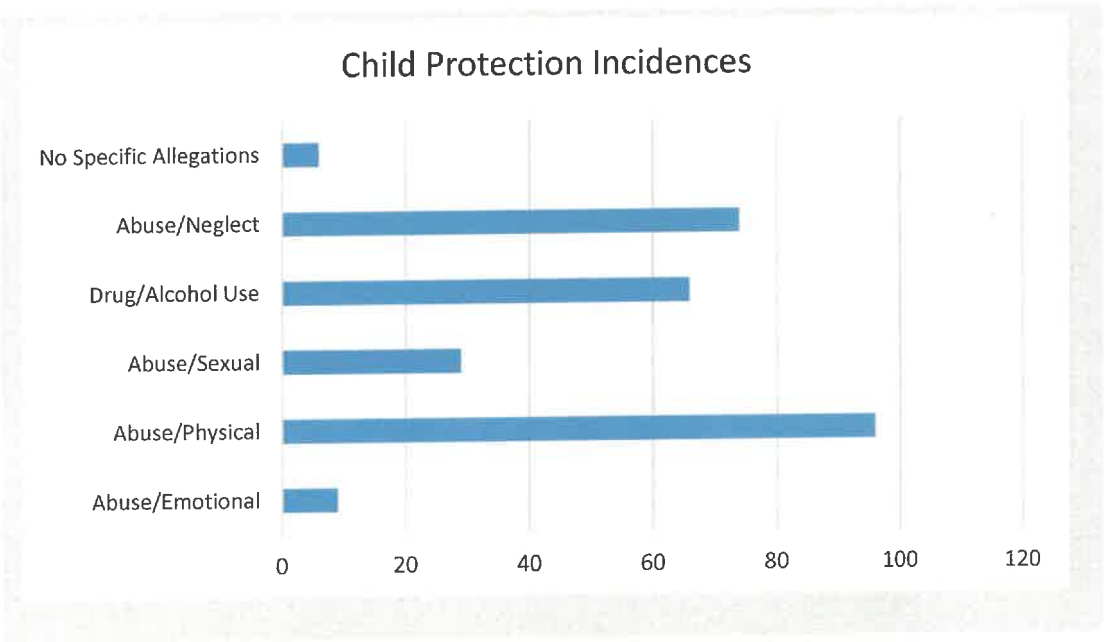
The School Resource Officer has an office within the Hutchinson High School and is in the school buildings daily from 7am to 3pm. The relationship the School Resource Officer builds with the staff and students is a great asset for the Hutchinson School District and the Hutchinson Police Department.

There were a total of 258 calls for service at all the schools in the district in 2021. There were 96 incidents at the High School, 58 at the Middle School, 82 at Park Elementary, 6 at Tiger Elementary and 16 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 five-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's Special Response Team (SRT) partners with the McLeod County Sheriff Department's Emergency Response Unit (ERU) to provide officers for tactical response services. The joint tactical team operates under the team name, Crow River SWAT. 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 SRT 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.

Crow River SWAT has approximately ten 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 two 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 28, 2021**

### **200 block 11<sup>th</sup> St E (Glencoe)**

Officers were dispatched to a domestic incident at a residence. The suspect armed themselves with a handgun with children inside the residence. The reporting person was able to escape the house to the first responding officer. The children went into the basement for safety. The suspect remained upstairs. SWAT was paged to respond. MCSO responded with the armored rescue vehicle. The children were able to be extracted from the residence unharmed. Negotiations were started with the suspect, who after a short time surrendered to law enforcement.

**February 28, 2021**

### **700 block Main St N (Hutchinson)**

The SWAT team was activated to conduct a high-risk arrest/search warrant for a homicide suspect that occurred in Meeker County. Intelligence was received the suspect may be hiding in the residence. The SWAT team was briefed and executed the warrant. The Armored Rescue Vehicle was used to secure the arrest/entry team while efforts were made to get the suspect to surrender peacefully. The crisis negotiation team (CNT) was used to communicate with the public announcement system to any occupants of the residence and to evacuate neighbors that could not shelter in place. The CNT was utilized in an effort to get the suspect to surrender, but there was no answer. Team members thought they saw possible movement and a cell phone upstairs. Interviewed people that left the house prior to arrival stated he wasn't there and the place was empty. The Bloomington Bomb squad and Annandale PD assisted in using drones to clear the residence as much as possible. The SWAT team ultimately conducted a slow search. The suspect was not there. The residence was turned over to the BCA and Meeker County investigators.

**March 1, 2021**

### **400 block High St NE (Hutchinson)**

The SWAT team was activated to conduct a high-risk arrest/search warrant for a homicide suspect. Intelligence was received by BCA investigators that the suspect was hiding in an apartment. SWAT team was briefed and deployed. The surrounding apartments were evacuated. The CNT made call to the suspect and he confirmed he was inside. After a short negotiation, the suspect surrendered peacefully to the SWAT arrest team. The suspect was turned over to Meeker County and transported to their jail. The apartment was cleared and deemed safe. It was turned over to the BCA investigation team.

**March 2, 2021**

### **19000 block Falcon Ave (Lester Prairie)**

Officers and deputies were called to a business regarding a hostile customer. The victim told police a customer was irate on the phone after they refused to sign a prescription. The suspect threatened to come to the business and "shoot it up." Deputies were able to locate the suspect driving and conducted a high risk traffic stop. The suspect demanded the officer shoot him. Deputies were able to deescalate the situation and took the suspect into custody. The suspect was charged with terroristic threats.

**May 17, 2021**

### **700 block Hwy 7 E (Hutchinson)**

Officers were called to a hotel regarding an assault and threats call. The victim and witnesses stated the suspect assaulted another male. The suspect stated he would shoot any officers that showed up. The suspect barricaded himself into this hotel room. Responding officers attempted to negotiate and get the suspect to come out, but he refused. The SWAT team was activated regarding a possibly armed barricaded suspect. The CNT made several attempts to get the suspect to surrender, but he refused. Ultimately the SWAT team utilized the armored vehicle fixed breaching arm to breach the motel room door. Chemical irritant was used to get the suspect to come outside. The suspect eventually came outside and less lethal munitions were used to take the suspect into custody.

**May 25, 2021**

**5000 block Hwy 212 (Glencoe)**

Deputies were called to the residence regarding a threats complaint. The victims stated the suspect had mental health/TBI issues and was using drugs. The suspect made threats that he was going to kill his family. He also made suicidal comments about potential suicide by cop. Due to the immediate threats to others, it was decided to use Crow River SWAT to make contact with the suspect. Crow River SWAT/Deputies were able to evacuate other family members. They used the Armored Rescue Vehicle to approach residence. They made commands over the loud speaker for the suspect to come outside. The suspect followed commands and was taken into custody without further incident.

**May 31, 2021**

**16000 block 10<sup>th</sup> St (McLeod)**

Deputies responded to a domestic situation possibly involving firearms. Deputies learned the suspect had made threats that he was going to kill his family then kill himself. The suspect was currently on the property trying to find his guns/ammo. Deputies called for assistance from Hutchinson PD and Crow River SWAT. They were also assisted by the MN State Patrol. While deputies were waiting for assistance and evacuating innocent people, the suspect appeared on the property. He was given commands and complied. He was ultimately taken into custody and charged with domestic violence.

**August 21, 2021**

**Winstock Music Festival (Winsted)**

Deputies were alerted of a possible armed person with an assault rifle walking around one of the campgrounds. Deputies searched the area for the suspect. Fearing a possible active shooter situation, it was decided to activate Crow River SWAT for added security. Crow River SWAT arrived and set up a sniper team near the main stage area. Other SWAT officers were in the area in the ARV to respond if needed. Ultimately it was determined somebody was showing a new rifle to his friends in the campground area and that is likely what the citizens reported.

**November 18, 2021**

**700 block Dale St (Hutchinson)**

Officers were sent to a residence on a possible suicidal person armed with a handgun. It was later determined another person was with them and there was an open 911 call coming from inside the residence. It was unsure if the person was being held against their will. Crow River SWAT was activated for a possible hostage situation. Officers set up a perimeter and reaction team. The suspect was ultimately spoken to via phone and came outside without incident to awaiting officers. It was determined no crime had been committed and the person was taken to the hospital for mental health treatment.

## Records Units

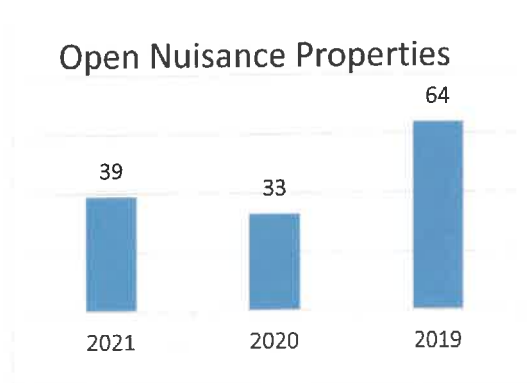
The records units for the Hutchinson Police Department consists of four full-time employees. The records unit has a variety of tasks and assists the Chief, Lieutenant, investigations, and patrol officers with daily duties. The records unit answers phone calls from the public and assists the citizens who come into the lobby of the police department. Citizens come into the lobby for a wide variety of reasons, but most common are records requests, animal licenses, and fingerprinting,

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

|  |     |
|--|-----|
| Public Records Request   | 593 |
| Permit to Purchase/Conceal Carry Background Requests from Other Agencies                           | 506 |
| Other Agency Background Requests (Social Services, Probation, Housing and Redevelopment Authority) | 219 |

## Code Enforcement – Nuisance Property

The Hutchinson Police Department has a Code Enforcement Officer who is assigned to 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.



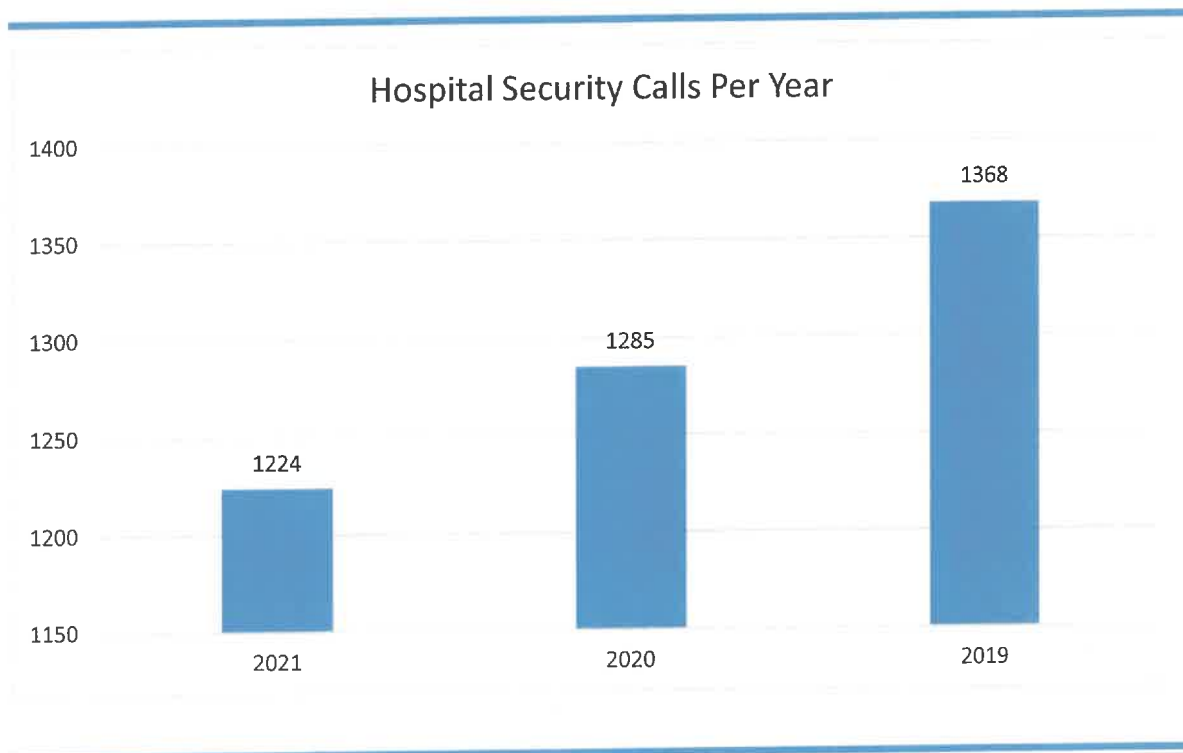
## Hospital Security

The Hutchinson Police Department has three full-time hospital security officers and five part-time hospital security officers. The contract between the Hutchison 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 interaction they are dispatched to or come upon.



### Total Uploads

|                  |         |
|------------------|---------|
| Number of Videos | 22743   |
| Hours of Videos  | 4733.76 |
| GB of Videos     | 8218.65 |

### Active AXON Evidence

|                         |         |
|-------------------------|---------|
| Number of Active Videos | 13543   |
| Hours of Active Videos  | 3207.01 |
| GB of Active Videos     | 5546.65 |

### Average Per Day

|                           |       |
|---------------------------|-------|
| Number of Videos Uploaded | 62.31 |
| Hours of Video Uploaded   | 12.97 |
| GB of Video Uploaded      | 22.52 |

| Categories                           | Files | GB      | % Files | % GB  |
|--------------------------------------|-------|---------|---------|-------|
| Report                               | 15804 | 4178.4  | 70.05   | 72.76 |
| Traffic Stops                        | 4610  | 1006.56 | 20.43   | 17.53 |
| No Action Take                       | 1853  | 473.18  | 8.21    | 8.24  |
| Accidental Recording                 | 130   | 15.34   | 0.58    | 0.27  |
| Uncategorized                        | 57    | 30.78   | 0.25    | 0.54  |
| Permanent Retention (Admin Use Only) | 46    | 18.87   | 0.2     | 0.33  |
| Training                             | 28    | 1.62    | 0.12    | 0.03  |
| Officer Injury                       | 17    | 8.09    | 0.08    | 0.14  |
| Pending Review                       | 7     | 1.23    | 0.03    | 0.02  |
| Critical Incident                    | 6     | 7.63    | 0.03    | 0.13  |
| Administrative (Supervisor Only)     | 2     | 0.79    | 0.01    | 0.01  |

# 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
- Storm water & flood management
- Wastewater treatment & collection
- 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
- Fleet management
- Facility management
- Planning & Development services
- Right-of-Way management
- Risk management & legal review
- Biosolids management
- Dam maintenance
- Lift stations, wastewater systems
- Meter reading
- Environmental 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)*

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

### Targeted Services

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

- Airport
- Alleys
- 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)*

2021 Public Works  
Budgeted Expenditures  
(all departments, CIP)  
30.00 FTE  
**\$27,956,623**

## Engineering

### Primary services

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

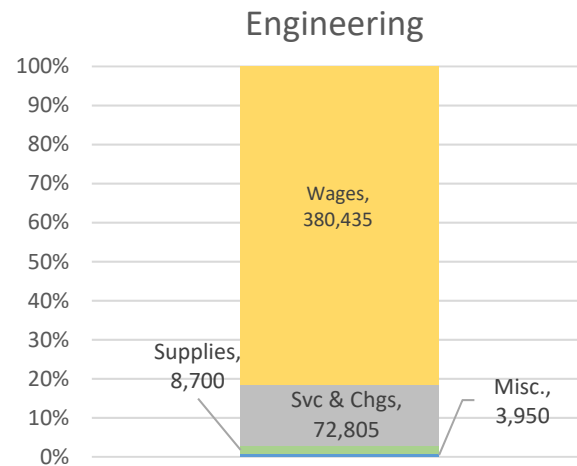
- Develop, design & deliver public infrastructure projects.
- Prepare & administer Capital Improvement Plan (CIP), associated financing.
- Oversee public improvement construction contracts & funding from outside sources.
- Calculate special assessments associated with improvements, assist with assessment records and searches.
- Correspond and coordinate with other agencies & utilities regarding infrastructure improvements affecting the City.
- Review & provide support to developments by private entities and the City's EDA.
- Oversee & ensure compliance with environmental regulations for water, wastewater and storm water.

Workforce (3.40 FTE):

|                    |                |
|--------------------|----------------|
| • Kent Exner       | DPW/City Engr  |
| • John Paulson     | Proj/Env/Reg   |
| • Keith Messner    | Sr Engr Tech   |
| • Chad Muchow      | Sr Engr Tech   |
| • Jocelyn Jacobson | Engr Secretary |
| • Seasonal labor   | 0.20 FTE       |

### 2021 Engineering budgets

|                            |                      |
|----------------------------|----------------------|
| <b>Engineering:</b>        | <b>\$ 465,890</b>    |
| <i>CIP-Infrastructure:</i> | <i>\$ 2,754,594</i>  |
| <i>CIP-Storm Water</i>     | <i>\$ 639,000</i>    |
| <i>CIP-Wastewater</i>      | <i>\$ 6,200,000</i>  |
| <i>CIP-Water</i>           | <i>\$ 700,000</i>    |
| <b>All Funds:</b>          | <b>\$ 10,759,484</b> |



*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 vision, goals, policies, ordinances and standards. Specifically, this department works to plan, administer and deliver a variety of improvements that provide a multi-use transportation system, quality public facilities and quality utility services (water, sanitary sewer, storm water), while striving to create a functional, connected, clean and healthy environment in the City.*

## Operations & Maintenance:

Streets & Roadways, Cemetery, Airport, Storm Water and HATS Facility

### Primary services

Under the leadership of the Public Works Manager, Operations & Maintenance provides the following primary 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

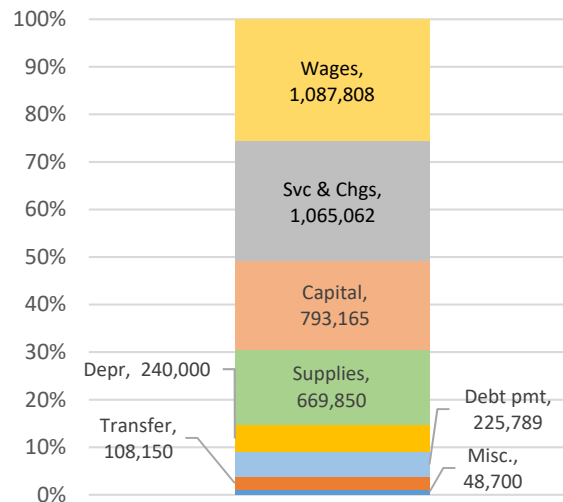
### Workforce (11.20 FTE):

- John Olson Public Works Manager
- Bruce Fenske Maint. Lead Operator
- Donovan Schuette Arborist
- Tim Read Equipment Mechanic
- Jerome Burmeister Sr Pub Wks Maint Operator
- Pete Dehn Sr Pub Wks Maint Operator
- DeNeil Thompson Sr Pub Wks Maint Operator
- Justin Rusch Sr Pub Wks Maint Operator
- James Trnka Pub Wks Maint Operator
- Mitchell Thompson Pub Wks Maint Operator
- Geoffrey Hansen Pub Wks Maint Operator
- Joshua Alnes Pub Wks Maint Operator
- Sonja Muellerleile Pub Wks Secretary
- Seasonal labor 2.05 FTE

### 2021 Operations & Maintenance budgets

|                                |                     |
|--------------------------------|---------------------|
| <b>Streets &amp; Roadways:</b> | <b>\$1,588,741</b>  |
| <b>Storm Water:</b>            | <b>\$1,731,288</b>  |
| <b>HATS Facility:</b>          | <b>\$ 648,634</b>   |
| <b>Cemetery:</b>               | <b>\$ 138,320</b>   |
| <b>Airport:</b>                | <b>\$ 131,541</b>   |
| <i>Misc. Infrastructure</i>    | <i>\$ 400,000</i>   |
| <i>CIP-Cemetery</i>            | <i>\$ 10,000</i>    |
| <i>CIP-HATS Facility</i>       | <i>\$ 140,000</i>   |
| <i>CIP-Storm Water</i>         | <i>\$ 100,000</i>   |
| <i>CIP-Streets</i>             | <i>\$ 375,100</i>   |
| <i>CIP-Wastewater</i>          | <i>\$ 80,000</i>    |
| <b>All funds:</b>              | <b>\$ 5,343,624</b> |

### Operations & Maintenance



### Operations & Maint. budget

|                 |          |                              |          |
|-----------------|----------|------------------------------|----------|
| Jared Merges    | Hired    | Pub Wks Maint Operator (Fac) | 01/04/21 |
| Geoffrey Hansen | Lateral  | Pub Wks Maint Operator (Utl) | 01/04/21 |
| Josh Schulte    | Promoted | Sr. Pub Wks Maint Operator   | 01/13/21 |
| Josh Schulte    | Resigned | Sr. Pub Wks Maint Operator   | 01/25/21 |
| Jared Merges    | Promoted | Sr. Pub Wks Maint Operator   | 02/07/21 |

|              |          |                              |          |
|--------------|----------|------------------------------|----------|
| Justin Rusch | Hired    | Pub Wks Maint Operator (Fac) | 04/05/21 |
| Jared Merges | Resigned | Sr. Pub Wks Maint Operator   | 09/27/21 |
| Justin Rusch | Promoted | Sr. Pub Wks Maint Operator   | 10/31/21 |
| Joshua Alnes | Hired    | Pub Wks Maint Operator (Fac) | 12/13/21 |

*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, Water provides operations and maintenance services in the following areas:

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

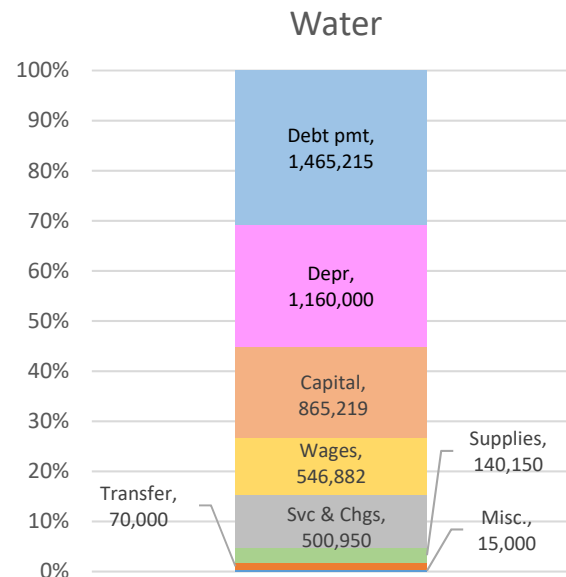
#### Workforce (5.05 FTE):

- Eric Levine Water Supervisor
- Mike Lien Sr Water Plant Operator
- Jim Navratil Water Maint Operator
- Seasonal labor 0.25 FTE

### 2021 Water budgets

|                  |                     |
|------------------|---------------------|
| <b>Water:</b>    | <b>\$4,763,416</b>  |
| <i>CIP-Water</i> | <u>\$ 122,000</u>   |
|                  | <b>\$ 4,885,416</b> |

A half-cent sales tax generates revenue of over \$750,000 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 process 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, Wastewater provides operations and maintenance services in the following areas:

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

#### Workforce (7.35 FTE):

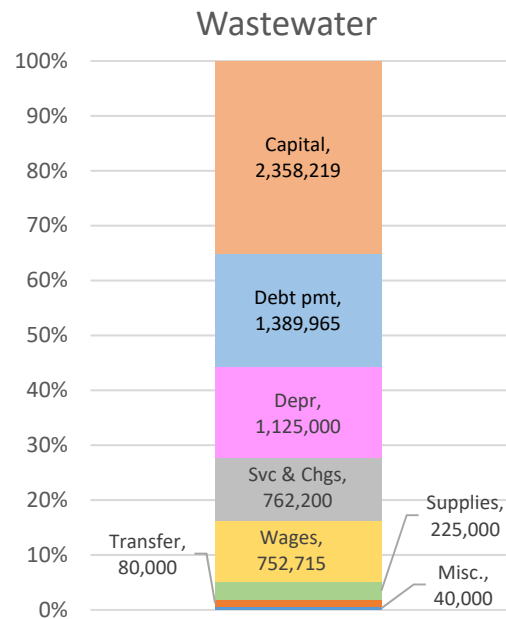
- Tim Gratke      Wastewater Supervisor
- Randy Czech    Sr Wastewater Operator
- Eric Moore      Sr WW Maint Operator
- Deb Paulson    Lab Tech/WW Operator
- John Kent      Wastewater Maint Operator
- Matt Keller     W/WW Technician
- Seasonal labor   0.50 FTE

Capital projects included significant improvements to the treatment plant affecting treatment of wastewater early in the process. These improvements will allow wastewater operators to more effectively manage pretreatment of wastewater as it enters the treatment plant.

### 2021 Wastewater budgets

|                       |                     |
|-----------------------|---------------------|
| <b>Wastewater:</b>    | <b>\$6,733,099</b>  |
| <i>CIP-Wastewater</i> | <i>\$ 235,000</i>   |
|                       | <b>\$ 6,968,099</b> |

A half-cent sales tax generates revenue of over \$750,000 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 process 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.*

## 2021 Significant Accomplishments

### Major Improvements

Jefferson St NE (Washington-1<sup>st</sup> Ave NE)

- New construction

1<sup>st</sup> Ave NE (Main-Adams)

Clinton Ave SW (Harrington-Merrill)

Harrington & Merrill St SW (South Grade-Linden)

- Partial reconstruction

Church St SW (South Grade-Linden)

Clinton Ave SW (Harrington-Lynn)

Lyndale Ave SW (Merrill-Lynn)

- Reclaim project

Hwy 7 W/Montana St NW

- Ped crossing signal

Southfork storm water pond

- Reconfigure river outlet

### Utilities Projects

Water

- Well 7 increased specific capacity
- Adjusted post service flush valve operation on reverse osmosis skids

Wastewater

- Grit removal, disposal – west ditch
- Replace HVAC RTU – Admin building
- Lift station fence, UV gate replacement
- McDonalds Lift Station upgrade
- NPDES permit reissued
- Preliminary treatment improvement

Distribution/Collection & Storm Water

- Manhole lining – Shady Ridge
- Manhole grout – Pishney
- Assist w/ storm sewer at Creekside
- Clean out sand/gravel bar from river

### Infrastructure Maintenance

- ADA Transition Plan
- Street repairs, patching & maintenance overlays
- Trail repairs
- Replay pavement preservation
- Alleys & Parking Lots
- Storm water pond, pipe repair
- Sanitary sewer repair
- Misc. distribution/collection maintenance

### Facility Projects

Airport –

LED conversions

Cemetery –

Flagpoles, flags

HATS Facility –

Lube & tire

equip

### Vehicles & Equipment

Plug-in hybrid SUV

Engineering

Used aerial bucket truck

Operations

Wheel loader

Operations

Trailer, forestry planting

Operations

Cemetery mower

Operations

Vacuum excavator

Operations

Hydraulic power unit

Wastewater

*The biggest project in 2021 was the neighborhood east of the Recreation Center/Civic Arena. In 2020, utility work consisting primarily of installing SW Trunk Storm Sewer improvements was completed. 2021's project consisted of reclaiming and partially reconstructing several streets, following utility installation. This project started in April and was finished in September. Other projects were done concurrently. Significant effort was put into improvements to the Wastewater Treatment Facility's preliminary treatment facility, process equipment and the plant's SCADA systems. Infrastructure maintenance consisted primarily of Replay sealant and maintenance overlays on Arizona, Carolina, Harrington and Merrill. Public Works operators focused on localized street repairs and were able to place over 200 tons of bituminous material.*

## **2022 Major Goals & Objectives**

### **Major Improvements**

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

- State bonding
- Environmental Assessment Worksheet

South Central Drainage improvements

- West side of Rec Center/Civic Arena storm sewer & streets

### **Utilities Projects**

Water

- Concentrate recovery bench testing & pilot study
- Replace concentrate piping
- SCADA upgrades
- Permeate pump VFD installation
- Biofilter air modifications

Wastewater

- Complete preliminary treatment/EQ system upgrades
- Continue SCADA upgrades
- Lift station upgrade (Hwy 15)
- Aeration/mixing optimization (E ditch)
- Advanced phosphorous removal trials
- Overhaul, upsize MBR scour air blowers

Distribution/Collection

- Storm sewer (Harmony Ln SW)

### **Infrastructure Maintenance**

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

### **Facility Projects**

Airport – LED runway lighting, taxi lane reconstruction, drainage, MN CAP facility

Cemetery – Perimeter fencing

HATS Facility – Tempered storage building, fuel site

Water – Security upgrades

Wastewater – Security upgrades

### **Vehicles & Equipment**

|                           |             |
|---------------------------|-------------|
| Snowplow truck            | Streets     |
| 1-ton dump truck          | Streets     |
| 1-ton dump truck          | Streets     |
| Misc. tools trailer comp. | Streets     |
| Engineering admin vehicle | Engineering |
| Biosolids spreader        | Wastewater  |
| Work truck, service-crane | Wastewater  |

*A \$3.1 million project to improve Otter & Campbell lakes and the South Fork Crow River received approval in the State Bonding bill. The project includes a forebay to trap upstream sediments and stream bank & shoreline restoration.*

*Completion of the wastewater plant preliminary treatment project will end 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 and adding greater operational control & flexibility.*

## **2022 Major Goals & Objectives**

### **Funding, Studies, Planning & Initiatives**

#### Street Corridor Project Initiatives

- Future intersection improvements studies
- Construction costs analysis
- Assessment policy review

#### HATS Facility

- State bonding request for addition of 18,000 SF vehicle & equipment storage, fueling site construction and mechanics' shop improvements.

#### Airport

- State bonding request for addition of Mn CAP training facility, site construction.

#### Lakes and River Basin Improvements

- Environmental Assessment Worksheet.
- Pursue additional funding sources.
- Coordinate proposed improvements with Mn Dept. of Natural Resources and Renville & McLeod County Soil & Water Conservation Districts.

#### McLeod County Public Works

- Coordinate potential improvements with McLeod County
  - Airport Rd / Jefferson Rd intersection
  - North High Dr
  - Northeast ring road

#### Water Distribution System

- Century water tower rehabilitation
- Water meter replacements
- Water valves in Clifton Heights Addition
- Cross-connection/backflow program

#### Water/Wastewater

- Community outreach, public education of water & wastewater rate structure (2023 implementation)

#### Stormwater Collection/Treatment Systems

- Storm water system resiliency hydrology & hydraulic modeling

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

## Community Survey

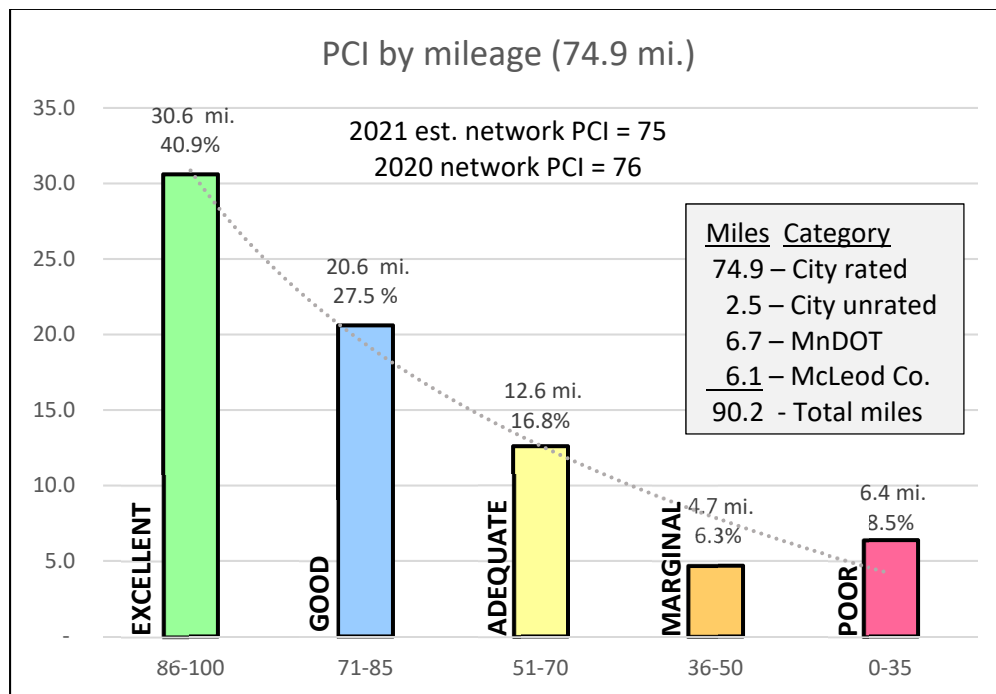
Periodically the City conducts the National Community Survey. In the last survey (2019), citizens identified Safety and the Economy as their two most important issues. Several categories in the survey relate to Public Works, including:

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

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. In 2020, the City Council approved additional funding of \$25,000 for Infrastructure Maintenance, raising the annual amount to \$400,000. No additional funding was added in 2021.

Public Works staff believes the concerns respondents had regarding street repair were likely influenced by the poor condition of a number of busy 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 2019. In 2020, several private roadways and parking lots were repaired. These repairs may positively affect future survey ratings.



Since 1996, the City has used a pavement management system to help manage its significant investment in pavements, worth over \$200 million in replacement cost (+/- \$15,000 per capita).

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 goal is to maintain network PCI at 65–75. In 2021, estimated network PCI is 75. In 2020, the last physical survey, network PCI was 76, the same as it was in 2017. Between physical surveys, pavement sections are assigned predetermined deterioration curves to calculate estimated PCI.

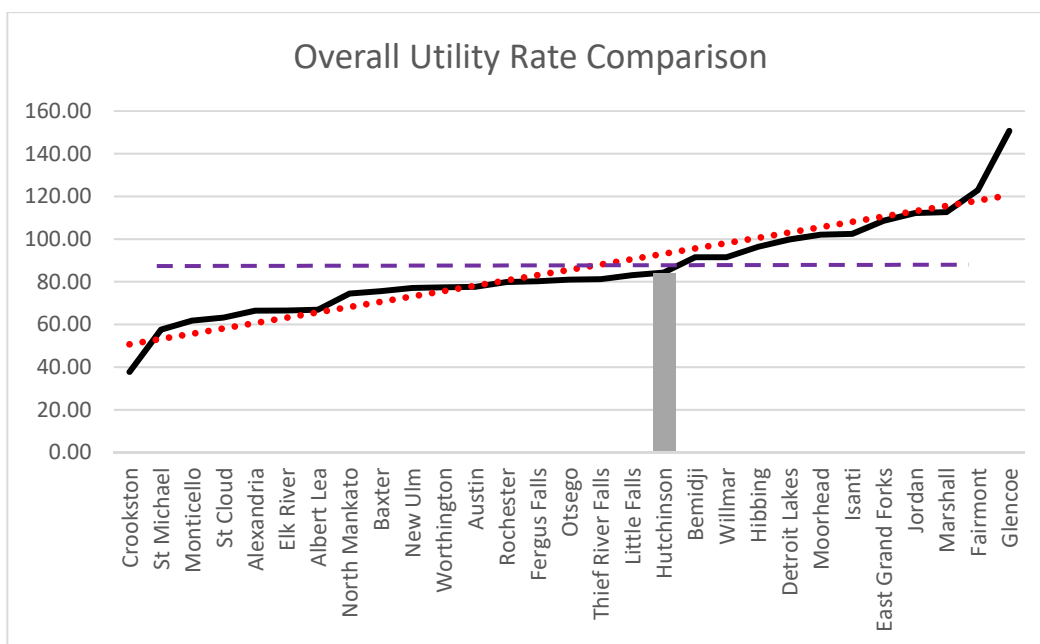
Using average costs of various maintenance options, a budget is calculated. The budget considers increasing PCI by 10%, decreasing PCI by 10% or keeping PCI scores the same. Projects identified in all three scenarios represent a high value, so they typically end up in the Capital Improvement Plan (CIP). Other considerations also affect project selection, such as traffic safety, condition of related infrastructure, provision for pedestrian and bicycle facilities, etc.

The system continues to indicate a need for more overlay projects. This is likely because the City did seal coating projects every other year for many years, so many remaining streets have PCI's that are too low to perform successful seal coat projects. Several small maintenance overlay projects have been done recently and larger overlay projects are included in the CIP.

## Utility Rates



*Data is from AE2S Annual Utility Rate Surveys, conducted over the last 20 years. These surveys consist of a number of utilities located in the upper Midwest who voluntarily provide information to AE2S.*



Source: AE2S 2021 Annual Utility Rate Survey

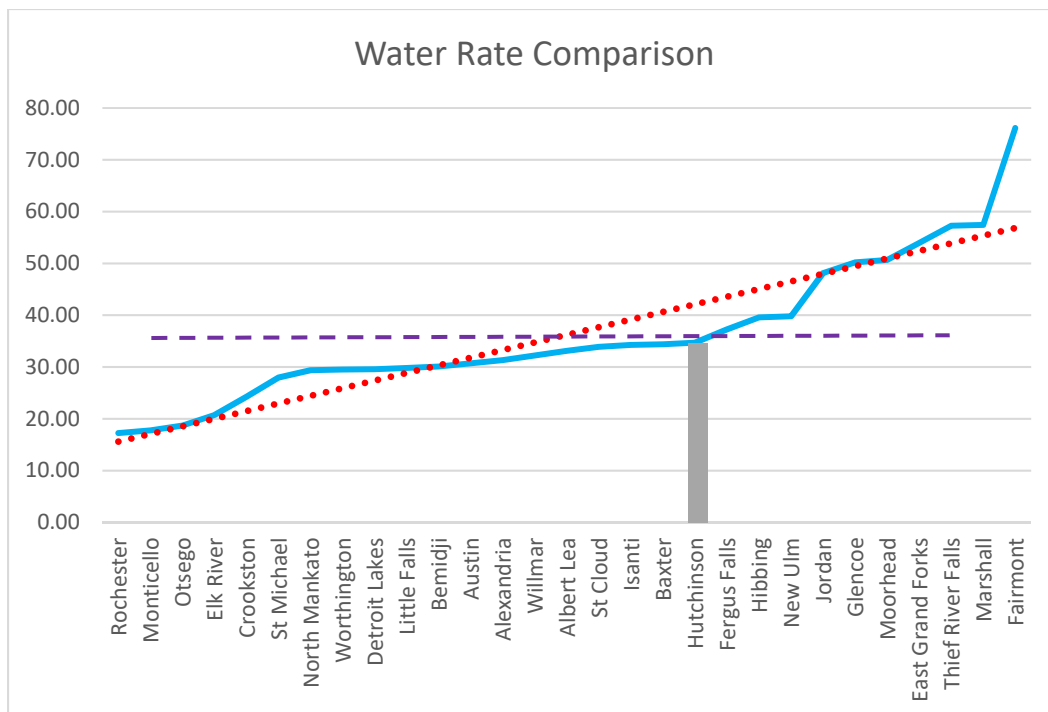
Over the last ten years (2012–2021), average utility bills for outstate Minnesota cities included in the surveys went from \$61.56/mo. to \$85.63/mo., a 39.1% increase. In that same period, Hutchinson saw only a small increase from \$82.28 to \$84.34 per month (2.5%), attributable to storm water rates. Hutchinson’s utility rates are now slightly below average (-1.5%), when compared to other outstate cities and are substantially lower (-30.5%) than average rates of the top five cities surveyed.

From 2008, when treatment plants were upgraded, to 2012, when the local option sales tax began, Hutchinson’s rates were among the highest in outstate Minnesota. Debt service for treatment plant improvements, combined with lower revenues following the 2008 recession, resulted in high rates.

In 2012, voters approved a local option sales tax, which ends in 2026. In 2021, actual sales tax receipts were nearly \$1.7 million. This revenue helps to pay off debt. The sales tax, along with stabilizing revenues over the years, has made it possible to keep rates the same since 2011.

Work on a rate study recently concluded. Changes to the rate structure are currently proposed to begin in 2023. The rate study sought to create a fair rate system to distribute fixed costs, account for future needs at the plants, recognize debt service needs and address regulatory issues.

## Utility Rates



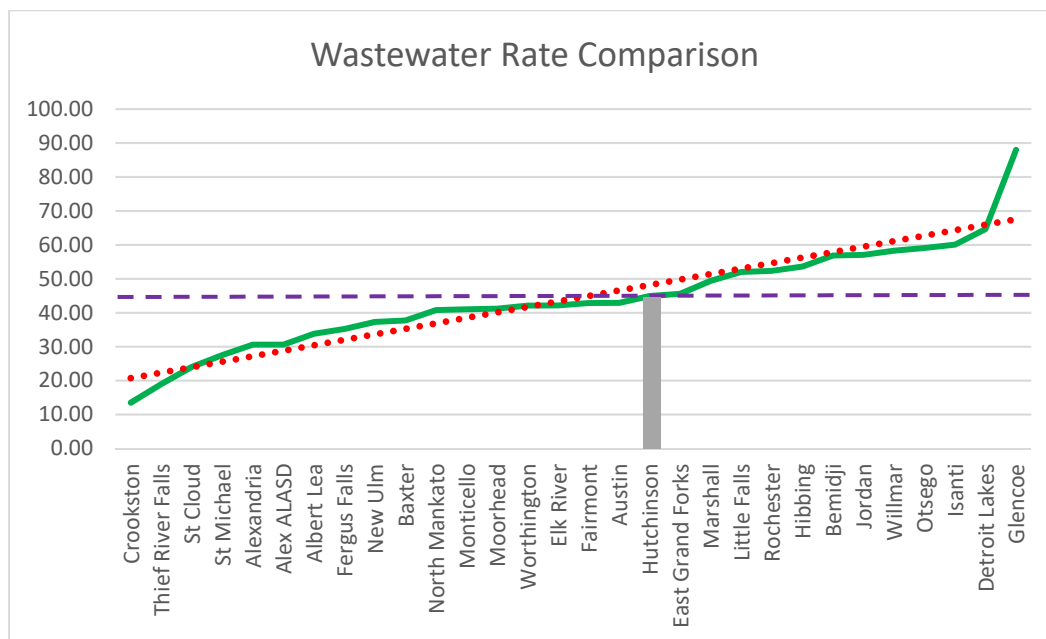
*Source: AE2S 2021 Annual Utility Rate Survey*

Hutchinson's water rates are slightly below average (-4.2%), when compared to other outstate Minnesota cities included in the survey and are substantially lower (-41.3%) than average rates of the top five cities surveyed.

The recently completed rate study includes proposed changes to the City's current water rate structure. Changes are scheduled to begin in 2023. The proposed water rate structure includes a conservation rate structure, required by the State. The new rate structure segregates base charges for single-family residential (1.0 REU), multi-family residential (0.65 REU) and commercial/industrial water use (based on meter size). Residential increasing block rates are based on 6,000 gallons/month. Commercial/industrial water rates are uniform. The new rate structure was designed to more evenly distribute fixed costs of operating the water supply system.

A separate classification for irrigation water is included in the new water rate structure. Customers will need to purchase irrigation deduct meters to avoid being charged for wastewater, be charged a seasonal fee and pay the highest residential block rate for irrigation water.

## Utility Rates



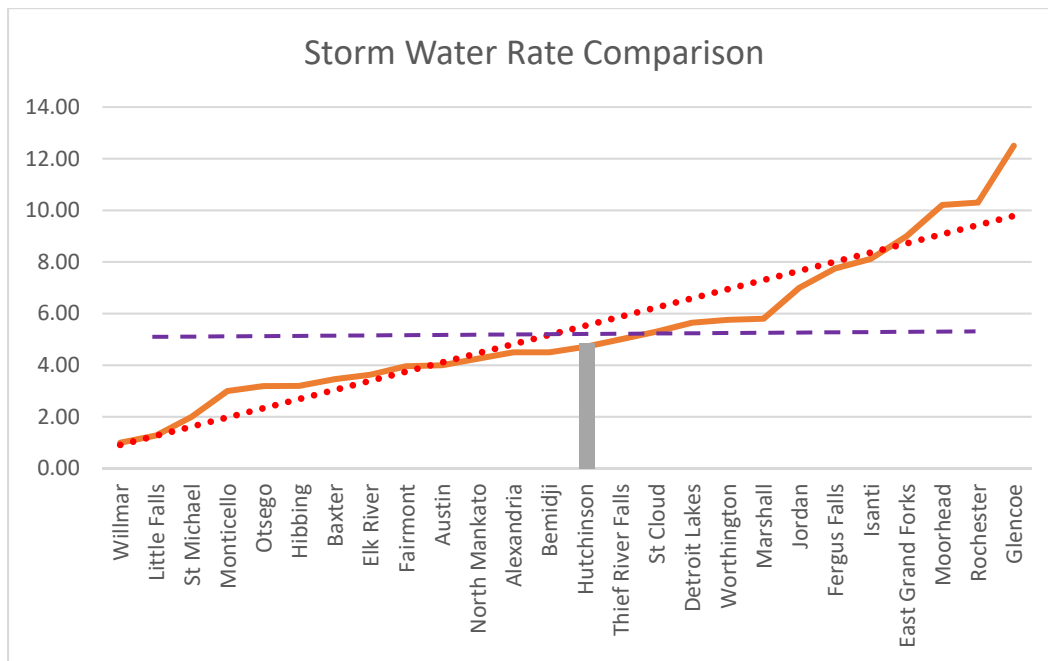
*Source: AE2S 2021 Annual Utility Rate Survey*

Hutchinson's wastewater rates are slightly above average (+1.8%), when compared to other outstate Minnesota cities included in the survey and are substantially lower (-25.2%) than average rates of the top five cities surveyed.

The recently completed rate study includes proposed changes to the City's current wastewater rate structure. Changes are scheduled to begin in 2023. The new rate structure segregates base charges for single-family residential (1.0 REU), multi-family residential (0.65 REU) and commercial/industrial wastewater (based on meter size). The new rate structure was designed to more evenly distribute fixed costs of operating the wastewater treatment system. Use rates will be the same for all customers. Proposed wastewater rates will no longer be calculated using the average of January and February water use. Rates will instead be applied to actual water use throughout the year. No wastewater rates will be applied to customers with irrigation deduct meters.

There are significant capital needs at the wastewater treatment facility. Much of the facility is over 30 years old. This aging infrastructure requires ongoing capital investments and upgrades to maintain the capability for treating wastewater. Public Works staff also continues to work with consultants and the MnPCA to consider how changes in permit requirements will affect future operating costs, infrastructure costs and/or required plant improvements.

## Utility Rates



*Source: AE2S 2021 Annual Utility Rate Study*

Hutchinson's storm water rates are well below average (-11.9%), when compared to other outstate Minnesota cities included in the survey and are substantially lower (-53.0%) than average rates of the top five cities surveyed.

Over the last few years, the focus has been on the area around the Recreation Center/Civic Arena. In this phased project, the pond at Linden Park was constructed, storm water infrastructure was installed on the east side of the project area and streets were reconstructed on the east side. A project in 2022 is proposed to complete the project area west of the Recreation Center/Civic Arena.

There are significant capital needs for storm water management infrastructure. Much of the work in forthcoming years will focus on understanding the dynamics of localized storm water needs in specific neighborhood areas. Using information gathered, projects will be designed to better manage storm water flows in these areas.

Public Works staff also continues to work with consultants and the MnPCA to consider how changes to future permit requirements will affect future operating and infrastructure costs.