

# 2022 ANNUAL CITY REPORT

---

**APRIL 2023**

---

Annual City Report for Year Ending 2022  
City of Hutchinson



# **CITY OF HUTCHINSON 2022 ANNUAL REPORT TABLE OF CONTENTS**

<b>OVERVIEW</b>	<b>2</b>
<b>EXECUTIVE SUMMARY</b>	<b>3</b>
Our Story	5
Broad Indicators	7
Community Surveys	12
Organization of the City	15
Grants and Donations	16
City Partnerships	18
Awards and Recognitions	24
<b>DEPARTMENTS</b>	
Administration	25
Economic Development	30
Finance	53
Fire	59
Housing & Redevelopment Authority	67
Human Resources	78
Information Technology (IT)	83
Legal	86
Parks/Recreation/Community Education	91
Planning/Zoning/Building	121
Police	128
Public Works	142

---

# 2022 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, 2022 through December 31, 2022. 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.

---

<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

---

# 2022 Annual Report

## Executive Summary

I'm pleased to present to you the third 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.

As I look back, it continues to be an interesting time in local government. While 2021 was a year of hope with building towards the future, 2022 was a year in which we strengthen our position as one of the most attractive small-regional centers in outstate Minnesota. While the "State of the City" continues to remain healthy, I believe there are challenging times ahead. As we look to deal with high inflation, high construction costs, and delays in supplies and materials, the City is likely to face some challenges in the next year or years. But as we have in the past, I expect our staff and this community to find a way to weather the storm. While things may get challenging, there is still a lot to be excited about and I look forward to what's in store.

The City's average monthly unemployment rates continue to remain low with an average monthly rate of 2.3% in 2022. These rates continue to remain in line with the State (2.2%) and below the Federal (3.7%) 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 \$215,400 last year to \$262,450<sup>2</sup> in 2022, the tenth straight year of an increase. While home resales have slowed down a little bit, home foreclosures (lack thereof) continue to remain low. Higher interest rates along with high construction costs and a delay in materials have slowed down new housing construction. With that being said, we still issued 24 building permits for new homes in 2022, representing the ninth straight year where we have issued 20 or more new home permits, but down from 35 that were issued in 2021.

2022 also brought the conclusion of units 5-7 (last phase) at Century Court West Townhomes. The completion of the townhomes moved our total to at least 292 new rental units opening up over the past six years. Along with the rental units, we have built over 175 new homes over the past six years and the 2020 census showed our population increased by 419 people to 14,599 (3% from 2010) with our 2021 estimate coming in at over 14,700. Along with new housing, we saw several new businesses open up in town including Harbor Freight, Buff City Soap, and River House Kitchen and Drinks to

---

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



---

name a few with several others doing remodels or expansions. MITGI bought the old Shopko building downtown and is in the middle of remodel and several of our manufacturers also expanded in 2022. Along with private investments, West Elementary and Burich Arena were also remodeled in 2022. The City has added over \$275 million in new value to the community over the past 6 years as well, and we are anticipating continued growth in the next year.

2023 looks to be just as exciting as 2022 and should continue the recent trend of investments within the community. 2023 should see the completion of the Civil Air Patrol facility and the Due North Car Wash. The City is also expecting work to finish on the new police station in the spring of 2023. We are also hoping that MITGI's remodel will be completed next year and that work will begin on the remodeled Gold Coin and Jurgenson Hotel along with the start of construction on the Uptown Grand apartment project. 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, but at a potential slower pace than past years due to the challenges associated with higher interest rates and higher construction costs.

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 2022 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

---

# 2022 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,

---

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

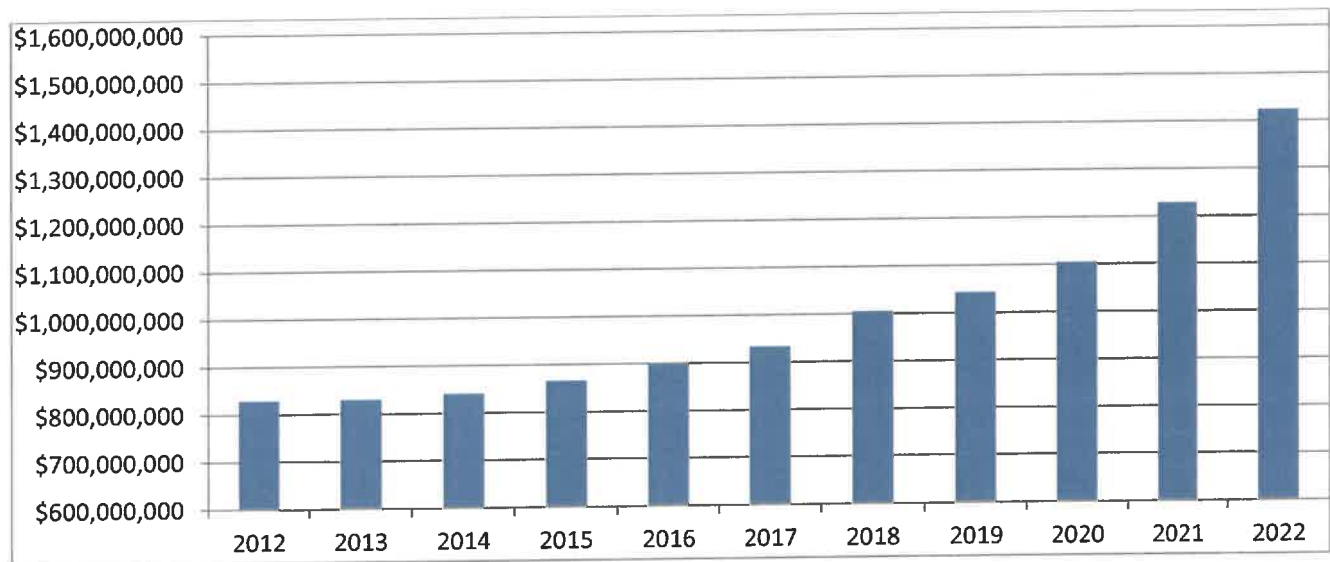
*Our vision for the City of Hutchinson is that we will continue to be an involved, progressive and innovative community that promotes our regional prominence while preserving our hometown character and delivering quality, cost-effective services*

# 2022 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 15.9% in 2022. Residential values increased 19.8%, commercial/industrial values increased 4.4%, agricultural values increased 17.4%, and apartments saw an increase at 5.6%. 2022 was the tenth straight year that the assessed market value of the City increased.

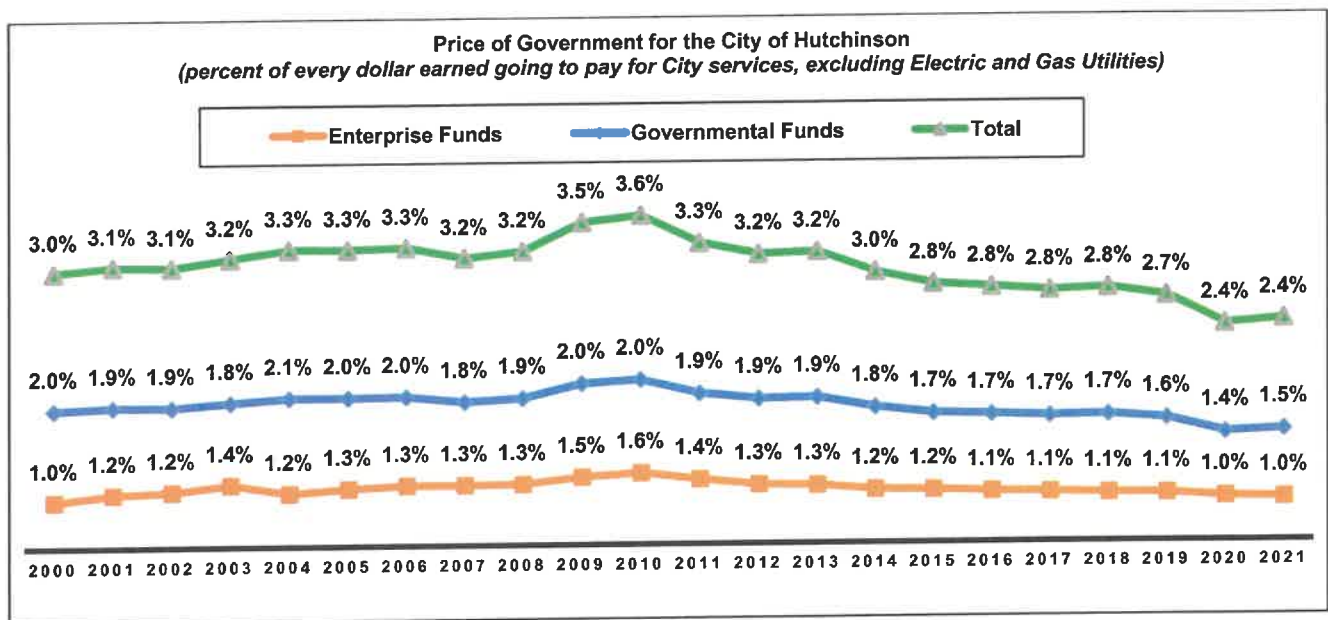
The bottom years of 2012 and 2013 reflect the "great recession" and values have increased 72% since 2012; an average of 5.7% each year. Current values are at all-time high for the City. The market value for each year is determined as of January 1 based on prior year sales. It is anticipated that the 2023 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 2021, Hutchinson Citizens spent 1.5% 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.

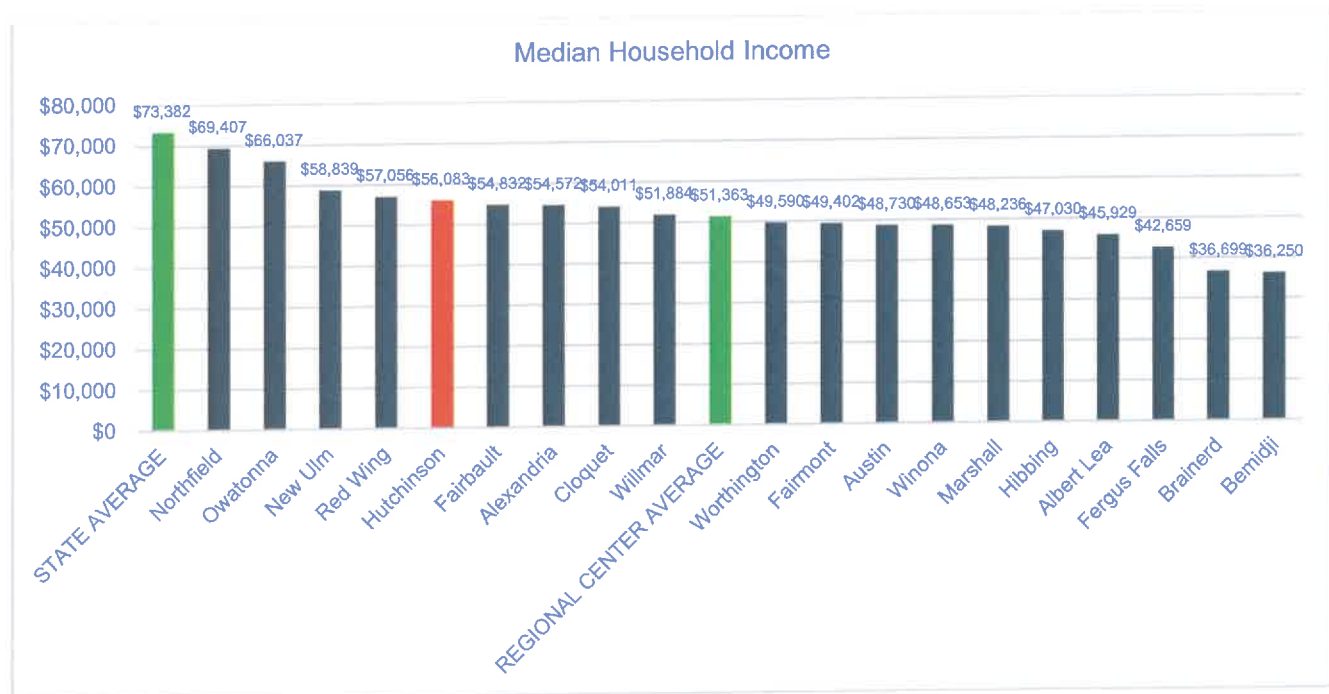
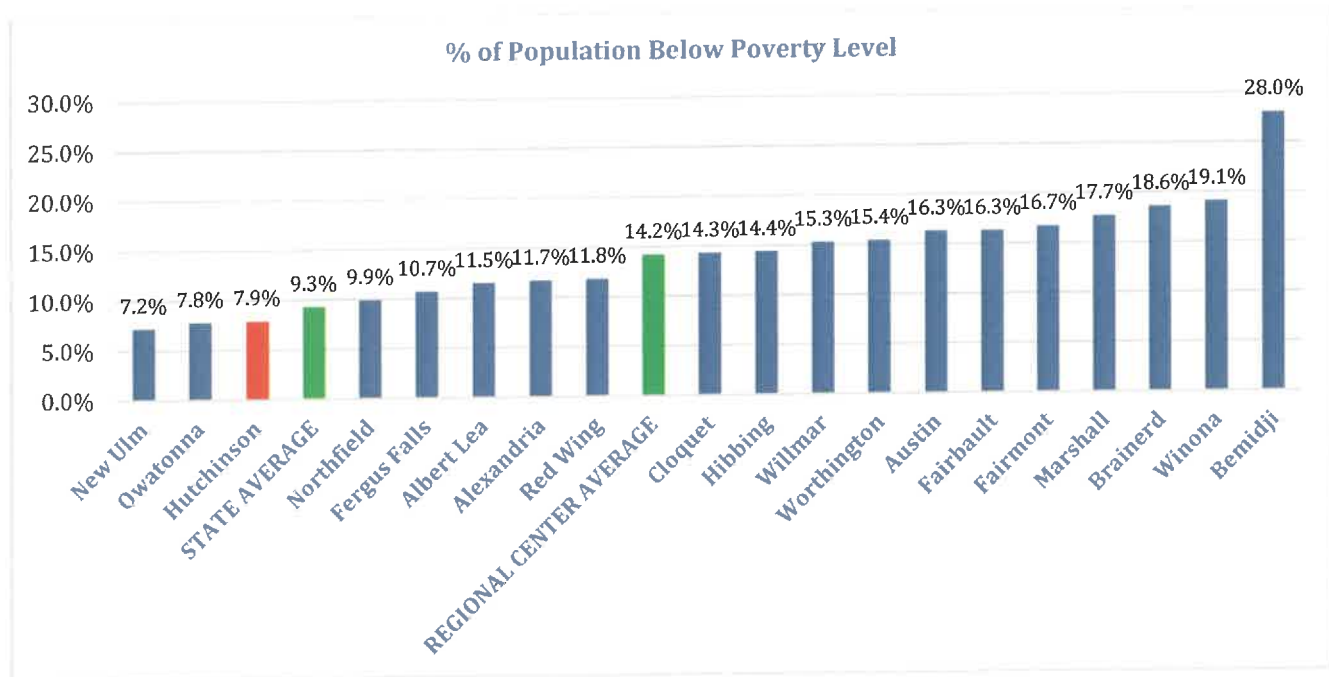
In 2022, Standard & Poor's (S&P) Rating Services reaffirmed its AA- rating for the City of Hutchinson. This rating is 4<sup>th</sup> strongest on S&P's rating scale and identifies the City has having a "stable outlook". The independent evaluation of a municipalities credit risk is one of the single most 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 from the 2020 Census information.

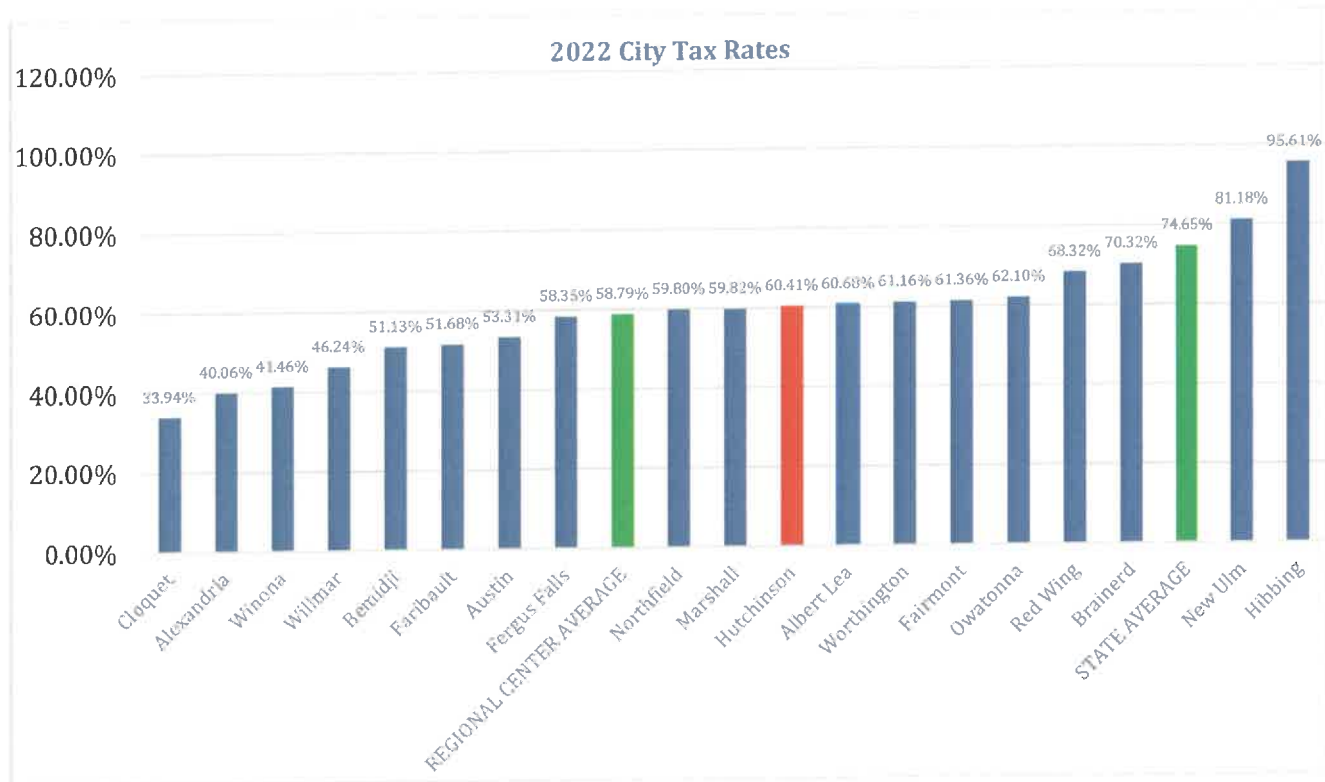
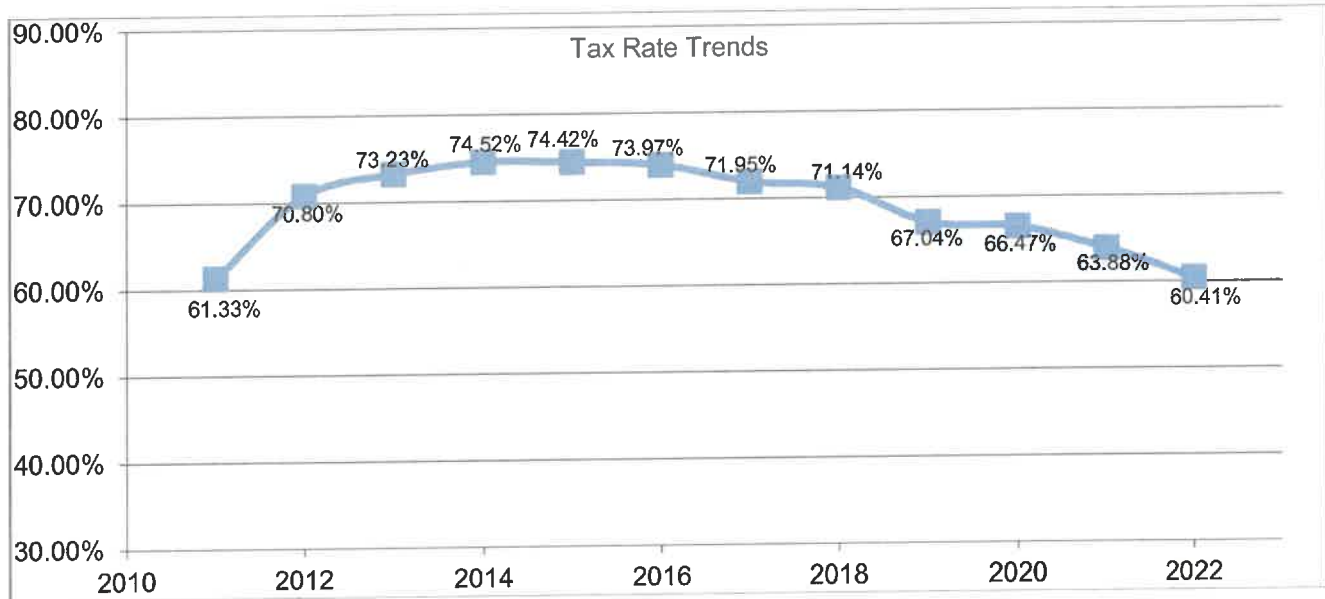


The City of Hutchinson monitors poverty levels and household income levels in an effort to gauge the economic strength of the community. Historically the City has had poverty levels below that of the State and Regional Center averages. While household incomes have been below that of the state average, 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 2011. The second is a comparison of the 2021 tax rates of out-state 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 2022 city tax rate for city services with other outstate regional centers. Hutchinson's tax rate was the ninth highest out of the 19 regional centers.

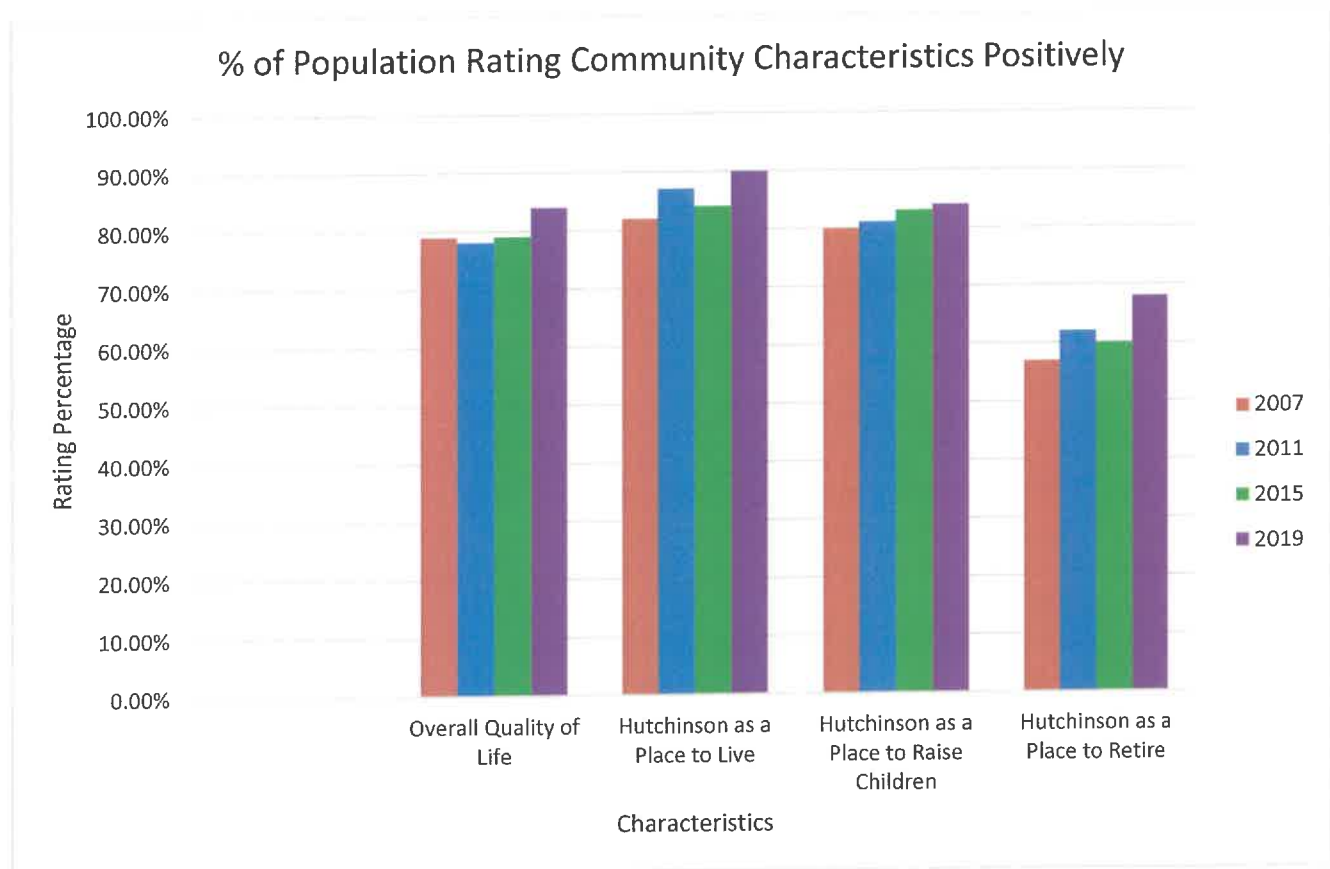
	<b><u>19 Regional Centers</u></b>	<b><u>2022 Tax Rate</u></b>	<b><u>2021 Tax Rate</u></b>
1	Cloquet	33.94%	34.02%
2	Alexandria	40.06%	39.08%
3	Winona	41.46%	42.03%
4	Willmar	46.24%	40.52%
5	Bemidji	51.13%	49.19%
6	Faribault	51.68%	52.57%
7	Austin	53.31%	54.16%
8	Fergus Falls	58.35%	55.17%
9	Northfield	59.80%	56.60%
10	Marshall	59.82%	58.90%
<b>11</b>	<b>Hutchinson</b>	<b>60.41%</b>	<b>63.88%</b>
12	Albert Lea	60.68%	60.34%
13	Worthington	61.16%	56.53%
14	Fairmont	61.36%	59.65%
15	Owatonna	62.10%	59.53%
16	Red Wing	68.32%	66.29%
17	Brainerd	70.32%	72.86%
18	New Ulm	81.18%	77.97%
19	Hibbing	95.61%	93.92%
	Average of 19 Regional Centers	58.79%	57.54%

# 2022 Annual Report

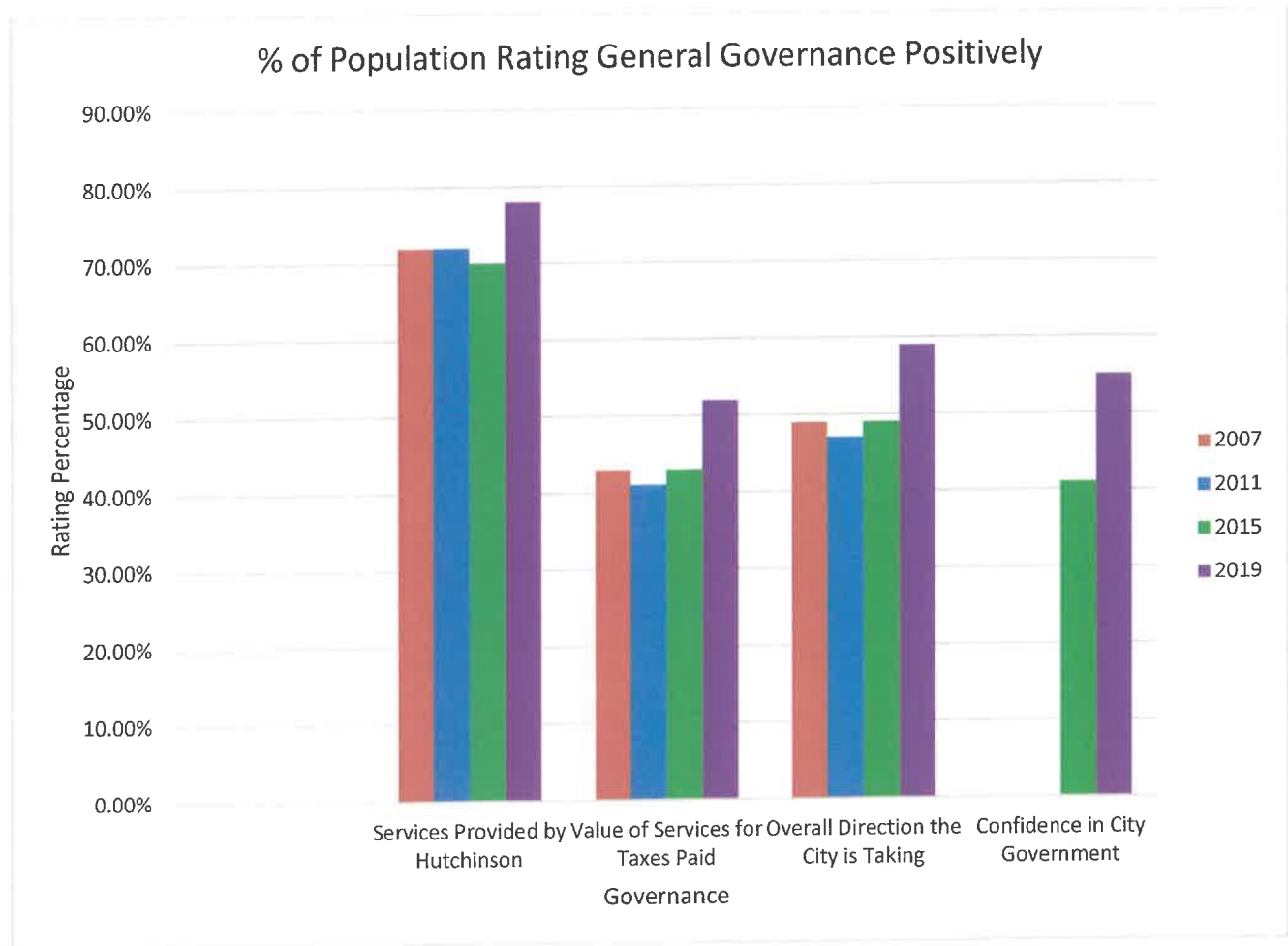
## Community Surveys

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.

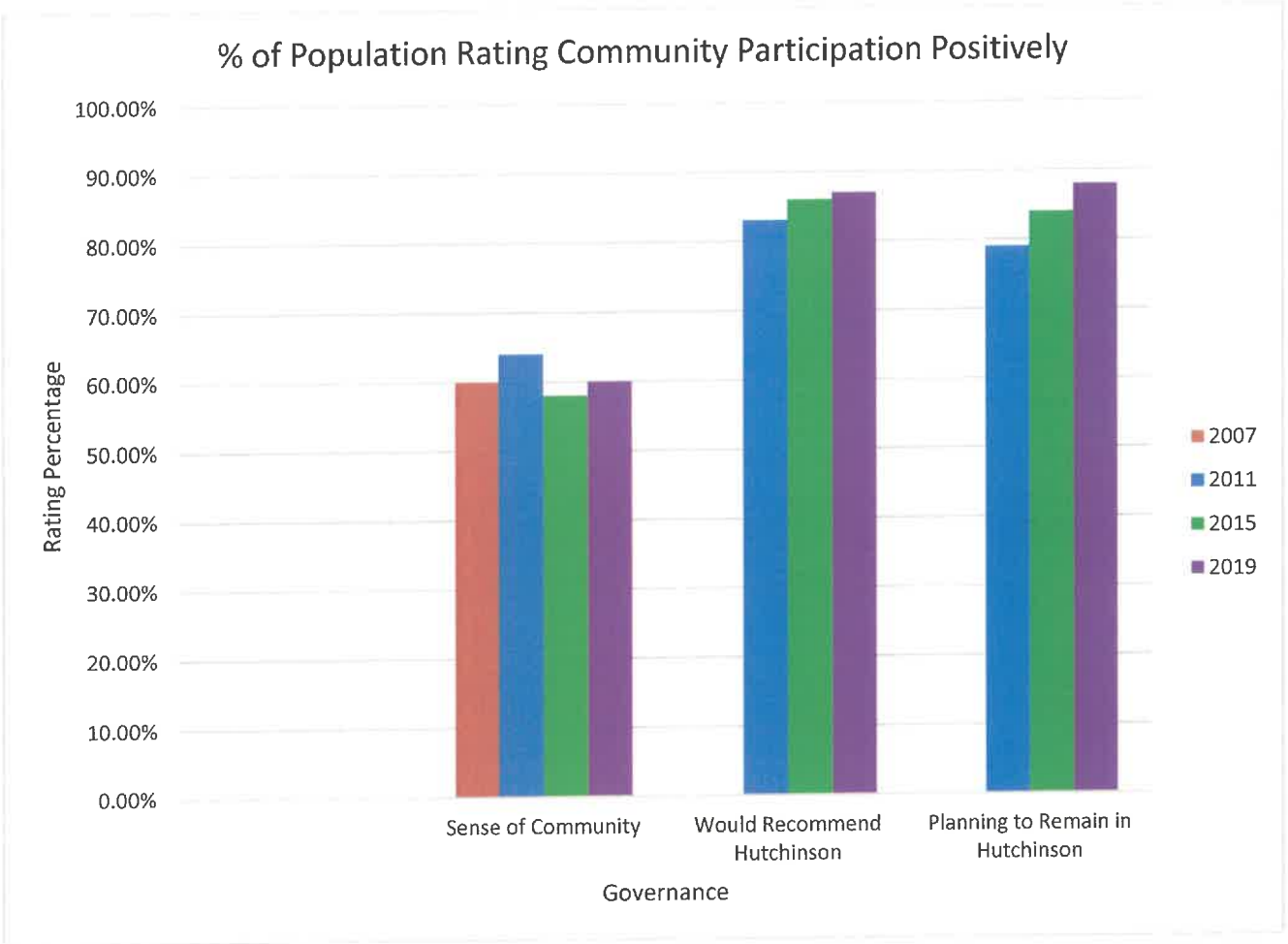


When it comes to how well the government of Hutchinson meets the needs and expectations of its residents, the latest survey showed that the percentage of residents responding “excellent” or “good” improved from previous years. The majority of our residents (78%) rated the overall quality of services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



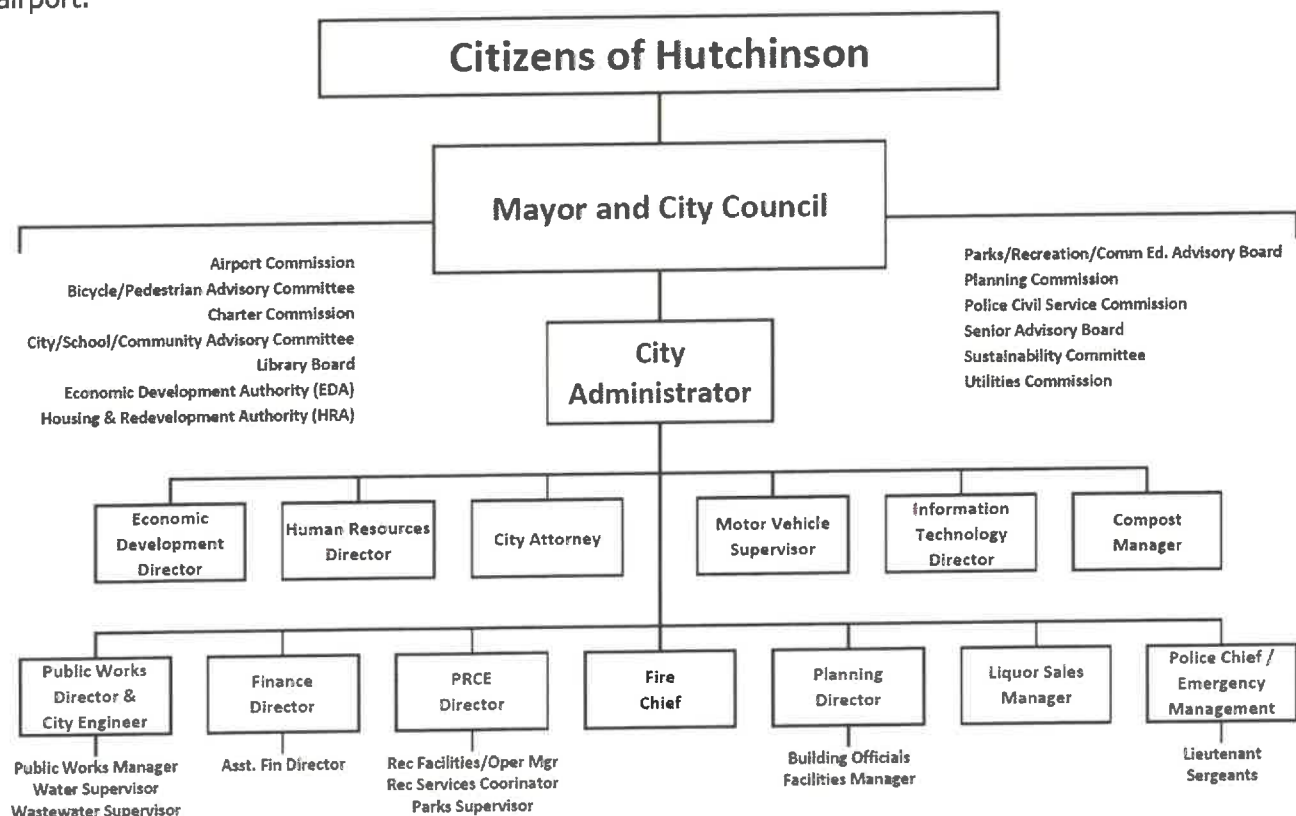


# 2022 Annual Report

## 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 145 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.



---

# 2022 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:

### Parks & Art

• Burich Foundation donation for River Fountain –	\$50,000
• VFW donation for VFW Park improvements –	\$24,700
• Various donations for Fireman’s Park –	\$28,736
• Hutchinson Health donation for bike trailer project –	\$10,000
• Various Grants & Donations for Bike Fleet project –	\$26,010
• Donations for Kiwanis Park improvements –	\$5,000
• SWIF Grant for AFS Park improvements –	\$3,500
• Lions Club donation for upgrades to Lions Park –	\$1,620
• Police Memorial Park donations –	\$150
• RiverSong reimbursement for stage roof cost –	\$4,000
• Hutch Huskies contribution to new fence at VMF –	\$3,000
• Hutchinson Health grant for trail counter –	\$2,555
• Donations for Shady Ridge playground replacement –	\$100

### Public Safety

• Lillian Nemitz donation to Police Department –	\$146,836.10
• Lilian Nemitz donation to Fire Department –	\$146,836.10
• Donations for future Police equipment –	\$5,200
• D.O.J. grant for Police body armor –	\$1,867.67
• State grant for Police vests –	\$1,296.45
• State grant to Police “Toward Zero Deaths” –	\$6,277.95
• General donations to Police Department –	\$200
• State grants for Fire training –	\$6,940

### Recreational Program Sponsorships/Contributions

• Youth Sports –	\$24,865
• Senior Center activities –	\$2,654.75
• Recreation Center – Hutchinson Health open gym –	\$3,500
• Sponsorships of various parks –	\$9,500
• Waterpark umbrella sponsors –	\$3,000

- 
- Donations for pickleball wind screens at Park Elementary – \$1,520
  - Burich Foundation grant for scoreboard in West ice rink – \$9,771

#### State Pension Aid

- Police Pension Aid – \$230,377.95
- Fire Pension Aid – \$127,954.37

#### Transportation

- Municipal State Aid (General Maintenance) – \$29,280
- Municipal State Aid (5<sup>th</sup> Avenue) – \$123,570.48
- Municipal State Aid (Century Avenue) – \$20,000
- Federal Aid (Century Avenue) – \$4,500
- Federal grant for HAWK Crossing System – \$240,000
- State grant for HAWK Crossing System – \$60,000
- Federal aeronautics grant for 2018 Hanger Project – \$119,886
- Airport Aid – \$20,445.75

#### Other

- County Grant for Refuse Receiving Scale at Creekside – \$12,888
- Creekside MPCA Pollution Control Grant – \$26,831.76

In total, the City received **\$1,545,370.33** in grants, donations, and state and federal aid in 2022.

---

# 2022 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 the area of Assessing Services. The City pays the County about \$61K per year to annually assess the City's 5,800 parcels. This service includes the on-site property reviews of approximately 25-30% of total parcels each year.

### Creekside

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

### Fire Department

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



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

#### Human Resources

- 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.
- Member of SHRM – Information and Resource Sharing Network
- 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 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
    - 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

#### 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. 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 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, School Road and Roberts Road multi-use trails, and future Century Avenue SE improvements.
- Hutchinson Area Transportation Services (HATS) – HATS has facilitated the establishment of a great working relationship with McLeod County and MNDOT. Equipment is shared routinely at the operator/lead level. Examples include the city routinely using a county dump truck to haul biosolids and having MNDOT assist the city by coring concrete for sign installations. MNDOT provides facility maintenance assistance. Fuel purchases are done jointly and fuel is purchased by the State, County and City departments. We are also reimbursed by the State for spring sweeping and snow removal operations and trade for materials with the County to offset spring sweeping costs. We also routinely share aggregate materials stockpiled at HATS amongst the three entities. The City and County jointly purchase winter salt.
- Airport – At the airport there is significant cooperative efforts between the FAA, MNDOT, and the FBO. Without these entities, it would be unfeasible for the City to effectively operate an airport. Both FAA & MNDOT personnel routinely assist us in troubleshooting problems, determining cost-effective solutions and to help ensure the airport is safe. The FBO serves as the eyes and ears for the city with regards to airport operations, since they are on-site every day. ASI Jet pays for half of the internet connection at the airport.
- Cemetery – The chapel at the Cemetery is a joint venture with Dobratz-Hantge Chapel. The Cemetery also partners with local businesses to provide employee parking
- Safety – Public Works is part of a network made up of other Public Works Departments that serve as a “think-tank” for safety/operational issues related to Public Works operations. While this group meets regularly, off-line various entities are able to provide resources to each other and act as a sounding board for safety/operational issues.
- Signs – The City has a great working relationship with the County when it comes to utilizing one another’s sign inventory and equipment. This helps to offset the typical lead time or ordering signs.
- Equipment – The City is part of the MNDOA Cooperative Purchasing Agreement (State Bid) for purchasing equipment other items. This saves a significant amount of time as staff does not have to prepare separate bid documents for each purchase

- 
- Streetlights – 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.



---

# 2022 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.

### Economic Development Authority

- Miles Seppelt was named the winner of the 2022 Economic Development Association of Minnesota (EDAM) President's Award

### Environment

- City reconfirmed its status as a step 4 & 5 city of the Green Steps City Program
- 43<sup>rd</sup> year as a Tree City USA Community

### Finance

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

### Public Works

- John Paulson received a leadership award from the Minnesota Environmental Science and Economic Review Board (MSERB)

### Wastewater

- The Treatment Facility received a Certificate of Commendation from the MPCA for Operational Excellence
- Matthew Keller was recognized as the 2022 Rookie Operator of the Year by MWOA

# City Administration

## Primary Services

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

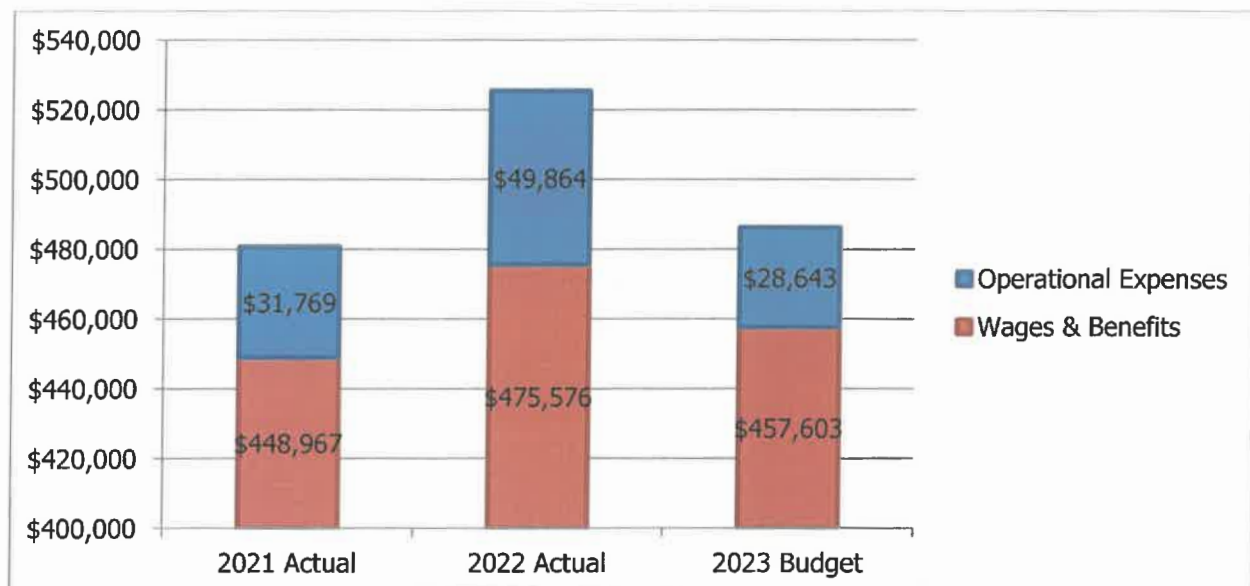
- Directs the general operation of city government and oversees the day-to-day operations of the City
- Provides overall organizational leadership and direction
- Provides direct supervision to all department directors
- Provides staff assistance to the mayor and city council in research, investigation, 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)

## 2022 Staffing Levels

3.40 Full-time Equivalent Staff

## Budget

General operations of this department total \$525,440 in 2022



## 2022: The Year in Review

### 2022 Accomplishments

- Continued to lead the organization through the end of the COVID-19 pandemic
- Worked with the City Council on putting together the City's "Legislative Priorities"
- Had an appraisal done on the Event Center, EOC, and old police station. Information will be used to assist with future decisions on those facilities
- Worked with HR on updating the City's Preparedness Plan to deal with COVID regulations
- Settled both union contracts with our Officers and Sergeants
- Completed 13 employee performance reviews of the City's Management Team
- Helped secure funding from the Burich Family Foundation to assist in the replacement of the Crow River Fountain over the next two years (\$120,000)
- Hired Kellie Wendland as the new HR Director
- Oversaw the creation of our second-ever Annual City-Wide (Monitoring) Report
- Have begun and continue to lead successful negotiations with the Hospital on their potential future purchase of the Event Center
- 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 (purchase) on the lot directly south of City Center and the two lots directly north of the Fire Department
- Put on a presentation and an annual "State of the City Report" for the fall recognition event
- Oversaw the 2023 budget preparation process and delivery of a balanced budget with a tax levy increase at 3.3%
- 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

### 2023: A Look Forward

The 2023 goals for the Administration Department are as follows:

- Work on getting state bonding debt associated with the Event Center forgiven
- Finalize purchase agreement/letter of intent with Hospital on the Event Center building
- Begin to plan to sell the old Police Station/EOC
- Work with HR on looking at the City's benefit package offered to employee with a consideration to update it for the needs of today's workforce
- 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)

# City Clerk/Elections/Licensing

## Primary Services

Under the direction of the city administrator, the city clerk provides the following services:

- Agenda packet preparation and distribution to council, staff and the public
- Noticing of regular and special meetings
- Maintaining minutes, ordinances, resolutions and other city council action
- Preparing resolutions and ordinances
- Coordinating publication of ordinances and codification of City Code
- Coordinating posting and publication of official notices as required
- Coordinating recruitment and appointment of advisory commissions
- Preparation and filing of official records and documents
- Maintaining the City's policies and procedures
- Maintaining a records management program for all public records and completing data practices requests
- Administers city licensing program
- Serves as election official and administers election activities

## 2022 Accomplishments

- Coordinated response to data practices requests
- Ensured timely publishing of council agenda packets and meeting minutes
- Coordinated separate polling locations
- Began compilation of new City policy book materials

2022 Elections Budget  
 General Fund:  
 Elections \$18,700



## Successful Administration of 2022 General Election:

- The 2022 General Election saw a voter turnout of approximately 90% with 6086 total voters
- Recruited and trained 24 election judges
- Utilized new election equipment to administer the General Election
- Administered 1204 absentee ballots for the General Election

General Election Statistics	2016	2018	2020	2022
Total Voters	7109	5506	7950	6086
Absentee Ballots	1240	997	3953	1204
New Registrations	1146	457	734	374



### City Clerk's Office

#### Response Statistics

Ordinances published within two weeks of adoption by the City Council	<b>90%</b>
Minutes of City Council meetings are prepared for approval at next regular meeting	<b>100%</b>
Council agenda packets out four days prior to the meeting	<b>100%</b>
City Clerk's office response to constituent inquiries within one day	<b>90%</b>
Response to City Council inquiries/complaints within seven days	<b>95%</b>

## Licensing

Licensing staff are charged with ensuring that most licensing activities in the city are in compliance with applicable Federal, State and local requirements prior to licensing. Business license applications are carefully reviewed, scrutinized and processed according to those laws. Further, licensing staff are responsible to ensure that all license renewals are sent out and returned with appropriate fees and background checks, if required. Staff are also responsible for preparing council backgrounds and resolutions for licensing activities. Areas of regulation include liquor, massage, tobacco, 3.2% malt liquor, gambling, second hand goods, food vendors, taxi services, caterers, tattoo, garbage/hauling, brewers and temporary liquor. Business licensing administration and enforcement involves interdepartmental efforts with the police department, building department and fire department.

License Type	Number of Licenses
On-Sale Intoxicating/Sunday Liquor	13
Off-Sale Malt Liquor	6
On-Sale Malt Liquor	1
Brewer/Taproom	1
Wine/Strong Beer	1
Caterer	3
Taxi Services	1
Massage	11
Tobacco	17
Tattoo	1
Food Cart	1
Pawn Shop	1
Garbage/Hauling	3



# Economic Development Authority

## EXECUTIVE SUMMARY

Availability of workforce continued to be the biggest challenge for Hutchinson manufacturers in 2022, with 166 jobs being open as of February. In a survey of 32 manufacturing (and closely related) companies the EDA found that 18 were experiencing significant growth, with employment up 5% or more; 11 companies were maintaining a status quo position, with no significant changes to employment, while three were seeing significant decline, with employment being down 60% or more.

The EDA had a busy year. Highlights included:

- The historic Franklin House was removed from the EDA's recently acquired Franklin Street lot
- The EDA's FEMA Grant application for \$513,676 was finally approved in April
- FEMA added \$162,750 to the initial grant amount to offset the effects of inflation
- The Jorgensen Hotel was sold to developer Brian Forcier
- A new company, Milk Specialties Global (MSG), signed a long-term lease for 95,000 square feet of the HTI building
- The EDA provided a \$35,000 loan to FireLake Manufacturing to assist them with leasehold improvements at their new location
- The EDA obtained a \$30,000 grant from 3M in support of TigerPath
- The EDA purchased the first property (of a hoped-for five) for the Hutch Uptown Commons Redevelopment.

By the close of 2022, Hutchinson had zero square feet of manufacturing space available. Other significant challenges include the continuing shortage of workforce, a housing shortage and a scarcity of child-care openings.

## 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

Pretty much all EDA activities can be tied back to advancing one or more of these core strategies.

## DOWNTOWN REDEVELOPMENT

Throughout its history, the Hutchinson EDA has placed great emphasis on maintaining a vibrant downtown. Over the years the EDA has funded downtown redevelopment plans, spearheaded a number of high-profile redevelopment projects and been a catalyst for millions of dollars in downtown investment.

Continuing downtown investment by the EDA through its Sign & Awning Grant Program, the Façade Improvement Matching Grant, and the Commercial Rehabilitation Loan program has played an important role in keeping storefronts full and downtown building stock in good condition.

### Downtown Grant & Loan Programs

For the year, the Hutchinson EDA provided a total of \$37,209.11 to Main Street businesses through its two downtown grant programs.

#### 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 2022, five grants were awarded totaling \$9,459.11. Table 1, below, provides a breakdown:

**Table 1 - Sign & Awning Grant Program, 2022**

Approved	Recipient	Amount
4/27/2022	Robert Michael's Hair Salon	\$1,690
10/26/2022	North Star Foundation Properties	\$2,000
10/26/2022	Outdoor Motion	\$2,000
10/26/2022	Fahey Equities, LLC	\$2,000
10/26/2022	Salon Montage	\$1,769.11
TOTAL		\$9,459.11

### 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 2022, there were four Façade Improvement grants awarded totaling \$27,750. Table 2, below, provides details.



Downtown Hutchinson

**Table 2 – Façade Improvement Grant Program, 2022**

Approved	Recipient	Amount
4/27/2022	Robert Schlueter – 133 Main St S	\$7,500
6/22/2022	DragonFly Inn	\$6,000
9/28/2022	101 Park Place	\$7,500
10/26/2022	Quade Investments	\$6,750
TOTAL		\$27,750

### 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 the Prime Interest Rate and are typically subordinate to other sources of financing.

In 2022, one Commercial Rehabilitation loan was provided totaling \$60,000. Table 3, below, provides details.

**Table 3 – Commercial Rehabilitation Loan Program, 2022**

Approved	Recipient	Amount
7/27/2022	Pawn Shop – Quade	\$60,000
TOTAL		\$60,000

Since their inception, Hutchinson's downtown programs have been a catalyst for more than \$3.1 million in new downtown investment. Annual grants and loans provided throughout the history of the downtown programs are summarized in Table 4, below.

**Table 4 – Downtown Program Usage Since Inception**

	Sign & Awning Grant		Façade Improvement Matching Grant		Commercial Rehabilitation Loan Program	
Year	#	Total	#	Total	#	Total
Pre-2001	25	\$42,831	14	\$54,320	11	\$213,867
2002	12	\$19,826	3	\$4,831	2	\$44,554
2003	7	\$12,602	6	\$10,449	2	\$80,000
2004	5	\$9,545	4	\$19,055	5	\$466,056
2005	9	\$16,751	6	\$25,102	1	\$130,000
2006	12	\$17,615	5	\$18,631	0	\$0
2007	20	\$32,117	6	\$25,398	1	\$6,400
2008	10	\$16,425	3	\$12,350	1	\$130,000
2009	6	\$9,475	2	\$3,636	3	\$32,246
2010	8	\$18,596	6	\$21,375	2	\$52,370
2011	9	\$13,380	3	\$7,730	4	\$291,279
2012	10	\$15,380	6	\$22,350	4	\$112,800
2013	8	\$7,826	1	\$5,000	1	\$19,500
2014	7	\$12,300	3	\$14,065	3	\$151,905
2015	6	\$6,000	1	\$2,500	3	\$65,356
2016	5	\$4,149	1	\$2,500	2	\$42,500
2017	3	\$2,821	2	\$5,000	2	\$60,000
2018	4	\$4,000	0	\$0	0	\$0
2019	14	\$12,990	6	\$21,350	1	\$20,905
2020	4	\$5,275	3	\$17,483	1	\$150,000
2021	9	\$22,548	4	\$17,875	3	\$78,310
2022	5	\$9,459	4	\$27,750	1	\$60,000
TOTALS	198	\$311,911	89	\$338,750	53	\$2,208,048

## Downtown Projects

### Hutch Uptown Commons

The redevelopment of the old medical clinic site – now known as Hutch Uptown Commons – gained momentum in 2022.

The City's redevelopment plan calls for the acquisition of five lots on the west side of the city block bounded by Franklin and Glen Streets, and 1<sup>st</sup> Avenue NW. Federal funding will be used to acquire three properties located within the 100-year floodplain of the Crow River. The remaining two properties, fronting on 1<sup>st</sup> Avenue NW, will be acquired with TIF dollars from the TIF District 4-16 and/or the SHOPKO Development District. All the properties acquired with non-FEMA dollars will be conveyed to the project developer, who plans to construct a 75-unit luxury apartment complex on the east half of the block.



**Proposed design for “Hutch Uptown Commons,” looking northwest from the intersection of Franklin Street and 1<sup>st</sup> Avenue NW.**

A Redevelopment TIF District (TIF 4-16) was previously established to reimburse the EDA for dollars invested to acquire the properties.

After a delay of more than a year (due to McLeod County not having a current Hazard Mitigation Plan in place) the City's \$513,676 grant application to FEMA was finally approved in April. The grant will cover 75% of the costs associated with acquiring three properties (125, 135 & 145 Glen Street) so they can be removed from the 100-year floodplain of the Crow River. Because they are being acquired with Federal dollars, these lots will become permanently owned city property.

With post-pandemic inflation pushing up home prices, it became necessary to have the three properties re-appraised. On average, the valuation of the three properties increased by about 35% since the initial appraisals were completed in 2019. Fortunately, FEMA had a provision in the grant program that allowed the grant amount to be adjusted to cover inflationary increases. This resulted in an additional grant award of \$162,750, for a total FEMA grant award of \$676,426.

Because the City was acquiring the properties, they were obligated by Minnesota Statute to pay relocation benefits to the three property owners. To facilitate this process, Evergreen Land Services was hired to determine the correct benefit amounts and represent the three property owners in the relocation process.



The city made purchase offers to each of the property owners in early summer and all indicated a willingness to sell their homes. By the end of the year one property had been purchased by the City and a second was scheduled to close in early January 2023.

It is the EDA's goal to acquire the remaining three properties (all one owner) by mid-2023. Once acquired the EDA will have all the buildings removed and convey the non-FEMA properties to the Developer.

As part of the project, the City will be relocating a sanitary sewer line that currently bisects the block west-to-east and will also grade and repave one-block segments of Glen Street, 1<sup>st</sup> Avenue NW and Franklin Street.

Tentatively, this work is scheduled for August of 2023. Construction on the apartment complex could begin as early as Fall 2023, but could slip to spring of 2024.

### **Franklin House**

The historic Franklin House was returned to its original location on the Herrington-Merrill property in February 2022. Historic Hutchinson led a fund-raising effort to move the building, which was originally a barn. With the .34-acre lot now cleared, the EDA solicited proposals for the redevelopment of the site and one proposal had been received at year end. The EDA will consider the redevelopment proposal sometime in 2023. If accepted, the winning proposal will have the opportunity to purchase the lot from the City for \$1. Over time, the City will be reimbursed for its actual purchase cost from tax increment generated by TIF District 4-16.



### **Jorgensen Hotel**

Brian Forcier, a Duluth based developer, completed his purchase of the Jorgensen Hotel in March, 2022.

Current plans call for the building to get a new roof with the two "wings" of the building being merged together. In addition, the building will receive exterior tuck-pointing, a new elevator and a complete build-out of the second and third floors (along with a portion of the ground floor) to create 27 new hotel rooms.



**Jorgensen Hotel**



To make the project economically feasible, the City authorized a Redevelopment Tax Increment Financing (TIF) District. These dollars will be used to help offset the costs of needed building renovations and costs associated with installation of an elevator for the building.

It is hoped that construction will begin in late 2023, with completion approximately 12 months later.

## BUSINESS RETENTION & EXPANSION

The retention and expansion of existing companies is far and away the most cost-effective economic development strategy. In recognition of this, the Hutchinson EDA maintains a robust schedule of Business Retention & Expansion (BR&E) visits, visiting companies on an 18-24 month rotation. For the year, 10 visits to local manufacturers (and closely related companies) were completed. These are summarized in Table 5, below.

**Table 5 – BR & E Visits, 2022**

	Date	Company	Contact	Emp.	Notes
1	1/11/2022	Resonetics	Dwight Bordson	160	Growing, Hutch is flagship facility
2	4/1/2022	Hillyard	Jonny Block	25	Busy / supply chain issues
3	4/14/2022	Clay Coyote	Morgan Baum	8	Busy
4	5/12/2022	Goebel Fixture Co.	Matt Field	79	Moving into high end retail / hospitality
5	10/31/2022	Heartland Ag Systems	Arnie Sinclair	130	Very busy. Needs 25 people
6	11/28/2022	Curtiss-Wright NDT	Jeremy Timm		Doing well / needs people
7	12/12/2022	Rath Racing	Daryl Rath	10	Busy / very happy with TigerPath
8	12/13/2022	Hutch Iron & Metal	Matt Freedland	7	Slow / scrap prices down
9	12/16/2022	Hutchinson MFG	Josh Volz	61	Four firms owned by holding company
10	12/16/2022	Minnesota Specialty Yeast	Jeff Betker	45	Very busy / expansion potential
11	NA	TDK-HTI	D. Mark Jelkin		Declined invitation for visit



**Stearnswood added a new 10,200 square foot building in 2022.**

## Manufacturing Growth

Since 2017, the City has enjoyed remarkably strong manufacturing growth, with 18 companies either coming to and/or expanding in Hutchinson. The EDA was directly involved in nine of these projects. As a result of this, by the end of 2022 there was no manufacturing building space available in Hutchinson and all empty buildings have been filled. The city's recent manufacturing expansion is summarized in Table 6, below.

**Table 6 – Hutchinson Manufacturing Expansion, 2017 – Present**

	YEAR	COMPANY	SQUARE FEET	EDA	CURRENT JOBS	NOTES
1	2017	Innovative Foam	6,000	Y	3	Incubator tenant
2	2017	Laser Dynamics	8,000	Y	2	Incubator tenant
3	2018	UPONOR	238,000	Y	84	Purchased HTI building
4	2018	RD Machine	2,000	Y		Incubator tenant
5	2019	Zephyr Wind Services	51,000	Y	25	Start-up / reuse of NuCrane building
6	2018	Stamp-N-Storage	30,000	N	33	Expansion
7	2020	Clay Coyote	3,000	N	8	Purchase of downtown building
8	2020	Warrior Mfg.	41,000	Y	85	Expansion on site
9	2020	Rite Way Conveyor	40,500	Y	25	New building
10	2021	Rite Way Conveyor	19,000	N		Expansion on existing site
11	2021	Resonetics	160,000	N	161	Long term lease from HTI
12	2022	Pride Solutions	20,000	N	38	Expansion on existing site
13	2022	Stearnswood	10,200	N	16	Expansion on existing site
14	2022	FireLake Mfg.	20,000	Y	6	Hwy 7 Business Park
15	2022	MITGI	78,000	N	75	Reuse of SHOPKO building
16	2022	Milk Specialties Global	95,000	N	5	Long term lease from HTI
17	2023	RD Machine	21,000	Y	36	Expansion on existing site
18	2023	Curtiss-Wright NDT	8,000	N	20	Hwy 7 Business Park
<b>TOTAL</b>			<b>850,700</b>		<b>622</b>	

By way of comparison, the entire 3M complex is 1,465,000 square feet, so it can be accurately stated that Hutchinson has added more than half of a 3M in the last seven years.

### FireLake Manufacturing Expansion

In the spring of 2022 FireLake Manufacturing expanded into a 20,000 square foot building located in the Hwy 7 East Business park.



To make needed leasehold improvements the EDA provided the company with a \$35,000 7-year 5% loan from the Economic Development Loan Fund. This was part of a \$105,000 total package provided in conjunction with the Southwest Initiative Foundation and the Mid-Minnesota Development Commission. Loan proceeds were used to add offices, bathrooms and make other needed improvements to the building.

## RD Machine Expansion

After careful review of a number of options, RD Machine decided on a much-needed expansion at their existing site.

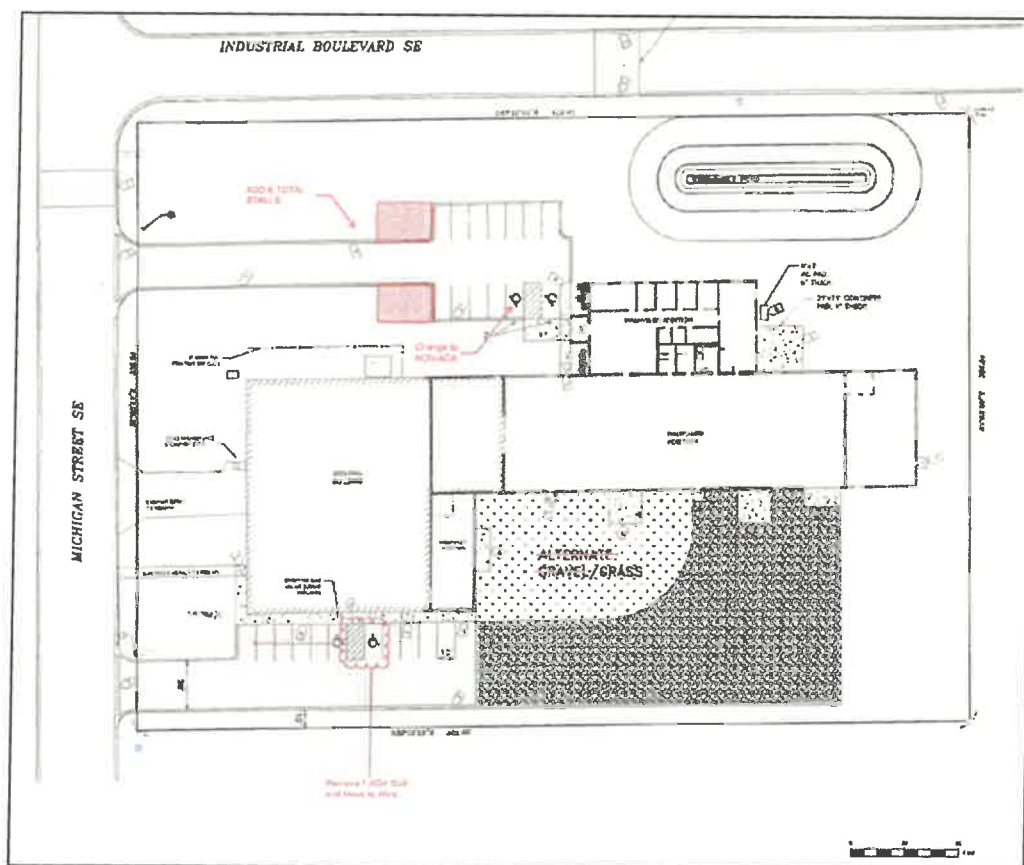
The project will include 16,000 square feet of additional production space and 5,000 square feet of new offices. In addition, the existing building will be updated with a new roof, siding, windows and doors – giving a new look to the entire 36,000 sf structure. Total project cost is estimated at \$4.2 million.

In the fall of the year the EDA recommended approval of an economic development TIF District to aid RD Machine with its 21,000 square foot expansion.

Public assistance became necessary when bad soils were discovered at the expansion site, adding \$900,000 to the initial cost estimate of \$3.3 million. The added costs would have made the project unfeasible for the company to undertake.

The City Council gave final approval to creation of the TIF District on January 10, 2023. The expansion project is scheduled to begin in spring 2023 with completion by December. Marcus Construction is the general contractor.

**Figure 1 – RD Machine Site Plan**

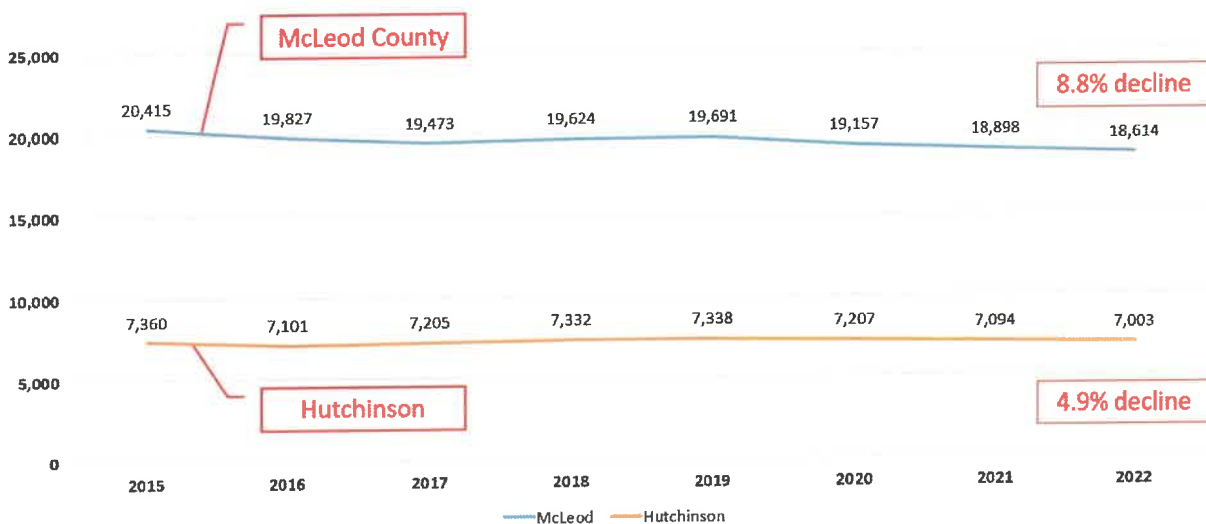


## SKILLED WORKFORCE DEVELOPMENT

The shortage of workforce in general, and especially skilled workforce, was the biggest challenge facing the Hutchinson economy in 2022. With some exceptions, local manufacturers continue to enjoy strong demand for their products and could increase sales, except that they don't have the skilled workforce needed to fill orders. Some companies find themselves in the unenviable position of having to turn away business.

As can be seen in Figure 2, below, McLeod County's labor force declined from 20,415 in 2015 to 18,614 in 2022, a drop of 8.8%. Over the same period, Hutchinson's labor force fell by 4.9%, from 7,360 in 2015 to 7,003 in 2022. These trends are expected to continue for the next decade or so.

**Figure 2 – Annual Change in McLeod County Labor Force, 2015-2022**

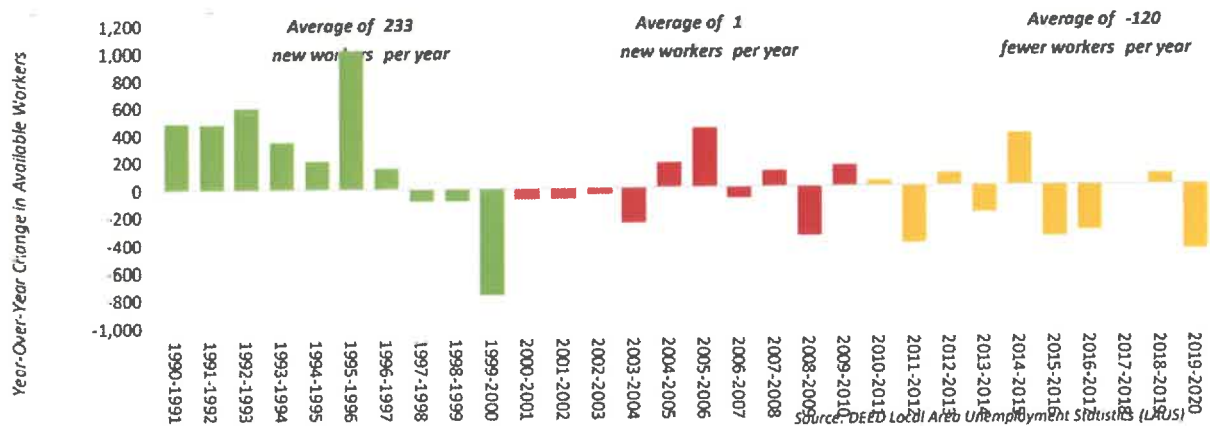


**Source:** DEED Local Area Unemployment Statistics (LAUS), 2022

Figure 3, on the following page, shows how the annual growth of McLeod County's workforce slowed dramatically from the 1990's and 2,000's and by the 2010's had reversed completely. During the 1990's McLeod County's workforce gained an average of 233 new workers per year. For the decade of the 2,000's the gain had slowed to an average of one new worker per year, and by the 2010's the McLeod County workforce was losing an average of 120 workers each year. As noted previously, this trend is continuing.



**Figure 3 – Annual Change in McLeod County Labor Force, 1990-2020**



Source: DEED Local Area Unemployment Statistics (LAUS), 2022

The primary driver of the workforce shortage is simple demographics: the baby-boomer generation is retiring and there are not enough replacements coming in behind them. As a result, the area workforce is experiencing a steady decline. As can be seen in Table 7, below, McLeod County had a labor force of 19,028 in 2022. By 2033 it's projected that number will be only 17,415 – a decline of nearly 8.5%.

**Table 7 – McLeod County Labor Force Projections, 2023-2033**

Labor Force Projections, 2023-2033	Labor Force Projection	
	2023	2033
16 to 24 years	2,631	2,166
25 to 54 years	11,492	11,082
55 to 64 years	3,551	2,732
65 years & over	1,353	1,435
<b>Total Labor Force</b>	<b>19,028</b>	<b>17,415</b>

Source: Minnesota State Demographic Center, 2022

A second contributing factor to the skilled workforce shortage is a persistent mismatch between the workers the educational system is producing and the needs of the labor market. In Minnesota only 25% of all jobs require a bachelor's degree or higher, but at the same time more than 44% of graduating high school seniors pursue four-year degrees. This mismatch results in an oversupply of bachelor's prepared individuals and a shortage of technically trained workers. Fortunately, this second factor is being meaningfully addressed at the local level.

## TigerPath

Over the past half dozen years Hutchinson has arguably become Minnesota's leader in student-based solutions to the skilled workforce shortage. Our goal is to create more skilled workers. Not only does this provide tangible help to local employers, it also provides Hutchinson with a sizable advantage when it comes to the recruitment of new companies: when they ask "*where do we get our workforce?*" we have a very credible answer: TigerPath. Availability of workforce is the number one location criterion for expanding companies.

To help grow the local supply of skilled workers, the Hutchinson EDA continues to partner in a huge way with local employers, the local school district (ISD 423) and Ridgewater College to promote skills-based educational options for students. Our goal is to move away from "one-size-fits-all" education (i.e. "*go to college,*" meaning a four-year degree) in favor of students finding their own unique path to success, based on their own interests and aptitudes.

Each year approximately 180-190 students graduate from Hutchinson High School. These students can become a big part of the answer for local skilled workforce needs.



**3M continued its strong support for TigerPath with this billboard on Hwy 15.**

EDA staff continues to work with school district staff to implement the six TigerPath strategies.

Figure 4, on the following page, summarizes the strategies being used to implement TigerPath.



**Figure 4 – Strategies to Implement TigerPath**

1. **Realign high school education** by implementing the TigerPath Academies – a career academy model of education designed to help students discover their talents, develop their skills and build rewarding careers based on their own interests and aptitudes.
2. **Build seamless educational pathways between high school & college** so students can earn free college credit and industry-recognized credentials before they graduate high school.
3. **Change outdated stereotypes about manufacturing, education & career choices and gender in the workforce** through tours of local precision high-tech manufacturers, job shadowing, a dedicated website and other marketing activities.
4. **Build school-employer relationships**
5. **Dramatically upgrade high school tech-ed facilities & equipment** to change the stereotype students & parents have of manufacturing, get students inspired and excited about technical education & careers and provide first-class, real-world equipment for students to train on.
6. **Launch Tiger Manufacturing** – an authentic manufacturing business based in the high school, run by students, designing and manufacturing real products for real customers. Tiger Manufacturing will add relevance to coursework, provide realistic work experience, build teamwork & soft skills, foster critical thinking & problem-solving skills, and teach entrepreneurship and business operations.

In 2022, the Hutchinson EDA continued its support of TigerPath in several ways:

- Updating the TigerPath Parent's Guide
- Obtaining a \$30,000 grant from 3M for the purchase of screen-printing equipment, a large format printer and a high-end laser engraver for Hutchinson High School.

(This equipment will allow students to express their creative talents and provide Tiger Manufacturing with additional revenue-producing opportunities.)

- Researching and promoting the continued development of Tiger Manufacturing.



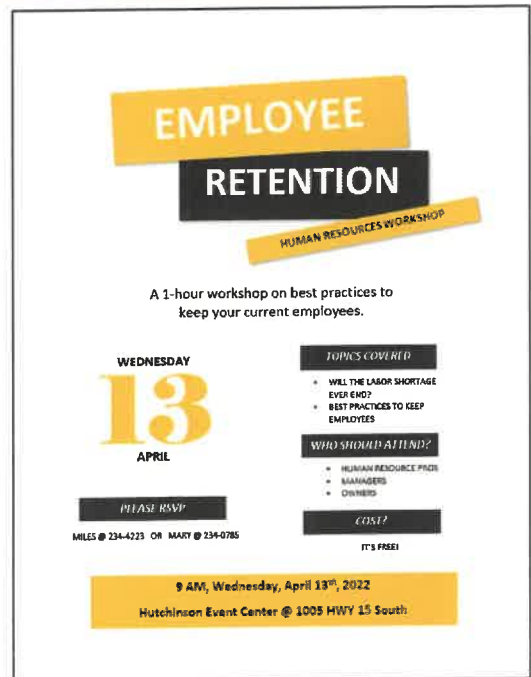
**Large format printer**

## TigerPath is:

*Discovering Talent, Developing Skills, Building Careers*

### Human Resources Roundtable

To aid our local employers, the Hutchinson EDA initiated a series of roundtable meetings for human resources professionals. These meet every second month with the goals of (A) providing information on resources to help employers get the most from their existing workforce and, (B) creating a forum in which H-R professionals can exchange ideas. Recent topics included "Best practices for employee retention," "Resources from the Minnesota Workforce Center," and "Customized training options from Ridgewater College." By the close of 2022 about a dozen local employers were attending regularly and feedback from attendees has been very positive.



**EMPLOYEE RETENTION**  
HUMAN RESOURCES WORKSHOP

A 1-hour workshop on best practices to keep your current employees.

WEDNESDAY  
**13**  
APRIL

PLEASE RSVP  
MILES @ 234-4223 OR MARY @ 234-0785

**TOPICS COVERED**

- WILL THE LABOR SHORTAGE EVER END?
- BEST PRACTICES TO KEEP EMPLOYEES

**WHO SHOULD ATTEND?**

- HUMAN RESOURCE PROS
- MANAGERS
- OWNERS

**COST?**  
IT'S FREE!

9 AM, Wednesday, April 13<sup>th</sup>, 2022  
Hutchinson Event Center @ 1005 HWY 15 South

### Project 9500

Research on workforce commuting patterns revealed that more than 9,500 residents of McLeod County commute to jobs outside the county, with a large majority going to the western Twin Cities suburbs for work. This represents a significant opportunity for workforce retention/recruitment.

In the second half of 2022 EDA staff developed "**Project 9500.**" The plan is to:

1. Develop a Hutchinson-specific job listing website.
2. Create a state-of-the-art on-line job application for companies (this would be optional for employers to use)
3. Launch a year-long marketing campaign, targeting the 9,500 commuters, to drive people to the jobs website.

The website, [www.JobsinHutch.com](http://www.JobsinHutch.com) will be very simple, with a strong emphasis on ease of use for both job posters and job seekers. Companies wishing to post jobs will be able to submit them on-line; EDA staff will then curate them and get them added to the website. Job seekers will be able to look for jobs either by industry (e.g. "manufacturing," "health care," "building trades" etc.) or by employer. With one click they'll have direct access to an on-line job application.

To make it as easy as possible for job seekers, a common on-line job application will be developed. A sizable number of companies are simply not up to date when it comes to their job application process, especially when it comes to on-line components. We intend to solve this problem by creating a state-of-the-art on-line job application that companies can use if they wish. The application will be designed for smart phones, tablets and laptops so applicants can apply for a job from literally anywhere. Completed applications will be keyed to each individual company and land in the HR Directors inbox.

The marketing campaign to promote the website will be primarily on social media, emphasizing Facebook. "Geo-fencing" and other contemporary marketing techniques will be utilized to target messaging specifically to commuting workers in McLeod County. In addition, some legacy media will be utilized, including billboards on Hwys 7 & 212, newspaper and radio advertising, adverts at local gas stations and potentially utility billing inserts.

To participate, employers can either post jobs for \$100 each (with the first posting free) or get unlimited postings and priority placement by helping sponsor the project.

Funding for the project will come from the EDA, City and corporate sponsors.

By the close of 2022 the project design process was largely complete and several corporate sponsors lined up.

**We found 9,500 workers!**

Every day, 9,500 McLeod County residents commute to jobs outside the county. (most go to the Twin Cities)

**We plan to recruit some for jobs in Hutchinson.**

**STEP 1**  
Create a Hutchinson-only online job board.  
[www.hutchinmule.com](http://www.hutchinmule.com)

**STEP 2**  
Create a state-of-the-art online job application companies can use. (optional for companies)

**STEP 3**  
Implement a multi-media ad campaign to drive commuters to the job website.

**PROJECT 9500**  
Workforce Retention Campaign  
A collaborative effort between the EDA, City & employers to recruit workforce.

Due to uncertainty around the direction of the economy and the fact that some major local employers have temporarily suspended hiring, the project will be on hold for at least the first quarter of 2023 and potentially the second. Hopefully Project 9500 will be launched in the second half of the year.

## **BUSINESS INCUBATION**

### **Jump-Start Downtown**

Gold Coin / Sweet Rolls & Boba, winners of the 2021 Jump-Start Downtown Business Plan contest, made only minor progress in renovating the restaurant in 2022. By year end, EDA staff was checking in regularly to keep the project moving forward. It is hoped that the Gold Coin, along with Sweet Rolls & Boba, will officially reopen by mid-2023.



### **Enterprise Center**

The Hutchinson Enterprise Center had an uneventful year in 2022. After much consideration, the EDA Board decided that lease extensions would be provided for both Innovative Foam and Laser Dynamics to carry them through the end of 2023. After that, no new leases will be provided.

In addition, the Board of Directors indicated that RD Machine will be able to continue leasing its 2,000 square foot space until its new building is ready in late 2023.

Finally, support for both the Small Business Development Center (SBDC) and the Veteran's Business Outreach Center (VBOC) continued in 2022 with the provision of free office space at the Enterprise Center.



## **BUSINESS ATTRACTION**

Key to the attraction of expanding companies is to (A) have what they're looking for (e.g. workforce, buildings, sites, financial assistance, etc.) and (B) conveying that information effectively.

**Hutchinson Enterprise Center**

In 2022 Hutchinson had pretty much everything a company could want, resulting in the addition of a new employer to the community.

## New Company: Milk Specialties Global

In July of 2022 Milk Specialties Global (MSG) signed a long-term lease for 95,000 square feet of the main TDK-HTI building. MSG plans to establish a warehouse and packing line operation. By year end they had five employees on staff in Hutchinson; which will grow to a projected 60 in coming years. In addition to warehousing functions, MSG plans to establish four packing lines to package bulk products for individual sale.

Milk Specialties Global is a Minnesota-based manufacturer of human and animal nutrition supplements. Examples include lactose, whey powder and protein powder for human consumption and milk replacer and other nutritional supplements for use by animals.



## Marketing

To make expanding companies aware of what Hutchinson has to offer, the EDA employs a multi-pronged approach to marketing the community for economic development. Strategies are in place to reach local, regional, state and national audiences. These are:



1. **Branding** as "Minnesota's Manufacturing City" conveys both our identity and our value proposition.
2. The EDA's strong **Business Retention & Expansion (BR&E) Program** has helped bring about strong growth with local manufacturers. In addition, Hutchinson has cultivated a strong reputation that brings new companies and opportunities to the community. "Satisfied customers" is a very effective marketing strategy.
3. The **EDA Website** is optimized for corporate site selectors and company leadership researching location options for expansion. It's designed to convey information in a clear, concise style so decision-makers can easily evaluate the community as a potential location for expansion.
4. **Social Media** (i.e. Facebook) is utilized to convey information to local audiences and to boost the ranking of the EDA's website in internet searches.
5. Membership in the **Minnesota Marketing Partnership (MMP)** gives Hutchinson exposure nationally at various industry trade shows and helps us connect with corporate site selectors.



6. Membership in the **Community Venture Network (CVN)** provides connections with 24 companies annually that are actively looking for location site options. Three times per year EDA staff attends meetings in which eight expanding companies make presentations.
7. Partnership with the **Small Business Development Center (SBDC)** by providing financial support and office space at the Enterprise Center brings the potential of connecting with start-up and early stage companies that may be looking for a location in which to grow their business.
8. Finally, Hutchinson's strong relationship with the **Minnesota Department of Employment & Economic Development (DEED)** brings regular opportunities to market to expanding companies. DEED sees Hutchinson as a reliable partner that will represent Minnesota well.

## Support of McLeod County Economic Development

### McLeod County United (MCU)

In early 2022 McLeod County hired Liz Danielson to spearhead economic development efforts at the county level as their Economic Development Coordinator.

In support of this effort, Hutchinson EDA staff organized McLeod County United (MCU).

These are monthly meetings of the economic development professionals in the county to facilitate coordination and planning between the various organizations and to create a forum for professional development and support. By year end representatives from McLeod County, Winsted, Lester Prairie, Glencoe and Hutchinson were regular participants.



Liz Danielson

## EDA ADMINISTRATION

### Budget & Fund Report

The EDA managed its budget effectively for the year, closing out 2022 with positive net operating revenue of \$13,017. At year-end the EDA had a cash balance of \$165,797 – which is 63.7% of next year's planned operating budget. The purpose of the operating budget reserve is to keep the EDA operating during the six-month intervals between property tax payments from the county.

The City Council authorized a levy in the amount of \$258,169 for 2023, which keeps the EDA tax rate unchanged at .01813%. The increase in funding over 2022 will be used to step up EDA marketing efforts in connection with workforce retention and recruitment.



## **Operating Budget**

As noted, the EDA finished 2022 with a net operating revenue of \$13,017. Revenues for the year totaled \$221,168 and expenses totaled \$208,152.

## **Economic Development Loan Fund**

The Economic Development Loan Fund closed out the year with \$162,250 in cash available and four loans receivable totaling \$131,939. All loans were performing as required. A loan of \$35,000 was provided to FireLake Manufacturing to aid them with lease-hold improvements on their new (leased) building. Zephyr Wind Services paid down their loan by \$13,637 – leaving a year-end balance of \$61,699.

At the close of the year the Enterprise Center owed \$226,925 to the ED loan fund, having paid down its loan by \$19,127. Future payments will be made from building rental revenue and tax increment financing proceeds.

## **Downtown Revolving Loan Fund**

The Downtown Revolving Loan Fund finished the year with \$378,099 cash on hand and loans receivable totaling \$335,951. With very minor exceptions, all loans were performing as required.

By the close of 2022 there were 15 active loans, down from 21 the previous year. Two loans are projected to be paid off in 2023.

The Downtown Loan Fund continues to hold its \$201,329 investment in the former Cenex site on 3<sup>rd</sup> Avenue NW. This may change in 2023, as the City has identified the site as the location for a planned community splash pad.

In addition, the fund is owed \$142,203 from TIF District 4-16 for the purchase and removal of the old Franklin House, formerly located at 135 Franklin Street North.

Total assets in the Downtown Loan Fund at year-end totaled \$1,057,582.

## **Minnesota Investment Loan Fund**

The Minnesota Investment Loan fund ended the year with \$9,329 in cash available and one loan outstanding (to a company called MOXY) with a balance of \$8,100. MOXY paid down their loan by \$2,856 in 2022.

## **Hutchinson Enterprise Center**

The Enterprise Center closed out the year with \$36,280 cash on hand and assets totaling \$45,680.

Liabilities included \$4,000 in security deposits and \$226,925 owed to the Economic Development Loan Fund.

Revenues for the year totaled \$70,074 – which includes a \$4,000 payment from the Hutchinson Utilities Commission for the new industrial park solar array.

Expenditures for the year came to \$42,723 – with property taxes being the largest line item. Net operating revenue for the year was \$27,351. Of that, \$19,127 was transferred to the Economic Development Loan Fund to pay down that loan. The remaining cash flow of \$8,225 will be transferred to the Enterprise Center Building Maintenance Fund.

## SHOPKO Development District

The SHOPKO Development District finished 2021 with \$9,884 in cash available and Interfund Loans receivable from other TIF Districts totaling \$394,428. Cash available is down considerably from last year due to this fund being used for the acquisition of properties for the Hutch Uptown Grand project. 75% of those dollars will be reimbursed from the FEMA grant obtained for this project.

Table 8, below, summarizes the loans receivable.

**Table 8 – SHOPKO Development District Interfund Loans**

TIF	Project	Receivable	Notes
4-16	Franklin Redevelopment	\$270,828	Purchase & demo of old medical building
4-17	Enterprise Center	\$118,243	Site work
4-21	Rite-Way Conveyor Lot Reimb.	\$0	TIF Plan & legal work, \$13,101 paid off
4-22	Jorgensen Hotel	\$5,356	TIF plan & legal work
<b>TOTAL</b>		<b>\$394,428</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.

**Appendix A** to this report provides a complete financial report on the various EDA budgets and funds.

## 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, acting as a liaison between the two groups.

At the end of 2022 Mary Christensen retired from the City Council and completed her time on the EDA Board of Directors having served for 12 years. Her position was filled by Councilmember Pat May.

Jack Daggett was appointed to the EDA Board in July to fill the slot vacated by Daron Vanderheiden, who retired at the end of 2021.

Table 9, below, provides detail on the composition of the EDA Board of Directors in 2022.

**Table 9 – Economic Development Authority Board of Directors, 2022**

Member	Position	Years' Service	Affiliation
Mike McGraw	President	18	State Farm Insurance
Jonny Block	Vice-president	10	Hillyard
Chad Czmowski	City Council liaison	14	City Council/Outdoor Motion
Jack Daggett	Commissioner	1	Pride Solutions
Pat May	City Council liaison	0	City Council
Corey Stearns	Commissioner	8	Stearnswood
Mike Cannon	Commissioner	7	Citizens Bank
Jeremy Carter	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 2022 is detailed in Table 10, below.

**Table 10 – EDA Finance Team, 2022**

Member	Position	Affiliation
Mike Cannon	Chair / EDA Board Liaison	Citizens Bank
Scott Ziegler	Member	Piehl, Hanson, Beckman
Anthony Hanson	Member	Citizens Bank
Jack Daggett	Member	Pride Solutions
Corey Stearns	EDA Board liaison	Stearnswood

Josh Karg	Member	Heartland Ag Systems
Eric Lipke	Member	MITGI
Josh Laffen	Member	Home State Bank / MBFC
Ben King	Member	Kraft Walser Law

Ben King resigned from the Finance Team in November to take a job with a law firm in Rochester.

With the appointment of Jack Daggett to the EDA Board (and taking on those liaison responsibilities) Corey Stearns resigned from the Finance Team mid-year.

## SUMMARY

2022 was a successful year for economic development in Hutchinson. Significant progress was made in the downtown with several redevelopment projects moving forward. Hutch Uptown Commons and the renovation of the Jorgensen Hotel will add a great deal of vitality to Main Street when completed. The EDA facilitated continued growth in the manufacturing sector by assisting two companies (RD Machine & FireLake Manufacturing) with significant expansions. In addition, Milk Specialties Global was added to Hutchinson's family of manufacturing companies.

Looking forward the community faces four significant economic development challenges:

1. **CHALLENGE: Workforce** – shortage of workforce, particularly skilled workforce, will be a constraint on economic growth for the foreseeable future.

**SOLUTION:** Hutchinson has a very credible solutions in TigerPath and Project 9500.

2. **CHALLENGE: Lack of Building Space** – at the end of the year Hutchinson had no building space available for manufacturing, significantly complicating efforts to recruit new companies to the community.

**SOLUTION:** The EDA is in active discussions with several builders about a 2023 industrial spec building project.

3. **CHALLENGE: Housing** – shortage of all types of housing in the community is a barrier to workforce retention and recruitment.

**SOLUTION:** The EDA is spearheading development of a 75-unit apartment complex in downtown. In addition, the City has commissioned a housing needs study, which will be completed in the second quarter of 2023. This will provide developers with the information they need as they consider housing investments in the community.

4. **CHALLENGE: Childcare** – an analysis completed by First Children's Finance found that Hutchinson needed more than 400 child care slots to meet existing need. In addition, existing openings were quite expensive. The lack of sufficient child care openings contributes to the workforce shortage by keeping would-be workers at home, caring for their kids.

**SOLUTION:** The Hutchinson Chamber of Commerce is spearheading Hutchinson's participation in the Rural Child Care Innovation Program (RCCIP) from First Children's Finance. This program will develop and implement strategies to increase the number of childcare slots in the community.

These challenges are shared by communities all over Minnesota. Hutchinson is much better positioned than most to successfully resolve these challenges due to a long history of teamwork, collaboration and "can do" attitude in the community. We say "YES" a lot, and that's been a major advantage.



# 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 covenant compliance, 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 (\$49,000) and software costs (\$14,792) represent the largest expenditures for the Finance budget.

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Budget</u>
Wages & Benefits	\$299,265	\$323,084	\$325,568
Supplies	1,423	1,525	1,500
Services & Charges	72,481	66,969	77,902
Miscellaneous Expenses	1,055	1,144	1,350
Total Expense Budget	<u>\$374,224</u>	<u>\$392,722</u>	<u>\$406,320</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

## **2022 Accomplishments**

- 1) Received the GFOA's Certification of Achievement for Excellence in Financial Reporting for the 2021 audit report. We have received this award each year since 1996
- 2) Received an unmodified (clean) opinion from the City's independent auditors that the 2021 financial statements were fairly presented in conformity with Generally Accepted Accounting Principles
- 3) Reaffirmed the City's AA- bond rating
- 4) Formulated our debt needs for the typical annual bonding for roadway improvements in addition to the final debt for the new police facility
  - a. Street Reconstruction Bonds – par value of \$1,980,000
  - b. CIP Bonds (Police Facility) – par value of \$3,905,000
- 5) Coordinated the early payoff of the 2013 debt in conjunction with the financing of the new police facility. The early payoff has a beneficial impact on the City's debt tax levy with lower interest on the new PD debt as compared to the 2013 debt.
- 6) Took advantage of rising interest rates to increase the City's total annual investment income by approximately 50%, for an additional \$230,000 when compared to 2021. The General fund's investment income increased by \$65,000, outperforming the budget by \$50,000.
- 7) Balanced the City's cash on hand for various large projects during the year, including the Police Facility construction, Civic Arena Roof improvements, Wastewater Headworks improvements and the Water/Wastewater SCADA projects.
- 8) Renewed the City's insurance policies for general liability, property and workers compensation
- 9) Reported the City's intended usage of ARPA monies to the federal government; accepting the monies through the "revenue loss" provision
- 10) Worked with LMCIT insurance adjusters on several large claims, including the water damage at the Event Center in February 2022
- 11) Assisted PRCE with their software conversion in the summer and fall of 2022
- 12) Assisted Public Works with the new Water and Sewer billing structure
- 13) Completed all required financial reporting to the State and the County for the city's annual budget, tax levies, indebtedness, annual audit report and TIF districts
- 14) Guided city departments through the process for the following annual documents, creating several iterations prior to being approved by council
  - a. General and Enterprise fund budgets
  - b. 5-Year CIP
  - c. Fee Schedule
- 15) Increased electronic payment customers for Utility Billing by 214 in 2022, a 6.2% increase from year-end 2021

## 2022 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 103 electronic purchase orders totaling \$2,888,984, compared to 97 totaling \$3,260,854 in 2021
- Use of departmental procurement cards decreased 13.2% in 2022
- Issued 4,257 disbursement checks totaling \$39,570,681 in 2021 compared to 4,378 checks totaling \$28,015,816 in 2021. The large increase in dollar amount is attributed mainly to the Police Facility project.

### Utility Billing

- Billed an average of 5,161 accounts on a monthly basis in 2022 with 29 new accounts added during the year due to new construction
- Coordinated the monthly billing process with the third-party printer/mailer
- Averaged 14 accounts per month that had water disconnected due to failure to pay
  - Averaged 94 shut-off letters each month, resulting in 80 accounts resolving their delinquency prior to a shut-off event
- 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 6.2% in 2022
  - 71.2% of our accounts are now paying electronically, up from 67.3% last year

### Payroll

- Issued 374 W2s in 2022 compared to 349 in 2021
- Total gross wages paid for 2022 was \$8,355,847 compared to \$7,953,766 in 2021
- Hired and terminated 116 summer seasonal employees in 2022, compared to 125 in 2021

### 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 2022, the Finance department renewed the separate builder's risk policy for the new police facility construction project.

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**

City monies are primarily deposited locally at Citizen's Bank, with several accounts to manage our various operations. Throughout 2022, I maintained a larger liquid cash balance due to the funding needs of several significant projects; Police Facility construction, Civic Arena roof improvements, Wastewater headworks improvements and Water/Wastewater SCADA improvements. Remaining surplus funds can be invested with better returns as those projects are finalized in 2023. The City's cash deposits above the FDIC limit of \$250,000 are protected by pledged securities held by the bank, with those securities monitored on a monthly basis by both the bank and Finance staff.

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, and Federal Agency bonds. Investment yields increased significantly in 2022, driven by the unprecedented, seven increases to the federal lending rate during the year. This brought the rate to 4.50% by December 2022, up from 0.25% from the last change in December 2020. Finance was able to reinvest over \$4,000,000 during the year, for an average annual return of 3.3%. For comparison purposes, we reinvested \$1,400,000 in 2021 for an average annual return of 1.0%. Taking advantage of the higher rates has been a priority in order to help our operating budgets with the increased revenues.

## **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 risk related to the City's ability to pay its debts.

## 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.



## 2023 Finance Department Goals

- 1) Financing the 2023 roadway and infrastructure improvements
- 2) Analyze and structure the funding of the EDA's Franklin Street project
- 3) Analyze and finalize the internal funding to complete the new police facility and civic arena projects. Recommendations to city administrator and city council on the use of various reserve funds to balance the project needs.
- 4) Compile the sales tax refund request and submit to the State related to the police facility project. Estimated refund of \$250,000 to \$300,000 based on contractor payments.
- 5) Transition the city's core software system from BS&A to Civic System, which will provide a more robust reporting capability and better internal controls for the basic accounting functions
- 6) Work with IT to incorporate LaserFiche into the storage of Accounts Payable and Cash Receipt images for greater efficiencies than through our accounting software
- 7) Develop more effective budgeting template system for departments to utilize in the budget process
- 8) Create a budgeting assumption for Seasonal/Temporary employees based on average hours needed by department and average pay rate
- 9) Implement the new Water and Sewer rate structure in the monthly UB billings
- 10) Account for the use of ARPA funds in accordance with Federal guidelines
- 11) Finalize modifications to several policies within the Financial Management Plan
- 12) Review and modification of the Special Assessment policy, specifically in relation to deferred assessments and the interest rate applied
- 13) Work with John Olson to improve the airport hangar billing process for a more consistent collection of outstanding rental income
- 14) Look for cost effective software options for tracking the city's fleet and maintenance costs
- 15) Continue to look for process efficiencies and budgetary savings
- 16) Receive the GFOA's Certification of Achievement for Excellence in Financial Reporting for the 2022 audit report
- 17) Receive an unmodified (clean) opinion from the City's independent auditors for the 2022 financial statements
- 18) Reaffirm the City's AA- bond rating

# Fire Department



## Accomplishments

-Worked on many small and large projects at our training facility to improve usage for our Firefighters as well as other Regional Fire Departments that utilize the space. We installed a large concrete pad for conducting auto extrication, added a new burn container and reconfigured the live burn area. We also started replacing windows and installing new siding on our search and rescue house (this will be completed in 2023).

-Acquired the vacant lot to the north of the fire station to allow for parking lot expansion. We are working closely with our neighbors to the north to ensure we improve the space for all.

-Worked closely with all fire departments in the county as well as McLeod County Sheriff's Office setting up and finalizing details regarding the new 800mhz communications equipment upgrades for the entire county. This will go live in early 2023.

-After working with the Townships, McLeod County and the MN DNR to develop and change the burn permit process throughout the county, we helped get the system live at the start of 2022. This new, simple and free system has been working well and has been very well received by the residents of the county, township representatives and fire departments alike.

-Conducted a hiring event for new potential Firefighters. We had sixteen applicants and after the multiday hiring event we ultimately hired four new recruits. They immediately began their FFI and FFII training with outside instructors. Our fire station serves as the host location for twenty recruits from neighboring towns. Classes are going well and they are scheduled to test out in early/mid 2023.

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

-Held live fire training at an acquired structure in the county. Utilized outside instructors to conduct low- and high-level burn evolutions throughout the structure. Entire training event was partially reimbursed by the state grant program.

-The Fireman's Park Committee, led by Assistant Chief Abelson, worked very hard on the final planning, details, fund raising and ultimately the installation of all of the playground equipment and shelter/park upgrades in 2022. This was an amazing project with a tremendous outpouring of help and support from multiple partners and the community and yes...the park is now OPEN!



- 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.



-The truck committee spent many hours finishing the details, training the whole department and then put into service New Rescue-8. This City/Rural shared truck is a true multi-purpose unit providing EMS, grass fire fighting capabilities and more. The truck turned out great and has been a massive functional upgrade from what we had previously.

-Major one-time repairs and maintenance items were completed on Utility-3 (formerly Rescue-8) to extend its useful life and ultimately save money for both the City and Rural entities.

## Operational Data

### Emergency Call Breakdown

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
FIRE-General	47	28	20	42	40	41	33	27	47	57	35
FIRE-Structure	15	12	14	12	16	19	17	7	12	11	8
Rescues & MVA	21	23	47	46	75	81	69	70	74	81	71
Medicals	117	109	124	125	156	167	170	155	155	178	190
Alarms & Sprinklers	92	97	116	105	92	83	91	70	85	63	90
Hazardous Condition	96	73	93	87	78	89	64	95	67	60	60
Other	49	47	51	50	48	52	48	39	44	48	43

### Emergency Calls Total

Year	1990	2000	2014	2015	2016	2017	2018	2019	2020	2021	2022
City	156	215	317	309	342	348	307	318	332	318	318
Rural	76	132	148	158	163	184	185	145	152	180	179
Total	232	347	465	467	505	532	492	463	484	498	497

### Structure and General Fires

Year	2001	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fires	50	40	34	54	56	60	50	34	59	68	43

### Firefighter Injuries (per OSHA)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Injuries	1	4	0	1	0	2	2	1	4	1	1

### Fire Event Fatalities

Year	2001	2002	2003 - 2010	2011	2012 - 2020	2021	2022
Fatalities	*3	1	0	1	0	2	0

### Response Time (Alarm to Truck Out the Door for All Full Page Out Calls)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Time	3:48	3:24	3:58	4:27	5:06	5:33	6:10	5:50	5:39	5:17	5:21

### Officer Only Calls (\*Indicates Hourly Pay Multiplier Increase)

Year	2012	2013	2014	2015	*2016	2017	2018	2019	2020	2021	*2022
Number of Calls	126	106	149	143	156	161	130	130	135	126	123
Dollars Saved	\$22,932	\$19,292	\$27,118	\$26,026	\$30,576	\$31,564	\$25,480	\$25,480	\$26,460	\$24,696	\$27,675
Hours Saved	1,890	1,590	2,235	2,145	2,340	2,415	1,950	1,950	2,025	1,890	1,845

**Estimated Property Value Saved: \$4,295,000 Lives Saved: 4**



**Property Value Lost: \$216,050**

**Emergency Call Hours: City-2,731 Rural- 2,365**

**Total Training Hours: 3,073 Total Training Events: 56**

## **Public Relations and Fire Safety Education**

We hosted multiple tours and education events at the fire station as well as on location at businesses and schools as requested.

We appreciate the relationship we have with the Hutchinson Schools and conducted our first fire safety education for the 2<sup>nd</sup> graders at the New Tiger Elementary School. We also conducted fire safety education for the kindergartners at the West Elementary School as normal. The Northwoods Elementary group came to the fire Station for their education. Several early childhood and preschool classes were also provided with a fire safety education message.

**36 Public Relations Events / 756 Hours**

**11 Fire Safety Education Events / 192 Hours**

**1,585 Total Students**



## **Inspections and Permits**

-Our approach on rental inspections for 2022 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 inspected as requested through our partnership with the county/state (approx 24) and all new and remodeled construction (commercial properties) were inspected to ensure proper installation and operations of fire alarm and sprinkler systems (approx 77).

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

-The new paperless burn permit system for Mcleod County went live in 2022 and has worked well.



## Vehicle Maintenance

### Cost / Mileage / Hours Measurement



Vehicle	2016	2017	2018	2019	2020	2021	2022
<b>Ladder 1</b> 2001 Pierce	\$1,863	\$10,624	\$1,136	\$5,469	\$6,895	\$12,128	<b>\$1,845</b>
<b>Utility 5</b> 2009 Chevy CC	n/a	n/a	\$6,867	\$1,545	\$31	\$333	<b>sold / \$719</b>
<b>Engine 2</b> 2016 Rosenbauer	n/a	\$1,496	\$2,742	\$2,048	\$3,348	\$11,299	<b>\$3,204</b>
<b>Tanker 4</b> 2021 International	n/a	n/a	n/a	n/a	n/a	New / \$0	<b>\$518</b>
<b>Tanker 6</b> 1996 International	\$1,201	\$1,570	\$1,949	\$8,783	\$3,773	\$24,860	<b>\$703</b>
<b>Engine 7</b> 2008 General	\$3,936	\$7,133	\$8,414	\$1,362	\$6,334	\$5,700	<b>\$7,192</b>
<b>Utility 3</b> 2002 Ford CC	\$1,161	\$2,631	\$402	\$2,744	\$487	\$538	<b>\$7,691</b>
<b>Rescue 8</b> 2021 Chevy CC	n/a	n/a	n/a	n/a	n/a	n/a	<b>New / \$2,077</b>
<b>Ranger</b> Polaris 6x6	\$0	\$0	\$72	\$0	\$18	\$4,569	<b>\$70</b>
<b>Chief 1</b> 2013 Dodge Drg.	\$1,352	\$2,672	\$722	\$2,228	\$311	\$2,098	<b>\$2,587</b>
<b>Command</b> 2017 Ford Int.	\$110	\$154	\$73	\$81	\$1,696	\$1,258	<b>\$921</b>
Vehicle	2016 Miles / Hours	2017 Miles / Hours	2018 Miles / Hours	2019 Miles / Hours	2020 Miles / Hours	2021 Miles / Hours	2022 Miles / Hours
Ladder 1	584 / 94	694 / 91	434 / 60	410 / 71	729 / 65	461 / 84	<b>492 / 58</b>
Utility 5	n/a	n/a	250	3,523	1,402	3,192	<b>sold / 237</b>
Engine 2	1,241 / 73	1,989 / 135	2,462 / 144	2,325 / 158	3,086 / 209	3,543 / 210	<b>2,649 / 168</b>
Tanker 4	n/a	n/a	n/a	n/a	n/a	n/a	<b>2,635 / 134</b>
Tanker 6	533 / 52	516 / 39	423 / 45	317 / 30	944 / 80	215 / 22	<b>200 / 21</b>
Engine 7	3,022 / 163	1,720 / 113	1,388 / 88	957 / 85	1,440 / 87	2217 / 130	<b>1,434 / 90</b>
Utility 3	1,758	2,031	1,656	1,435	1,536	1,785	<b>1,842</b>
Rescue 8	n/a	n/a	n/a	n/a	n/a	n/a	<b>2,010 / 121</b>
Polaris (6x6)	20 hrs	10 hrs	10 hrs	11 hrs	12 hrs	19 hrs	<b>6 hrs</b>
Dodge Durango	9,248 / 697	8,496 / 681	7,040 / 630	7,430 / 655	6,868 / 585	8,530 / 660	<b>8,825 / 712</b>
Ford Intercept.	New *2,246	9,448 / 697	8,827 / 691	9,806 / 680	9,104 / 631	9,548 / 628	<b>10,160 / 908</b>

Major Capital Improvement Schedule							
15+ Year Equipment Replacement Plan (2023 estimates)							
Vehicle	Description / Code	Model Year	Replace Year	Total Miles	Total Hours	Original Cost	Estimated Replacement Cost
Ladder 1	Pierce, 100' Aerial Ladder	2001	2026	13,855	2,099	\$730,000	\$200,000 Refurbish
							\$1.8 mil Replace
Chief 1	Dodge Durango	2013	2023	77,410	5,913	\$28,000	\$50,000
Command	Ford Interceptor	2017	2027	59,139	4,330	\$38,000	\$56,000
HERT Trailer	Hazardous Material Trailer	2000	2023	-	-	\$6,000	\$9,000
Tanker 4	Midwest Fire, Tanker 3000	2021	2046	2,635	134	\$265,000	\$530,000
Tanker 6	International, Tanker 3000	1996	2031	13,676	1,230	\$77,912	\$375,000
Engine 2	Rosenbauer, Engine/Pumper	2016	2036	17,295	1,097	\$579,000	\$850,000
Engine 7	Rosenbauer, Engine/Pumper	2008	2028	31,233	1,808	\$321,955	\$750,000
Utility 3	Ford, F350 pickup	2002	2032	32,181	-	\$33,164	\$80,000
Rescue 8	Chevy, 3500HD Med/grass rig	2021	2041	2,010	121	\$104,000	\$200,000
Ranger	Polaris 6 Wheeler w/skid	2006	2024	-	233	\$17,752	No skid \$27,000
Boat	Inflatable w/25hp Yamaha	2007	2032	-	-	\$5,961	boat only \$5,000
Boat	Metal Ice Boat	1998	-	-	-	\$300	Do Not Replace
Med. Trailer	Mass Casualty Trailer*	2004	-	-	-	-	N/A
	*Owned by private health care group and housed by HFD						
	City Owned vehicle						
	Rural Owned vehicle						
	Shared 50/50 vehicle						
Note: Estimated replacement cost is speculative assuming a 3-6% annual inflation rate and/or current market analysis.							

## Goals for 2023

- Continue our firefighter health and safety initiative by making facility and equipment improvements as needed and also focusing on personal health and well-being.
- Ensure timely 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.

- Form a committee for the replacement of the Polaris Ranger.
  - Form a committee to evaluate all aspects of refurbish vs. replacement of the Ladder Truck.
  - Host our first ever regional one day hands on one day training school at our training site utilizing instructors from multiple agencies.
  - Conduct a detailed evaluation of staffing needs for the next five years and beyond. Focusing on daytime emergency response needs, fire safety-education delivery and an expanded commercial fire safety inspection program.
  - Expand on technology upgrades where possible for apparatus and tools. Research, demo and purchase new battery-operated extrication tools. Develop a complete retrofit plan.
  - Utilize grant opportunities to offset cost for new FF turn out gear and for live burn training.
  - Draw up plans, secure funding and plan for north parking lot expansion.
- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>-Complete the last finishing touches on the Fireman's Park project.</li> <li>-Order and put into service a new command vehicle (Durango replacement).</li> <li>-Promote Firefighter &amp; Officer participation in Regional/state training schools.</li> <li>-Conduct training using alternative delivery models, hybrid and staggered start models.</li> <li>-Complete new recruit training.</li> <li>-Expand commercial fire safety inspection program.</li> </ul> | <ul style="list-style-type: none"> <li>-Complete the siding and window project at the training site search and rescue house.</li> <li>-Program, install, train on and put into service new 800mhz radio equipment.</li> <li>-Conduct a thorough review and update to the current SOG/policies</li> <li>-Continue training on new armor vests and protocols with HPD, MCSO and Allina.</li> <li>-Hold more frequent officer level/leadership training.</li> <li>-Continue with summer duty crews on weekends from Memorial Day to Labor Day.</li> </ul> |
|---|--|

## 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

### Executive Summary

**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.

#### **2022 Hutchinson Yearly Comparisons:**

- Very Low Apartment Vacancy Rates
- Median Home Sale of \$244,000
- Home Mortgage rates on the rise
- 24 Single-family new construction units
- 3 Multifamily new construction units
- 10 Foreclosures

#### **Summary of HHRA Activities and Accomplishments:**

##### Park Towers:

- New Housing Specialist started in August
- 1 HUD management monitoring and 1 HUD property inspection
- 20 move-ins, and 25 move-outs in 2022
- Updated/Repaired/Installed: office telephone service, boilers, vinyl planking in 9 units, water saver power flush toilets in 4 units, 1 unit range, 1 unit refrigerator and slab-jacked various spots of sidewalk around the building
- Awarded \$28,300 from HAI, Inc. for replacement of 20+ unit, Federal Pacific Electric Panels

##### City Center:

- New HRA Technician started in July
- 12 City Home Improvement Program Grants (TIF)
- 1 Minnesota Housing Rehab Loan Program project

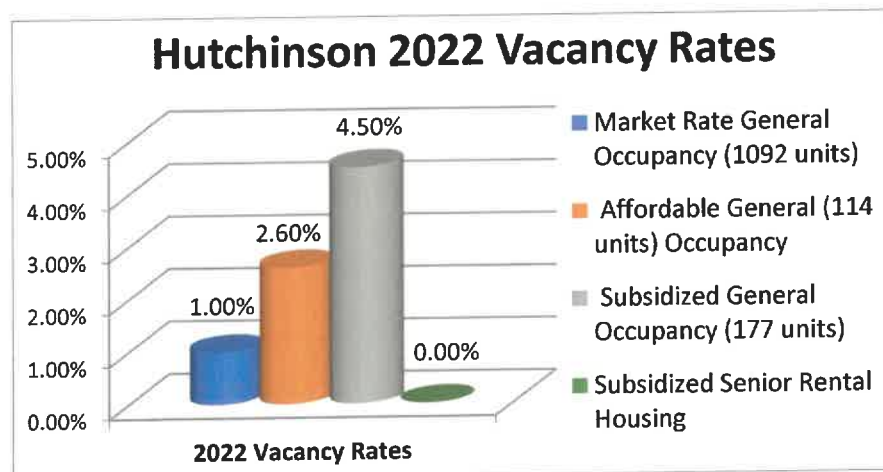
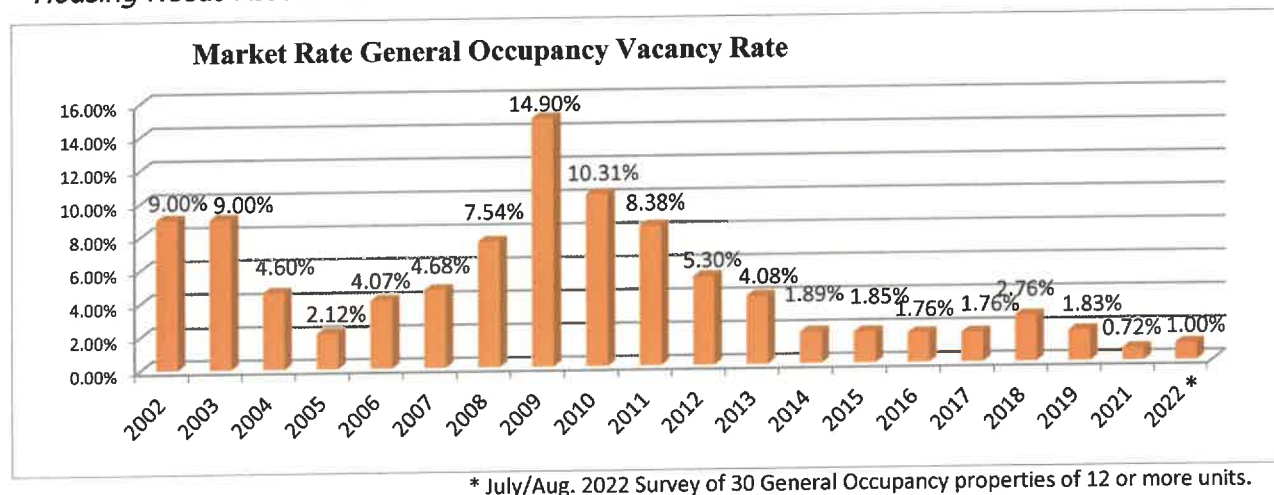


## HHRA Priorities:

- Staff training
- Marketing of available HHRA programs
- Implement HUD Multifamily, Section 8 Project Based Rental Assistance Program (PBRA) policy changes at Park Towers
- Continue with asset preservation and energy conservation improvements at Park Towers
- Continue to administer City Home Improvement Program Grants and Minnesota Housing's Home Improvement Programs
- Explore the availability of housing programs and projects that will address identified housing needs of Hutchinson

## Hutchinson Yearly Comparisons

*Rental Data from the Draft 2022 Maxfield Research & Consulting Hutchinson Comprehensive Housing Needs Assessment:*



## Average Hutchinson Rents\*

Studio	\$498
1 Bedroom	\$699
2 Bedroom	\$843
3 Bedroom	\$1,013

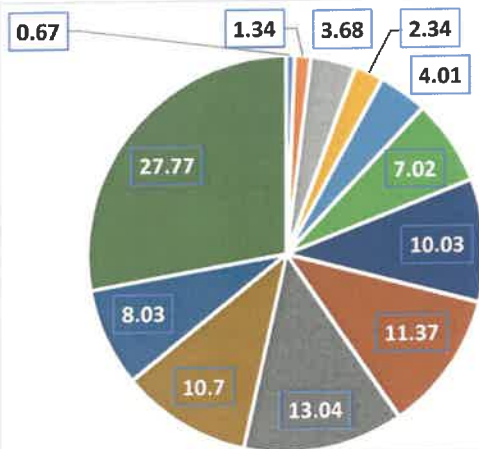
\* July/Aug. 2022 Maxfield Survey.

*Home Resales Data from McLeod County Assessor's Office:*

**Home Resales  
City of Hutchinson  
2010 through 2022**

Year	2022		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.	No.	Pct.
Under \$50,000	2	0.7%	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	4	1.3%	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	11	3.7%	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	7	2.3%	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	12	4.0%	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	21	7.0%	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	30	10.0%	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 +	212	70.9%	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%
<b>Total</b>	<b>299</b>	<b>100.0%</b>	<b>373</b>	<b>100.0%</b>	<b>343</b>	<b>100.0%</b>	<b>315</b>	<b>100.0%</b>	<b>359</b>	<b>100.0%</b>	<b>333</b>	<b>100.0%</b>	<b>329</b>	<b>100.0%</b>	<b>356</b>	<b>100.0%</b>	<b>316</b>	<b>100.0%</b>	<b>284</b>	<b>100.0%</b>	<b>287</b>	<b>100.0%</b>	<b>242</b>	<b>100.0%</b>	<b>216</b>	<b>100.0%</b>
<b>Median</b>	<b>\$244,000</b>		<b>\$215,400</b>		<b>\$186,000</b>		<b>\$175,000</b>		<b>\$161,900</b>		<b>\$153,500</b>		<b>\$140,000</b>		<b>\$138,750</b>		<b>\$133,500</b>		<b>\$121,000</b>		<b>\$101,400</b>		<b>\$109,950</b>		<b>\$121,600</b>	

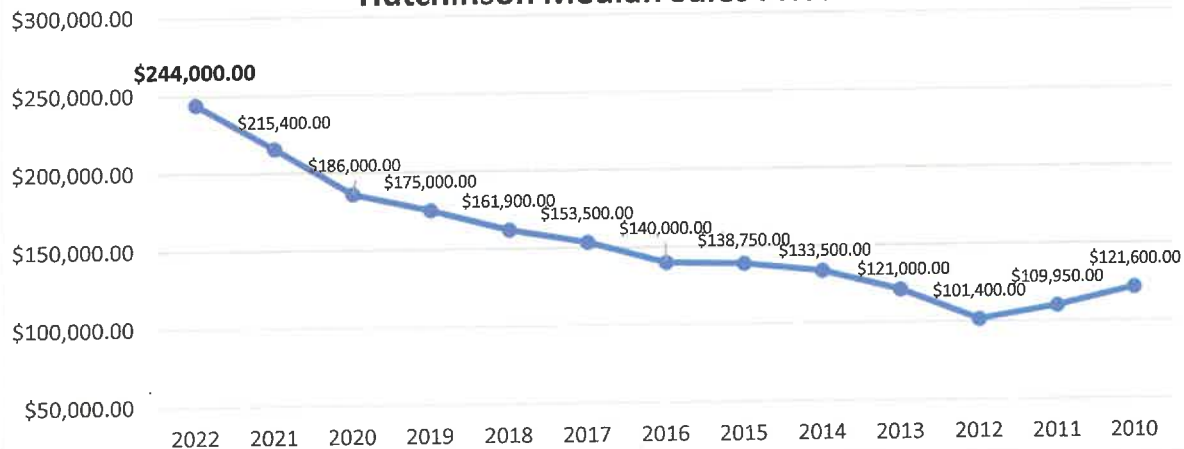
Sources: McLeod County Assessor's Office      Maxfield Research Inc      Peterson-Paulsen Associates Inc. Realty



### 2022 Hutchinson Home Sale Price Ranges

- Under \$50,000 = .67%
- \$50,000 to 74,999 = 1.34%
- \$75,000 to 99,999 = 3.68%
- \$100,000 to 124,999 = 2.34%
- \$125,000 to 149,999 = 4.01%
- \$150,000 to 174,999 = 7.02%
- \$175,000 to 199,999 = 10.03%
- \$200,000 to 224,999 = 11.37%
- \$225,000 to 249,999 = 13.04%
- \$250,000 to 274,999 = 10.7%
- \$275,000 to 299,999 = 8.03%
- \$300,000 plus = 27.77%

### Hutchinson Median Sales Price



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

	2022	2021	2020	2019	2018	2017
<b>Median Sales Price</b>	<b>\$262,450</b>	<b>\$235,000</b>	<b>\$200,000</b>	<b>\$181,000</b>	<b>\$170,000</b>	<b>\$161,000</b>
<b># of Sales</b>	<b>265</b>	<b>317</b>	<b>324</b>	<b>315</b>	<b>330</b>	<b>318</b>

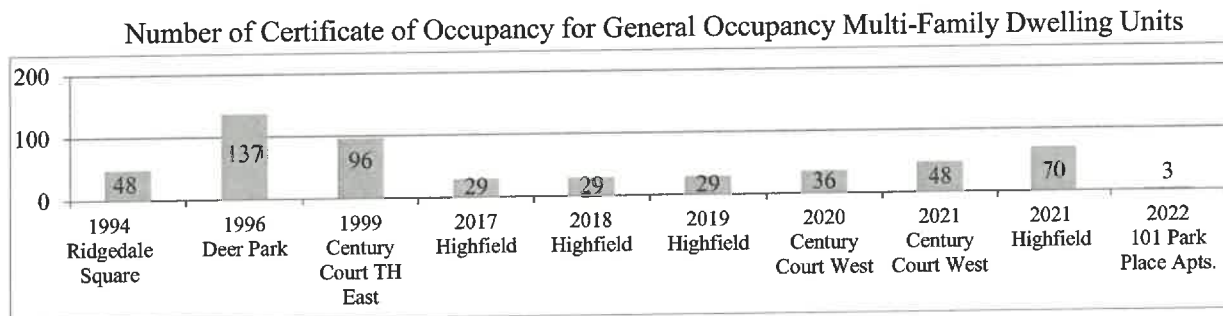
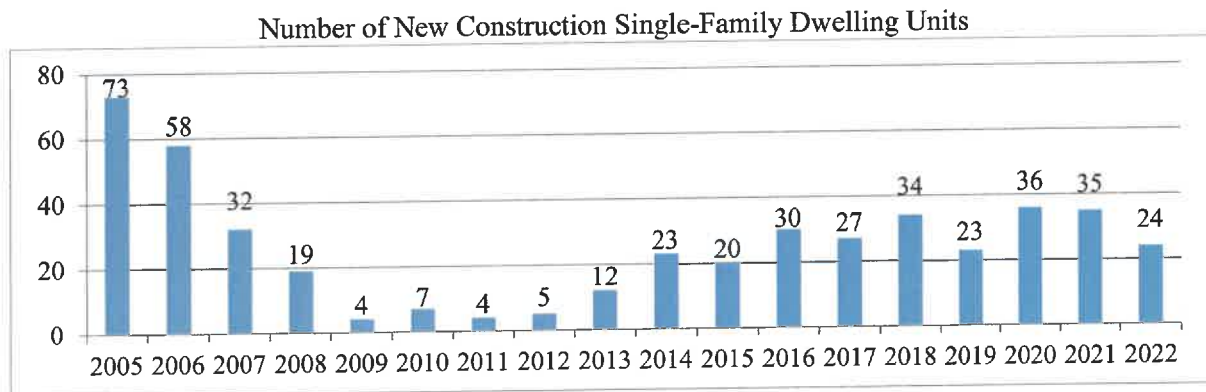
- 16.7% less home sales in 2022 than in 2021.
- 1.5% of the home sales in 2022 were distressed sales (foreclosure/short sales).
- 299 new home listings in 2022 vs. 333 in 2021.
- 27 days on the market in 2022 vs. 21 in 2021.

### **2022 Home Mortgage Rates:**

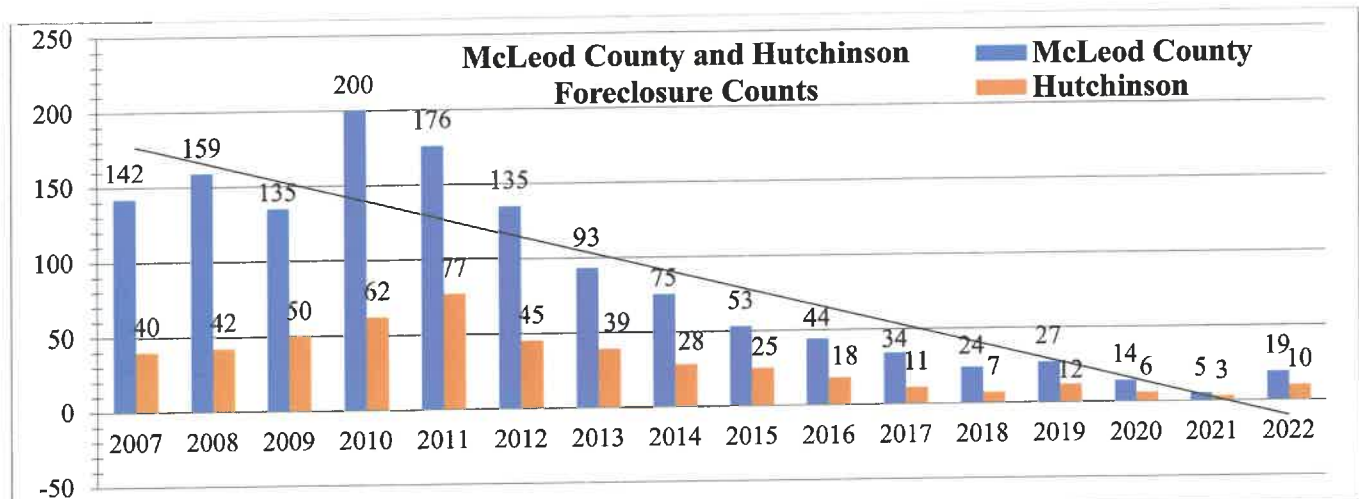
Early in 2022, the 30-year fixed home mortgage rate was 3.22% and ended at 6.42% according to Freddiemac.com.

The Federal Reserve Bank increased the interest rate 7 times in 2022.

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



## Hutchinson Foreclosures:



\*In 2020 there was a 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 2022 Accomplishments:

*Park Towers Apartments Management - Multifamily, Section 8 Project Based Rental Assistance Program (PBRA):*

### Park Towers Property Management

- May 2022, HUD Limited MOR (Management and Operations Review) – “No Findings”.
- The new Housing Specialist started in August.
- September 2022, HUD REAC Inspection – Score of 81c, another inspection in 2 years.
- November 2022, annual unit inspections.
- 20 move-ins, and 25 move-outs in 2022.

### Asset Preservation, Property Improvements and Energy Conservation

- Updated the management office Nuvera telephone service.
- Boiler repairs that included the replacement of the circular pump, deteriorating copper gas lines and the main controller.
- Awarded \$28,300 from HAI, Inc., our insurance company, for replacement of 20 unit, Federal Pacific Electric Panels.
- New vinyl planking was installed in 9 units at turns.
- Water saver power flush toilets were installed in 4 units to save water and reduce toilet plugs.
- 1 unit range and 1 unit refrigerator were replaced.
- Slab-jacking various spots of sidewalk around the building.

### Tenant Demographics

- Average age is 57.
  - 37 Elderly
  - 43 Disabled
- Income Categories:



- 20.5% Extremely Low (i.e. 1-person household \$18,700 or less than)
- 78.4% Very Low (i.e. 1-person household \$18,701- \$31,100)
- 1.1% Low (i.e. 1-person household \$31,101 - \$49,750)

### **Tenant Services**

- Hosted National Night Out where the tenants got to know the new HHRA staff. The HHRA staff also hosted a Christmas Dinner for the tenants.
- 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:*

### **Operations:**

The new HRA Technician started in July of 2022 and has had marketing the Hutchinson HRA and all it's programs as his priority.

### **Owner Occupied Rehabilitation Programs Available:**

1. City Home Improvement Program Grants (TIF): This program was added in 2015 as a flexible tool for rehab of single-family, owner occupied housing throughout the city. It has multiple divisions to target different community needs.

In November 2022, the Hutchinson HRA Board approved another division, the Hutchinson Healthy Homes Initiative. This initiative was created in partnership with McLeod County Public Health to assist Hutchinson homeowners to test and mitigate Radon and Asthma Triggers in their homes.

### **Program Division Accomplishments:**

- *Live and Work in Hutchinson, 1<sup>st</sup> Time Homebuyer Workforce Initiative* – 5 projects closed in 2022
- *City Home Repair Grant Program* – 9 projects closed in 2022 (3 of them also got the Live and Work grant)
- *City Accessibility Grant Program* – one project closed in 2022
- *Hutchinson Emergency Home Repair Grant Program* – Zero projects closed in 2022
- *Hutchinson Healthy Homes Initiative Grants* – Zero projects closed in 2022





\$10,000 City Home Repair Grant for windows.



\$4,104 City Home Repair Grant for windows.

Six past City of Hutchinson Owner Occupied Rehab Program projects were completely forgiven in 2022.

2. Minnesota Housing Rehab Loan Program (RLP) – One manufactured home, rehab project was complete in 2022.



\$15,412 MH RLP Grant for doors/windows, miscellaneous carpentry and HVAC items.

3. MHFA Fix Up Loan (secured & unsecured) – No MHFA Fix Up Loans (secured & unsecured) closed in 2022.

<b>City Home Improvement Program (TIF):</b>			<b>Match Funds:</b>		<b>Total Project</b>
<b>Live &amp; Work</b>	<b>Grant Amount</b>	<b>Address</b>	<b>Improvement</b>	<b>Personal</b>	<b>Cost</b>
	\$4,350.00	835 Oak Street NE	plumb/heat		\$4,350.00
	\$4,811.00	459 Prospect St NE	Furn/a/c		\$4,811.00
	\$5,000.00	736 Hassan Street SE	Furn/water ht/a/c		\$5,000.00
	\$5,000.00	659 2nd Ave SW	basement		\$5,000.00
	\$5,000.00	32 Century Ave SE	basement		\$5,000.00
<b>Total</b>	<b>\$24,161.00</b>			<b>\$0</b>	<b>\$24,161.00</b>
<b>Home Repair Grant</b>					<b>Total Project</b>
	<b>Grant Amount</b>	<b>Address</b>	<b>Improvement</b>	<b>Personal</b>	<b>Cost</b>
	\$4,537.00	45 Jefferson Street SE	Boiler & electric	\$4,537.00	\$9,074.00
	\$4,104.00	406 Adam Street SE	Window	\$4,104.00	\$8,208.00
	\$10,000.00	531 2nd Ave SW	Windows	\$10,000.00	\$20,000.00
	\$9,141.41	430 Washingto Ave W	Windows & door	\$9,141.41	\$18,282.82
	\$10,000.00	625 Oak Street NE	Roof/siding/windows	\$10,000.00	\$20,000.00
	\$4,025.00	370 Shady Ridge Road	Furnace & a/c	\$4,025.00	\$8,050.00
	\$8,610.00	736 Hassan Street SE*	Furn/water ht/a/c	\$8,610.00	\$17,220.00
	\$10,000.00	659 2nd Ave SW*	basement	\$10,000.00	\$20,000.00
	\$2,962.50	32 Century Ave SE*	heating, electric	\$2,962.50	\$5,925.00
<b>Total</b>	<b>\$63,379.91</b>			<b>\$63,379.91</b>	<b>\$126,759.82</b>
<b>*Projects combined with L&amp;W progrm</b>					
<b>Assessibility</b>				<b>Personal</b>	<b>Cost</b>
	\$5,000.00	555 Franklin St SW	accessible shower		\$5,000.00
<b>Total</b>	<b>\$5,000.00</b>			<b>\$0.00</b>	<b>\$5,000.00</b>
<b>2022 Total City Home Improvement Program Projects</b>				<b>12</b>	
<b>MH RLP</b>			<b>Match Funds:</b>		<b>Total Project</b>
	<b>Grant Amount</b>	<b>Address</b>	<b>Improvement</b>		<b>Cost</b>
	\$15,412.00	1525 McDonald Dr SW	windows/doors/misc carpentry&HVAC		\$15,412.00

## **Rental Rehabilitation**

- DEED officially closed out the SCDP project at 907 Dale Street Apartments (aka South Dale Apartments). Completed construction August 2021.

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>	

- Ongoing Annual Recertifications of other City of Hutchinson Rental Rehab Program projects.
  - Four past City of Hutchinson Rental Rehab Program projects were completely forgiven in 2022.

## Local Realtor 2023 Housing Market Predictions:

**What do you see for the housing market for Hutchinson in 2023?** *I believe the overall market movement (unit sales) will be down 10-20%. I also believe price will remain stable with 1-5% appreciation. Low inventory will continue to be an issue.*

**What are the most influential factors affecting housing in Hutchinson?** *INTEREST RATE! Over 65% of existing homeowners have a fixed mortgage rate below 4%. The current rate is 6.25%. This is discouraging people from moving out of their existing situation.*

**What do you think will happen to new housing construction in 2023?** *I think single family new construction will continue to be a challenge in our market due to cost. The average cost of new construction in Hutchinson is \$215/sqft, which makes a 2000sqft home \$430k. Our average home sale price is \$285k. I think we will continue to see new construction thrive in the retirement segment (patio homes and twin homes) because there is a lack of supply and this demographic tends to have the financial ability to purchase at new construction costs.*

**Minneapolis Area Association of Realtors** is predicting that there will be an increase in foreclosure/short sales in 2023, but hopefully with the strong gains in equity in the last few years it will limit the number though.

## Local Mortgage Lender 2023 Housing Market Predictions:

**What do you see for the Hutchinson housing market in 2023?** *Nationwide, purchase activity is expected to be higher than in 2022. Although several headwinds are affecting housing at the moment...higher interest rates, low inventory, seller resistance to sell due to mortgage rate changes, etc. Selling prices are anticipated to rise, although at a much more typical rate of 2-3%.*

**What are the most influential factors affecting housing in Hutchinson?** *Lack of available inventory, significant cost increases for new construction, selling reluctance for sellers due to mortgage rate change, rental unit availability and costs continue to drive first time homebuyers into the market to purchase.*

**What do you think will happen to new housing construction in 2023?** *Builders are affected by material cost increases as well as labor shortages/costs. Custom homes will continue to be built at higher price points...and builders with existing lot inventory will continue to build/sell, but I don't see significant changes/increases from the last year or two. Rental unit costs are driving more people to consider other housing options.*

## Local Expert in the Building Industry's 2023 Housing Market Predictions:

**What do you think will happen to Hutchinson's new construction housing in 2023?** *I think new residential construction will slow in 2023, in comparison to the past several years. With the cost of borrowing money being more than twice what it was 18 months ago, continued*

*high material and labor costs, and a shortage of construction labor I think cost and availability will continue to slow construction projects.*

**Do you think modular construction might be the way of the future in affordable housing construction?** *Anecdotally, the cost difference between site built and manufactured housing seems to have gotten to be less in recent years, often making the choice for a manufactured home one based on timeframe considerations.*

## **Hutchinson HRA Priorities for 2023:**

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

- Administer the RAD Multifamily, Section 8 PBRA program at Park Towers.
- Staff training for RAD Multifamily, Section 8 PBRA program and new HUD program changes such as AFFH rule, HOTMA, VAWA and NSPIRE inspections.
- Housing Specialist getting a Minnesota Department of Labor and Industry issued Special Engineer boiler license.
- Cross training of staff.
- Continue to install vinyl planking and power flush water saver toilets at unit turns.
- Continue to replace the remaining Federal Pacific Electric Panels in the units.
- Update the security camera system.
- Institute a tenant text messaging system for snow removal and other important messages for the tenants.
- Follow legislation that may require sprinklers in high rise residential buildings.
- Support the Tenant Council activities.

### **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.
- Identify and determine interest of potential SCDP owner occupied rehab project.

### **City Center Operations, SCDP Rental Rehab Program:**

- Identify and determine interest of potential SCDP rental rehab projects.

### **City Center Operations, Housing Development**

- Explore other housing resources available to address the housing needs identified in the Maxfield Comprehensive Housing Study/Market Analysis for the City of Hutchinson
  - Determine best use of the HHRA Island View Heights lots.

*December 31, 2022 Housing Fund Balances*

SCDP City Revolving Local Income Balance	\$196,025.46
SCDP City Revolving Program Income Balance	\$51,873.89
TIF Available Balance	\$220,000.00
<b>Total Funds Available:</b>	<b>\$467,899.35</b>
City SCDP New Construction	\$78,450.00
City SCDP Rehab (Owner & Rental)	\$337,089.37
City TIF Owner Rehab	\$64,903.60
<b>Total Balance of City SCDP Loans Receivable</b>	<b>\$480,442.97</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>

***"Why Fix Housing? – We All Do Better When We All Do Better"*** March/April 2023 Multi Housing Advocate article by Cecil Smith, President and CEO of Minnesota Multi Housing Association



# Human Resources

## Primary Services

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

- Recruitment
- Compensation
- Benefit administration
- Employment policies and laws
- Workers' compensation
- Employee safety
- Labor relations
- Performance evaluations
- Organizational development
- Training and development
- Employee and Supervisor support

## 2022 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.

## 2022 Accomplishments

- Transition in HR Director position – Brenda Ewing retired after 28 years of service with the city!
- Completed 14 recruitment processes
  - HRA Technician
  - HR Director
  - Park Towers Housing Specialist
  - Police Officer
  - PRCE PT Temp Office Specialist
  - PT Liquor Sales Clerk (2)
  - PT Motor Vehicle Licensing Clerk (2)
  - Public Works Director
  - PW Maintenance Operator (Internal)
  - Full Time Security Officer

- Part Time Security Officer
- Hired over 120 summer seasonal employees, 80 of which were returning employees, 40 were new employees, and 2 were prior retirees.
- With the assistance of the City benefits consultants - USI, secured a renewal for the 2023 employee health plan with Health Partners with an 11% premium decrease. This required a switch from Medica to Health Partners. No increase for dental in 2023, but a slight increase to Life and LTD insurance premiums in 2023.
- Assisted in updating the City COVID-19 Preparedness Plan, as needed.
- 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 Firefighter Compensation Plan for Council consideration and approval in December 2022.
- Began process of 2023 Benefits Survey as a result of 2022 Wage Committee

## 2022 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						
	2017	2018	2019	2020	2021	2022
Population	14,188	14,260	14,282	14,599	14,703	14,703 (est)
Number of Employee FTEs	121	126	125	124	124	130
Population per Employee	117	113	114	118	118	114

\* The employee numbers include full-time and regular part-time employee Full Time Equivalents (FTE) only, includes HRA Employees. 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

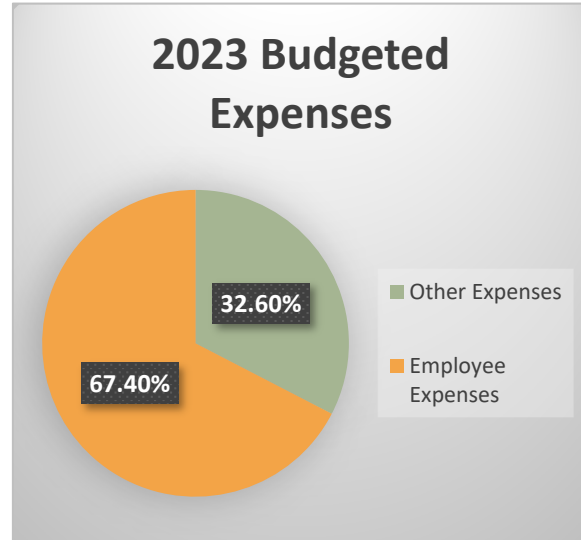
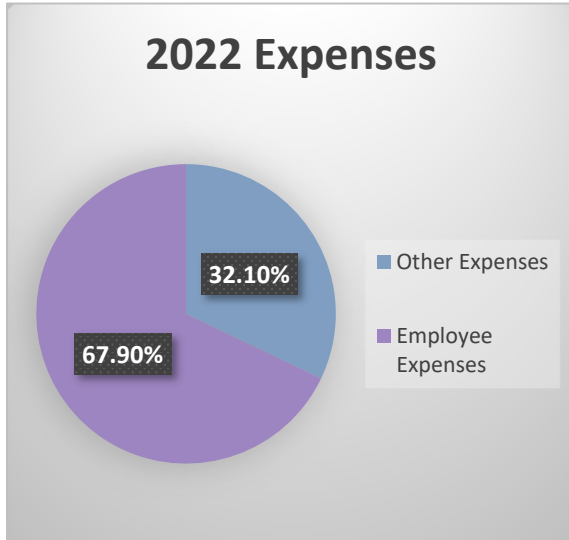
In order to accomplish the City's mission, employee involvement in the decision-making process as well as employee feedback and participation is essential.

#### 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
- Leadership Team and Executive Team participation

## Cost of Employee Services

For 2023, Employee Expenses are estimated to cost \$9,672,602 (67.4%), which includes all wages, taxes, health insurance and other benefits, and PERA. For 2023, all Other Expenses are estimated to cost \$4,681,834 (32.6%). In comparison, 2022 actuals showed Employee Expenses to cost \$9,495,486 (67.9%) and Other Expenses to cost \$4,984,113 (32.1%).



## 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.

The City negotiated an agreement with Health Partners for an 11% premium decrease for 2023. Part of this decrease was due to the City adding Nice Healthcare, an add on benefit, that is intended to reduce to utilization of Urgent and Emergency Care, and provide another accessible option for primary care. Currently, individuals enrolled in the Health Partners health plan are automatically enrolled in Nice Healthcare and the "per employee per month" cost is paid for by the City. In addition, the City added additional tiers to the health plan (employee plus spouse, employee plus child/children) in order to better meet employee needs.

HEALTH INSURANCE COMPARISON						
2022	Employee Cost (Monthly)		Employer Cost (Monthly)		Total Cost (Monthly)	
	\$2k/4k	\$3k/6k	\$2k/4k	\$3k/6k	\$2k/4k	\$3k/6k
Emp Only	\$144.69	\$134.46	\$578.78	\$537.83	\$723.47	\$672.29
Emp + Spouse	-	-	-	-	-	-
Emp + Child(ren)	-	-	-	-	-	-
Family	\$361.65	\$336.07	\$1,446.60	\$1,344.26	\$1,808.25	\$1,680.33

2023	Employee Cost		Employer Cost		Total Cost	
	\$2k/4k	\$3k/6k	\$2k/4k	\$3k/6k	\$2k/4k	\$3k/6k
Emp Only	\$111.64	\$105.67	\$446.56	\$422.68	\$558.20	\$528.35
Emp + Spouse	\$307.01	\$290.60	\$1,228.04	\$1,162.40	\$1,535.05	\$1,453.00
Emp + Child(ren)	\$189.79	\$179.65	\$759.16	\$718.60	\$948.95	\$898.25
Family	\$323.76	\$306.46	\$1,295.04	\$1,225.84	\$1,618.80	\$1,532.30

REGULAR EMPLOYEE HEALTH PLAN PARTICIPATION							
	2016	2017	2018	2019	2020	2021	2022
Health Plan Participants	85	86	92	94	91	95	95
% of Eligible Employees	82.5%	81.1%	85.2%	84.7%	82.7%	82.7%	90.5%

REGULAR EMPLOYEE FLEXIBLE SPENDING ACCOUNT PARTICIPATION							
	2016	2017	2018	2019	2020	2021	2022
Medical and Dependent Care FSA Participants	24	22	19	18	21	17	19

## 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. 2022 brought another settled contract with the MNPEA Police Officers for 2022-2023.

## Labor Measurements

REGULAR FULL TIME AND REGULAR PART TIME RECRUITMENTS						
	2017*	2018	2019	2020*	2021*	2022*
# of Recruitments	22	11	22	17	25	14
# of Applications Received	377	145	311	266	206	114

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

\*\* Includes Hutchinson Redevelopment Authority position recruitments only

	2017	2018	2019	2020	2021	2022
* Attrition %	8.4%	5.6%	13.7%	10.5%	15.0%	13.8%
Full Time Employee Attrition %	4.9%	5.8%	7.2%	10.1%	8.3%	7.4%

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

## **2022 Employee Retirements:**

- September Jacobson – Event Center Coordinator
- Brenda Ewing – HR Director
- Bob Loehrer – Community Service Officer

**47 years of experience!**

## **2023: A Look Forward**

The 2023 human resources department budget allows for continued services including:

- Negotiation of new labor contracts with the Police Officer groups.
- Administration of new regular and part time/seasonal compensation plans and pay grids.
- Annual employee insurance renewals.
- Employee benefits initiatives, led by employee benefit survey.
- Review and updating of the City performance evaluation system.
- Personnel policy review and updates.
- Updates to Drug and Alcohol Testing policy and other related policies/procedures.



# Information Technology

## 2022 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

### 2022 Information Technology 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**

Staffing

3.5 Full-Time Equivalent Staff including GIS

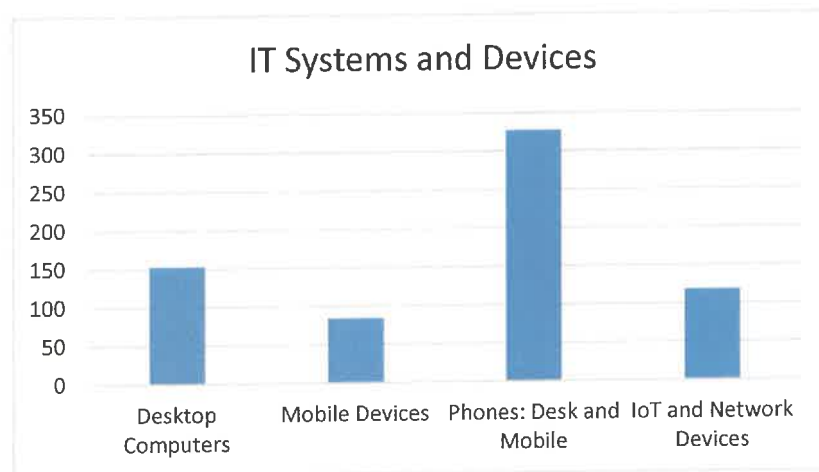


## 2022 Narrative

In 2022, supply chain issues continued. Design work continued on the new Police Department with an anticipated move in Spring of 2023. Security continues to be a focus to ensure a safe networking environment. A thorough review of the web sites was completed and the result showed the City of Hutchinson continues to get a great return on our investment with our current host. Along with the service review, web site updates were completed to include the new marketing strategy.

## 2022 Accomplishments

- Year three of a three-year comprehensive Security Review
- Core switch replacement
- Initial configuration of a new Firewall
- Continued automation for desktop setup and rebuilds
- Desktop and network security upkeep.
- Work continued with Wold Architects updating and modifying network related items for the new Police Station
- Converted to a new software to manage devices with cell service. Created more efficiencies and reduced month costs.



## 2023 Information Technology Budget

General Operating: \$584,601

Revenue: \$139,981

Water: \$26,971

Waste Water: \$27,063

Liquor Hutch: \$12,287

EDA: \$8,575

HRA: \$7,983

Creekside: \$19,218

HUC: \$242,703

**Total Managed Budget \$929,401**



## Looking Forward to 2023

We will continue with design aspects of the new PD that started in 2021, with a move from the old Police Department to the new in spring of 2023. A review of the network will be completed with the possibility of redesigning the traffic portion of the network. We will continue to focus our efforts on security as well.

Other Items for 2023:

- Year one of a new Security as a Service from LOGIS
- Upgrades of 46 desktops or Laptops
- Upgrades of 1 network switch and 2 Firewalls
- Working with LOGIS staff implementing new Security As A Service offering (SecAAS)
- Continue efforts to leverage the network against Cyber Security attacks
- Installation of a city-wide video surveillance system to include 4 parks, 8 buildings totaling 51 cameras
- A major software conversion for the core Finance, Billing and Human Resources software program
- Conversion of the building inspection software.

## 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.

# Legal Department

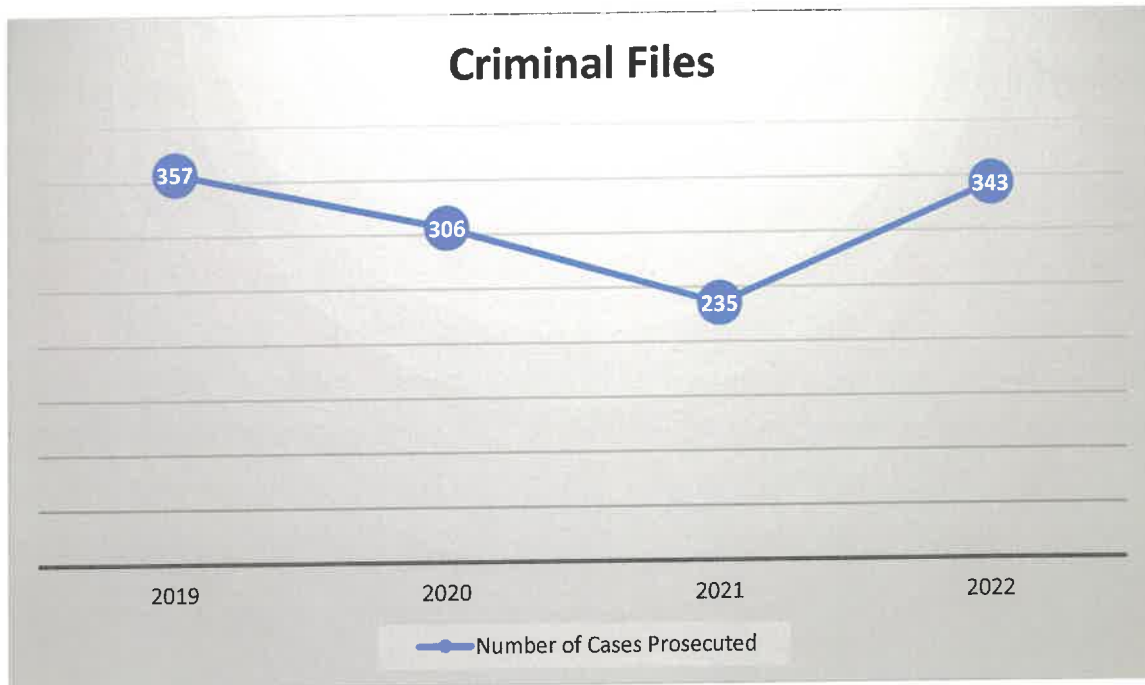
The City of Hutchinson's Legal Department's duties are divided into two areas - one pertaining to civil law and the other pertaining to criminal law. Regarding civil law, the City of Hutchinson Legal Department provides legal advice to the City Council, city administration, city departments, and the 13 boards and commissions of the City. The legal department reviews and negotiates contracts, provides ordinance interpretation to City staff, serves as the revisor of city ordinances, assists in fulfilling data practices requests and serves as the City parliamentarian. The City's legal department also serves as general counsel for the Hutchinson Utilities Commission.

Some activities of the department pertaining to civil law in 2022 included:

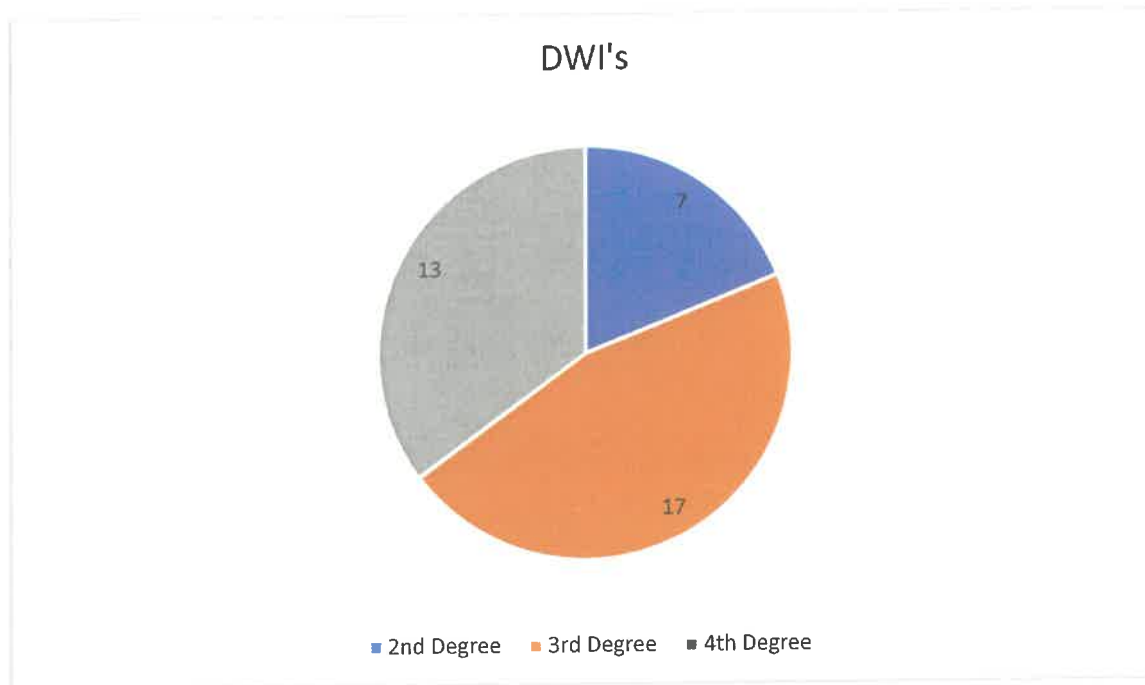
1. Attending City Council meetings, Planning Commission meetings, Charter Commission meetings, Airport Commission meetings, and Police Commission meetings
2. Fulfilling data practices requests
3. Drafting and revising city ordinances
4. Administering dangerous animal hearings
5. Assisting city administration in the purchase and sale of real property
6. Assisting the Hutchinson Housing and Redevelopment Authority with landlord-tenant issues
7. Assisting the Hutchinson Economic Development Authority in developing tax increment financing districts, the purchase and sale of property for economic development in the city and with landlord-tenant issues.
8. Assisting Hutchinson Police Services and the Planning, Zoning and Building Department with nuisance property abatement
9. Assisting the city engineering department with renegotiation of leases for cellular telephone apparatus on city facilities and airport landlord-tenant issues.
10. Drafting or reviewing 104 contracts on behalf of city departments.

With regard to criminal law, the legal department also serves as the criminal prosecutor for the City of Hutchinson prosecuting violations of city ordinances, misdemeanor crimes and some gross misdemeanor offenses that occur within the city limits of Hutchinson. The City has a contract with the Gavin Law Office in Glencoe, Minnesota to assist in criminal prosecution work.

In 2022, the legal department prosecuted 343 criminal cases against 279 different individuals. The prosecution of these individuals required the attendance by the legal department at 634 court hearings and trials. The following chart shows the number of cases prosecuted over the last few years:

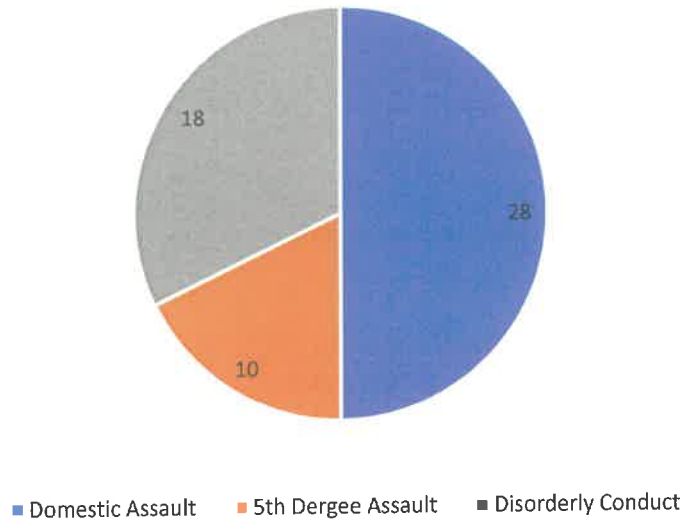


A breakdown of some of the criminal offenses prosecuted in 2022 by type and severity are as follows:

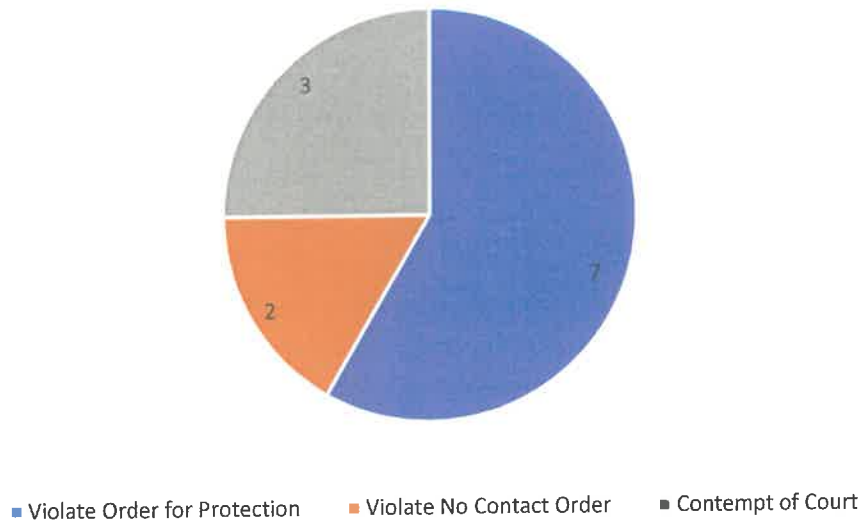




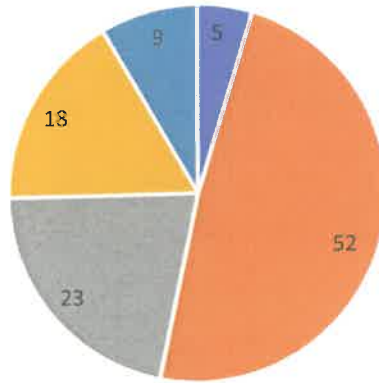
### Assault and Related Crimes



### Contempt Related Crimes

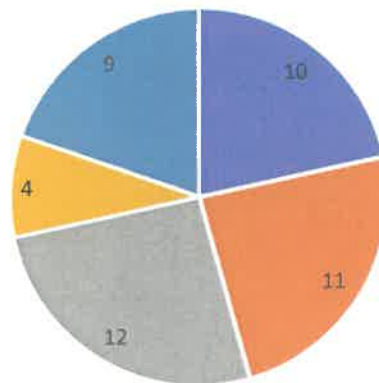


### Driver's License Offenses



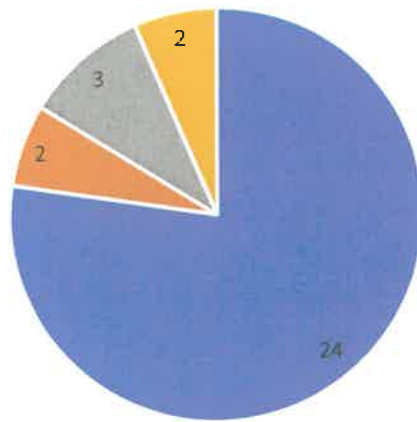
■ Driving After Cancellation ■ Driving After Revocation ■ Driving After Suspension  
■ No Minnesota License ■ No License in Possession

### Traffic Offenses



■ Fail to Yield Right-of Way ■ Fail to Drive With Due Care ■ No Proof of Insurance  
■ Reckless or Careless Driving ■ Hit and Run

### Theft / Property Offenses



■ Theft ■ Theft of Motor Fuel ■ NSF Checks ■ Criminal Damage to Property

### Other Miscellaneous Crimes

Offense	Number of Incidents
Drive-through private property	5
Hands free cell phone violation	2
Possession of marijuana in a motor vehicle	2
Minor consumption	5
Mistreatment of animals	1
Open bottle	2
Sale of tobacco to minors	4
School bus stop on violation	6
Motor vehicle tampering	1
Trespassing	7

# Parks, Recreation, Community Education

## Hutchinson PRCE System at a Glance

- 41 City Parks
- 4 Shared School-Park sites
- Aquatic Center (new in 2017)
- Recreation Center
- Ice Arena with 2 Sheets of Ice
- Farmers Market
- Overnight Campground
- 75 Acre County Fair Grounds
- 237.5 Acres of Park
- 138 Acres of Natural Areas/Open Space
- 35 Miles of Paved Trails
- 3 Miles of Un-paved Trails
- 16 Miles of Bike Friendly Streets
- 33.5 Miles of Sidewalks
- Terrain Park and Skate Park
- 3 Miles of Bike Lanes



### Bike and Pedestrian Network

Hutchinson has made it a priority to create a connected system of bike trails, sidewalks, and on-street bike lanes. Paved trails are typically along major collector roads and through parkland. Sidewalks and bike lanes are mainly within the core downtown neighborhoods. The existing system includes:

- 33.5 miles of sidewalks
- 35 miles of paved trails + 3 miles of unpaved trails
- 16 miles of bike friendly streets
- 3 miles of bike lanes
- Luce Line State Trail

The City is served regionally by the Luce Line State Trail, a 63-mile long former railroad grade which was developed for biking, hiking, horseback riding, mountain biking, snowmobiling and skiing. The trail connects the western Twin Cities with Independence, Watertown, Winsted, Silver Lake, Hutchinson, Cedar Mills, and Cosmos. The trail surface varies along its course, including limestone, with a parallel treadway of horseback riding, paved bituminous, crushed granite, and natural (mowed grass). Snowmobiles are allowed on the trail west of Stubbs's Bay Road.

(Source: [www.dnr.state.mn.us/state\\_trails/luce\\_line](http://www.dnr.state.mn.us/state_trails/luce_line))

## Park, Recreation and Community Education Administration

The Park, Recreation and Community Education Department has responsibility for the planning, protection, maintenance and improvement of city-owned parks and facilities, District 423 school grounds and facilities, open spaces, trails and natural resources as well as designing and implementing recreational activities and community education activities. The separate divisions of the department accomplish these responsibilities with funding from general taxes, funds from MDE, grants, program fees, sponsorships and donations. There are nearly 401 acres of parks and open spaces, including 38 miles of biking and walking trails.



PRCE Administration is responsible for the day-to-day administration and operation of the department in support of Park Maintenance, Recreation, PRCE Facilities, Event Center and Senior Center, and Community Education, including park development, park planning, facility planning, capital improvement plans, budget management, construction, renovation and maintenance of all PRCE facilities. PRCE Administration prepares grants, donation requests and works with service organizations to develop and implement adopt-a-park programs. PRCE Administration also provides public relations services and responds to public inquiries and concerns.

Park, Recreation and Community Education Administration works closely with other City departments, such as Public Works, Planning, Engineering, Finance, Economic Development and City Administration to provide a comprehensive PRCE system. PRCE Administration also works very closely with District 423 Directors and Administrators to provide quality facility reservations and community education programs. PRCE Administration works with the PRCE Advisory Board, City Council and District 423 School Board to make sound decisions that will enhance the City of Hutchinson. PRCE Administration is responsible for the PRCE Annual Budget, Community Education Budget, PRCE Master Plan and PRCE Annual Capital Improvement Budget.

### PRCE Administration Objectives

- Establish and build upon the Joint Powers Agreement between the City of Hutchinson and Hutchinson Public Schools.
- Provide excellent customer service and public relations in representation of the City of Hutchinson and Hutchinson Public Schools.
- Prepare all PRCE department budgets.
- Expand sources of revenue by promoting sponsorship and donations.
- Solicit and apply for grants, donations and other funding for park improvements and activities.
- Provide for a safe and efficient delivery of program services.
- Nurture collaborations between like service agencies in the community.
- Plan and provide park development, capital improvement plans, construction, renovation and maintenance for all PRCE facilities and parks.
- Monitor and evaluate all department personnel and activities.
- Plan and implement recreational programs for the community that reach a diverse population with a wide variety of ages and cultures represented.



- Encourage activities that promote intergenerational participation and strengthen community, families and neighborhoods.

## Parks and Natural Resources

Many community improvements and activities were made possible due to individuals, groups and organizations that donate and see the value in projects and events that make Hutchinson the best place to live, work and play. Generous donations were made to the City of Hutchinson Parks through Hutchinson Community Foundation (AFS Park), Hutchinson Health Foundation/Community Wellness (Bike Fleet/Trail Cameras), Statewide Health Improvement Partnership- SHIP (Bike Fleet), Kiwanis Club (Kiwanis Park improvements), and many more. Volunteer groups also assisted in many park improvement projects. We had several small local agencies/groups assist with park and trail clean ups, mulching, shelter and picnic table cleaning, invasive removals along riverbank and in our prairies. The biggest volunteer activity occurred on Saturday, September 10<sup>th</sup> with 150 regional members of the Church of Latter-Day Saints. Hutchinson was the chosen location for their annual "Day of Service" at multiple parks, City Center and Senior Dining location. Much was accomplished that day!

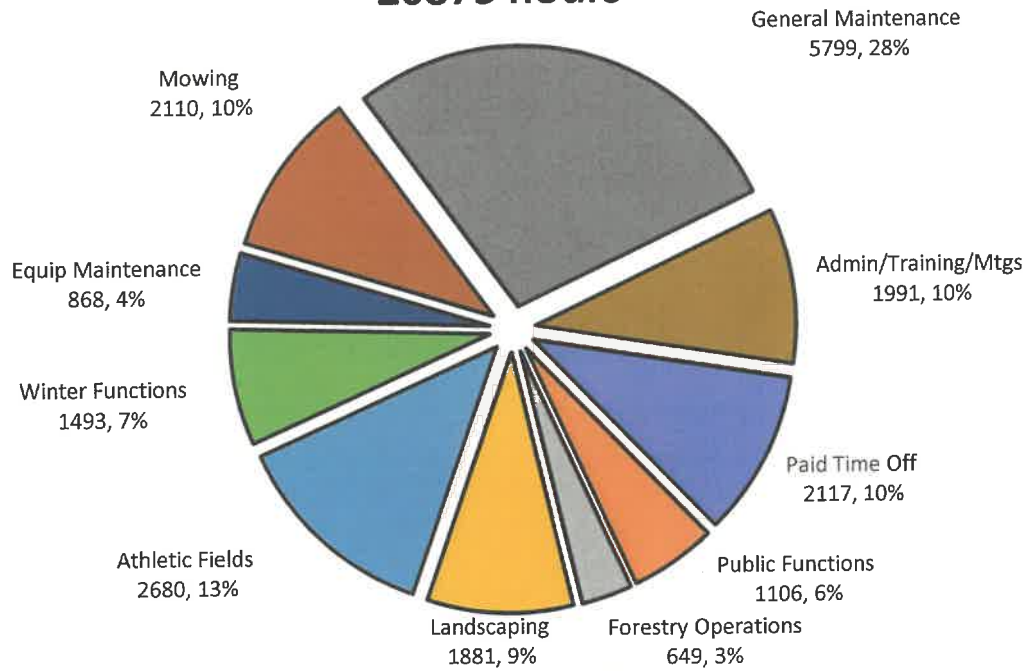


Vandalism incidences and occurrences were at an all-time high in the parks system and in other public spaces throughout the community. A great deal of Parks staff time and resources were allocated to clean up messes left by vandals. With help from the Hutchinson Police Department portable surveillance cameras were added into parks with reoccurring incidences. These cameras did deter this negative behavior and even catch a few vandals.

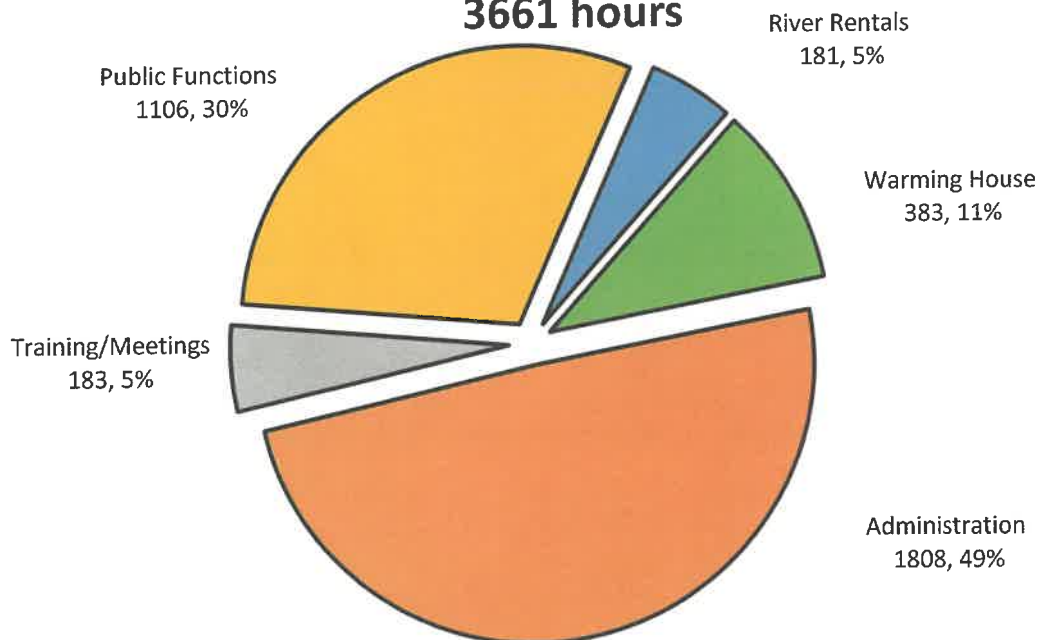
Staffing of seasonal and full-time employees was consistent for the Parks Department. The latest Parks Maintenance Operator hire, Sam Sjoberg started in middle January. His background of utility maintenance coming from a smaller community has made him a perfect fit for our Parks Department crew. The number of summer seasonal Parks staff stayed the same as 2021. About half of the 2022 seasonal summer crew was new to the Parks Department operations. We continued to have seasonal staff lock and secure park shelters/restrooms in the evenings. Staffing of Paddle Sport Rentals and Warming Houses was easier due to shared resources between Parks and Recreation/Concessions.



## Total Park Hours 20875 hours



## Non-Park Functions 3661 hours



## **2022 Parks and Natural Resources Accomplishments**

### **General Site Improvements:**

- Fabricated and installed railing system at Girl Scout Park for the South Fork Crow River Community Overlook bump out/pier project, added trail off curb cut to pier.
- Original Harrington Merrill barn moved from Franklin Street back to Harrington Merrill property.
- Three ADA fire rings installed at Masonic West River full hook up sites: 12, 11 & 10.
- Improvements made to AFS Park (Hutchinson Leadership Institute- HLI) mulch all younger park trees, park sign and center circle, invasive removal along riverbank and in ditch running adjacent to Luce Line State Trail, reset AFS students/family pavers.
- Contracted restoration of public bronze art sculptures throughout the City of Hutchinson.
- Kiwanis Park new playground installed and Rocket repainted.
- Installation of three refurbished park benches and new cement pads: JC Women's and Elks.
- Little library and park bench installed at Lions West Park (Eagle Scout project).
- Installation of new playground at Fireman's Park.
- Old Miracle playground modular removed at North Park Elementary.
- Cement pad and bike rack installed at Rotary Park.
- Old sidewalk removed on north side of Kiwanis shelter and new sidewalk poured leading up to west door at Kiwanis shelter.
- Two Historical signs installed at the front of Harrington Merrill property.
- Addition of two large 6' snowflakes into Library Square for the holidays.

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

- Athletic Field Maintenance Hours = 2,680.
- New Windscreens ordered and installed around entire North Park Elementary tennis courts.
- Load of aglime applied on Elks baseball field.
- Roberts Park NW field renovation project.
- Provided field maintenance at five summer baseball/softball tournaments, the annual Pentacular softball event was canceled due to rain.
- 4 bulk totes (225 gallons each) or 900 gallons of white field marking paint was applied for all activities in 2022: baseball, softball, soccer, football, lacrosse, etc.

### **Landscaping:**

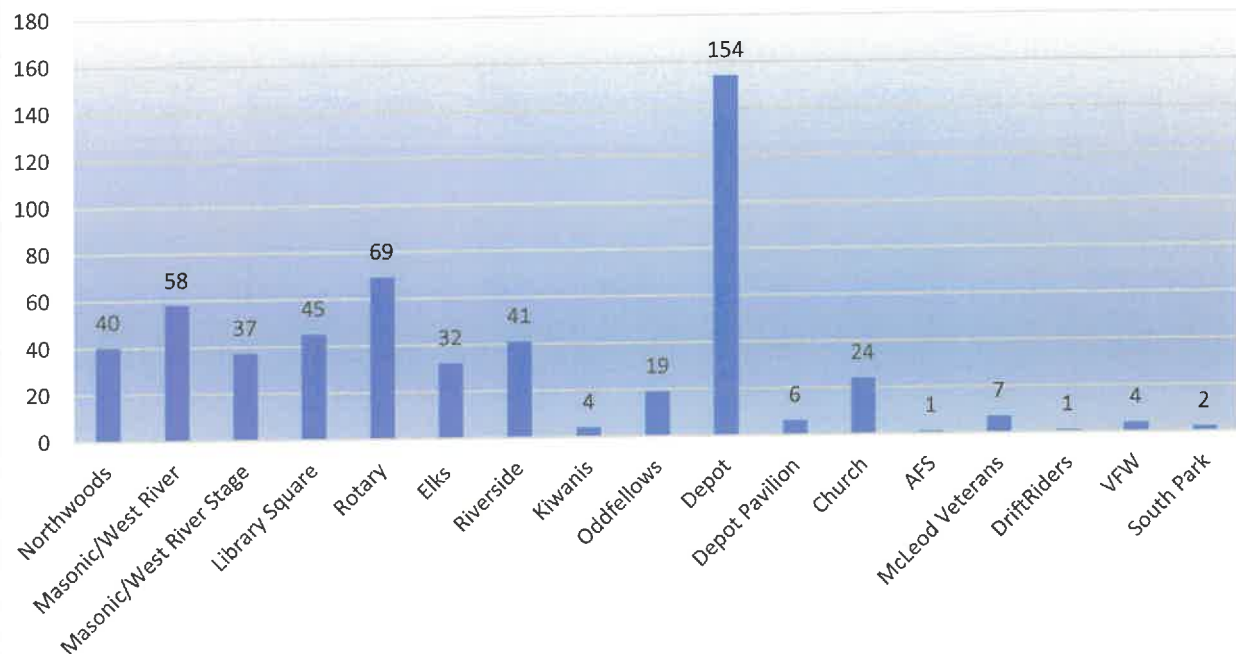
- First year of maintenance agreement with Liquor Hutch to provide outdoor landscaping maintenance at their business.
- Mulch downtown boulevards.
- Irrigation installation at site of new Police Department.
- Soil amended at Community Garden Plots for 2023 planting season.

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

- 46 trees planted in various Parks/School District property with mostly forestry/park staff and one volunteer group.
- Tree removals: 47 in various Parks/School District property.

- HHS Landscape and Natural Resources students assisted with various projects on ISD#423 campus, Depot raingarden, City Center spring cleanup and School Ecology Site.
- Extended nature trail on east side of Northwood's Park- cut path and added wood chips for ease of walking (HLI small group).
- Hutchinson Fire Department conducted native prairie burns along the Crow River from the dam into Crow River Recreational area, Riverside Park, Northwoods Pond and East River Park.
- Select prairies mowed down for invasive weed control.

## Shelter Reservations 2022

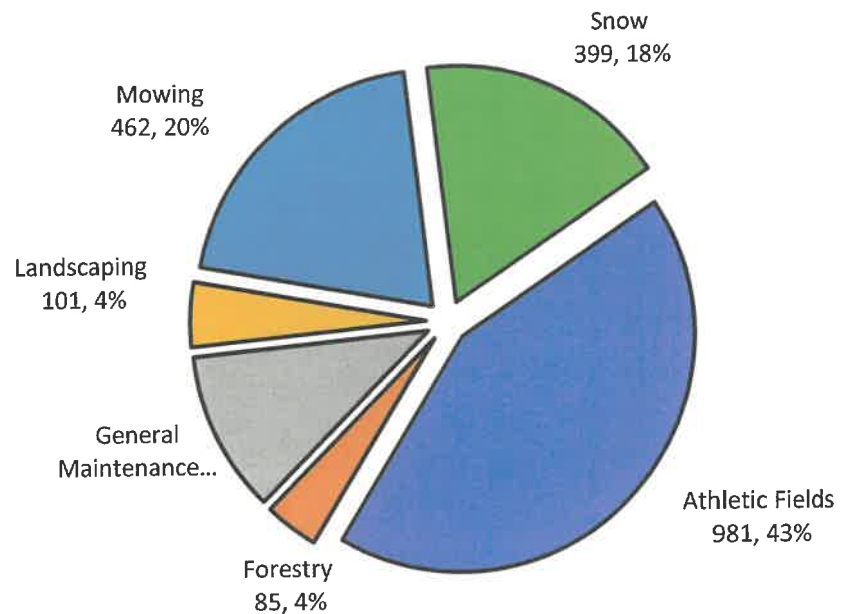


## 2023 Parks and Natural Resources Goals

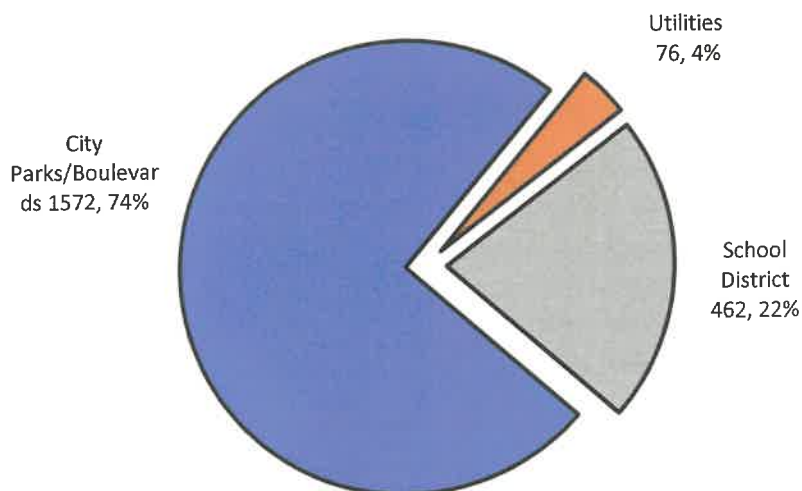
- McLeod Veteran's Memorial Park: Redo pavers and landscaping around monuments next to helicopter (HLI small group- April).
- Library Square: north landscaping renovation (HLI large group- May).
- Drift Rider Park: metal over look railing constructed and installed (May).
- Shady Ridge Park: old playground removed and new one installed (June).
- Community Dog Park cement front unleashing area/entrance (June).
- VFW Park improvements: new shelter roof, playground mulch, bench pads, etc. (July).
- Kiwanis Park: shelter improvements-gutters, new door on west side of shelter, close off old non-functionable north door, retaining wall (August).
- JC Women's Club: construction of accessible trail from road up to playground (September).

- Maintenance of our Parks prairie locations that are included in the Hutchinson Prairie Management Plan which is being partially funded the MN DNR Conservation Partners Legacy Grant Program (November).
- Bike Fleet Program: Roll out of fleet to be utilized for community events and surrounding trained school districts (December).

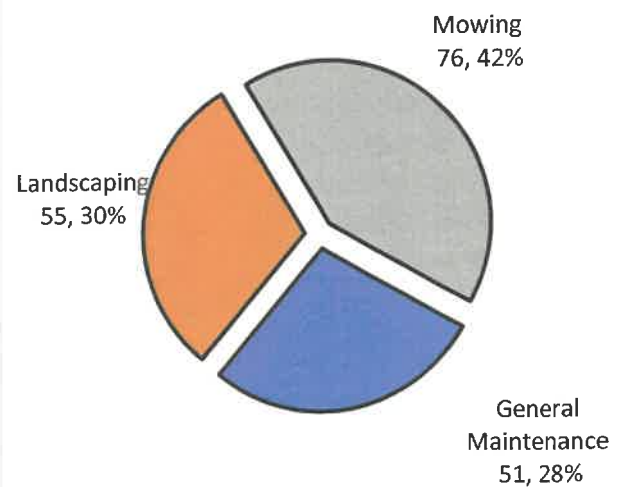
### ISD 423 Functions 2281 hours



### Mowing & Weedwhipping 2110 hours



### Hutchinson Utilities 182 hours



## Burich Arena

2022 was a year of construction planning, management and implementation. City staff, architects, engineers and consultants worked to have the east rink roof and side-wall replacement project substantially complete in time for our fall ice season to begin in October. Construction began after ice removal; the entire roofing system was replaced, including the insulation, giving us a nice new clean look. The sidewalls were replaced as well with insulated metal panels providing an energy efficient tight structure.



Staff was responsible for removal of the existing ceiling curtain, recycling of the old light fixtures, purchasing and installation of new light fixtures, hiring painter to clean and re-paint ceiling and general painting and cleaning. Through the various contractors, we were able to complete these tasks, re-install the ice sheet and re-open to the public by October 1st, (all the while keeping and maintaining ice in the west rink). We will work with HVAC contractor St. Cloud Refrigeration in spring of 2023 to complete the installation of the heating and ventilation systems for the locker rooms and main arena spaces.

We are in the process of considering a partnership with a NA3HL Junior Hockey team. A team from Iowa is looking to move to Minnesota. The team would have approximately 20 home games from September-March and would compete with other teams from throughout Minnesota.



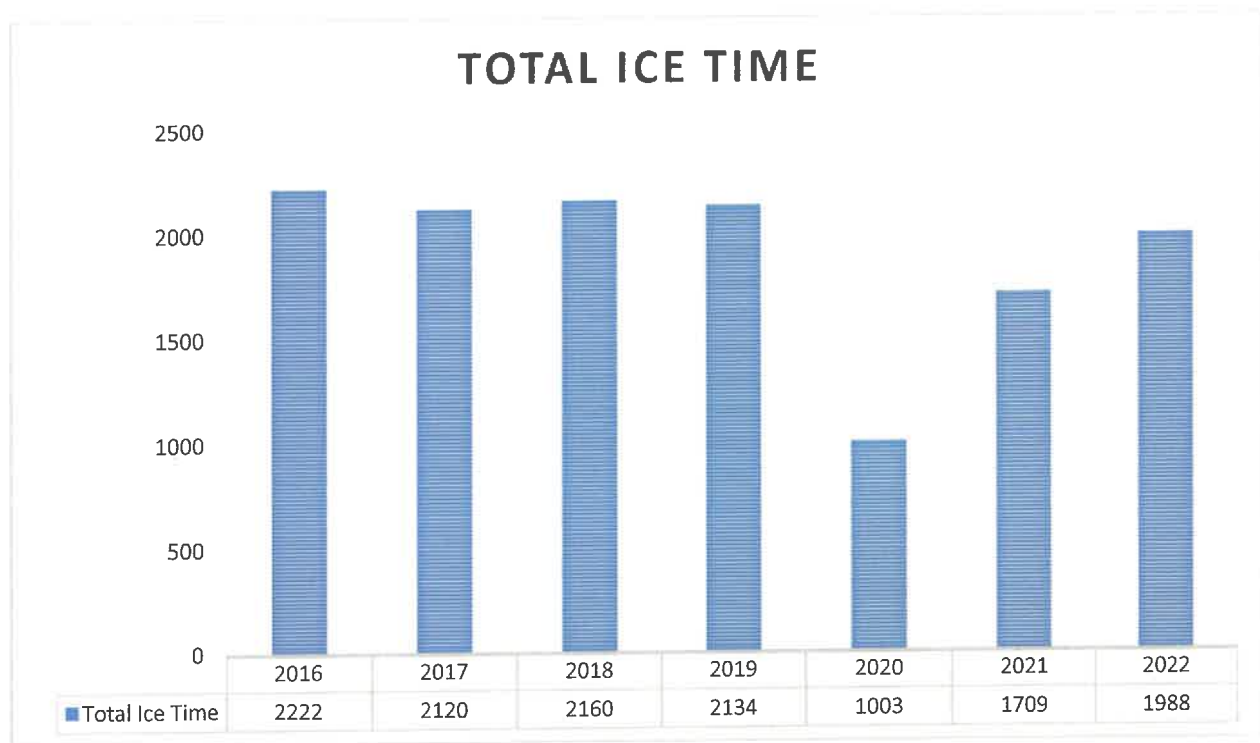
The conceptual construction plan from Stevens Engineering with an upper level concourse, west rink improvements such as permanent spectator seating, concrete refrigerated floor, and a common lobby area providing access to both sheets of ice continues to be a long-term goal. This conceptual plan was an 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

## 2022 Burich Arena Accomplishments

- Ice Time Sold = 1,988 hours.
- Guided and managed the east rink construction project. Worked with Contegrity Group (construction managers) Architect/Engineering firm ISG, Vos construction and Rausch Masonry to have a quality project complete by September 1, 2022.
- As part of the summer construction project, staff removed interior ceiling curtain.

- Arena staff recycled 36 old light fixtures from above the ice surface.
- Rink staff removed the low emissivity ceiling curtain prior to construction.
- Staff completed removal of trees and shrubs around east rink in preparation for construction project.
- City staff hired Rice Construction to clean and paint east rink ceiling.
- Purchased and installed 36 new LED light fixtures in east rink.
- Worked with architects and engineers at Nelson-Rudie to complete design and installation for east rink HVAC replacement. Project is part of the bigger re-roof and sidewall improvement work. We worked to improve heating and ventilation systems to bring conditions up to current standards.
- Worked with HHA leadership to demo and decide which scheduling program will work best for us. Decision was made to go with *FinnlySport*, created by the people that invented *Max Galaxy*.
- 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.
- 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.
- Worked with our user groups to grow our ice season. We created a new spring season, extended our summer session and added a fall season.
- Through our partnership with Citizen's Bank, purchased a new scoreboard for the west rink. Due to the long process of procurement, the installation took place in December, in time for our winter tournament season.
- Staff did a complete renovation of the east rink concession stand. We re-painted, replaced the serving window and removed and replaced old cabinets with stainless steel serving tables.
- Created partnership with Hutchinson Hockey Association to upgrade our dasher board advertising sign program. We added 12 additional signs, including ones in the west rink.
- Began discussions with representatives from a NA3HL junior hockey team. They are looking to relocate their team from Iowa to Minnesota.

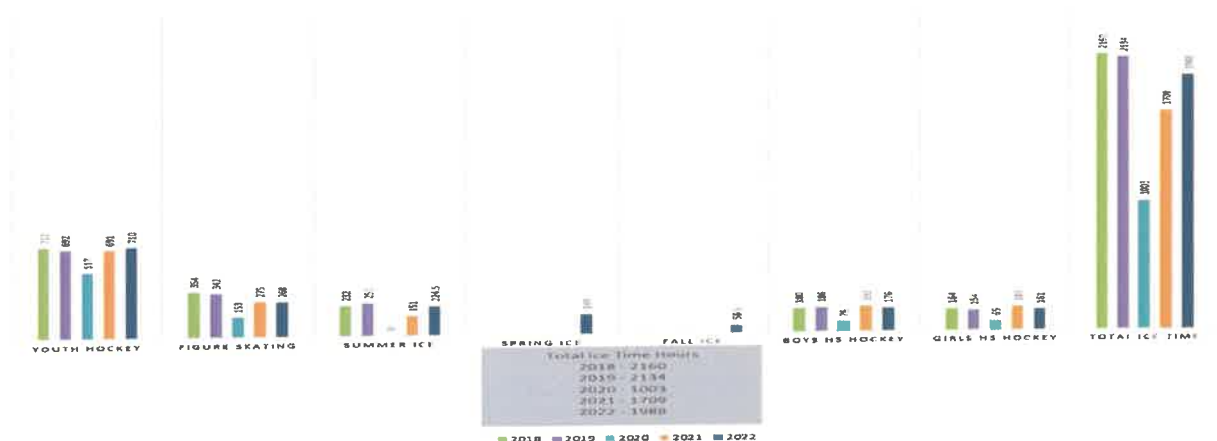




## 2023 Burich Arena Goals

- When construction is complete, the parks and forestry departments will 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 now have longer ice sessions in spring, summer and fall. Work to best manage how we decide to keep ice in and when to remove.

### ICE TIME REPORT



## Hutchinson Recreation Center/ Hutchinson Aquatic Center

We will continue to work to keep Hutchinson Family Aquatic Center and Recreation Center looking and performing like new. Our recent investments continue to pay off as programs and participation at our facilities remains strong.

City staff members traveled to New Ulm and toured their recent projects that were funded by a city-wide sales tax. We have had conversations with other communities including St. Cloud and Willmar regarding their journey and process to plan, promote and implement projects that were funded through this source. 2023 is a pivotal year as we begin our own journey to create a framework for success



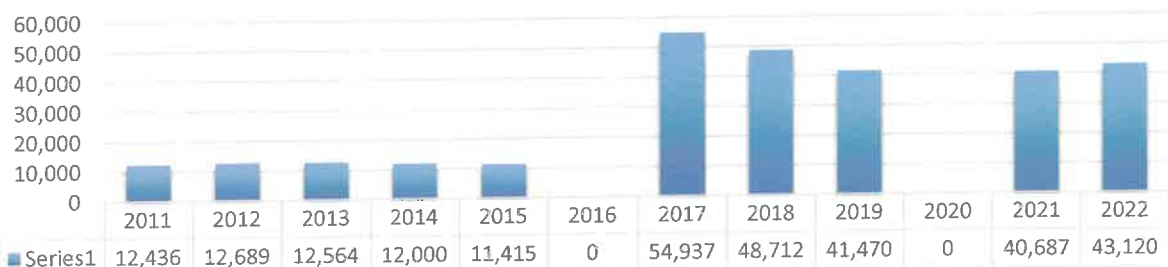
seeking to better serve our citizens through facility and park

improvements. We will work with citizen groups, our mayor/council and city staff to create a road map to lead us to our shared goals of facility and park improvements.

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.



### Hutchinson Outdoor Pool Attendance



### 2022 Aquatic Center Attendance

June 16,250  
July 17,145  
August 9,725

Total 2022 Attendance – 43,120 patrons

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

### 2022 Sponsored Events

Hutchinson Health: Free Family Night Swim – 3 dates (1,065 swimmers)  
Common Cup: Free Family Night Swim – 3 dates (656 swimmers)

## **Swim Lessons at Carlson Pool**

613 participants

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

- Pool Admissions = 43,120.
- Inspected and replaced additional tiles as needed in aquatic center lazy river.
- Recruited, hired, and trained 75 American Red Cross Swimming staff to serve the outdoor pool, as well as, teach our summer American Red Cross learn-to-swim program.
- Began initiative to create framework for parks and recreation facility improvements and building additions to be funded by ½ cent sales tax.
- Replaced lobby fluorescent bulbs with energy saving LED fixtures. This completes the goal of re-lamping the entire facility with LED lamps, both inside and out.
- Completed replacement of reception area customer window. We now have a more ergonomically correct set-up to better serve our customers and employees.
- Replaced reception area plank flooring. We added this project to complete the renovation of the reception area.
- Added new “can” lighting over reception area, replacing original fluorescent lights.
- Continued training of our recent Facilities Technician. Patrick Benson is a valued and vital member of our operations staff.
- Worked with contractor to improve control/functions of gymnasium HVAC system.

## **2023 Hutchinson Recreation Center/Aquatic Center Goals**

- Through the parks department, repair and restore irrigation system that was partially removed during the reconstruction of Sunset Street.
- 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. Modify existing offerings to help increase numbers of classes and participation
- 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.
- Work with Facility Committee to fund addition of gutters and downspouts along north side of gymnasium roof.
- Continue landscape improvements surrounding Recreation Center and Aquatic Center.
- Explore adding new play feature in zero depth area. This area was designed for future improvement, addition could happen in fall 2023.



## Recreation Programming

Collaboration is a big part of what PRCE is doing when it comes to working with many of the youth sports associations within the community. The amount that we work together varies greatly with each association. Hockey and volleyball have always been completely separated and soccer is heading that way. Figure skating and the Hutchinson Basketball Association have us run the younger levels while the association works with the older kids. Lacrosse has our department take registration for them and wrestling runs their program through Community Ed.

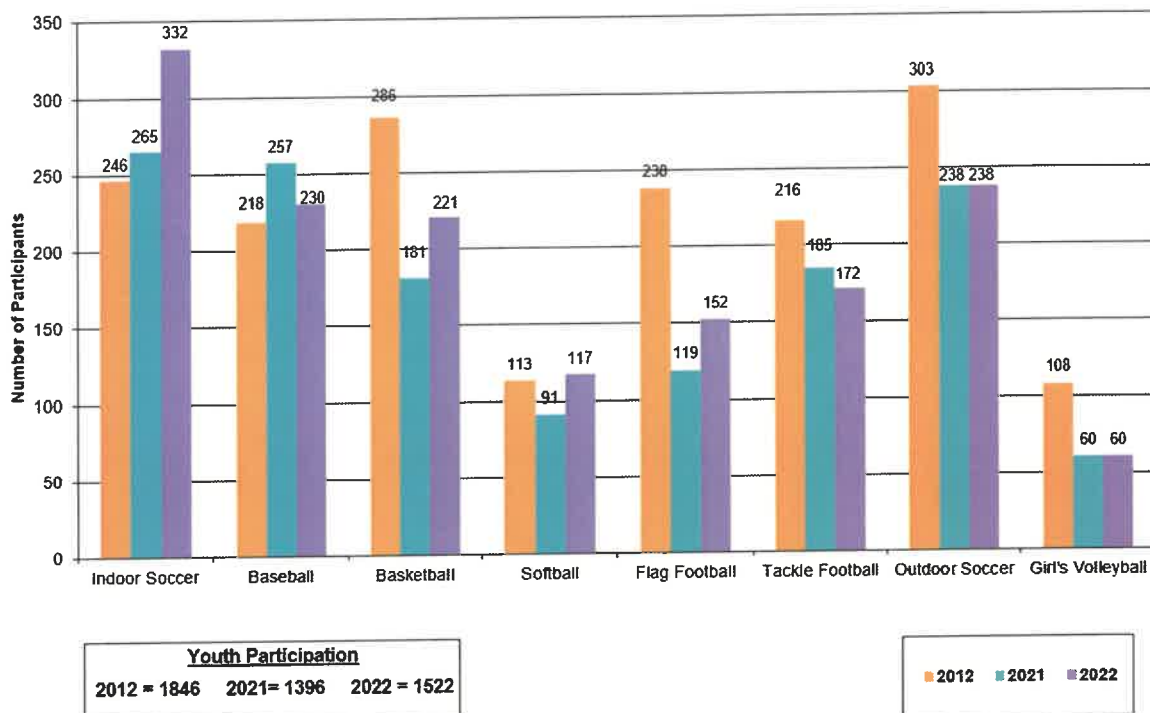


We have worked very closely with Junior League Baseball and fastpitch softball which involves the actual scheduling of their practices and games. This past year the Girls Softball Association decided to disband and turn the program completely over to PRCE.



The only other activity that is solely run by PRCE is youth football. As you can see, we have a lot of different programs and a lot of different people to work with to keep these activities running smoothly. As with any of our programs, our goal is to assist in providing the best activity possible at a reasonable cost to the citizens of our community.

## Youth Program Participation 2012, 2021, 2022 Comparison

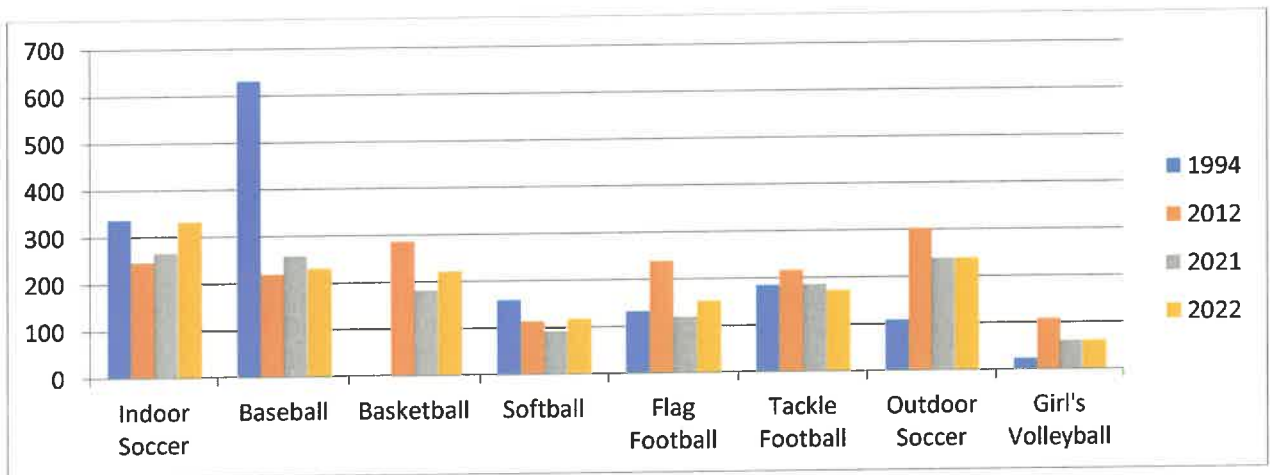


## 2022 Recreation Programming Accomplishments

- **Registration System:** We are at about the same place we were last year with our registration system. The one we began using was not meeting our expectations and we switched systems again near the end of the year. 2022 was another year of retraining followed by setup of the new system- CivicRec. We feel this new software will be more intuitive and easier for our customers to navigate.
- **Girls Fastpitch:** The Hutchinson Girls' Softball Association decided to disband and turn the program over to PRCE. 2022 was our first year of operating the program. Overall, the year was a success as we managed to find qualified coaches at all age levels and our participation numbers grew. One of our goals was to put a competitive team on the field in every age division meaning that they would experience some success during the season. At different times throughout the season, each team managed to have that experience.
- **Burich Arena Construction:** The construction at Burich Arena caused a disruption to our indoor soccer program. With 43 teams and 282 participants this past year, we did some facility shuffling to keep all the kids playing. We rearranged the Recreation Center to host four matches at a time and were able to fit all the kids in while playing Monday through Thursday.
- **High School Participation in Fall Soccer:** This past fall, the boy's high school soccer team took over coaching our Saturday morning youth soccer program. The change from parent coaches worked out very well. The children enjoyed interacting with the high school players and parents were able to enjoy watching without having to be involved.

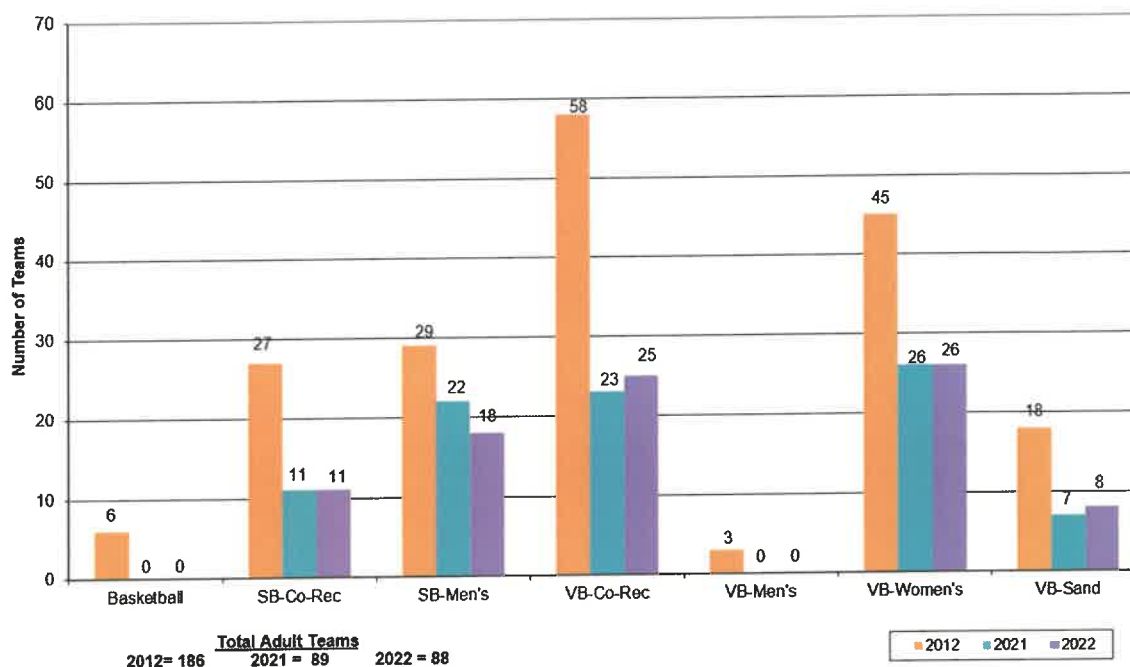
While we were able to get parents to coach in the past, most did it out of necessity and not out of a love for the game of soccer.

- **PRCE Concessions:** Our longtime concessions manager had taken other employment so we were starting over in concessions. We were able to land a college graduate who had worked for us in the past to lead in this area. We also changed some of our products and added soft serve ice cream. For the most part, the summer went smoothly as we gained some knowledge of what processes were most effective and which products were the better sellers. The soft serve ice cream was a big hit with almost \$10,000 in sales.





## Adult Program Participation 2012, 2021, 2022 Comparison



## 2023 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, which is one of the reasons we made another switch. Each day we come across something unfamiliar that takes some time to work through to get it working properly for our needs. Hopefully, we have found a system now that will provide that online presence that we've been looking for.
- **Concessions:** We need to look at revamping our staffing for the pool concession stand. With major increases in the wages we now pay, we'll need to economize on when and how many people we schedule to work. This may also involve having pool admissions staff cross train to help out at the concession stand during peak times.
- **Gymnastics Program:** We've known for some time that there is a demand for youth gymnastics in Hutchinson. The issue has always been finding a qualified instructor. We think we have found that person and hope to put together a new gymnastics program in the spring of 2023.
- **Soccer Program Change:** With the encouragement of the high school coach, we are planning to change the format of our youth soccer program. The plan is down size the number of players participating at a time so that the kids involved get more touches on the ball.
- **New Staff:** With my retirement this March followed closely by Marv Haugen, the Civic Arena manager, one of the important goals will be to get the new personnel onboard and get them acclimated to their new work environment. There are a lot of moving pieces in these positions so it will take a bit of time to familiarize them with the processes currently in place.

## Hutchinson Event Center/ Hutchinson Senior Center

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 started 2022 in a new role as the Hutchinson Event Center / Senior Center Coordinator. PRCE Receptionist transitioned into a new FT role as PRCE Office Specialist to help fill the void at the Event Center/Senior Center.



Jenni Behrendt had just started as the new HEC/ Senior Center programmer in January and was still very much learning the operations when the building flooded in March; Rentals needed be cancelled or rescheduled and the Event Center was operating with less staff than the year prior. The Event Center was able to be a host location for 183 events. It was known there were to be no bookings after December 31, 2022. Late fall it was made known to the HEC Programmer that she should continue book rentals for 2023 in a modified fashion; Meaning all rentals must



take place Monday- Friday, between the hours of 9:00-3:00pm. In December 2022 all part time staff were relieved, leaving only 2 staff members to continue to make the Event Center run smoothly. With HEC operations being modified, to bring in more revenue, it was discussed to have a community church lease space in the Event Center. River of Hope Church has been renting space from the Event Center for many years. The City and Church both approved. River of Hope will lease half of the great room and a small meeting

room starting January 1, 2023.

The Senior Center was able to wrap up the Flagpole project that was started in 2021. A "Thank-you" plaque listing all of the donors who donated was installed next to the flagpole. The knitting project was completed. It brought in over 300 items that were distributed between Common Cup and the McLeod County Food Shelf.

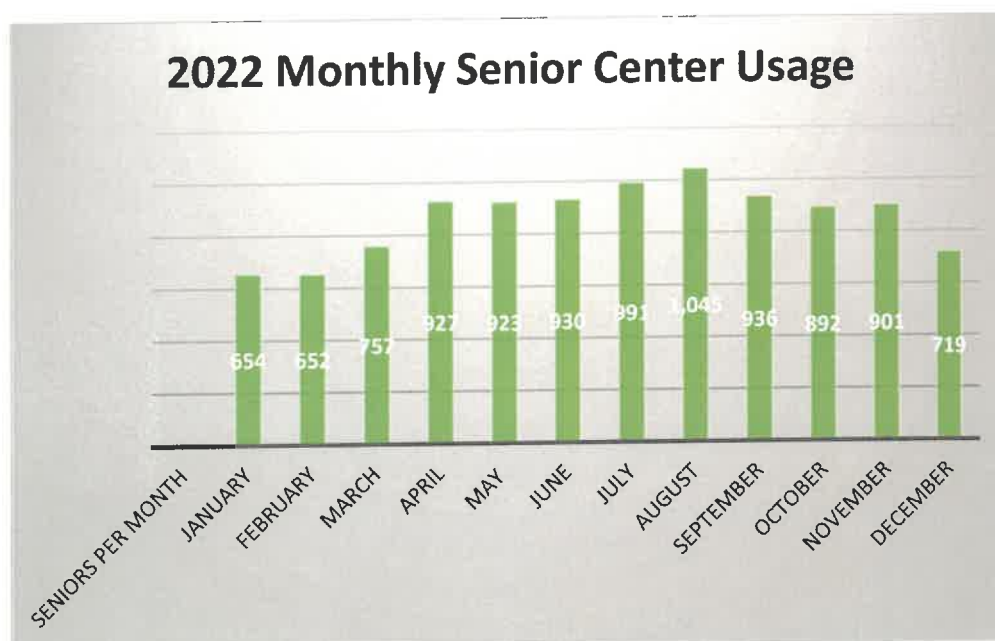
In hopes of promoting more active programs for seniors, River walking/ Lazy River which is held at the Rec Center was advertised in our monthly Senior Newsletter. It was well received and many seniors stopped in to get their free monthly visit. The Senior Advisory Board is also



in favor of a more active center and made a motion to purchase 2 bean bag board games. There is a good weekly turnout, but are hoping to attract more people. Our kayaking group remains strong with participation numbers, usually doing two outings a month May-September.

Sr. Center Programmer and tour coordinator volunteer attended a tour expo at Canterbury hoping to generate new ideas for upcoming tours. Our tour program is well received and most tours sell out at 45 participants which is the max we can take. Our numbers are steadily increasing from the last few years due to COVID.

The Card Making club meets once a week. They recycle old greeting cards into new ones and sell them for \$0.60/piece. This is a fundraiser for the Senior Center. In 2022 they brought in \$861.00! This is a \$511.28 increase from 2021.



## 2022 Hutchinson Event Center/ Senior Center Accomplishments

- Installation of "Thank You" plaque near the flag pole was completed in August.
- Knitting project was completed- the project brought in over 300 items that were donated to Common Cup and the McLeod County Food Shelf.
- Held a Holiday Plate Making Class.
- The Senior Center held its second annual Book and Puzzle sale.
- The Senior Center purchased 2 sets of Bean Bag boards to promote more active programming.
- River Walking/ Lazy River was advertised for seniors at a discount- many took advantage of this.
- Foot Care clinics started meeting in July (was paused Jan-July due to hiring a new nurse)
- The Senior Center raised \$861.00 in card sales (1,435 cards), and \$145.50 in misc. knitted items.

- Continued building maintenance and cleaning after the February flood
- Host location for 183 events- this included businesses, city and private events (185 events in 2021).
- Roughly 15,640 people were through the Event Center and around 10,327 participants through the Senior Center for 2022.
- Meetings were booked that we were able to accommodate in 2023, with reduced hours and staffing.



### 2023 Hutchinson Event Center/Senior Center Goals

- Continue to use social media to promote Senior Programming.
- Continue to look into more "active" Senior Programming- Promote River Walking/ Lazy River again.
- Look at surrounding Senior Centers and see what they provide for their seniors.
- Continue to keep Seniors updated on the future of the Senior Center via Senior Newsletter.
- Hold a Book and Puzzle Sale.
- Host a DECKO Party.
- Accommodate as many Event Center rentals as possible with limited staffing.

Type of Event	Number of Events
Business Events	146
City Events	22
Private Events	8
Wedding	7
<b>TOTAL Event Rentals</b>	<b>183</b>





## Hutchinson Public Schools ISD 423 Community Education

*Data for 2021-2022 Fiscal Year*

### ISD 423 Community Education Accomplishments and Highlights

- **Summer 2021:** Offered 45 camps and activities throughout the months of June, July and August with a total of 907 participants and three new activities
- **Fall 2021:** Offered 54 activities throughout the months of August, September, October, November and December with a total of 458 participants and 13 new activities
- **Winter-Spring 2022:** Offered 83 activities throughout the months of January, February, March, April and May with a total of 717 participants and four new activities



Hutchinson Community Education provides lifelong learning experiences for people of all ages, abilities, and cultures through programs and services. Classes are creatively designed and 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.

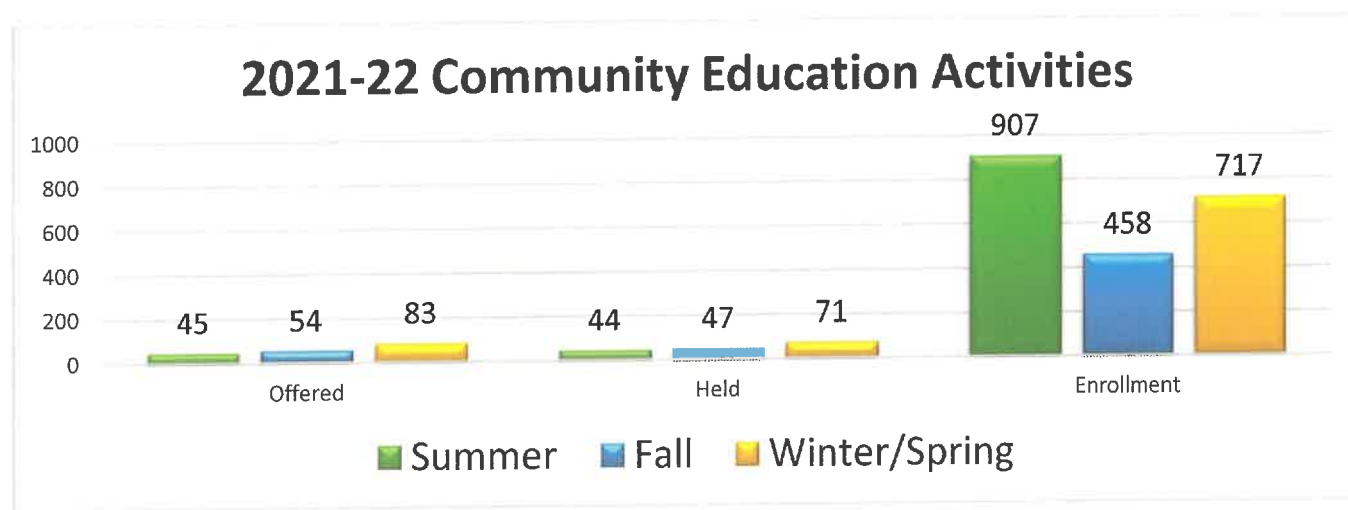


The 2021-2022 school year started out uncertain in not knowing how the adult customers would respond to attending in-person activities. Past summer youth camps were well attended, but adult activities attendance can be different. A noticeable change is that participants waited to register for an activity closer to the start date. Communication with instructors flowed back and forth in an effort to help aid decision making regarding holding or canceling the activity. Online activities gained popularity amongst adult offerings. For the in-person activities, instructors adjusted minimums needed and decided to hold

their activity for less attendance in an effort to help adults' transition into participating live. We are so grateful to our instructors making this adjustment. In review of all the activities offered during the 2021-2022 school year, 182 activities were offered with a total of 2,082 participants.

PRCE started a new registration system with ActiveNet, starting Fall 2021. PRCE staff participated in online training sessions throughout the summer of 2021. Training provided was not the best, so throughout the year, researching "how to" and learning the new system, simultaneously monitoring activities, proved to be a bit challenging. By year-end the system was less of a challenge, but not meeting expectations. Another new registration system was decided upon and PRCE staff participated in online training for CivicRec with scheduled to start January 1, 2023. The new system, CivicRec, is more user friendly than the previous system. Extracting reports and information is also more user friendly.

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 facility use for Hutchinson Public Schools. This started as a minimal hand-written task and transformed into a detailed online system. Through the years, school renovations changed inside - classrooms renumbered or demolished, new school built, outdoor fields and parking lots, all these changes need to be changed in rSchool Today, setting up the layout in location availability for each building to match the new building maps. This type of maintenance in the online system, rSchool Today, is necessary to ensure the system is working efficiently and locations are current. Other maintenance in rSchool Today is setting up the calendar to match the School Board approved academic calendar.

For example, information is entered manually indicating first day of school, non-school days, workshop days, conference days, holidays, scheduled late start days, and last day of school, which days are reservable and which ones are non-reservable. This labeling process is helpful for staff and customers to identify what may be happening within the school buildings as they



are creating their reservations from July 1 to June 30 and if a whether or not it affects a reservation. Staff are asked to enter their reservations for the upcoming school year by June 30 and rentals for public open around July 15 each year.



Chart below shows what is available to reserve in rSchool Today:

	<b>BUILDING/LOCATION</b>	<b># ROOM WITHIN</b>
1	High School	81
2	Middle School	59
3	Park Elementary	30
4	West Elementary	31
5	Tiger Elementary	66
6	Parking Lot	8
7	Field - Outdoor School Campus	23
*8	Field - Northwoods	2
*9	Field - Roberts Park	4
*10	Field - Veteran's Memorial	1
*11	Recreation Center	5

**310**

\*Non Reservable through rSchool Today, need listing for Activity Scheduler to choose site for Wright County Conference scheduling purposes. Contact PRCE to reserve.



Park Elementary closed May 2022, after the last day of school for renovations and continued at the start of 2022-23 school year, delaying the first day of school until September 12. The timelines changed for availability a few times and the small gym was used as a temporary cafeteria until they could get full access to the basement. Rentals in this building were on hold until completion. Gyms are the main locations that are rented. Currently Park Elementary is available for rentals. This school is now home to grades 4 and 5, previously was home to grades 2 to 5.

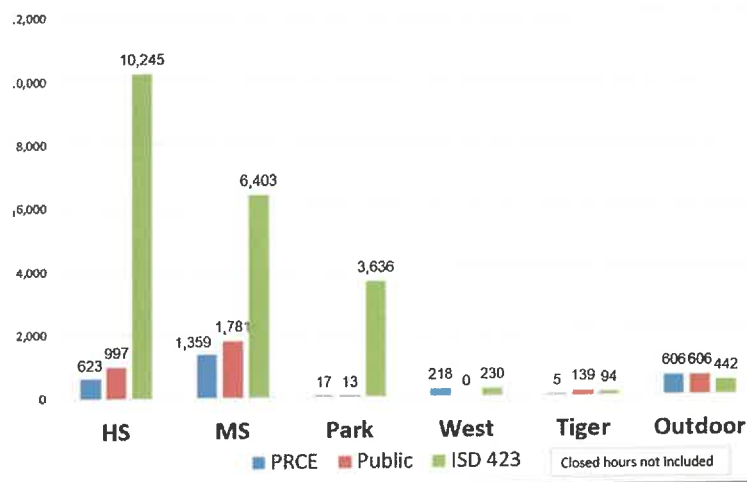
Two softball field were added to the Outdoor School Campus Fields. Softball Field #1 is located closest to Roberts Street and tennis courts. Softball Field #2 is located in between the Middle School Baseball Field and Softball Field #1. These two fields have cement walkways making them handicap accessible. Softball Field #1 has an electronic scoreboard.

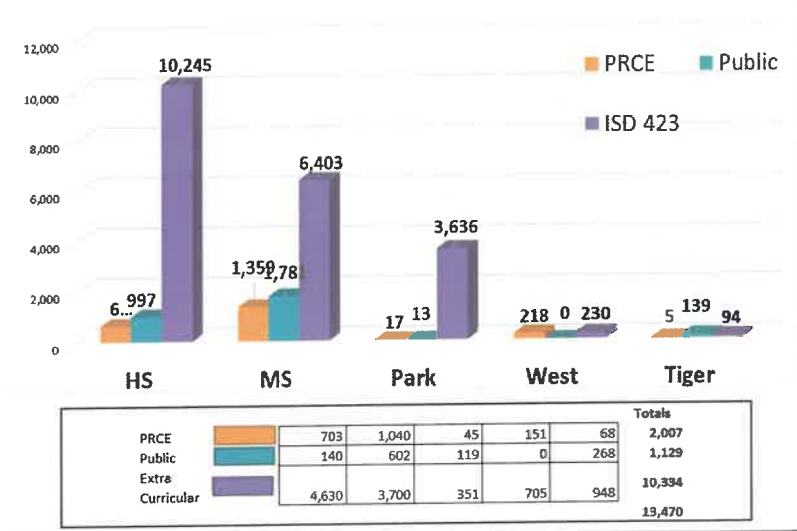
Total rentals and usage show 62 groups submitted 668 permits estimating 378,795 participants. Breakdown of reservation permits, rental customers submitted 89 permits, ISD 423 staff submitted 487 permits, Community Education submitted 73 permits, Rental Customers submitted 89 permits, Personnel Charges Only customers submitted 19 permits. Majority of school use was for school related items.

### Facility Use by Building:

Building	Groups	Permits	Est. # of Participants
High School	35	307	188,586
Middle School	31	184	157,902
Park Elementary	11	35	4,968
West Elementary	6	24	8,801
Tiger Elementary (NEW School)	9	24	5,510
Fields-Outdoor Campus	13	93	12,861
Parking Lot	1	1	100

### 2021-22 School Facility Use Hours





### Middle School Activities (CE Fund Since 2003):

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.

#### Middle School Participation Numbers:

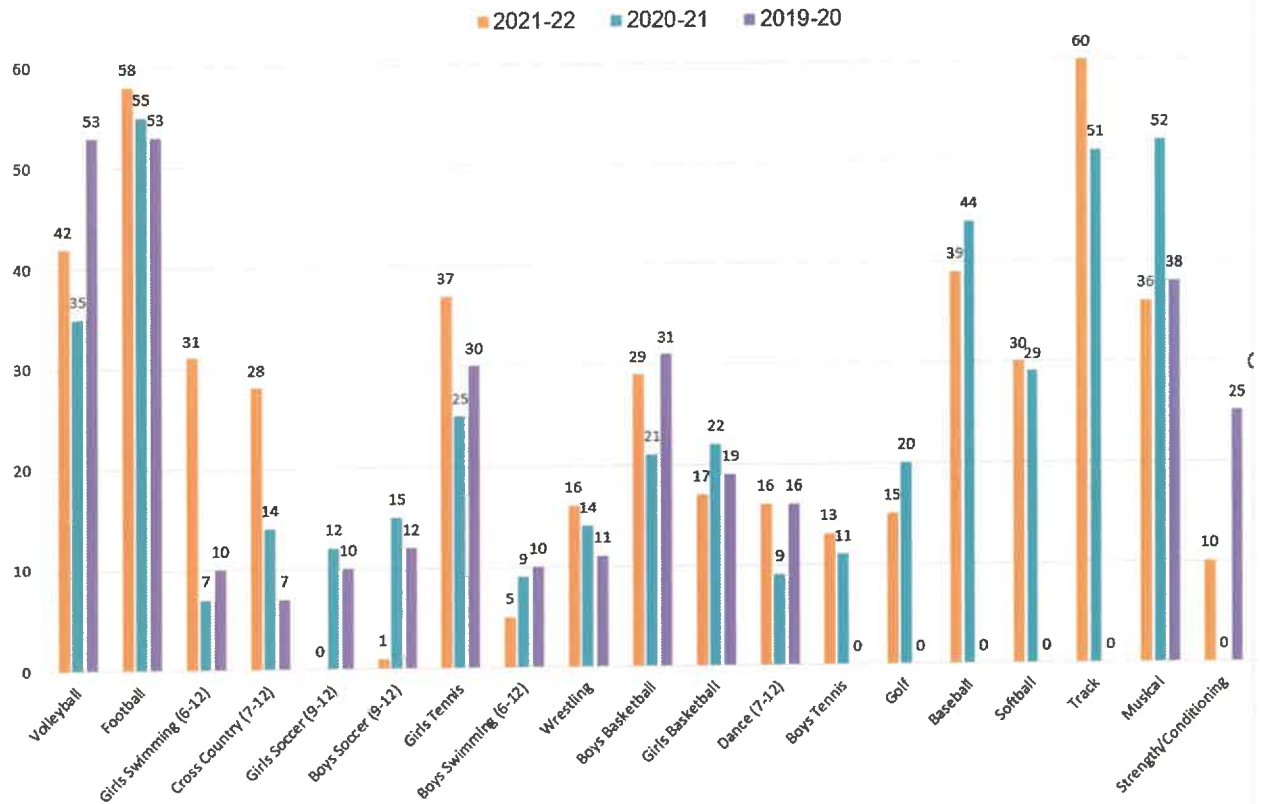
- Fall 2021 season: Eight activities were offered with 139 participants.
- Winter 2022: Four activities offered with 67 participants.
- Spring 2022: Five activities offered with 144 participants.
- All Season Activities: two activities with 69 participants
- Three fall activities ran as 9-12 program



#### 6<sup>th</sup> Grade Participation Numbers:

- Fall 2021 season: Four activities were offered with 31 participants.
- Winter 2022: One activity offered with 10 participants, most students participate in association level during this season
- Spring 2022: Four activities offered with 41 participants

## Middle School Activities FY22, FY21, FY20 Comparison



## Hutchinson Adult Basic Education



Engage, Equip, Empower  
Glacial Lakes Consortium

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. Certified teachers are in the room to meet the needs of learners four days a week. Our schedule includes both daytime and evening hours, and provides a total of 26 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 CareerForce Center. Because of this, we have been able to develop programs to assist learners with academic skills, employment preparation, obtaining certifications, and college goals.

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 2021-2022***

As the pandemic restrictions end, we have gradually added days to our schedule, and as of January 2023, we are back to pre-pandemic hours for in-person instruction.



The opportunity for students to use online learning, support, and navigation has been a great outcome of the pandemic. GED learners, especially, use online learning and this option accounts for one third of all GED hours in our program.

For the 2021-2022 state academic year (May 1, 2021 to April 30, 2022), 233 students attended for a total of 4,838.25 contact hours. These numbers are exciting and show a strong increase of 46% over last year. Students who attend 12 or more hours are considered participants. Hutchinson Adult Education had 98 participants for the year. Currently, the average Adult Education student attends for 20.75 hours.

Working with our Regional Transitions Coordinator, Mary Kate Lews in Mankato, we have designed and delivered online career pathway courses 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 were piloted in 2021 and this innovative model is now being replicated across the state.

Regional Online English Language classes are now offered three evenings per week. There are 5 different levels to meet the needs of all English language learners. These classes are very popular and are often full.



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 CareerForce.

Students continue to take and pass GED tests. There were 18 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.

### ***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, Mary Horrocks, Alicia Boncquet and Jean Abrahamson.



Professional development for ABE staff continues to be offered mostly 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 served on the implementation team for HiSET, and is a member of the State Distance Learning Advisory Team. Participation and involvement in these and other opportunities make Hutchinson Adult Basic Education a leader among small rural programs.

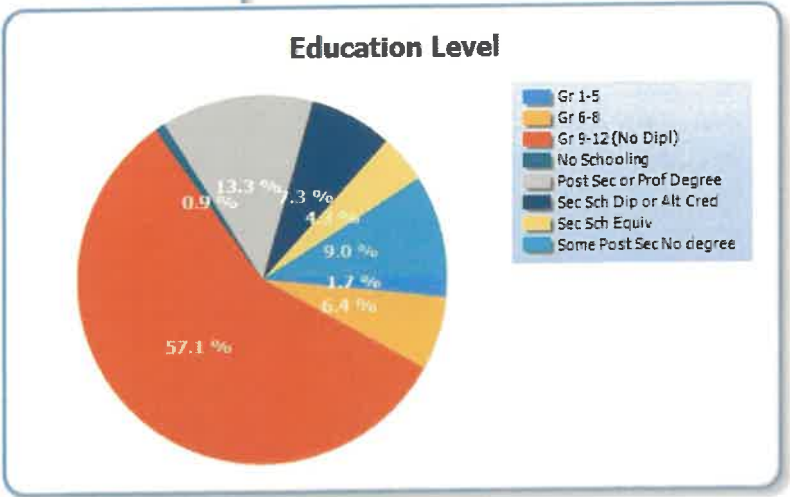
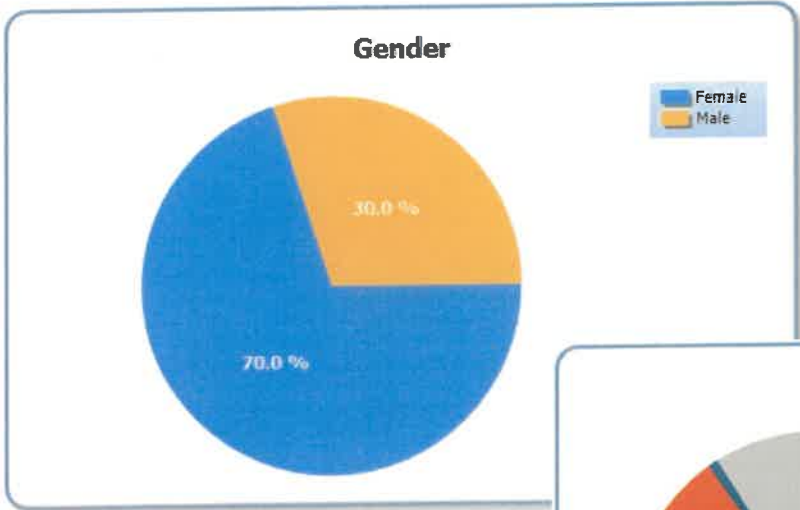
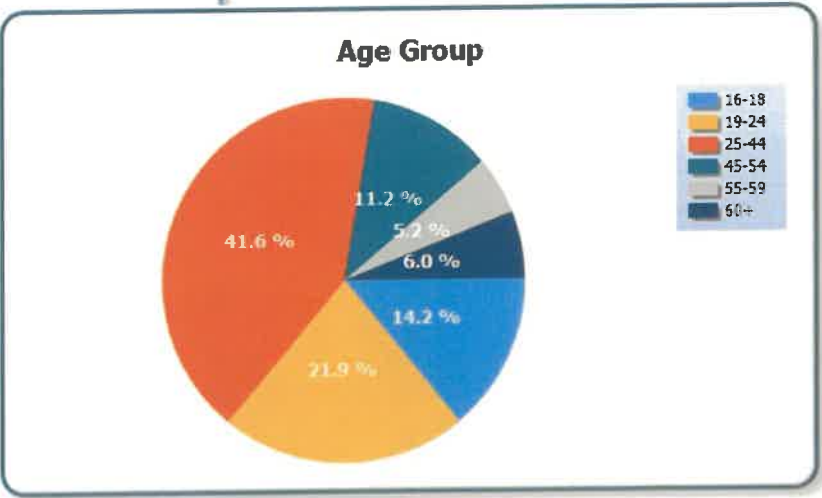
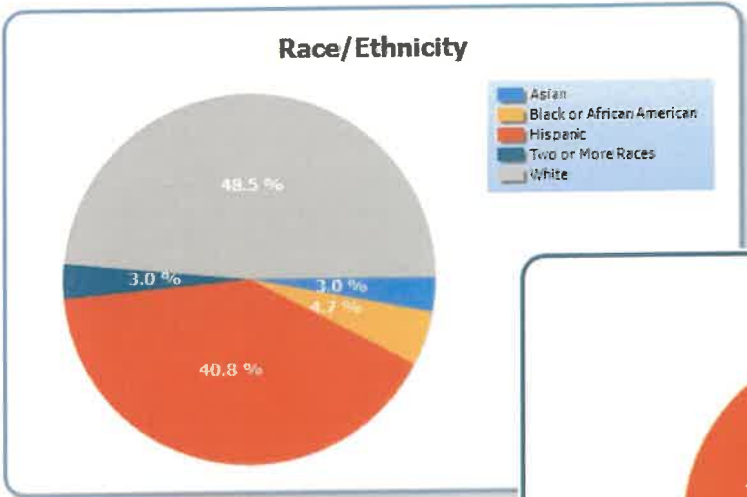
### ***ABE Data Summary Information***

Hutchinson Adult Basic Education 2020-21 Information		Compared to 2020-21
Total Enrollees	233	195
Total Hours	4,838.25	48% increase
Total Participants   Must Attend 12+ hours	98	76
Total GED Earners	18	15





**Hutchinson Basic Education Participant Data**



## Early Childhood Family Education (ECFE)

Early Childhood Family Education (ECFE) offers a variety of class options for families during the Hutchinson Public School District's school year. Sibling care is available for most classes upon request. A sliding fee scale and scholarships 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 and non-separating classes, parent only classes, family events, and special one-time classes. Offerings this year include online parenting classes and outdoor classes. Due to staffing changes, summer class offerings were put on hold until summer 2023.

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.



After a lengthy construction project, all ECFE classes from January thru December 2022 were held in our new ECFE space inside the West Elementary school building. Our 2022 offerings included classes for specific age levels such as Busy Babies, Wonderful Ones, Terrific Twos, and Playful Preschoolers. Most were very well attended. However, baby classes in both the winter/spring and fall sessions were slow to fill, and winter/spring classes were eventually canceled. Fall 2022 baby classes were again slow to fill, and sections were combined to offer one section. When surveyed, parents indicated reluctance to sign babies up for classes due to COVID/RSV concerns. Cost was also cited as a concern and we will address this in 2023.

In addition, we held successful onetime events and specialty classes. A successful open house/dance event was held in January 2022. In October 2022 a very well attended Harvest Festival/dance event was held, with over 150 participants. Adults and children enjoyed pizza, ice cream sundaes, crafts, a photo op, and a dance with a light show. Specialty classes included Daddy/Grandpa and I Build or Do Science classes in January 2022. These were not well attended. In December, Daddy/Grandpa and I or Mommy/Grandma and I holiday classes were offered. Adults reported that children were counting down the days until class day. Overall, these specialty classes were well received and everyone had a great time!

## 2022-2023 Community Education Goals

- Manage, organize and develop activities throughout the year for multiple age levels, current trends and interests to better serve customers and anticipate needs.
- Network and collaborate with people in businesses or as an individual for community education programming.
- Organize at least one new activity per brochure targeting community needs.
- Interpersonal skills to interact and communicate successfully, build and maintain relationships and dependability with instructors, customers, and staff.

- Stay current in 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 sharing programming ideas, information, tips and facility use information.
- Continue marketing and awareness of PRCE activities through direct email and provide information to social media specialist to post on Facebook, Instagram and websites.
- Organize, revise and maintain rSchool Today, Hutchinson Public Schools online reservation system.
- Offer Free Open Swim - explore and seek sponsorships to make this happen.
- Learn, research and explore functions, reports, tutorials in CivicRec, PRCE's 2023 registration system.

## **2022-2023 Adult Basic Education Goals**

- Reach out to learners in the community in need of Adult Education services; ongoing.
- Pretest and posttest to successfully meet national targets of 27.5% 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.

## **2022-2023 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 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 us to offer family literacy-based classes and experiences.
- Continue to keep ECFE offerings affordable.
- Build participation in baby classes.

# 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

## 2022 Accomplishments

- Permitted over \$40,000,000 worth of construction projects
- Undertook City Housing Study
- Continued work on Growth Area Planning Study
- Continue to support Hutchinson Area Joint Planning Board
- Uptown Grand Project Development

## 2022 Planning/Zoning/Building Department Overview

- Local construction activity remained strong overall.
- Second half of 2022 saw a decline in new housing starts due to interest rates
- Hopeful that interest rates, inflation, and worker shortages will not impact growth of Hutchinson
- Expected Projects
  - Uptown Grand Apartment Project
  - Jorgenson Hotel
  - Michael Court NW Apartment Project
  - Dollar General/Dollar Tree Hwy 7 W
  - RD Machine Expansion
  - 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

## 2022 Accomplishments

Reviewed and Processed:

- 18 Applications for Planning Commission
- 140 City Land Use Applications
- 65 zoning reviews of building permits.
- 38 sign permits reviewed.
- 52 predevelopment/application meetings.

## 2022 Planning Commission Items

- CUP for a Tattoo Establishment in the Main Street Area District located at 18 Main St S
- CUP to move a structure larger than 200 square feet from 135 Franklin St N to 225 Washington Ave W
- CUP to establish a use for Business/Professional office space in a C-5 Zoning District located at 96 4<sup>th</sup> Ave NW
- Preliminary Plat for Ravenwood South
- CUP for a second drive thru lane in a C-4 Zoning District located at 1510 Montreal St SE



- Lot Split located at s1545 McDonald Dr SW
- CUP for a new dining hall building located at 700 Main St N
- CUP for an addition to an existing building in an I/C Zoning District located at 110 4<sup>th</sup> Ave NE
- CUP to move a building from 135 Monroe St SE to 490 Hwy 7 E
- Lot Split located at 490 Hwy 7 E
- Amendment to the Zoning Ordinance Section 154.142 (E) and (F) regarding downtown signage review committee and murals
- Site Plan Review for Car Wash facility located at 1490 Montreal St SE
- CUP for Car Wash facility located at 1490 Montreal St SE
- Rezone a property from C-4 to I-1 located at 490 Hwy 7 E (South 1/2)
- Amendment to the Zoning Ordinance Sections 154.064 and 154.067 regarding minimum lot dimension requirements
- Final Plat for Ravenwood South
- Site Plan Review for parking lot plan located at 125 Main St North
- CUP for Apartment Buildings in an R-4 Zoning District located on Michael Court

## 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:

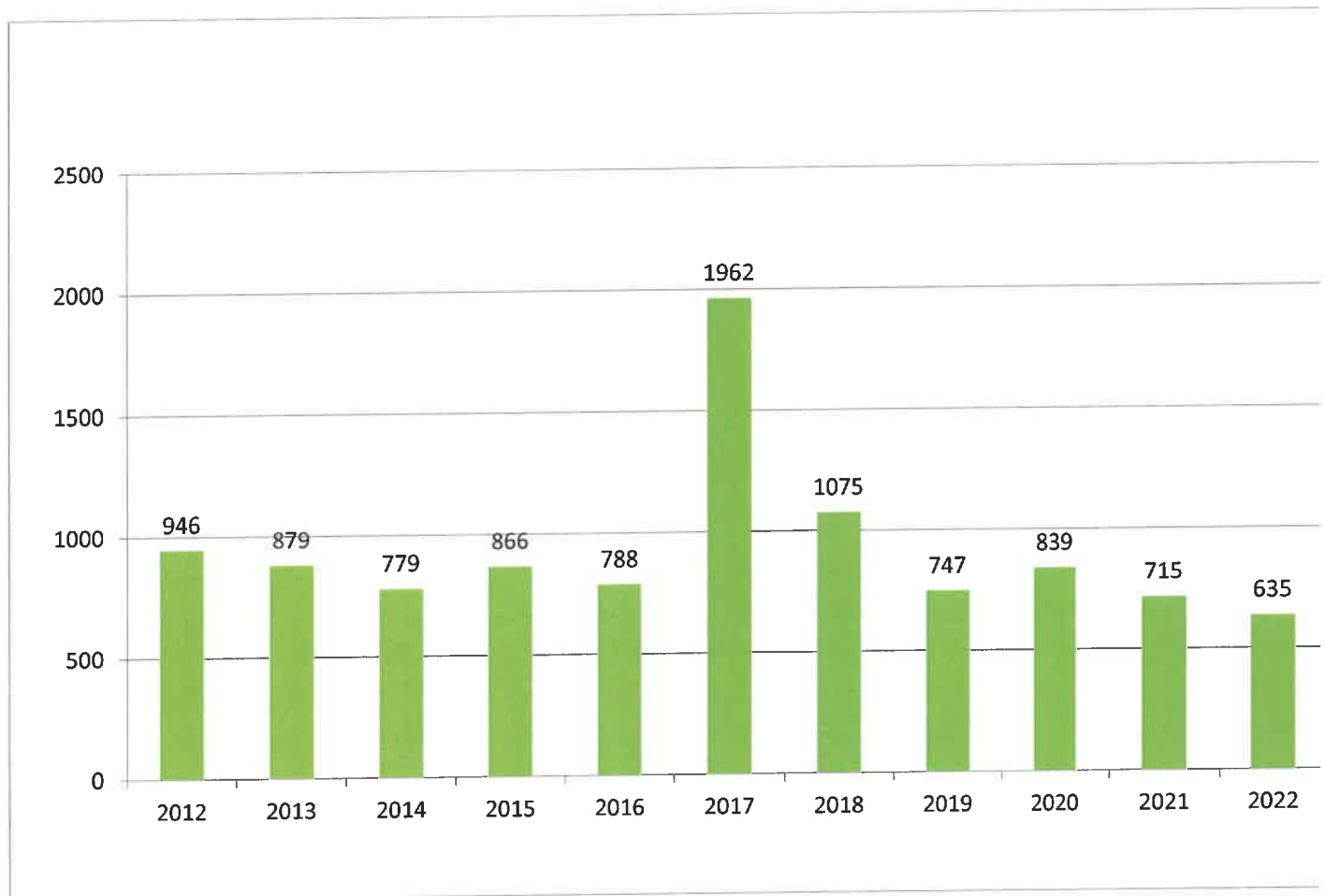
- Plan Review for residential, commercial properties and State licensed facilities
- Clearinghouse for the issuance of building, mechanical, plumbing, erosion control, grading, and sign permits.
- Field Inspections
- Enforcement of building, plumbing, and mechanical codes (i.e. new and existing building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

- Education of homeowners and contractors on the building code, permits, and processes

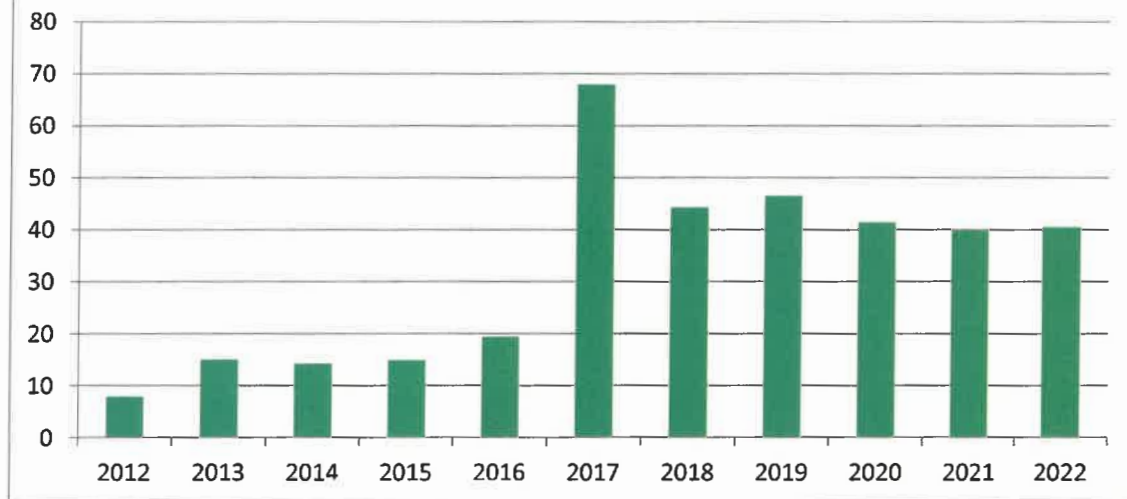
## 2022 Accomplishments

- Provided plan review and building inspection services as required.
- Educated property owners regarding permit requirements, licensed contractors and state building codes
- Provided Inspection and plan review services:
  - New Police Facility
  - Park Elementary Demo/Remodel
  - Harbor Freight
  - New MITGI Building
  - 101 Park Place remodel/apartments
  - Pride Solutions renovations
  - Stearnswood Building
  - 3M Oven Project
  - Rec Center Exterior Remodel
  - Ridgewater College Remodel
  - Upper Midwest AC Club Building
  - Civil Air Patrol Building
  - Citizens Bank Drive Thru Projects
  - WUHF Buildings
  - Due North Car Wash
  - New Grain Elevator

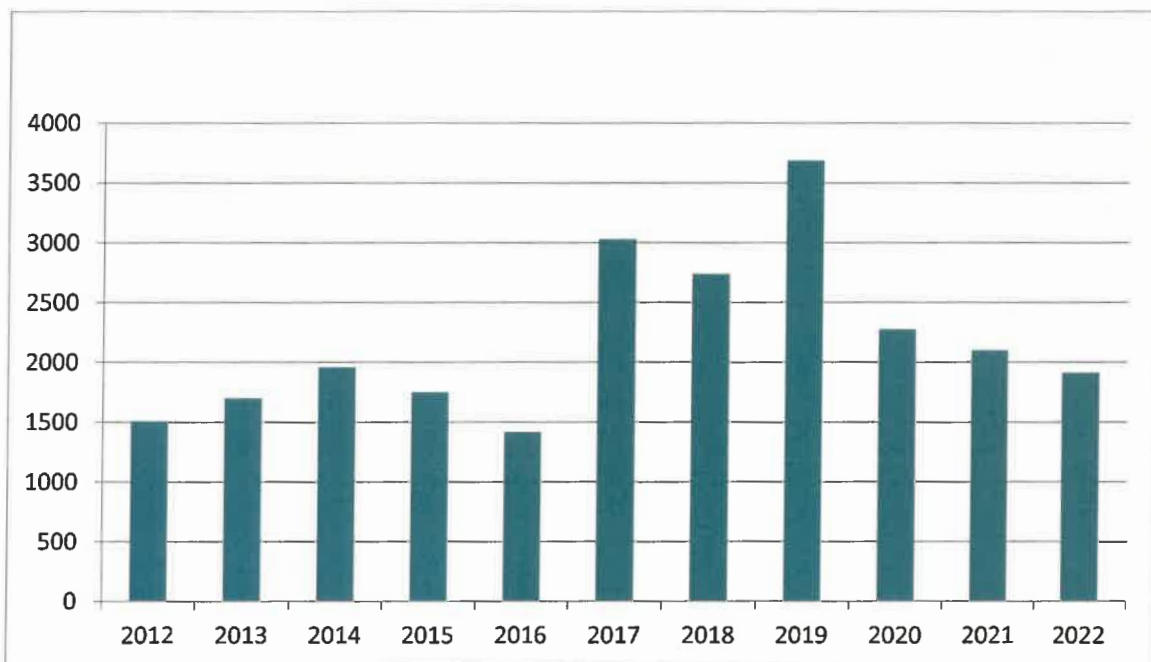
### *Number of Building Permits Issued 2012 Through 2022*



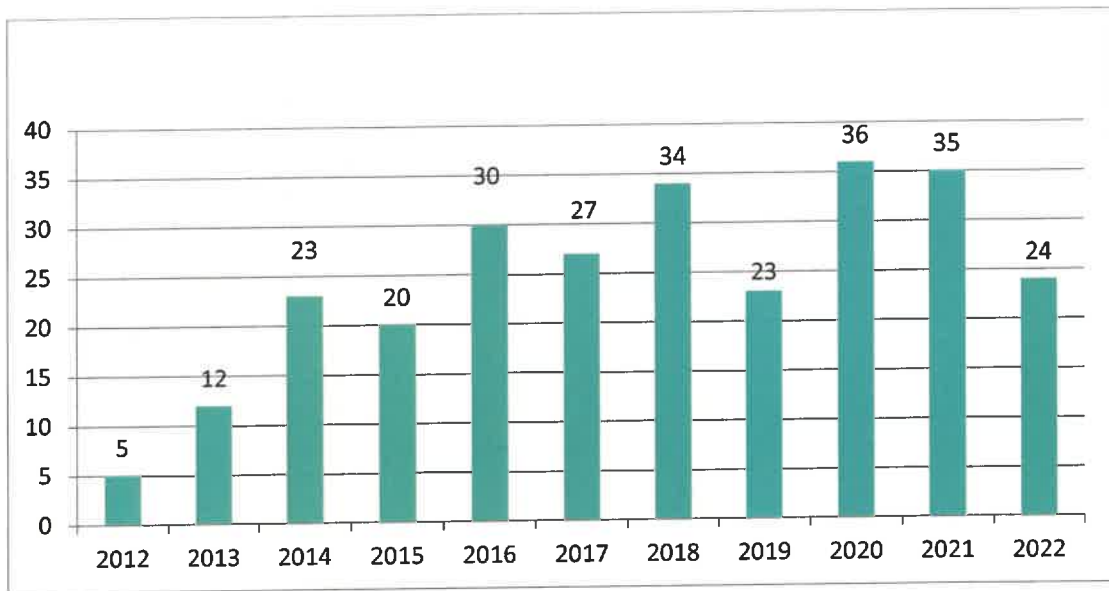
# CONSTRUCTION VALUATION MILLION \$ VALUATION 2012-2022



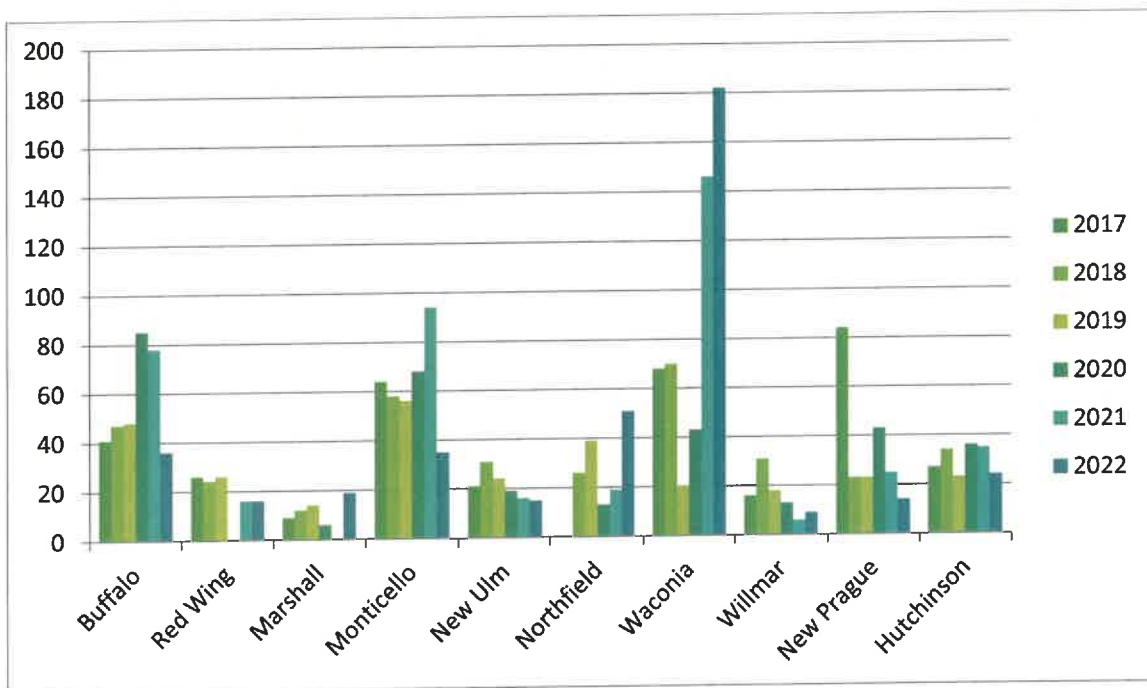
## *2012 – 2022 Total Building Inspections*



## 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.

### **Rental Inspection Report from January 1, 2022 to December 31, 2022:**

- **Rental Property Initial Inspections - 139**
- **Rental Property Re-inspections - 16**
- **Number of Units Inspected - 505**
- **Number of Units with No Violations - 419**

Type of Rental Unit	2015	2016	2017	2018	2019	2020	2021	2022
Single Family Home	324	290	227	283	265	302	241	248
Single Family Homes Split into 2 or 3 Units	52	48	48	49	49	49	49	49
Specific Built 4 Unit Buildings	29	26	25	27	24	27	27	27
5-10 Unit Apartment Buildings	24	26	27	27	27	27	28	28
10 or More Unit Apartment Buildings	49	50	50	51	52	52	56	61

# Police Department

## About the Department

Department Staff – As of December 31, 2022

### 25 Sworn Officers

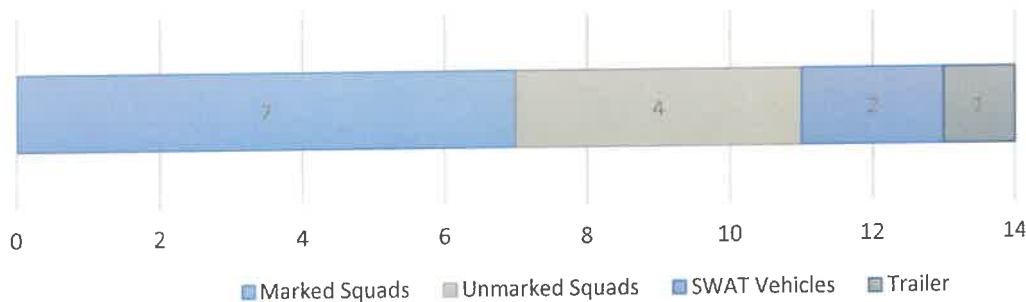
- 1 Police Chief
- 1 Lieutenant
- 4 Patrol Sergeants
- 1 Investigative Sergeant
- 12 Patrol Officers
- 1 General Investigator

### 17 Civilian Staff

- 1 Child Protection Officer
- 1 School Liaison Officer
- 1 Drug Task Force Agent
- 3 Full-time Hospital Security
- 7 Part-time Hospital Security
- 1 Community Service Officer

- 4 Police Administrative Specialists
- 1 Evidence Technician
- 2 Part-time Patrol Officers
- 1 Police Chaplain

Fleet – As of December 31, 2022



## 2022 Crime Statistics

In 2021 the Hutchinson Police Department started reporting crime data to the Bureau of Criminal Apprehension (BCA) with **National Incident-Based Reporting System (NIBRS)**. NIBRS is used by law enforcement agencies in the United States for collecting and reporting data on crimes. The BCA then reports all NIBRS statistics to the FBI. Local, state and federal agencies generate NIBRS data from their records management systems. In Group A Offenses there are 24 crime categories with 52 offenses. Data is collected



on every incident and arrest in this group. In Group B Offenses, there are 11 offenses with only the arrest information reported in this group.

## Group A Offenses

- Animal Cruelty
- Arson
- Assault
  - Aggravated Assault
  - Simple Assault
  - Intimidation
- Bribery
- Burglary
- Counterfeiting/Forgery
- Destruction/Damage/Vandalism of Property
- Drug/Narcotic Offenses
  - Drug/Narcotic Violations
  - Drug/Narcotic Equipment Violations
- Embezzlement
- Extortion/Blackmail
- Fraud Offenses
  - False Pretenses/Swindle/Confidence Games
  - Credit Card/Automatic Teller Machine Fraud
  - Impersonation
  - Welfare Fraud
  - Wire Fraud
- Gambling Offenses
  - Betting/Wagering
  - Operating/Promoting/Assisting Gambling
  - Gambling Equipment Violations
  - Sports Tampering
- Homicide Offenses
  - Murder/Non-Negligent Manslaughter
  - Negligent Manslaughter
  - Justifiable Homicide
- Human Trafficking
  - Commercial Sex Acts
  - Involuntary Servitude

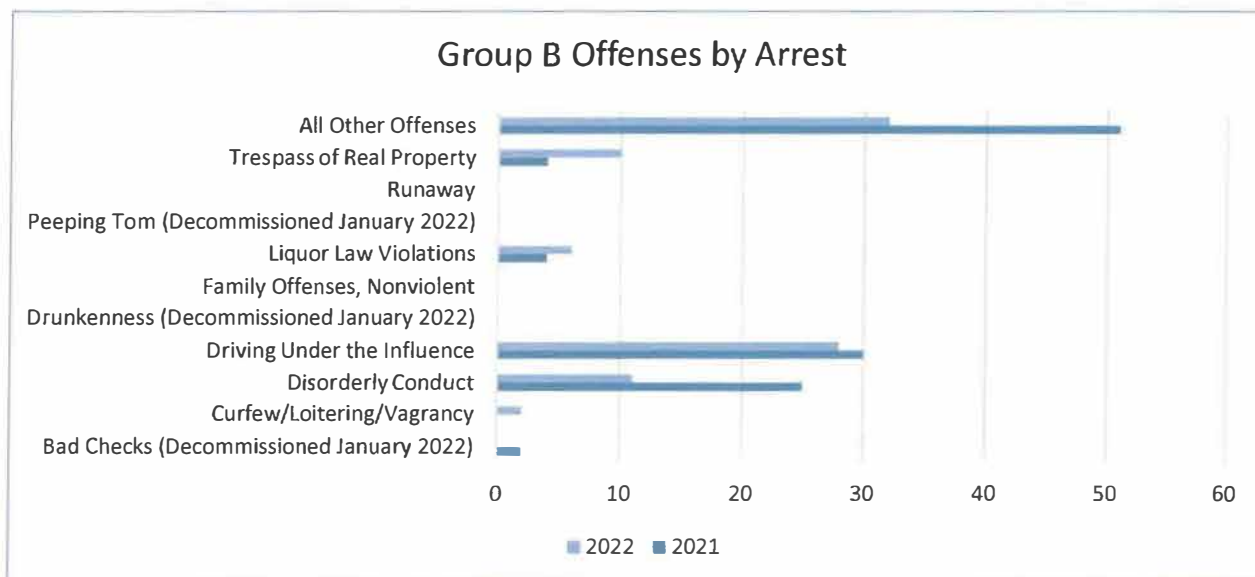
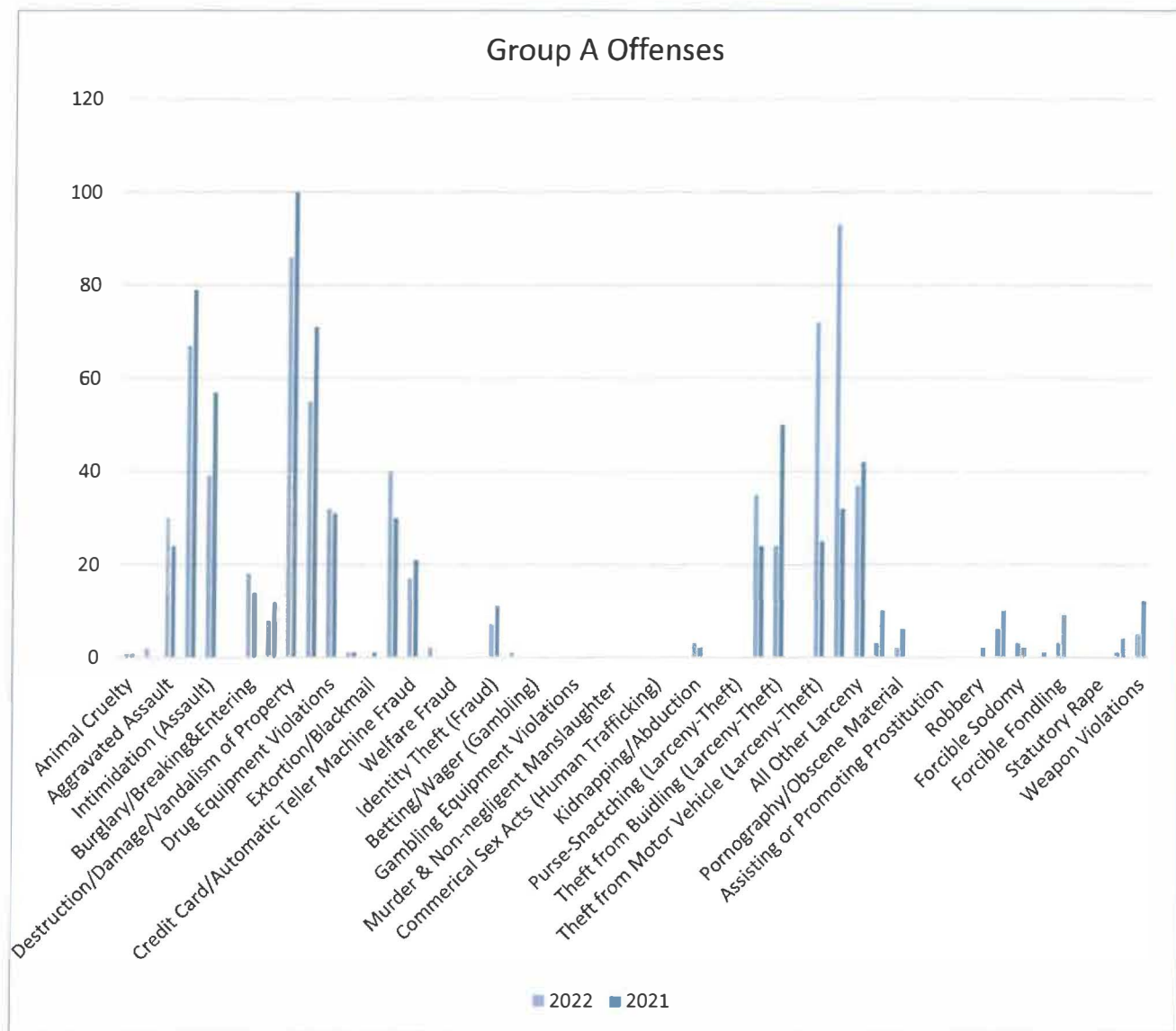
## Key Benefits of NIBRS –

1. Detailed, high-quality data that provides a more complete and accurate picture of crime.
2. Additional context to understand victimization and offending.
3. Standardized data to compare crime across jurisdictions.
4. Can be used for tactical or strategic analysis at the local, state, and national levels.

- Kidnapping/Abduction
- Larceny/Theft Offenses
  - Pocket Picking
  - Purse Snatching
  - Shoplifting
  - Theft from Building
  - Theft from Coin-Operated Machine or Device
  - Theft from Motor Vehicle
  - Theft of Motor Vehicle Parts or Accessories
  - All Other Larceny
- Motor Vehicle Theft
- Pornography/Obscene Material
- Prostitution Offenses
  - Prostitution
  - Assisting or Promoting Prostitution
  - Purchasing Prostitution
- Robbery
- Sex Offenses (Forcible)
  - Forcible Rape
  - Forcible Sodomy
  - Sexual Assault with An Object
  - Forcible Fondling
- Sex Offenses (Non-Forcible)
  - Incest
  - Statutory
- Stolen Property
- Weapon Law Violations

## Group B Offenses

- Bad Checks (Decommissioned January 2022)
- Curfew/Loitering/Vagrancy Violations
- Disorderly Conduct
- Driving Under the Influence
- Drunkenness (Decommissioned January 2022)
- Family Offenses, Nonviolent
- Liquor Law Violations
- Peeping Tom (Decommissioned January 2022)
- Runaway
- Trespass on Real Property
- All Other Offenses



# Patrol

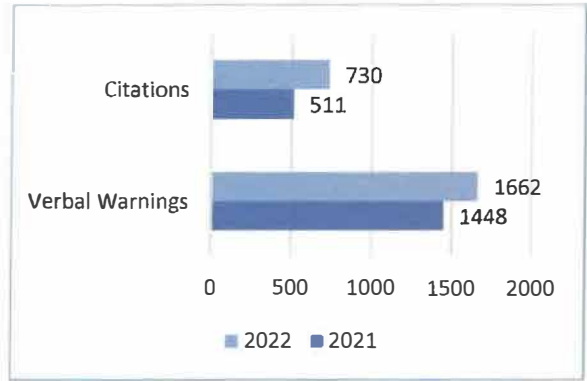
The patrol division of the Hutchinson Police Department is the face of the department. Many community members only ever have contact with a patrol officer, making their impact crucial to the integrity of the department.

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.

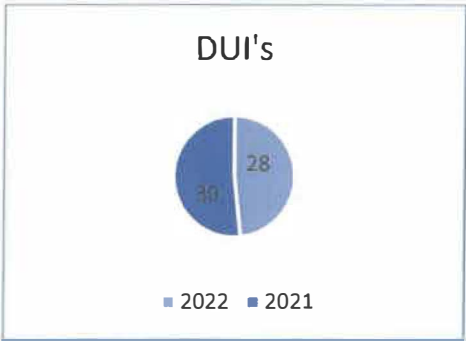
Our patrol officers are very well trained in many areas, including DWI detection and enforcement, mental health crisis, first aid and CPR. They also work closely with businesses on shoplifting and fraud incidents.

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 2022 year, officers arrested 28 people for DUI's. This was only 2 less than the previous year. These DUI's are not all alcohol related, some are the result of drugs. The Hutchinson Police Department forfeited 2 motor vehicles and 1 ATV. The 4 vehicles forfeited were from DWI/controlled substances related crimes and the ATV was forfeited as a result of fleeing from police.



In 2022, officers responded to 261 crashes. There were 189 property damage crashes and 30 personal injury crashes. Of the 261 crashes, 42 of them were hit and runs.



In 2022, officers initiated 2392 traffic stops.

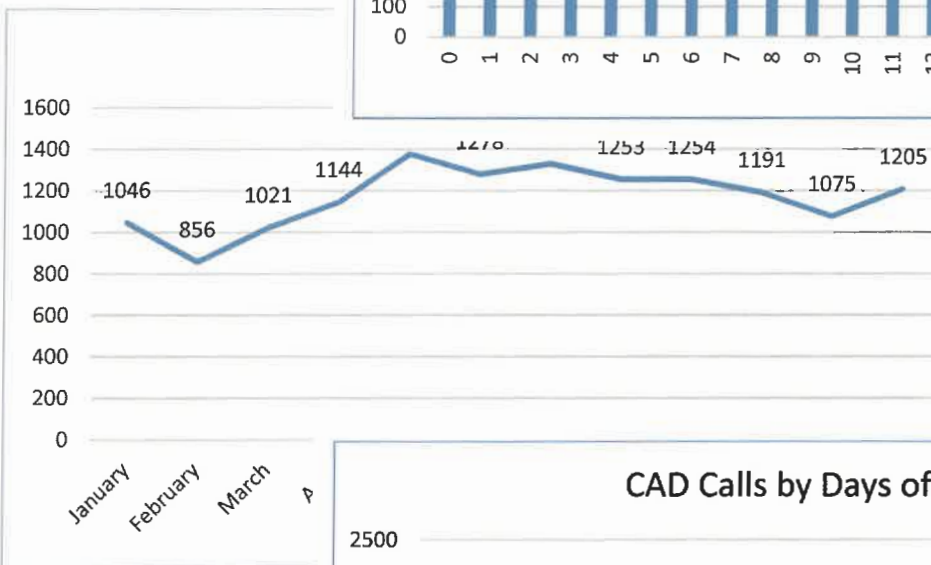
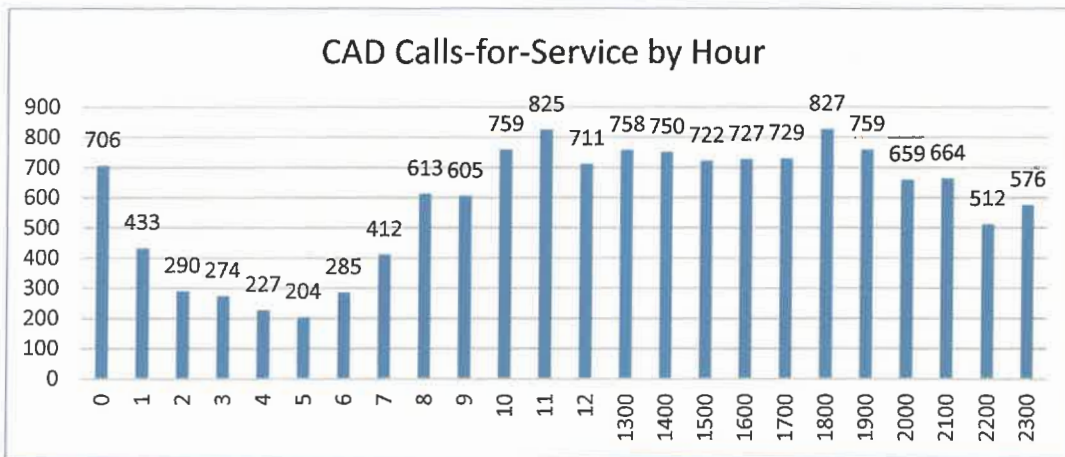
There were about 420 less citations and verbal warnings issued in 2021 than 2022. It is important to note that not all citations and verbal warnings issued are from traffic stops.

2022 CRASHES	
Property Damage Crashes	189
Personal Injury Crashes	30
Hit and Run Crashes	42

## Statistical Information

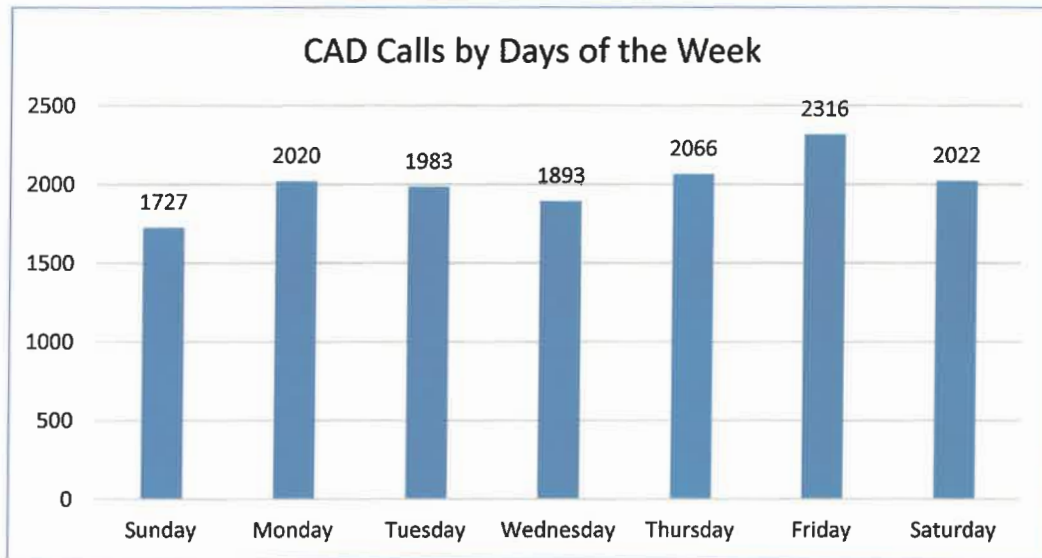
The Hutchinson Police Department responds to calls-for-service twenty-four hours a day and seven days a week. The busiest time frames for the officers in 2022 were 11am and 6pm.

January started out average compared to all off 2022. February was the lowest month for calls-for-service. Calls-for-service started to trend up after February, reached the highest in



May and July, then decreased gradually after that until 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, Sunday, and Monday were all similar and behind Friday with an approximately 250 calls-for-service difference.



## 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 forty-eight 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 twelve new POST-accredited courses per year, subscribers can earn more than forty 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; Implicit Bias, and 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 2022:***

- *2022 BCA Criminal Justice Users Conferences*
- *2022 LMC Workshop Peer Support*
- *2022 LMC Workshop Police*
- *Advanced Data Practices Training*
- *AXON Academy*
- *Background Investigations for Public Sector*
- *Basic SWAT*
- *Body Worn Cameras - Legal Issues*
- *City of Hutchinson Safety Training*
- *DMT - Certification/Recertification*
- *First responder Recertification*
- *Handgun/Rifle Qualification*
- *MN Criminal Interdiction Training*
- *De-Escalation/Intervention Strategies for Persons in a Mental Illness Crisis/Crisis De-escalation Techniques for Community Safety*
- *Officer Safety Searches - 2022 Updates*
- *Police Response to Active Shooter Instructor*
- *Safe Senior Programs*
- *Serving Those with Autism Spectrum Disorder*
- *Shoot House Instructor Certification*
- *Special Operations and Tactics Association (SOTA)*
- *Special Response Team (SRT)*
- *Standard Field Sobriety Training/ARIDE Training*
- *Taser Recertification*
- *Vehicle Searches - 2022 Updates*
- *Youth Mental Health First Aid USA*



## Investigations

The Hutchinson Police Department Investigations unit is comprised of five licensed officers 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 entered into the evidence/property room by the 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.

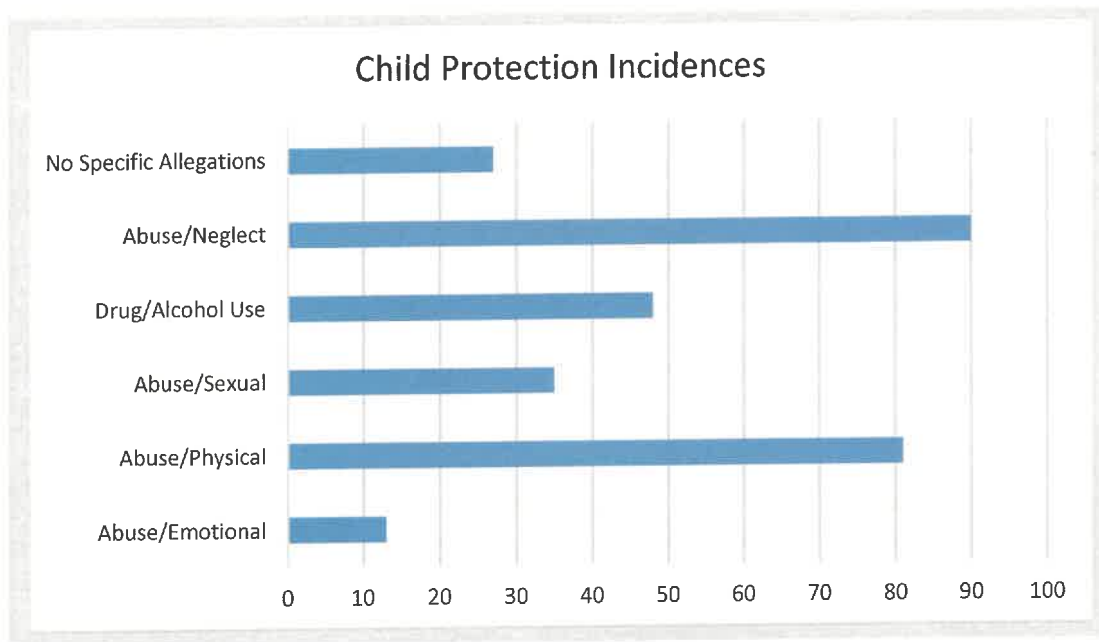
There was a total of 298 calls for service at all the schools in the district in 2022.

There were 119 incidents at the High School, 74 at the Middle School, 67 at Park Elementary, 21 at Tiger Elementary and 17 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, 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 the 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**

**March 8, 2022**

**11000 block 190<sup>th</sup> St (Silver Lake)**

Deputies were called to a residence on a vehicle stuck in the ditch. Upon gathering further information, the driver of the vehicle was possibly stalking, violating a protection order, and making threats. The suspect had previously made homicidal threats. Several officers responded to assist under mutual aid. The suspect was ultimately located after an approach plan was made by responding officers. The suspect was taken into custody.

**May 11, 2022**

**Silver Lake/Hutchinson area**

Officers/Deputies assisted the Lower Sioux Social Services in removing a child from a custodial parent with several felony warrants. The suspect had a history of fleeing, obstruction, and assault. There was concern the child was in danger. A plan was made with officers/deputies to avoid a pursuit and physical altercation as much as possible to protect the child and public. A negotiator worked with Social Services and the suspect's family to communicate with the suspect. They were able to meet in Hutchinson. The suspect was taken into custody and the child was removed safely.

**May 12, 2022**

**10000 block Hwy 22 (Glencoe)**

Officers/Deputies assisted with a search warrant on a suspect. The suspect was a convicted felon, Outlaw Motorcycle Gang member, and was believed to be in possession of an assault rifle and ammunition. A tactical briefing was done prior to executing the warrant. The warrant was served and a rifle was recovered. The suspect was not home at the time. The suspect was arrested later in the metro area.

**August 1, 2022**

**Assist Meeker County**

Crow River SWAT was called to a rural address south of Dassel on a barricaded suspect. The suspect threatened family and fired a shot out of the house with a firearm. The suspect is ineligible to possess firearms. The suspect would not come outside and threatened to kill law enforcement. SWAT teams from Kandiyohi and Wright County also responded. Negotiations were established in an effort to get the suspect to surrender, but he refused. The incident lasted several hours. Eventually several rounds of tactical chemical were fired into the residence in order to get the suspect to surrender. During the incident the suspect fired several "blind" shots out of the residence in the direction of officers outside. The suspect fortified a bathroom upstairs. Eventually the tactical chemical was able to penetrate the fortification. The suspect surrendered after nearly 24 hours.

**September 10, 2022**

**Assist Sibley County**

Winthrop PD called for assistance. They had an individual barricaded in his home with several firearms. The person was in mental health crisis. Crisis Negotiators were called to assist with speaking to the person in an effort to get them help. Tactical officers did not respond ultimately since no crime was committed.

**November 2, 2022**

**Assist Homeland Security**

Crow River SWAT assisted Homeland Security with the execution of a search warrant in rural McLeod County. This operation was in response to a federal investigation involving catalytic converter thefts. There were several warrants executed simultaneously across the country. Several of the suspects had gang affiliations and were involved in illegal firearm trading/possession. The residence in McLeod was secured with the assistance of Crow River SWAT and turned over to investigators once deemed safe.

**December 12, 2022**

**Assist Sibley County**

Sibley County called for assistance with a male barricaded with a handgun. Officers responded to a medical call at a business in Gaylord. When the officer arrived to assist, they observed the person with a handgun. He threatened suicide. A perimeter was established to protect innocent civilians. Complicating matters, the subject was barricaded in a semi-truck at an industrial business with several workers inside. There also was an elementary school across the highway full of students. Both places were placed on a preventative lockdown. Some tactical officers and negotiators responded in the armored vehicle. Ultimately, the subject surrendered peacefully.

**December 14, 2022**

**Assist Sibley County**

This incident is still under investigation.

**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.

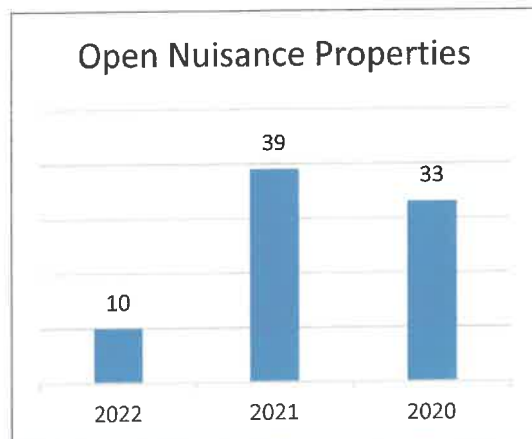
The records unit is an intricate and vital part of the police department. They ensure reports are processed properly and sent to the City of Hutchinson and McLeod County Attorneys for charges on offenders. They handle the dissemination of officer's reports to social services, probation, and citizens 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	604
Permit to Purchase/Conceal Carry Background Requests from Other Agencies	424
Other Agency Background Requests (Social Services, Probation, Housing and Redevelopment Authority)	155



## 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 property owners 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

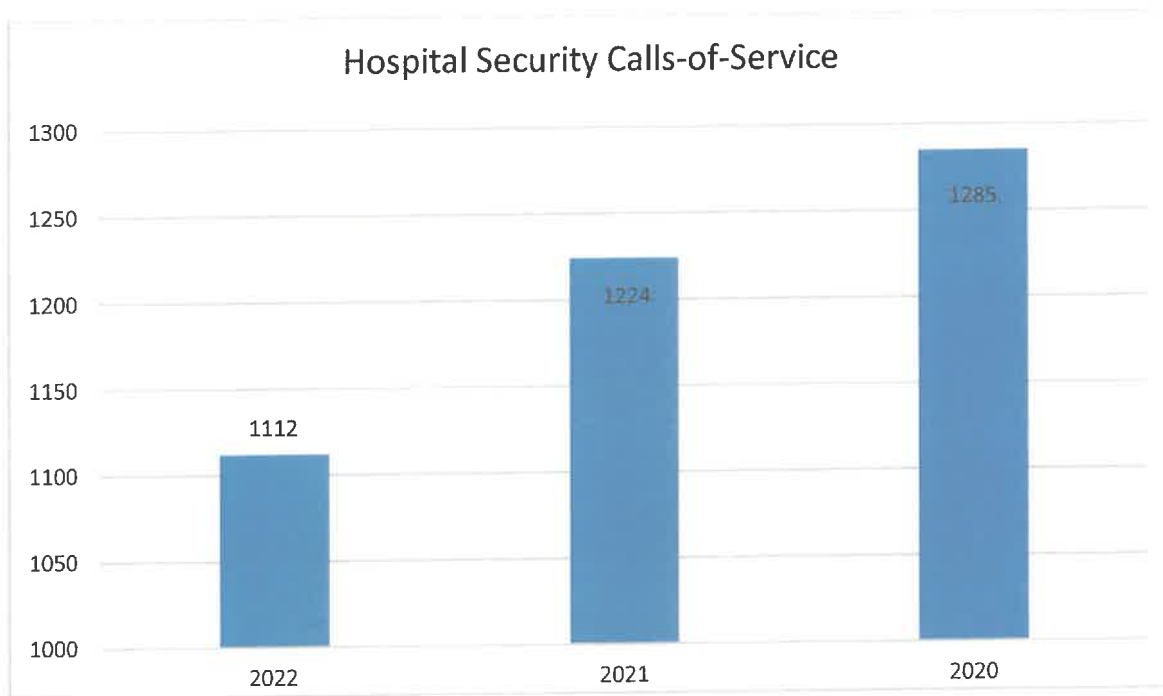
The Hutchinson Police Department has three full-time hospital security officers and five part-time hospital security officers. The contract between the Hutchison Police Department and Hutchinson Health went into effect in 2013. This contract provides for a security officer to be on hospital grounds 24/7. 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	20746
Hours of Videos	4142.96
GB of Videos	7143.04

### Active AXON Evidence

Number of Active Videos	12894
Hours of Active Videos	2953.87
GB of Active Videos	5093.67

### Average Per Day

Number of Videos Uploaded	56.84
Hours of Video Uploaded	11.35
GB of Video Uploaded	19.57



Categories	Files	GB	% Files	% GB
Report	14751	3633.53	68.49	69.74
Traffic Stops	4648	967.15	21.58	18.56
No Action Take	1856	527.15	8.62	10.12
Accidental Recording	166	48.61	0.77	0.93
Critical Incident	69	18.25	0.32	0.35
Uncategorized	34	13.70	0.16	0.26
Training	7	0.34	0.03	0.01
Officer Injury	4	1.48	0.02	0.03
Administrative (Supervisor Only)	1	0.04	0.00	0.00

## Citizens Police Academy

The original concept of the Citizen Police Academy (CPA) came from Great Britain, where the United Kingdom (UK) Constabulary designed a program to give citizens an overview of British law enforcement operations. Known as "police night school" when it began in 1977, the program was an immediate success.

The Hutchinson Citizen Police Academy (CPA) is a community oriented policing program that is conducted once a year in order to accomplish three goals:

- To allow citizens of Hutchinson to meet the men and women who serve them.
- To educate in the "how's and why's" of law enforcement.
- To provide Hutchinson Police Officers the opportunity to meet and hear from the citizens they serve.

The Hutchinson Citizen's Police Academy is ten weeks long and generally runs from January to March. CPA Participants are given a realistic view of the Hutchinson Police Department. A wide variety of topics are discussed: department history, organizational structure, police officer selection and training, communications/records, tools and equipment, officer survival, patrol procedures, DUI and traffic enforcement, use of force or deadly force, arrest procedures, handling of traffic accidents and criminal investigations, gangs, pursuit driving, chaplain program, crime prevention, critical incidents, youth issues and liaisons, reserves/volunteer services, and a myriad of other law enforcement subjects. In addition, opportunities to tour the police department and ride along with a police officer are provided to CPA students. Our last academy was in 2021 and had six community members attend.



# 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

### 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

*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.*

2022 Public Works  
Budgeted Expenditures  
(all departments, CIP)  
31.15 FTE  
**\$24,596,611**

# Engineering

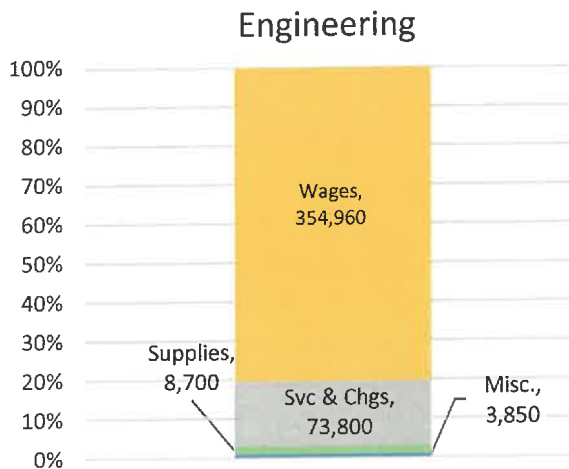
## Primary services

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

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

## 2022 Engineering budgets

<b>Engineering:</b>	<b>\$ 441,310</b>
<i>CIP-Infrastructure</i>	<i>\$ 3,266,762</i>
<i>CIP-Wastewater</i>	<i>\$ 759,400</i>
<i>CIP-Water</i>	<i>\$ 705,000</i>
<i>CIP-Storm Water</i>	<i>\$ 652,100</i>
<i>CIP-Engineering</i>	<i>\$ 29,500</i>
<b>All Funds:</b>	<b>\$ 5,854,072</b>



## Workforce (3.40 FTE):

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

*08/31 Kent Exner resigned as DPW/City Engineer*

*09/01 John Olson appointed as Interim Public Works Director*

*09/01 Justin Black, S.E.H., appointed as interim City Engineer*

*12/29 Mike Stifter hired as Public Works Director, starting 01/17*

*Under the guidance of the Public Works Director & City Engineer, in cooperation with other departments, Engineering facilitates cost-effective management of the City's physical infrastructure to meet the City's vision, goals, policies, ordinances and standards. Specifically, Engineering 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 within the City.*

# Operations & Maintenance:

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

## 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):

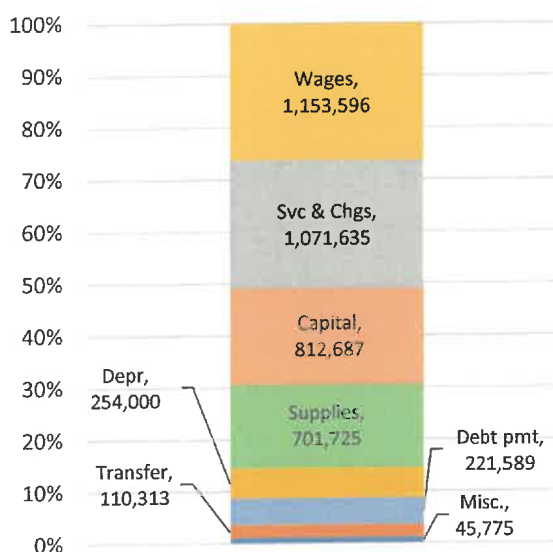
- John Olson Public Works Manager
- Bruce Fenske Maint Lead Operator
- Donovan Schuette Arborist
- Tim Read Equipment Mechanic
- Jerome Burmeister Sr PW Maint Operator
- Pete Dehn Sr PW Maint Operator
- DeNeil Thompson Sr PW Maint Operator
- Geoffrey Hansen Sr PW Maint Operator
- James Trnka PW Maint Operator
- Mitchell Thompson PW Maint Operator
- Nicholas Pagel PW Maint Operator
- Joshua Alnes PW Maint Operator
- Sonia Muellerleile PW Secretary

06/11 Justin Rusch, resigned from Sr PW Maint Operator  
06/13 Mitchell Thompson, lateral to PW Maint Operator

## 2022 Operations & Maintenance budgets

<b>Streets &amp; Roadways:</b>	<b>\$1,630,466</b>
<b>Storm Water:</b>	<b>\$1,793,748</b>
<b>HATS Facility:</b>	<b>\$ 656,145</b>
<b>Cemetery:</b>	<b>\$ 145,838</b>
<b>Airport:</b>	<b>\$ 145,123</b>
<i>CIP-HATS Facility</i>	<i>\$2,700,000</i>
<i>CIP-Misc. Infra</i>	<i>\$ 400,000</i>
<i>CIP-Streets</i>	<i>\$ 345,900</i>
<i>CIP-Stormwater</i>	<i>\$ 94,500</i>
<i>CIP-Cemetery</i>	<i>\$ 22,700</i>
<b>All funds:</b>	<b>\$7,934,420</b>

## Operations & Maintenance



06/13 Geoffrey Hansen, promoted to Sr PW Maint Operator  
08/29 Nicholas Pagel, hired to PW Maint Operator

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

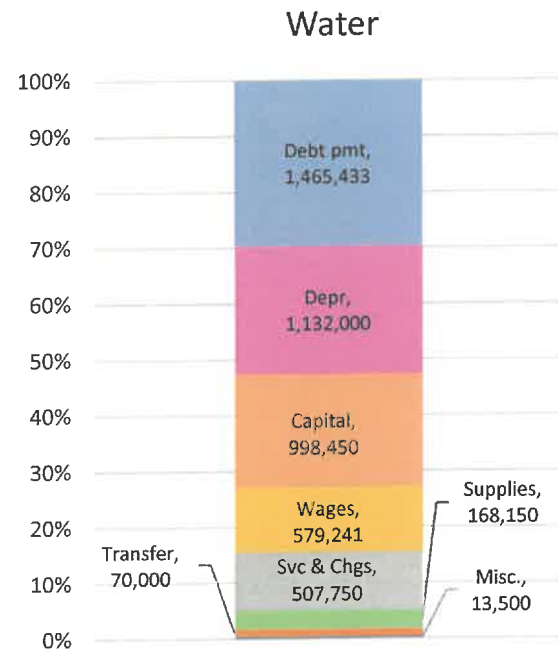
### Workforce (5.65 FTE):

- Eric Levine Water Manager
- Mike Lien Sr Water Plant Operator
- Jim Navratil Water Maint Operator
- Finance staff 0.60 FTE
- Seasonal labor 0.25 FTE

## 2022 Water budgets

<b>Water:</b>	<b>\$4,934,524</b>
<i>CIP-Water</i>	<u>\$ 73,450</u>
	<b>\$5,007,974</b>

A half-cent sales tax generates revenue of over \$935,000 per year. This revenue helps to pay outstanding treatment plant debt.



*The Water Manager oversees and coordinates staff involved in day-to-day operations and maintenance of the wells, water treatment plant, water storage, 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 function properly to meet permit requirements.*

## Wastewater

### Primary services

Under the leadership of the Wastewater Manager, 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

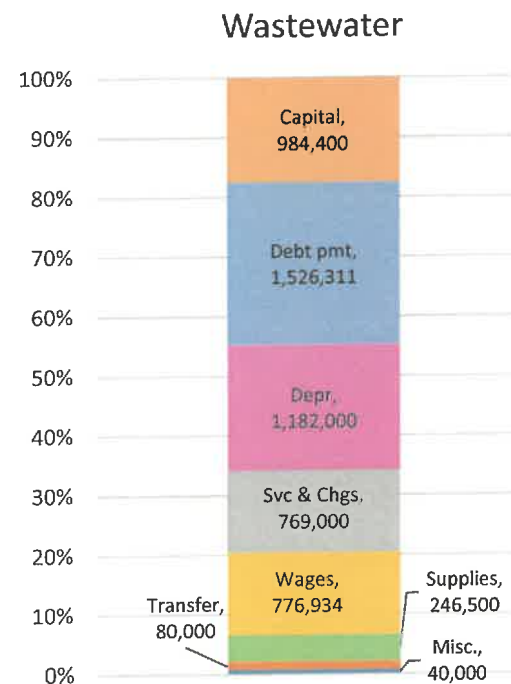
### Workforce (7.95 FTE):

- Tim Gratke Wastewater Manager
- Randy Czech Sr Wastewater Operator
- Eric Moore Sr WW Maint Operator
- Deb Paulson Lab Tech/WW Operator
- John Kent WW Maint Operator
- Matt Keller W/WW Technician
- Finance staff 0.60 FTE
- Seasonal labor 0.50 FTE

### 2022 Wastewater budgets

<b>Wastewater:</b>	<b>\$5,605,145</b>
<i>CIP-Wastewater</i>	<u>\$ 195,000</u>
	<b>\$5,800,145</b>

A half-cent sales tax generates revenue of over 935,000 per year. This revenue helps to pay outstanding treatment plant debt.



*The Wastewater Manager oversees and coordinates the staff involved in day-to-day operations and maintenance of the wastewater treatment facility, lift stations, related process equipment and facilities. The Water and Wastewater divisions work together on a daily basis, assisting one another to ensure both plants function properly to meet permit requirements.*



# 2022 Significant Accomplishments

## Major Improvements

### Campbell/Otter Lakes Restoration

- Environmental Assessment Worksheet

### South Central Drainage improvements

- Storm sewer & streets, west of Rec Center/Civic Arena

## Utilities Projects

### Water

- Concentrate recovery bench testing & pilot study
- Replace concentrate piping
- SCADA upgrades
- Water tower rehabs

### Wastewater

- Complete preliminary treatment/EQ system upgrades
- Initiated WWTF SCADA upgrades
- Lift station upgrade (Hwy 15)
- Remote lift station control update
- Aeration/mixing (E ditch) – Phase II
- Advanced phosphorous removal trials

### Distribution/Collection

- Storm sewer (various locations)
- Manhole lining – Pishney

## Infrastructure Maintenance

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

## Facility Projects

Airport –	Significant repair to door damaged by wind 8/2/22.
Cemetery –	Tree removal
HATS Facility –	Mechanic storage, repair of diesel pump
Water –	Planning security upgrades
Wastewater –	Planning security upgrades

## Vehicles & Equipment

*Significant cost inflation and supply issues resulted in several Public Works vehicles and equipment replacements to be deferred.*

Operations & Maint	Brush chipper
Operations & Maint	Vacuum excavator
Wastewater	Biosolids spreader

## Sustainability

Maintained Green Step Cities Step 4 & 5 status

*A \$3.1 million project to improve Otter & Campbell lakes and the South Fork Crow River was funded by the State's bonding bill in 2020. Project goals include: improve water quality, reduce watershed soil loss, restore habitat, enhance recreation and replenish lost topsoil. Work continues to identify projects to meet these goals.*

*Construction was substantially completed for the South-Central trunk storm sewer by installing stormwater infrastructure and reconstructing streets west of the Recreation Center/Civic Arena. Finishing touches next spring will bring this multi-year project to a close early in 2023.*

*Substantial completion of the wastewater facility preliminary treatment project ended one of the largest projects at the facility since 2007, when a portion of the plant was constructed. This project improved the preliminary treatment system, capturing more solids earlier in the treatment process and adding greater operational control & flexibility.*

## 2023 Major Goals & Objectives

### Major Improvements

Campbell/Otter Lakes Restoration

Roberts Rd SW (Alan St SW to Dale St SW)

- Partial reconstruction + water main

Jefferson St SE (Airport Rd to Edmonton Ave SW)

- Partial reconstruction + trail
- Cooperative project w/ McLeod County

Pavement Improvements

- Century Ave SW (Dale St to Boston St)
- School Rd NW (Golf Course-North High)
- Hwy 15 S trail (Grove St-Linden Ave)

Uptown Grand sanitary sewer realignment

Alley Improvements

- Alley 12 (Taco Johns)
- Alley 55 (Fire Department)

### Utilities Projects

Water

- SCADA upgrades
- Permeate pump VFD installation
- Biofilter air modifications
- Water tower rehabs

Wastewater

- Refine SCADA upgrades
- Lift station upgrade (Our Saviors)
- Install remote lift station controls
- Aeration/mixing optimization (E ditch)  
Phase II commissioning
- Biosolids optimization project
- PFAS sampling & source identification

Distribution/Collection

- Storm sewer (Clean out 2<sup>nd</sup> Ave SW & Southfork ponds)
- Curtain grouting – California, Alaska, Golf Course Rd, Hwy 15 N

### Infrastructure Maintenance

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

### Facility Projects

Airport: Large box hangars, LED lighting, tree removal & drainage ditch

Cemetery: Fencing (Southeast & Ballfield)

HATS Facility: Bonding (tempered storage, fuel system, mechanic space)

Water: Planning security upgrades

Wastewater: Planning security upgrades

### Vehicles & Equipment

*Significant inflation and supply issues caused deferral of several vehicle & equipment replacements.*

Operations & Maint	Brush chipper
Operations & Maint	Vacuum excavator
Wastewater	Biosolids spreader

### Sustainability

Maintain Green Step Cities Step 4 & 5 status

*Otter & Campbell Lakes Restoration project goals include: improve water quality, reduce watershed soil loss, restore habitat, enhance recreation and replenish lost topsoil. Work continues to secure funding and identify projects to meet these goals.*

*Partial reconstruction on Roberts Rd SW will complete the work begun when the high school was built.*

*The City will take over Jefferson St SE between Airport Rd & Edmonton upon completion of improvements.*

*Mill-overlay project for Century Ave SW, School Rd NW to preserve pavement condition. The Hwy 15 S trail, started when Hwy 15 was rehabilitated in 2020 will be done. Alley projects will complete paving in these two alleys adjacent to commercial properties.*

# 2023 Major Goals & Objectives

## Funding, Studies, Planning & Initiatives

### Street Corridor Project Initiatives

- Complete intersection improvements studies, begin to implement recommendations
- Construction cost analysis
- Assessment policy document

### HATS Facility

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

### Airport

- Support funding requests to complete the Mn CAP training facility, site construction.

### Lakes and River Basin Improvements

- Pursue additional funding sources. State bonding request for additional funds.
- 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
  - North High Dr (west and east of Hwy 15 N)

### Water Distribution System

- Water meter replacements
- Water valves in Clifton Heights Addition
- Mapping Michigan St SE/NE water infrastructure
- Cross-connection/backflow program

### Water/Wastewater

- Respond to requests for information regarding water & wastewater rate structure (2023 implementation)
- PFAS monitoring and source reduction efforts; new SIU local limits

### Stormwater Collection/Treatment Systems

- Storm water system resiliency hydrology & hydraulic modeling

### City Sustainability Committee

- Develop climate action plan
- EV Smart City designation

*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

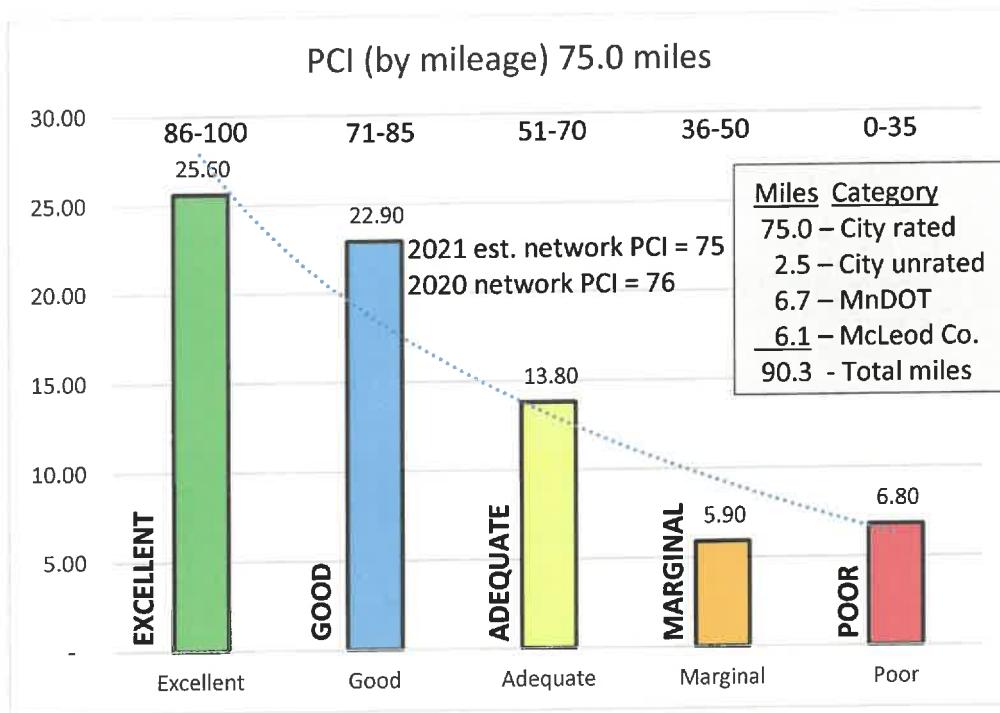
Periodically the City conducts the National Community Survey. In the most recent 2019 survey, citizens identified Safety and the Economy as their two most important issues. Several categories in the survey relate to Public Works, including:

<u>Category</u>	<u>Score</u>	<u>Comparison to national benchmark</u>
Overall ease of travel	83%	Similar
Paths & walking trails	84%	Higher
Ease of walking	85%	Higher
Travel by bicycle	75%	Higher
Travel by public transportation	41%	Similar
Travel by car	78%	Similar
Public parking	68%	Similar <i>increase from 2015</i>
Traffic flow	52%	Similar
Street repair	26%	Lower <i>decrease from 2015</i>
Street cleaning	58%	Similar
Street lighting	78%	Higher <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 75% 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 2022.

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 and 2022, 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 well over \$200 million 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. The current estimated network PCI = 75. In 2020, the last 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.

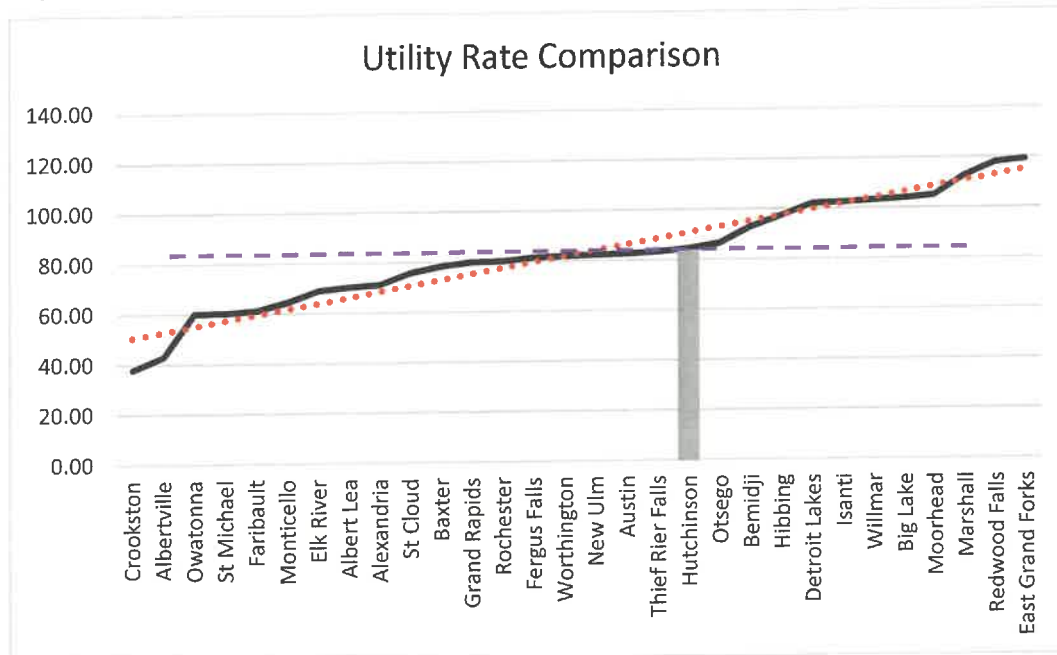
Using average costs for various maintenance options, a budget is calculated. The budget considers increasing PCI by 10%, decreasing PCI by 10% or keeping PCI scores the same. Projects identified in all three scenarios represent high value projects, so they typically end up in the Capital Improvement 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 had done seal coating projects every other year for many years, so many of those streets now have PCI's that are too low to perform another seal coat project. 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 for more than 20 years. These surveys consist of a number of utilities located in the upper Midwest who voluntarily provide information to AE2S.



Source: AE2S 2022 Annual Utility Rate Survey

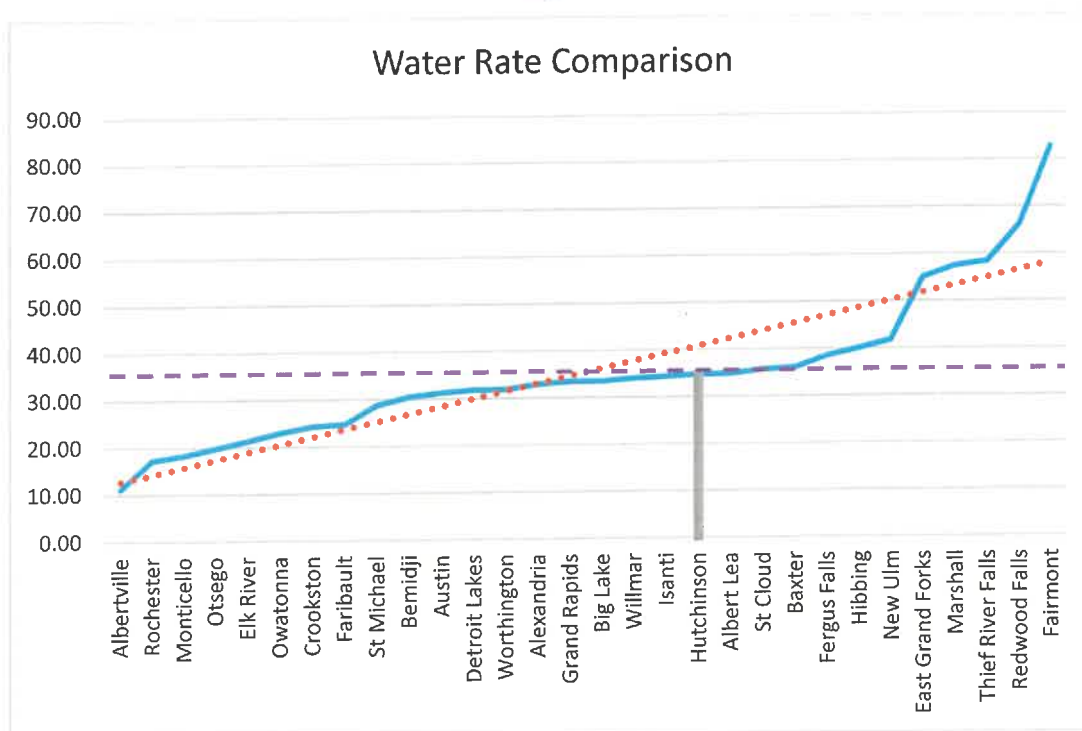
Hutchinson's total utility rates are average (-0.1%), when compared to other outstate Minnesota cities included in the survey. Total utility rates are substantially lower (-28.0%) than average rates of the top five cities surveyed.

From 2007-2008, 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, had resulted in high rates.

In 2012, voters approved a local option sales tax, which ends in 2026. In 2022, actual sales tax receipts were just over \$1.87 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 stable since 2011.

Work on a rate study recently concluded. Changes to water and wastewater rates will begin in 2023. The rate study sought to create a fair rate system to better distribute fixed and variable costs, account for future needs at the plants, recognize debt service needs and address regulatory issues.



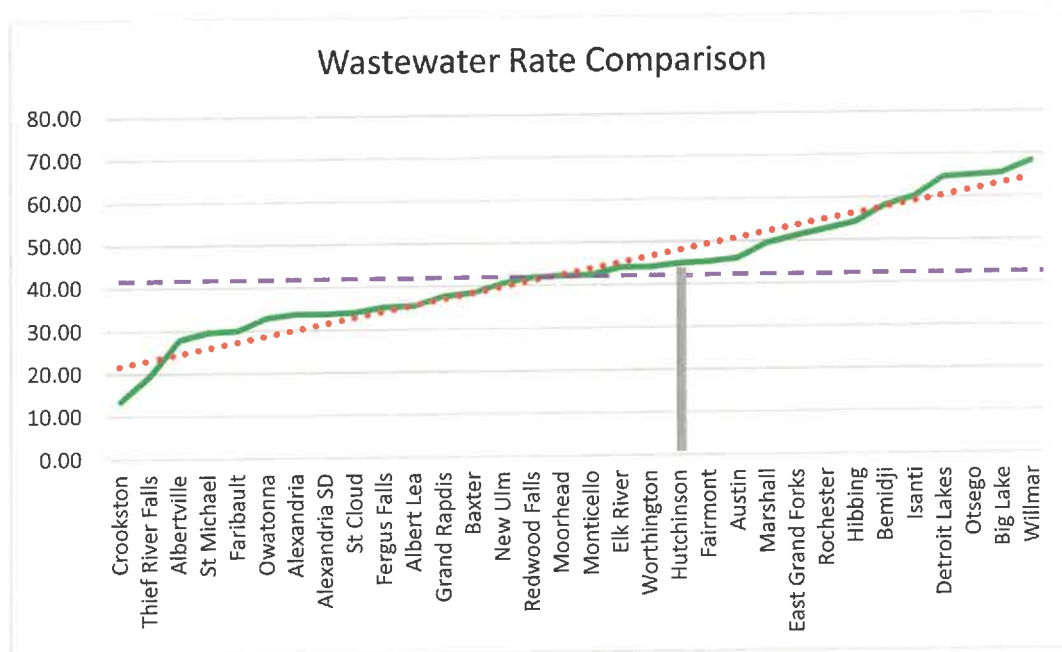


*Source: AE2S 2021 Annual Utility Rate Survey*

Hutchinson's water rates are slightly below average (-2.0%), when compared to other outstate Minnesota cities included in the survey. Water rates are substantially lower (-45.7%) than average rates of the top five cities surveyed.

The recently completed rate study included changes to the City's current water rate structure that will 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 fairly distribute fixed and variable 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.

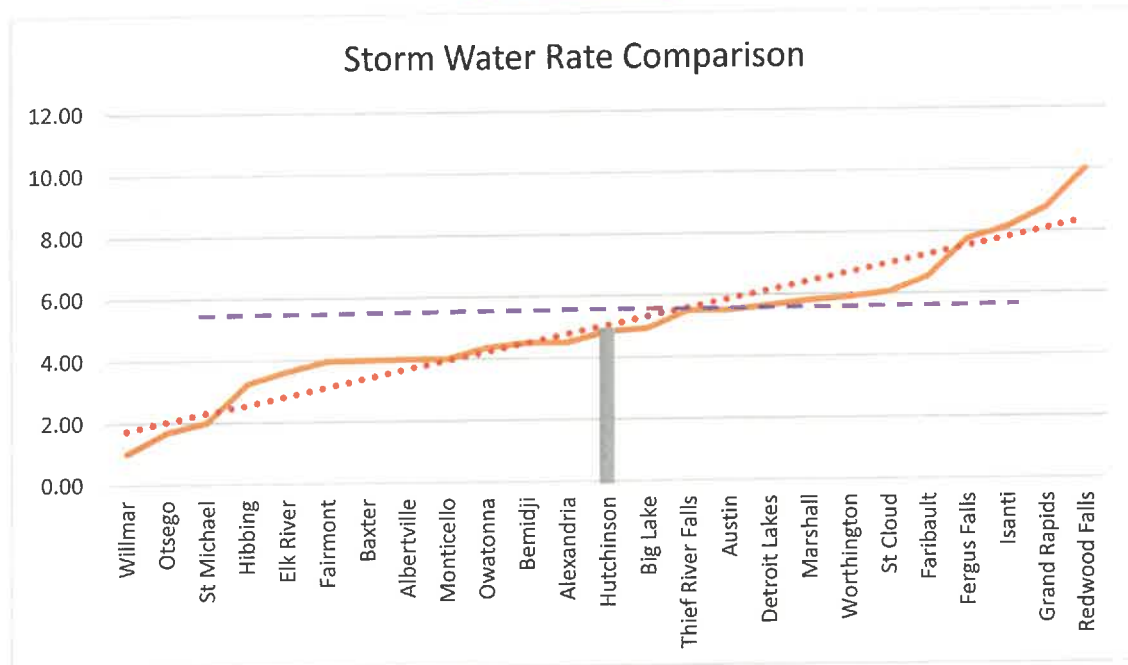
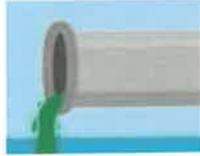


*Source: AE2S 2022 Annual Utility Rate Survey*

Hutchinson’s wastewater rates are slightly above average (+4.1%), when compared to other outstate Minnesota cities included in the survey. Rates are substantially lower (-29.0%) than average rates of the top five cities surveyed.

The recently completed rate study includes changes to the City’s current wastewater rate structure that 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 fairly distribute fixed and variable 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 for 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.



*Source: AE2S 2022 Annual Utility Rate Study*

Hutchinson's storm water rates are well below average (-14.9%), when compared to other outstate Minnesota cities included in the survey. Rates are substantially lower (-53.6%) 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 addressed the project area west of the Recreation Center/Civic Arena. Finishing touches in 2023 will complete this multi-year project.

Public Works staff has recommended adding \$0.05/year for 2024-2028 to account for costs of the Residential Leaf Vacuum service. The additional charges will likely keep rates below average.

There are significant capital needs for storm water infrastructure. Efforts in forthcoming years will focus on understanding the resiliency of local storm water systems in specific areas. Using information gathered, projects will be designed to better manage storm water 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.